

THE WALL STREET JOURNAL.

What's News

Business & Finance

Stocks fell ahead of the Fed's next policy decision as investors grappled with the impact of rising interest rates on corporate earnings and valuations. The S&P 500 lost 1.1%, while the Dow and Nasdaq both retreated 1%. Treasury yields again rose to multiyear highs. **A1, B15**

◆ **Chamath Palihapitiya**, one of the biggest promoters of SPACs, is shutting down two deal-making efforts that together hold over \$1.6 billion after the market collapsed, wiping out tens of billions in startup market value and punishing individual investors. **A1**

◆ **Gap is eliminating** about 500 corporate jobs, according to people familiar with the matter, moving to reduce expenses amid declining sales and profits. **B1**

◆ **China's Tencent** is looking into shedding more of its huge investment portfolio as the company tries to fund a series of share buybacks and refocus its growth strategy. **B1**

◆ **Republican attorneys** general of 23 states are warning Visa, Mastercard and American Express not to move forward with their plan to add a new code to identify when purchases are made at firearms retailers. **B1**

◆ **The FTC is investigating** Amazon.com's proposal to acquire iRobot, which makes the Roomba robot vacuum cleaner, according to a securities filing. **B5**

◆ **Nordstrom adopted** a so-called poison pill to prevent outsiders from boosting their stake in the business after a Mexican company acquired a 9.9% stake in the retailer. **B2**

World-Wide

◆ **Officials in Russian-occupied** parts of Ukraine announced plans for Russia to annex four regions in the country's east and south, while Moscow moved to clear the way for a broader mobilization as the Kremlin seeks a firm response to counter Kyiv's offensive. **A1**

◆ **World leaders called** for donating more money to fight hunger and lifting barriers to food and fertilizer trade to address what they fear will be a prolonged period of food insecurity linked to Russia's war in Ukraine. **A7**

◆ **The federal judge** tasked with reviewing documents seized from Trump's Florida golf club pressed the former president's lawyers on whether they planned to argue that Trump had declassified some of the material in his possession. **A4**

◆ **The Justice Department** charged 47 people in connection with an alleged scheme that stole over \$250 million from a federal program that fed low-income children, in what officials called the largest theft yet uncovered from a pandemic aid program. **A3**

◆ **A former Republican Party** official helped a computer forensics firm inspect voting equipment in Georgia and then made misleading statements under oath about her role in the episode, voting-rights activists alleged in a new court filing. **A4**

◆ **Adults under the age** of 65 should be screened for anxiety disorders and all adults should be checked for depression, a government-backed panel said. **A3**

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Fiona Storms Through Caribbean With Rains, Flash Floods



AFTERMATH: A neighborhood in Higüey, Dominican Republic, was flooded Tuesday after the Dúey River overflowed with heavy rains from Hurricane Fiona. The hurricane strengthened to a Category 3 storm after battering Puerto Rico. **A3**

Stocks Decline Ahead of Fed Rate Decision

Concerns about corporate earnings and stock valuations send indexes lower

By KAREN LANGLEY

Stocks fell on Tuesday ahead of the Federal Reserve's next policy decision as investors grappled with the impact of rising interest rates on corporate earnings and valuations.

The central bank is expected to sharply raise interest rates again on Wednesday in a bid to curb inflation, a move that is expected to eventually slow the economy and likely ding company profits. At the same time, higher interest rates will constrain the prices that investors are willing to pay for a slice of corporate earnings.

Those hurdles could make it harder for major stock indexes to climb out of the gully in which they have found themselves nearly three-quarters of the way through 2022. The S&P 500 has fallen 19% this year, with rising interest rates eating into the lofty valuations that stocks enjoyed for much of the Covid-19 pandemic era.

The S&P 500 dropped 1.1% Tuesday, with all 11 sectors finishing the day in the red, while U.S. government bond yields rose.

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- ◆ Third straight 0.75-point rate rise expected..... **A2**
- ◆ Treasury yields hit multiyear highs as stocks drop..... **B15**

Russia, Stung on Battlefield, To Stage Annexation Votes

MOSCOW—Officials in Russian-occupied parts of Ukraine advanced plans for Russia to annex four regions in the

By *Evan Gershkovich, Matthew Luxmoore and Mauro Orru*

country's east and south, while Moscow moved to clear the way for a broader mobilization as an increasingly pressured Kremlin seeks a firm response to counter Kyiv's offensive.

Russian-controlled parts of the Donetsk, Luhansk, Kherson

and Zaporizhzhia regions of Ukraine said they would hold three-day votes on joining Russia starting this Friday, Moscow's latest effort to consolidate its hold on territory it took months to capture but now risks losing to Ukraine's forces. A Kyiv offensive in the annexed areas would allow Russia to claim an attack against its own territory, raising the threat of an escalation in the conflict.

Russia's lower house of parliament also approved legislation that could help address

its shortage of troops on the battlefield, raising fears that it could announce a full-scale mobilization possibly within days. A months-long campaign to encourage enlistment has failed to shift the balance in Moscow's favor.

The moves come after Ukraine launched an offensive to retake land in the country's northeast earlier this month, handing Moscow a stinging defeat and liberating some 10% of territory Russia had captured since the beginning of its invasion in a lightning-

quick rout.

The advance has buoyed Kyiv and left President Vladimir Putin of Russia facing increasing pressure both at home and abroad. Mr. Putin told President Xi Jinping of China last week that he would address Beijing's concerns about the war, while Prime Minister Narendra Modi of India confronted the Russian leader in public the next day.

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- ◆ Poor harvests add to global food concerns..... **A7**

The Ragtag Army That Saved Kyiv

Citizen volunteers helped win the most consequential European battle since World War II

By JAMES MARSON

KYIV—Outside the Giraffe shopping mall on the western edge of Ukraine's capital, a group of locals prepared to meet the Russian armored column thundering their way.

It was late February, and the Russians, from an elite airborne unit, were riding atop their vehicles, as if expecting a warm greeting. One wore a Cossack woolen hat instead of a helmet. Another hadn't loaded his rifle.

The few dozen Ukrainians from the towns of Irpin and Bucha had other intentions, which they had written on the cement mixer and bulldozer blocking the road: "Welcome to hell."



Local militiamen repelled the Russian advance early on.

After Russia launched an all-out invasion on Feb. 24, a 32-year-old Ukrainian city council member and solar-power entrepreneur named Volodymyr

Korotya had led preparations for a fighting stand. The men were brandishing a grab bag of weapons, including pump-action shotguns and rocket-propelled grenades. Many were dressed in jeans, and few had body armor. Around half of their number, which included a psychotherapist, a firefighter and a bus driver, had never fought before.

"Look what I do and do the same," Mr. Korotya, who had seen combat in the Ukrainian army, told the recruits.

As a vanguard of a dozen armored vehicles rumbled over the bridge between Bucha and Irpin and began to climb the hill toward them, the Ukrainians opened fire.

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Trader Joe's Hoarders Empty Shelves

Stockpilers snag brand's BBQ chips, pumpkin ice cream

By RAY A. SMITH AND JAEWON KANG

After loading up on boxes of Trader Joe's ube-flavored mochi ice cream, Natasha Fischer brought them home, recorded a video for Instagram and put them straight into her freezer.

Online, Ms. Fischer's ice cream stockpiling drew backlash on her Trader Joe's List account, where she has nearly two million followers, with people grumbling that hoarders are the reason they can't find the products they want. Ms. Fischer, who lives in Los Angeles and runs a cookware business, wasn't deterred, saying she was certain

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'SPAC King' Falter, Closes Two Ventures

By AMRITH RAMKUMAR

One of the biggest promoters of SPACs is shutting down two deal-making efforts that together hold more than \$1.6 billion after the market collapsed, wiping out tens of billions in startup market value and punishing individual investors.

Chamath Palihapitiya will wind down and return cash from the two special-purpose acquisition companies to shareholders after failing to find companies to take public. Giving up is an admission by the brush venture capitalist dubbed the "SPAC king" that the market that helped make him a mainstay on business television has effectively shut down.

Share prices for companies he took public in earlier deals like space-tourism venture Virgin Galactic Holdings Inc. and personal-finance app SoFi Technologies Inc., are down more than 60% in the past

year, causing big losses for his followers. With that record, it wasn't clear investors would support his deals, making his SPACs less attractive to startups they might try to acquire.

SPAC investors have been pulling money out of nearly all deals lately, making it difficult to complete mergers.

Mr. Palihapitiya joins other notable SPAC creators such as hedge-fund manager Bill Ackman and baseball executive Billy Beane in shutting down blank-check companies during this year's market turmoil.

Rising interest rates and high inflation have slowed new public listings through SPACs and initial public offerings to a fraction of 2021's record pace.

Mr. Palihapitiya and other executives that set up the SPACs, Social Capital Hedosophia Holdings Corp. IV and Social Capital Hedosophia Hold-

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INSIDE



SPORTS

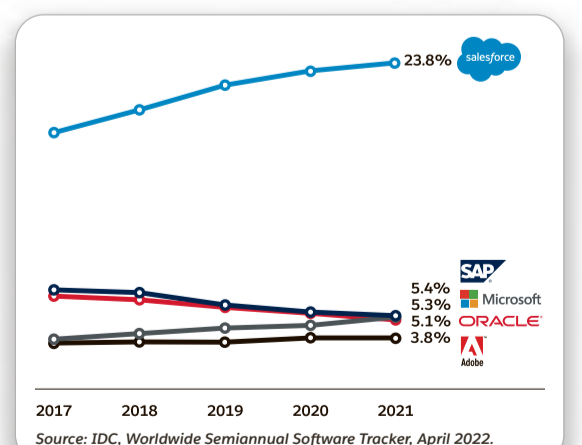
High-school girls are leaving basketball amid more sports options. **A14**

BUSINESS & FINANCE

Uber is latest victim of international group of hackers targeting tech companies. **B1**

Salesforce. #1 CRM.

Ranked #1 for CRM Applications based on IDC 2021 Revenue Market Share Worldwide.



Source: IDC, Worldwide Semiannual Software Tracker, April 2022.



salesforce.com/number1CRM

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U.S. NEWS

Rising Housing Costs Drive Up Inflation

By DAVID HARRISON

Rents and other shelter costs are emerging as a major driver of overall consumer inflation, keeping it high at a time when many other sources are starting to ease.

Economists expect housing inflation to strengthen further before cooling off in the coming months, but are unsure of when relief will appear. This creates another challenge for the Federal Reserve as it raises interest rates to reduce price pressures.

Overall annual inflation eased to 8.3% in August from 8.5% in July, according to the Labor Department's consumer-price index. That reflected declines from the month before in prices for items such as gasoline, airfares and used cars, and slower price increases in other categories, such as groceries.

Housing was an outlier. Not only are shelter costs rising, they are climbing at an acceler-

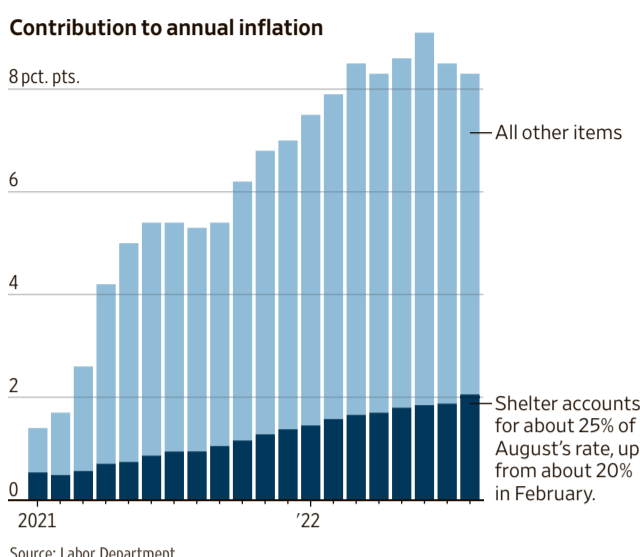
ating pace, accounting for a growing share of the overall inflation rate—about 25% of August's rate, up from about 20% in February.

Shelter costs—mostly rents and a gauge of home prices known as owners' equivalent rent—rose 0.7% in August from the previous month, up from 0.5% in July. They rose 6.2% in August from a year before, up from 5.7% in July.

The price of housing “was always going to be a persistent boost to inflation this year,” said Omair Sharif, head of the advisory firm Inflation Insights LLC. “It has absolutely ticked up over the last three months and it is offsetting declines in things like airfares and hotel rates.”

Fed officials have raised interest rates this year at the fastest clip in decades to combat inflation, which hit a 40-year high in June. They are widely expected to lift rates by 0.75 percentage point after their

Housing accounts for an increasing share of overall inflation.



Source: Labor Department

two-day policy meeting concluding on Wednesday. That would be the third consecutive increase of that size.

Rising housing costs also in-

crease the chances that the Fed will raise interest rates by 0.75 percentage point again at its November policy meeting, economists at Barclays wrote in a

report for clients.

Economists and firms tracking private data expect housing inflation in the CPI to cool eventually because the rent increases they see in new leases appear to be slowing. That should show up in the CPI with a lag because of the way it is constructed, they say.

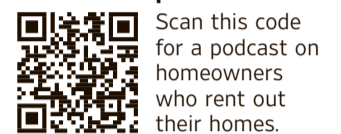
Most of the time, most renters pay the same price every month, while those who renew their lease or sign new ones are more likely to see an increase. Private firms, such as Apartment List Inc., which tracks rental prices, record only the rent amounts in new leases. By this method, the median U.S. rent increased 10% in August from the previous year, down from a recent peak of 18% in November 2021, according to data from Apartment List.

The CPI's rent component, in contrast, is estimated based on rents paid across the market, which includes rents raised

months ago. Home prices surged during the pandemic. But government agencies don't take home prices directly into account when calculating inflation because they consider a home purchase to be a long-term investment rather than a consumer good.

Instead, the CPI uses rents to create its estimate of homeowners' housing costs—called owners' equivalent rent—which calculates the imputed rent, or what homeowners would have to pay each month to rent their own house. Because rents rose strongly over the past year, those increases are now feeding into the CPI and other inflation measures.

Listen to a podcast



U.S. WATCH

NEW YORK CITY

Vaccine Mandate in Private Sector to End

Mayor Eric Adams said Tuesday that he was ending New York City's Covid-19 vaccine mandate for private-sector workers on Nov. 1, rolling back one of the city's last pandemic restrictions as reported cases remain low.

Mr. Adams said he was lifting the mandate to offer businesses more flexibility, but he was still encouraging workers to get vaccinated and boosted. “This puts the choice in the hands of New York businesses,” he said.

Mayor Bill de Blasio created the mandate in December 2021 shortly before Mr. Adams took office. The mandate, one of the first of its kind in the U.S., required most private-sector employees to have at least two vaccine doses to work in person.

—Alyssa Lukpat

NEW YORK CITY

All Subway Cars Will Get Security Cameras

New York City will install security cameras in every subway car, Gov. Kathy Hochul said Tuesday, as some New Yorkers have expressed concern over a string of high-profile crimes on the subway.

Ms. Hochul, a Democrat, said she hoped the cameras would offer riders peace of mind, deter criminals and give law-enforcement agencies footage to solve crimes. “You think Big Brother's watching you on the subways?” she said. “You're absolutely right. That is our intent.”

Still, the governor said transit crime has dropped since May and is down 4.5% since 2019.

—Alyssa Lukpat

SEATTLE

Teachers Approve Contract After Strike

Teachers approved a three-year contract following a strike that delayed the start of the school year in Washington state's largest district.

The vote results were announced Tuesday by the union, the Seattle Education Association. The strike began Sept. 7, which was supposed to be the first day for about 49,000 students. The start of the school year was delayed by five school days.

Picketing teachers said their main concern was educational

and emotional help for students, especially those with special needs or learning difficulties that have been exacerbated by the pandemic. The new contract includes additional support staff in classrooms.

—Associated Press

WASHINGTON, D.C.

NTSB Wants Cars to Check Alcohol Levels

The National Transportation Safety Board is recommending that all new vehicles in the U.S. be required to have blood alcohol monitoring systems that can stop an intoxicated person from driving.

The new push to make roads safer was included in a report released Tuesday about a crash last year in which a drunken driver collided head-on with another vehicle near Fresno, Calif., killing both adult drivers and seven children.

The NTSB, which has no regulatory authority and can only ask other agencies to act, said the recommendation is designed to put pressure on National Highway Traffic Safety Administration to move.

“We need NHTSA to act. We see the numbers,” NTSB Chairman Jennifer Homendy said. A message was left Tuesday seeking comment from NHTSA.

—Associated Press

FDA

Agency Warns Over NyQuil-Chicken Trend

The Food and Drug Administration is warning people not to abuse nonprescription drugs as part of social-media challenges, including cooking chicken in NyQuil.

The FDA warns that misusing nonprescription medications can be dangerous or even fatal. The agency says that inhaling a medicine's vapors while cooking with it could cause a person to ingest a high amount of the drug. In the case of the NyQuil-chicken challenge, the FDA says a person could hurt their lungs.

—Allison Prang



STAR MEMORIES: A preview of an auction of property belonging to actor Betty White, who died in December, in Beverly Hills, Calif.

Stocks Fall Ahead of Fed Move

Continued from Page One yields again rose to new multi-year highs as prices declined.

The Dow Jones Industrial Average declined 313.45 points, or 1%, to 30706.23. The Nasdaq Composite fell 109.97 points, or nearly 1% to 11425.05.

Traders are assigning an 82% probability to the central bank lifting interest rates 0.75 percentage point at the conclusion of Wednesday's meeting and an 18% chance to a full-percentage-point increase, according to CME Group's FedWatch Tool.

Evidence last week that in-

flation accelerated in August despite the Fed's aggressive rate-raising campaign dashed hopes that stocks were due for a turnaround. Data showed a sharp month-over-month increase in core consumer prices, which exclude food and energy, as well as higher-than-expected annual inflation. That prompted traders to bet the Fed will lift rates faster and sent major stock indexes falling in their worst day since 2020.

“That news really took the wind out of the sails of a lot of the most hopeful investors that inflation was going to drop,” said Tim Courtney, chief investment officer at Exential Wealth Advisors, which is based in Oklahoma City and manages about \$3.7 billion.

After 2022's fierce selloff, stocks are commanding lower prices in terms of company

profits. The S&P 500 trades at 16.6 times its projected earnings over the next 12 months, down from 21.5 at the end of 2021 and below the 10-year average, according to FactSet.

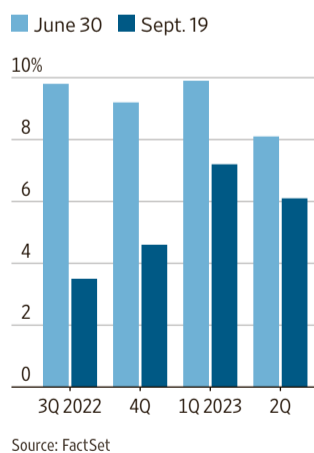
Higher interest rates could make investors even less inclined to pay steep valuations for portions of companies' future profits.

And as rising interest rates filter through the economy and suppress growth, many investors think earnings look increasingly vulnerable. Analysts in recent months have cut their forecasts for profit growth in the coming quarters.

John Porter, chief investment officer and head of equities at Newton Investment Management, said stock valuations could compress further, but he is especially worried about the path for earnings.

“That combination of the

S&P 500 quarterly earnings growth, by date of estimate



Source: FactSet

earnings concerns that are most significant in my mind but with a little bit of potential valuation pressure...that's a tough combination for the short term market environment,” he said.

Mr. Porter said he has been keeping cash levels moderately higher than usual in portfolios he manages.

As more companies report results, investors will be watching how tighter monetary conditions and continued inflation are affecting the bottom line.

Expectations for third-quarter earnings growth have dropped in recent months for sectors from technology to industrials to financials.

Analysts project profits among companies in the S&P 500 will rise 3.3% from a year earlier, down from forecasts for 9.9% growth on June 30, according to FactSet. Estimates for 2022 growth have

declined to 7.7% from 9.6% over that time.

Analysts are watching a trickle of earnings reports this week from companies including Cheerios cereal maker General Mills Inc., Olive Garden parent Darden Restaurants Inc. and delivery giant FedEx Corp.

FedEx shares plunged 21% Friday, their largest one-day decline on record, after the company said quarterly revenue fell more than the company expected and it would close offices and park aircraft in response to declining package volumes.

The sales warning exacerbated worries about the health of the economy and weighed on the broader market, contributing to the S&P 500's worst week since June.

Some money managers point out that the retreat in valuations has left stocks more reasonably priced—boosting the potential reward they offer today's investors.

But with reason to think the Fed will continue lifting rates and past increases still working their way through the economy, many fear it is too soon to bet on a sustained rally for stocks.

“If you think that you have to buy equities at the darkest hour before dawn,” said Irene Tunkel, chief U.S. equity strategist at BCA Research, “I would say that we are still at around 2 o'clock in the morning.”

She added: “We're still about to see the effects of tightening. We're about to see to what degree the economy will contract.”

Third Straight 0.75-Point Rate Rise Expected

By NICK TIMIRAO

The Federal Reserve is expected to approve its third consecutive interest-rate increase of 0.75 percentage point on Wednesday, while signaling plans to raise and hold its benchmark rate above 4% in coming months to battle inflation.

Investors see a small chance of a larger rate rise of a full percentage point, or 100 basis points, at the Fed's policy meeting. A few analysts have said last week's report showing high inflation could force central-bank officials to debate the merits of the larger move. But others think surprising the public with a larger rate rise could fuel questions over the central bank's broader strategy and tactics.

“They would only go for 100 if they saw a fundamental change in where they thought the economy and inflation were going, and I doubt one month's data was enough to do that,” said William English, a former senior Fed economist who is now a professor at the Yale School of Management. “You could do 100 if you really wanted to stamp your foot and say, ‘This is unacceptable.’ To me, it doesn't seem like they need it.”

Some Fed officials have voiced concerns recently about potentially overdoing rate rises. Sticking with a 0.75-point rate rise “still provides the Fed with scope to tighten policy substantially further in the near term without unnecessarily backing” into ever-larger moves that could make it even more difficult to slow or stop the increases, said Matthew Luzzetti, chief U.S. economist at Deutsche Bank, in a recent report.

When Fed officials began their pre-meeting quiet period on Sept. 10, some had been mulling whether to raise rates by 0.5 point or 0.75 point this week, but the inflation report likely ended any prospect for the smaller move. On Monday, investors in interest-rate futures markets saw an 82% probability of a 0.75-point rate rise and an 18% probability of a full-point increase, according to CME Group.

Equally important will be the signals Fed officials send about how much higher they expect to raise rates, and how fast they expect to do so, and what they expect the economic consequences to be. These will come through officials' new rate projections, to be released Wednesday.

The Fed has raised its benchmark federal-funds rate at its past four meetings, most recently in July, to a range between 2.25% and 2.5%. In officials' June projections, most saw lifting the rate above 3.25% this year and to just below 4% by next year.

Many analysts anticipate the new projections to show Fed officials expecting to raise the rate slightly above 4% this year.

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CORRECTIONS & AMPLIFICATIONS

Yeshiva University said in a message to students on Friday that it would “hold off on all undergraduate club activities while it immediately takes steps to follow the roadmap provided by the US Supreme Court to protect YU's religious freedom.” A U.S. Watch article on Monday about the school's decision omitted “the roadmap” in quoting the message.

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

U.S. NEWS

Dozens Charged With Theft Of Aid for Children

By SADIE GURMAN

The Justice Department charged 47 people in connection with an alleged scheme that stole more than \$250 million from a federal program that fed low-income children, in what officials called the largest theft yet uncovered from a coronavirus pandemic aid program.

Federal prosecutors said those charged created entities that claimed to be providing meals to tens of thousands of children who didn't exist. The defendants then sought reimbursement through the U.S. Department of Agriculture's child-nutrition programs and used the money to buy luxury cars, real estate, jewelry and international vacations, prosecutors said. Many of the organizations claiming to be serving food were sponsored by a Minnesota-based nonprofit called Feeding Our Future, which submitted their claims for reimbursement.

"What is spelled out in the charges details a blatant display of greed," Michael Paul, special agent-in-charge of the Federal Bureau of Investigation's Minneapolis field office, said Tuesday. "The subjects in this case weren't interested in feeding our future. They were interested in feeding their own gluttony."

The cases, brought by the U.S. attorney's office in Minnesota, are part of the Justice Department's stepped-up efforts to uncover theft from programs intended to provide aid after the outbreak of the pandemic in 2020. The department said it has taken enforcement actions related to more than \$8 billion in pandemic fraud, bringing charges against thousands of people. Kevin Chambers, the Justice Department's director of Covid-19 fraud en-

\$8B

Total alleged pandemic fraud covered by U.S. legal actions.

forcement, said the Minnesota cases represent "the very type of fraud that the department has identified as a foremost enforcement priority."

Among those whose indictments were announced Tuesday was Aimee Bock, the founder and executive director of Feeding Our Future. Prosecutors said she oversaw the scheme, working with others in the group to submit fraudulent reimbursement claims and receive kickbacks. Ms. Bock was charged with wire fraud, federal-programs bribery and conspiracy.

Her attorney Kenneth Udoibok denied she had committed the crimes, suggesting instead that she was a victim.

"I don't know where the government is going to be able to prove fraud and conspiracy on the part of Aimee Bock," Mr. Udoibok said. "An indictment by no means is an indication of guilt or innocence, it's just the beginning of the criminal process."

Other defendants face similar charges as well as money laundering. Three were expected to plead guilty and admit their roles in the scheme, Minnesota's U.S. Attorney Andrew Luger said.

The scheme involved a USDA-funded program to provide free meals to children in low-income families. Sites that serve the meals are sponsored by nonprofit groups such as Feeding Our Future. The sponsoring group keeps 10% to 15% of the reimbursement funds as an administrative fee.

Prosecutors said defendants falsely claimed to have served more than 125 million meals to children whose names and ages they invented for documentation. Feeding Our Future sponsored over 200 feeding sites throughout Minnesota, knowing the sites intended to submit fake claims. In exchange, Feeding Our Future took in more than \$18 million in administrative fees the government said it wasn't entitled to.

Fiona Strengthens After Puerto Rico

By ALYSSA LUKPAT

Hurricane Fiona strengthened to a Category 3 storm Tuesday after battering Puerto Rico and knocking out most of its power, becoming the first major hurricane of the Atlantic season.

Fiona overwhelmed Puerto Rico with downpours, landslides and flash floods, causing catastrophic damage to homes, infrastructure and the island's

fragile power grid. The island's National Guard said some areas have had floodwaters as high as 6 feet, forcing dramatic rescues.

The storm, which was moving north-northwest through the Caribbean on Tuesday, was blamed for the deaths of two people: a 58-year-old man who fell into a river and a man who ignited a fire while he was trying to fill his generator with gasoline, said Sheila Anglero, a

spokeswoman for Puerto Rico's governor.

About 60% of the island had no water service on Tuesday while nearly 1.2 million customers, representing most of the island, remained without power, officials said.

Fiona unleashed the damage in Puerto Rico before forecasters upgraded it on Tuesday to a Category 3 hurricane. The storm, which had maximum sustained winds of

nearly 115 miles an hour, was expected to strengthen to a Category 4 storm in the coming days, forecasters said.

The storm's eye was moving north-northwest over Turks and Caicos on Tuesday, where it was set to bring heavy rains and life-threatening floods, the National Hurricane Center said.

Fiona was also expected to bring heavy rains to some of the northernmost Caribbean

islands, including the Bahamas, the U.S. and British Virgin Islands and the Dominican Republic.

The storm was yet another blow to Puerto Rico, whose struggling economy has left officials strapped to fund reconstruction efforts after Hurricane Maria in 2017. Maria caused \$80 billion in damage and killed about 3,000 people, according to a government-commissioned study.



Chicago Building Hit by Blast

Multiple people were injured in Chicago after an explosion collapsed the top floor of a residential building, fire department officials said.

Eight people were transported to nearby hospitals after the structure collapsed in the South Austin neighborhood on the city's West Side. Their injuries ranged from burns to traumatic injuries, said Marc Ferman, deputy fire commissioner at the Chicago Fire Department.

Three of the victims were in serious to critical condition, fire officials said. One person was transported from a building across the street.

First responders, left, worked the scene on Tuesday. The source of the explosion was unknown several hours after crews first arrived, fire department officials said.

—Jennifer Calfas

FDA Review Faults Weak Baby-Formula Oversight

By JESSE NEWMAN

An internal Food and Drug Administration review found that numerous shortcomings hampered the agency's response to problems with the U.S. infant-formula supply this year.

A 10-page report released Tuesday said that a "confluence of systemic vulnerabilities" helped explain the events surrounding a recall of formula produced by **Abbott Laboratories**, which exacerbated an existing supply shortage.

Problems ranged from outdated technology at the FDA to limited training on formula among FDA investigators, the report said. It said funding limitations and gaps in the understanding of cronobacter, the type of bacteria that prompted Abbott's recall, impeded the FDA's response to

this year's incidents and the agency's ability to regulate and oversee formula.

Abbott shut down its largest formula factory in Sturgis, Mich., in February because of safety concerns related to some of its Similac products. For months afterward, families struggled to find formula in U.S. grocery stores, with about 30% of products out of stock in July, according to the market-research firm IRI. Availability has been improving since then, IRI data showed in August.

The FDA's report said the infant-formula industry uses "dated technology and record keeping practices" that can delay the gathering of information needed for product recalls.

It said that Covid-19 cases at Abbott's Michigan plant delayed the FDA's in-person response to complaints raised

about products manufactured there and that conditions at the facility weren't consistent with a strong food safety culture.

Abbott and the FDA have come under criticism this year for what lawmakers said was a slow response to problems in Sturgis.

The FDA said Tuesday that it agreed with the report's findings. The agency said it has already updated some of its processes and procedures to be able to respond to public-health emergencies more quickly, including the enhancement of its emergency-response structure and improved ways for the public to report concerns over food products.

The agency said it has also established a data system to track the production, distribution and purchase of formula.

Anxiety Screening Suggested for Adults

By BRIANNA ABBOTT

Adults under the age of 65 should be screened for anxiety disorders and all adults should be checked for depression, a government-backed panel said, as many Americans report symptoms of these mental-health conditions following the height of the Covid-19 pandemic.

The draft guidance released Tuesday marks the first time that the United States Preventive Services Task Force has made a recommendation on screening adults for anxiety disorders. The move comes months after the task force issued similar draft guidance for children and adolescents.

The task force said that there wasn't enough evidence on whether or not screening all adults without signs or symptoms ultimately helps prevent suicide. The group

didn't recommend for or against screening for suicide risk, but called for more research in the area.

The task force, a panel of 16 independent volunteer experts, issues guidance on preventive care measures. Health insurers are often required to cover services recommended by the task force under a provision in the Affordable Care Act.

More than 30% of adults reported having symptoms of an anxiety disorder or depressive disorder this summer, according to estimates from the federal Household Pulse Survey.

Mental-health screening often occurs in doctor's offices, where patients fill out questionnaires. The goal is to spot at-risk people who might not be showing obvious signs.

Task-force members reviewed evidence from some 173 studies that looked at screening test accuracy.

Student-Debt Proposal Expected To Face Several Legal Challenges

By GABRIEL T. RUBIN AND JACOB GERSHMAN

WASHINGTON—The Biden administration and Republican opponents of mass student debt cancellation appear headed for a legal confrontation with hundreds of billions of dollars at stake just weeks before the November midterm elections.

GOP state attorneys general, conservative groups and federal lawmakers are laying the groundwork to challenge President Biden's executive action to cancel up to \$20,000 of debt for most of the 40 million people with federal student loan debt. Would-be plaintiffs can't take action until the administration makes a formal move toward cancellation, such as releasing an application for loan forgiveness or wiping out the balances of a first batch of borrowers.

The Education Department has said it would unveil an application for borrowers to register their income and Pell Grant status, two factors that determine relief eligibility, by early October. At that point, the department could move ahead with canceling the debt of nearly eight million borrowers whose relevant income data is already available to the department. Republican legal challenges are expected to



Education chief Miguel Cardona

start then, and legal experts say it is possible that the administration's plan could be frozen by a federal judge within days.

That could throw the financial future of tens of millions of potential voters into uncertainty just weeks before Election Day on Nov. 8, and provide a real-world test of student debt's potency as a political issue.

"The administration doesn't have the authority to do what they are doing," said North Carolina Sen. Richard Burr, the top Republican on the Senate Health and Education committee.

The administration, which says it has the legal authority

to pursue mass debt cancellation under emergency powers invoked during the pandemic, says it is ready for a legal battle.

"We're acting on our authority and we believe that we have not only the right, but the responsibility to make sure Americans are not worse off after the pandemic than before it," Education Secretary Miguel Cardona said earlier this month.

Abdullah Hasan, a White House spokesman, said Republicans pursuing legal challenges are "trying to keep millions of working middle-class Americans in mountains of debt."

Democratic supporters of debt cancellation concede that a legal challenge could succeed, especially if it reaches a conservative-leaning Supreme Court. After the Court's decision to overturn abortion rights protections, a legal defeat there might have the effect of further galvanizing Democratic voters, some lawmakers say.

Among the parties working on potential lawsuits are the Job Creators Network, a conservative group, and several state attorneys general. JCN President Alfredo Ortiz said his group was "evaluating our options" because "litigation cannot commence until the administration takes official action."

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U.S. NEWS

Master Prods Trump Team Over Papers

By JAMES FANELLI
AND JAN WOLFE

The federal judge tasked with reviewing documents seized from Donald Trump's Florida golf club on Tuesday pressed the former president's lawyers on whether they planned to argue that Mr. Trump had declassified some of the material in his possession.

Judge Raymond Dearie, holding his first public hearing as a special master in the case in Brooklyn, N.Y., said that if some of the seized documents bear markings of being classified, that would be a strong reason not to provide them to Mr. Trump's legal team unless his lawyers could claim otherwise.

"As far as I'm concerned, that's the end of it," the judge said.

James Trusty, a lawyer for Mr. Trump, sought access to the documents marked classified, saying his legal team needed to see them to inform its potential arguments that

Mr. Trump had declassified the material that federal agents took from his property.

Mr. Trusty didn't assert that the former president had actually done so, however, prompting Judge Dearie to say: "You can't have your cake and eat it."

Justice Department lawyers told the judge some of the classified documents were so sensitive that some members of its review team hadn't yet received clearance to examine them. Judge Dearie said he would treat those records carefully.

The judge used his initial hearing to outline a plan to inspect the 11,000 seized records over the next several weeks to determine whether some documents are protected by executive privilege.

Judge Dearie said he was tasked with making a discrete number of legal judgments that "I will endeavor to make responsibly and in due course."

Mr. Trump's lawyers last month asked for the appointment of a special master, an independent arbiter who reviews



Judge Raymond Dearie, serving as special master to review documents seized from Donald Trump's Florida club, held a hearing Tuesday.

evidence and filters out communications that are protected by attorney-client privilege or are deemed otherwise off-limits to prosecutors.

U.S. District Judge Aileen Cannon in Florida granted the request and appointed Judge Dearie, a widely respected semi-retired judge. She ordered him to complete his review by Nov. 30 and to make recommendations for resolving any disputes between the government and Mr. Trump about how the items are characterized.

The Justice Department has said Judge Cannon's order effectively halted its criminal investigation into Mr. Trump's handling of documents taken from Mar-a-Lago, as well as a parallel inquiry by intelligence officials into national-security risks.

The ambit of Judge Dearie's task remains unclear, in part because of an appeal filed by the Justice Department to the 11th U.S. Circuit Court of Appeals in Atlanta.

In a Sept. 16 motion to the appeals court, prosecutors

asked permission to resume investigating roughly 100 documents marked as classified. They asserted that because the documents are by definition government property, there is no need for a special master to determine whether they should be returned to Mr. Trump.

In appointing Judge Dearie a special master, Judge Cannon said he could consult with the National Archives and Records Administration in making his determinations on records. The Presidential Records Act requires records to be turned

over to the Archives at the completion of an administration. Justice Department attorneys have urged Judge Dearie to consult with the agency.

Mr. Trusty argued Tuesday that Judge Dearie shouldn't consult with NARA, calling the agency "highly politicized." Judge Dearie said he didn't immediately plan to consult with NARA but would inform Mr. Trump's lawyers if he did.

"I won't hesitate if I need their help," the judge said.

—Sadie Gurman
contributed to this article.

Footage Shows Ally of Ex-President Eyeing Voting Gear

By JAN WOLFE

WASHINGTON—A former Republican Party official helped a computer forensics firm inspect voting equipment in Georgia and then made misleading statements under oath about her role in the episode, voting-rights activists alleged in a new court filing.

The court filing, which includes time-stamped screenshots of surveillance footage, describes what happened inside the Coffee County, Ga., elections office on Jan. 7, 2021, an episode that is being investigated by law-enforcement agencies in the state.

Screenshots of video footage shows Cathy Latham, a former Republican Party official in Georgia, spending the day at the elections office in the southeast of the state, welcoming representatives of a computer forensics firm called SullivanStrickler, and taking them to a room that stored equipment known as "poll pads," which contain sensitive voter data.

Mrs. Latham "was a primary facilitator of the breach of Georgia's voting system," the court filing alleged, adding that she has made repeated "false statements" about what happened that day.

Mrs. Latham, who now resides in Texas, was one of the



This Jan. 7, 2021, image taken from a Coffee County, Ga., security video appears to show Republican official Cathy Latham, center with white hair, introducing local election officials to a computer forensics team hired by an ally of former President Donald Trump.

dozens of people in seven states who tried to submit false slates of electors as part of an effort to overturn the 2020 election in favor of former President Donald Trump. During the 2020 election, she was chair of the Coffee County Republican Party and oversaw party organizing in many other smaller counties.

An attorney for Mrs. Latham, Bob Cheeley, didn't respond to an email seeking comment. Mrs. Latham's lawyers said in a court filing last week that she testified to the best of her memory.

"Failure to have completely accurate recall of the details of events that occurred on a specific date...is not uncommon,

and it is a far cry from lying," the lawyers said.

Atlanta-based SullivanStrickler was hired by Sidney Powell, a former legal adviser to Mr. Trump who helped spearhead his efforts to challenge President Biden's victory in November 2020.

"We are on our way to Coffee County Georgia to collect

what we can from the Election / Voting machines and systems," a SullivanStrickler executive said in an email to Ms. Powell on the morning of Jan. 7, 2021, that was disclosed in the litigation.

Ms. Powell didn't respond to a request for comment. SullivanStrickler didn't respond to a request for comment. The

firm told the Atlanta Journal-Constitution last month that it had "no reason to believe" it was being asked to do anything illegal or improper in visiting the Coffee County elections office.

In a deposition last month, Mrs. Latham testified under oath that she was only very briefly present at the elections office that afternoon and wasn't involved in SullivanStrickler's activities that day.

The video screenshots in the court filing contradict that, showing Mrs. Latham arriving at 11:37 a.m., spending much of the day there, and taking a selfie with one of the forensics experts before leaving at 6:19 p.m.

The video footage was obtained by a group of voters and the Coalition for Good Governance, a voting-rights advocacy group. A lawsuit they filed in 2017 has slowly made its way through the court, alleging that Georgia's touch screen voting machines aren't secure.

The lawsuit has taken on new significance since the November 2020 election because the plaintiffs have issued subpoenas for Mrs. Latham's electronic devices. Mrs. Latham's lawyers have opposed the request, which will be decided by U.S. District Judge Amy Tenenberg in Atlanta.

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On Tuesday, Sept. 20, Sato Pharmaceutical held "Yankees T-shirt Night" and gave away free original T-shirts to the first 15,000 guests at Yankee Stadium.

The original T-shirt, specifically produced for this event, carries the logos of both the New York Yankees and Sato Pharmaceutical. Many fans put on the T-shirt right away as they prepared to enjoy the game. Sato Pharmaceutical's loveable mascot characters, Sato-chan and Satoko-chan, donned the Yankees' uniforms to meet and greet fans at the Stadium. Sato Pharmaceutical has advertised on the home plate rotating signage at Yankee Stadium for 10 years, since 2013. For more than 100 years, the company has supplied safe and high-quality pharmaceutical products as part of its commitment to making the world a healthier place for all.



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Manchin Set to Release Permitting-Bill Details

By KATY STECH FERREK

WASHINGTON—Sen. Joe Manchin (D., W.Va.) said he would soon release the complete details of his permitting bill, designed to speed up energy projects, as he blamed "revenge politics" for opposition to his proposal from liberal Democrats as well as Republicans.

"We have to have energy independence," he said at a press conference, pitching the bill as a balanced way to both boost fossil-fuel and renewable-energy production, while helping to rein in inflation. "That's what I'm all about."

Mr. Manchin said the full text of the bill would be released Wednesday and that he continues to expect the proposal to be included with a short-term spending package later this month. Congress must pass legislation before Oct. 1 to continue funding the government to avoid a partial government shutdown.

Mr. Manchin demanded that Congress pass an energy-permitting bill as a condition for his vote in support of Democrats' climate, healthcare and tax law, dubbed the Inflation Reduction Act, which has tax incentives to spur renewable energy projects.

To give the permitting bill a better shot at passage, Senate Majority Leader Chuck Schumer

(D., N.Y.) has said he would include the measure in the short-term spending bill. Mr. Manchin and Mr. Schumer said Tuesday that the pledge remained in place. Lawmakers are also pushing to add Ukraine funding to the legislation, which must pass with a simple majority in the House and 60 votes in the evenly divided Senate.

Various Democrats have expressed hesitations about the permitting bill's proposal to shorten environmental reviews. Rep. Raúl Grijalva of Arizona, chairman of the House Natural Resources Committee, has gathered more than 70 signatures from his colleagues for a letter expressing opposition to including permitting reform in must-pass legislation, such as the spending bill.

Senate Republicans are also signaling they will oppose the permitting measure, skeptical of assurances it will help the fossil-fuel industry and worried about giving momentum to Democrat-led initiatives before midterms.

Mr. Manchin said opposition to the plan was driven by a personal grudge, with some Democrats still mad at him over his blocking of their Build Back Better proposal. Many Republicans said they felt burned by the secret talks that led to the recent passage of the climate and tax bill that emerged from the ashes of Build Back Better.



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U.S. NEWS



Groups of migrants waited to receive food from Catholic Charities on Monday in San Antonio.

Texas Sheriff Investigates Relocation of Migrants

By JENNIFER CALFAS

A Texas sheriff is launching a criminal investigation into the relocation of nearly 50 migrants to Martha's Vineyard in Massachusetts last week, saying individuals lured them to travel under false pretenses of a better life.

Bexar County Sheriff Javier Salazar said the 48 migrants were exploited, hoodwinked and left stranded at Martha's Vineyard last week, and his office would investigate any potential criminal activity involved in their relocation. Some of the migrants said they were given false information about job opportunities and housing in the region, as well as how the trip would affect their abil-

ity to attend court hearings, according to attorneys who have spoken with them.

Florida Gov. Ron DeSantis said last week that his office orchestrated the flights from Texas and that the migrants went voluntarily, signing release forms. The Republican governor said his office would spend millions to send more migrants to Northern cities, part of an accelerating relocation effort by some Southern states amid a surge in illegal crossings at the U.S. border.

Attorneys from the Boston-based legal organization Lawyers for Civil Rights filed a federal civil lawsuit seeking class-action status on behalf of some of the migrants and Alianza Americas, an advocacy group for Latino immigrants, in the U.S. District Court of Massachusetts Tuesday.

The lawsuit alleges Mr. DeSantis and other defendants, including Florida Transportation Secretary Jared Perdue, violated protections in the U.S. Constitution. A spokesman for Mr. DeSantis didn't respond to a request for comment about the suit.

The suit claims that unnamed defendants working for Mr. DeSantis enticed migrants from a San Antonio shelter with \$10 gift cards to a nearby McDonald's, then free hotels,

and "false promises and false representations that if plaintiffs and class members were willing to board airplanes to other states, they would receive employment, housing, educational opportunities, and other like assistance upon their arrival."

Lawyers and aid workers have said migrants told them they were recruited for the flights outside a migrant shelter in San Antonio earlier this month by a woman who said her name was Perla.

San Antonio, where the 48 migrants were before their relocation, is in Bexar County. Mr. Salazar didn't specify state, federal or local statutes that could have been violated.

"Somebody saw fit to come from another state, hunt them down, prey upon them and then take advantage of their desperate situation just for the sake of political theater," said Mr. Salazar, a Democrat, during a briefing Monday.

Taryn Fenske, a spokeswoman for Mr. DeSantis, said the relocation resulted in more resources and accommodations for these migrants. "Florida gave them an opportunity to seek greener pastures in a sanctuary jurisdiction," Ms. Fenske said in a statement.

—Alicia A. Caldwell contributed to this article.

Two SPAC Ventures Shut Down

Continued from Page One
ings Corp. VI, will forfeit the several million dollars apiece they paid to create each blank-check company nearly two years ago.

The founder and CEO of Social Capital Holdings Inc. said in an interview that the company has made about \$750 million in SPACs, roughly doubling its money.

The gains come from the six deals it completed such as SoFi. SPAC creators are protected from big losses through lucrative incentives. Social Capital creates its SPACs by partnering with other investment firms.

The two SPACs that are winding down had previously hinted in regulatory filings that they might try to seek additional time to find deals before saying Tuesday that they won't pursue extensions.

They had until early October to find mergers, the typical two-year time frame that is common for SPACs.

Mr. Palihapitiya said the creators considered more than 100 companies to take public, but weren't able to complete

attractive mergers.

The blank-check firms hold \$460 million and \$1.15 billion, respectively, making them two of the larger SPACs in the market and showing how the boom has reversed for many investors.

"It is a very, very precarious moment in the public capital markets," the former Facebook executive said.

Two of his remaining SPACs that haven't done deals and are focused on biotech companies, Social Capital Suvretta Holdings Corp. II and Social Capital Suvretta Holdings Corp. IV, will continue looking for mergers, he said. Those SPACs don't face deadlines until next summer. Each one holds \$250 million.

Early last year, when SPACs surged alongside speculative stocks such as GameStop Corp., Mr. Palihapitiya was known for promoting his SPAC mergers like SoFi on social media and touting the deals on television.

Many individual investors immediately bought the shares even though many analysts cautioned the startups going public were overvalued.

The former Golden State Warriors part-owner said he never tried to make it seem like investing was easy or that investors should blindly buy the companies he backed without doing their own analysis.

Social Capital, whose in-

vestments are supposed to also provide a benefit to society, also rode the wave of investor enthusiasm for companies that give priority to environmental and social issues.

Mr. Palihapitiya sold shares in Virgin Galactic and SoFi when the stocks were much higher, including a sale of some SoFi shares last November, when he raised concerns about inflation and the market environment.

The other companies his tech-focused SPACs took public are online real-estate brokerage Opendoor Technologies Inc. and insurance-technology firm Clover Health Investments Corp. Two biotech companies his SPACs took public are Akili Inc. and ProKidney Corp.

Shares of all of the companies the SPACs took public except ProKidney are down about 40% or more from the blank-check company's initial listing price.

Mr. Palihapitiya said the businesses are performing well and he is still happy with the deals, though he and many others underestimated how unprecedented government stimulus was juicing markets and would stoke inflation coming out of the coronavirus pandemic.

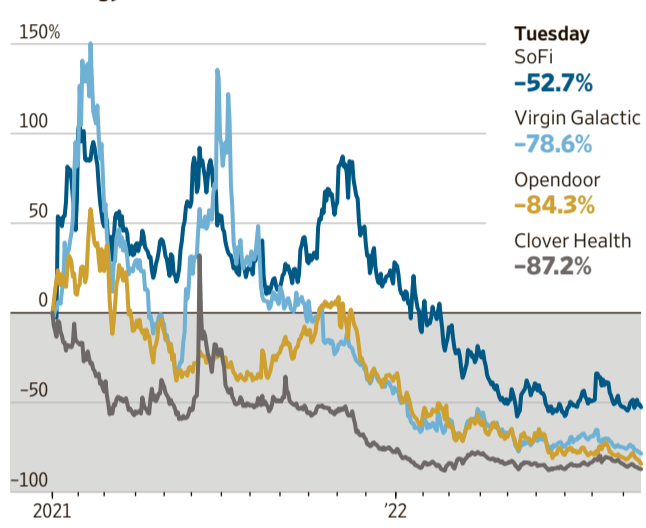
Also called a blank-check company, a SPAC is a shell firm that raises money and trades publicly with the sole intent of finding a private company to take public. After regulators approve the deal, the company going public replaces the SPAC in the stock market.

Mr. Palihapitiya and other investors have helped make such mergers popular in the past few years, but souring investor sentiment has made them nearly impossible to complete lately.

Social Capital has still been active in private markets, making big bets on startups like solar-technology startup Palmetto, which raised \$375 million in February.

Many startups such as ticketing company SeatGeek that had previously announced or considered plans to go public have postponed them and raised money privately.

Share-price performance of Chamath Palihapitiya's technology-focused SPAC deals since the end of 2020



Source: FactSet

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WORLD NEWS

Poor Harvests Add to Global Food Woes

Agriculture executives say at least two years of bumper crops are needed to ease strain

By PATRICK THOMAS

A lackluster U.S. harvest this year is setting back efforts to relieve a global food supply that has been constrained by Russia's war in Ukraine, agriculture-industry executives said.

Senior executives from companies such as Bayer AG, Corteva Inc., Archer Daniels Midland Co. and Bunge Ltd. said worldwide crop supplies remain tight, and some said at least two more years of good harvests in North and South America are needed to ease the pressure. Persistent drought conditions in the U.S. and agricultural countries in South America, along with uncertainty over crop production in Ukraine, are making that harder, they said.

"When it comes to the global food-supply situation, I think things are going to continue to be tight for the time being," said Werner Baumann, Bayer's chief executive.

High temperatures this summer exacerbated drought

conditions in the U.S. West and the country's Great Plains. Intense heat in states such as Kansas, Nebraska and Oklahoma set in as corn crops were pollinating in many parts of the Grain Belt, when the plants require the most water. Some corn crops were also planted late this year after a wet spring, causing some yield loss, agriculture analysts said.

The U.S. Department of Agriculture on Sept. 12 lowered its nationwide corn-production estimate to 13.9 billion bushels, 3% lower than its August projection, and 8% below 2021's total. Soybean-production estimates this month were down 3% from a record projection in August, and down slightly from a year earlier. Agriculture advisory firm Professional Farmers of America Inc. in August cut its outlook for corn yields by 13% in Nebraska and 22% in South Dakota, compared with last year.

The corn harvest this year is currently expected to come in below typical recent yields in North America and Europe, hindering 2022 from being a year of restocking worldwide supplies, said Chuck Magro, chief executive of seed and pesticide maker Corteva, at an investor presentation this week.

"The current market expectation is that global grain and oilseeds markets need two consecutive normal crop years to stabilize global supplies," Mr. Magro said.



People displaced by floods wait for food handouts in Pakistan.

tation is that global grain and oilseeds markets need two consecutive normal crop years to stabilize global supplies," Mr. Magro said.

Futures prices for wheat at the Chicago Board of Trade are up 17% over the past 12 months, while corn prices are up about 28% and soybeans roughly 14%.

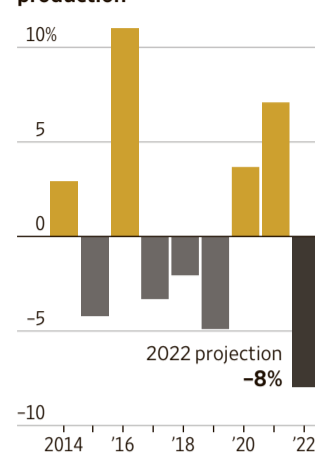
Years of bad weather affecting big crop-producing regions, including in South America, had stretched global crop supplies, industry executives said. This year, Russia's invasion of Ukraine disrupted shipments

from one of the world's top grain-exporting regions.

Those factors have driven up food prices this year, especially for poorer countries. In a September report on global food security in 77 low- and middle-income countries, the USDA estimated the number of food-insecure people at 1.3 billion, up about 10% from the 2021 estimate.

After rocketing higher following Russia's invasion of Ukraine in late February, crop prices have eased in recent months. An agreement between Russia and Ukraine,

Annual change in U.S. corn production



Source: USDA

shipped about 60% of what it has done in past years, he said. For September, he said it could improve further to be closer to 80% or 90%.

It would likely take two or three years of good crops in the Southern and Northern hemispheres for the world crop supply to reach sufficient levels, he said.

The Black Sea grain-export deal has helped free up grain storage space for Ukrainian farmers and provide them with cash for next year's crop. Without sufficient sales, farmers could struggle to buy the seeds, fuel and other goods needed for fall planting, executives and analysts said.

The export deal is under fresh pressure after Russian officials warned in recent weeks that they are unhappy with the terms, raising the threat that Moscow could leverage the arrangement in its widening economic war with the West.

Russian President Vladimir Putin suggested this month that Russia could pull out of the United Nations-brokered deal, saying the West had taken advantage of the grain corridor at the expense of the developing world. The threat temporarily boosted wheat prices, which had been declining in recent weeks.

World Leaders Call for More Funding Against Hunger

By WILLIAM MAULDIN

NEW YORK—World leaders called for donating more money to fight hunger and lifting barriers to food and fertilizer trade to address what they fear will be a prolonged period of food insecurity linked to Russia's war in Ukraine.

At a special food meeting on the sidelines of the United Nations General Assembly, representatives from the European Union, Africa, and the Americas sought to draw attention to signs that the world's food supply may face

even bigger challenges in the future. They cited climate change, rising prices for energy and fertilizer and poor harvests linked to conflicts, including the one in Ukraine.

"Next year may be even more difficult, looking at the increase in energy and fertilizer prices," German Chancellor Olaf Scholz said at the meeting.

President Biden is expected to announce a major boost to U.S. food aid at his U.N. speech on Wednesday, officials said. Since Russia's February invasion, Washington has provided \$6.1 billion in humanitarian

assistance and \$2.3 billion in development aid to fight hunger and bolster food security.

Secretary of State Antony Blinken on Tuesday said Washington is working with other members of the U.N. Security Council to ensure that food and medicine are carved out of any sanctions linked to Russia's invasion of Ukraine or other conflicts, he said.

Russian President Vladimir Putin has blamed the EU for preventing fertilizer sales and Western nations for favoring their own consumers rather than those in poorer econo-

mies. Speaking on Tuesday in Moscow, Mr. Putin blamed Western sanctions and the pressure campaign against Russia for any shortages.

Food has become a central part of Russia's strategy to curry favor among developing countries amid widespread criticism over its invasion of Ukraine.

Russia effectively blockaded Ukraine's Black Sea ports for months, until a multinational deal spearheaded by U.N. Secretary-General António Guterres allowed ships carrying grain to sail in recent weeks.

Germany Is in Talks For Energy Giant

BERLIN—Germany is in talks to nationalize energy giant Uniper SE, seeking to save a supplier that was hit hard by throttled Russian gas flows to Europe, the company said on Tuesday.

Uniper, Germany's largest importer of Russian natural gas until recently, suffered heavy losses after Moscow throttled supplies in recent months and it

was forced to buy gas on the market, where prices have hit records. The German state in July pledged to take a 30% stake in Uniper and extended credit lines as part of a bailout package.

Uniper said it was in final discussions with the German government which would inject €8 billion, or around \$8 billion, and obtain a significant majority stake. The German state would also acquire the stake of Uniper's parent company, Finnish utility Fortum Oyj, Uniper said.

—Georgi Kantchev

Voting Set On Russian Annexation

Continued from Page One

telling him that "today's era is not one for war."

Mr. Putin's effort to weaken European support for Ukraine by sharply curbing its natural-gas supplies looks to be faltering while his government finances are deteriorating. China and India have been buyers of Russia's rerouted natural-gas supplies.

U.S. Secretary of State Antony Blinken criticized the annexation plans and said the U.S. wouldn't recognize the territory as part of Russia. "None of this—the sham referendum, the potential mobilization of additional forces—is a sign of strength. On the contrary, it's a sign of weakness, it's the sign of Russian failure," Mr. Blinken said.

But far from conceding that the war isn't going in his favor on all fronts, Mr. Putin is preparing to deliver a firm response and raise the stakes for Kyiv.

"The word escalation is too soft for the current situation.

It's not so much escalation as an ultimatum," said Tatiana Stanovaya, a nonresident scholar at the Carnegie Endowment for International Peace. "Putin has nothing to lose and will use all of his resources to push his enemy out."

Tuesday's moves by the Kremlin indicate that Mr. Putin is laying the groundwork to describe fighting in the Ukrainian regions he plans to annex as an attack against Russian territory to justify a nationwide draft to defend the country, Ms. Stanovaya said. She said she believes Mr. Putin sees using nuclear tactical weapons as a last resort, but that the global community should not rule it out.

Andrey Kortunov, director-general of the Russian International Affairs Council, a Kremlin advisory board on foreign and defense policy, said Mr. Putin was determined to see through a Russian victory and wouldn't back down despite the major setbacks he is facing.

"We are seeing what he has said before," Mr. Kortunov said. "He will finish what he started but on terms dictated by the Kremlin."

Since Ukraine's offensive, its leadership has reiterated a pledge to liberate all occupied territories and capitalize on the momentum it has achieved. In his daily video address

on Monday evening, President Volodymyr Zelensky of Ukraine said the country's armed forces were working to stabilize their hold in the liberated Kharkiv region and were causing Russian forces to panic.

"We warned you—Russian soldiers in Ukraine have just two options: flight from our land or capture," he said.

Russia has for years been distributing passports to residents of the self-proclaimed Luhansk and Donetsk People's Republics, proxy states that carved themselves out of eastern Ukraine during a Russian-fomented armed conflict that began in 2014. Moscow has spent vast resources cementing its rule there.

But the Ukrainian military offensive in the south, north and east, which has liberated the northeastern Kharkiv region and taken back more than 3,000 square miles of territory, is prompting Russian collaborators in occupied areas to vacillate in their plans and increasingly to admit that the security situation is unstable.

Russian-allied officials in the Kherson and Zaporizhzhia regions in the south initially signaled that referendums would be held on Sept. 11, but when Ukraine swept through the Kharkiv region and captured villages en route to the city of Kherson earlier this month, they said the votes would be postponed.

The initiative has received support from hawkish members of Russia's political establishment, who argue that making occupied parts of Ukraine into parts of Russia proper would embolden Russia and give legitimacy to what it could portray as retaliatory strikes against its territory by North Atlantic Treaty Organization-backed forces.

Dmitry Medvedev, deputy chairman of the Russian Security Council, wrote on Telegram Tuesday that the incorporation of new territories into Russia would become irreversible even under future presidents by amending the constitution.

In a move that appeared to ease the legal path to mobilization in Russia, the parliament advanced legislation on Tuesday to tighten penalties for evading mobilization, desertion, surrender and looting during wartime.

IN CHARACTER
CLAUDE MONET

Master artist. Comical caricature. Important series.



This original drawing entitled *Lami Dermis* by Claude Monet is at once jovial and tender, an intimate portrait of the artist's friend Dermis. The pastel and chalk on paper is one of a handful the revered artist created while attending the Le Havre school and it remained in the artist's personal collection for his entire life. Only 19 years old when he sketched *Lami Dermis*, Monet had no way to know that his exhibitions and sales of caricatures would mark the beginning of his illustrious career. Signed "O. Monet" (lower left). Dated 1859. Paper: 22 1/4" h x 14 3/4" w; Frame: 32 1/8" h x 25" w. #31-5663

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Pro-Russian signs in Luhansk, Ukraine, which the Kremlin controls.

WORLD NEWS



Palestinian Authority security forces arrested a protester during clashes in the West Bank city of Nablus on Tuesday.

Unrest Turns Deadly in West Bank

RAMALLAH, West Bank—Palestinian Authority security forces clashed with armed groups and gangs of young men who were hurling stones

By *Fatima AbdulKarim, Aaron Boxerman and Shayndi Raice*

in the city of Nablus, as unrest intensified in the West Bank amid a series of Israeli military raids and arrests of militants. The gunbattles early Tuesday left at least one Palestinian dead and demonstrated how the Western-backed Palestinian Authority is losing control of northern parts of the West Bank, where officials say there is a growing movement that is hostile to both the Israeli occupation and a Palestinian governing body seen by many of its subjects as corrupt and ineffective.

In videos from Nablus viewed by The Wall Street Journal, dozens of young men are shown pelting Palestinian Authority security jeeps with stones as plumes of tear gas hang over the city center. In other videos, gunfire echoes across the hills of Nablus, a city of 170,000 people set between two holy mountains. The militants blocked roads leading into the city and set fire to tires in the middle of the streets, according to witnesses and videos of the scene. The violence erupted after the Palestinian Authority arrested two Hamas militants overnight, including an official in the group's Nablus leadership. Hamas, the ruler of the coastal Palestinian enclave of Gaza, is banned in the West Bank by Israel. The Palestinian Authority and Israel have worked to keep the group

from gaining a foothold. The rising violence comes as Israeli forces have repeatedly raided Nablus in recent months in a crackdown on rising militant activity there. Young people, many unaffiliated with any major faction, have joined local militias as the Palestinian Authority's grip on West Bank security loosens. Palestinian Authority President Mahmoud Abbas called for public order and warned against following unspecified "biased agendas." Gen. Talal Dweikat, a spokesman for the Palestinian Authority security services, said it remained unclear who was responsible for the death of the Palestinian man but said no security officers were in the area. A Palestinian official said he was concerned the Palestinian Authority's security forces were "losing the trust of the street."

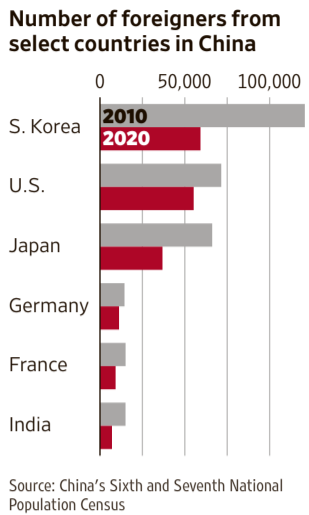
The militants fighting the Palestinian Authority on Tuesday, and more broadly against Israeli forces in recent months, are from a variety of groups such as Hamas and Islamic Jihad. Others are unaffiliated with any faction. In a public statement Monday night, a group of unidentified militants said the city "will not open up before the two men arrested are released." Israeli military officials have blamed the Palestinian Authority for failing to stamp out militant activity in the West Bank. Palestinian officials blamed the Israeli incursions for the increase in violence and said the raids were further weakening their control of the territory. Hamas condemned the arrests of its members as "a new mark of shame" on the Palestinian leadership in Ramallah.

Expats Shun China Over Covid Policies, Prompting Cutbacks

By YOKO KUBOTA

BEIJING—China has long been a coveted assignment for business executives and diplomats, a prestigious posting in a rising power and a valuable addition to one's résumé. Now, it is an assignment that few are eager to take on, as China's "zero-Covid" isolation deepens and concerns about geopolitical tensions and economic delinking rise. Since March 2020, China's borders have been closed to most foreigners. Flights into the country remain scarce and pricey, and come with a minimum seven-day hotel quarantine. Covid-19 restrictions remain strict and some international schools have shut or shrunk as students and teachers depart. Geopolitical tensions are a constant concern.

With little sign of a major shift in policy after 2½ years, many Western companies and embassies have concluded that the challenges they face in the country are no longer temporary. Goldman Sachs, in a report this week, said it doesn't expect China to begin reopening to the world until near the middle of 2023. The European Union Chamber of Commerce in China isn't expecting a full reopening until at least the second half of next year. As the restrictions have dragged on, many organizations have suffered an outflow of talent in China, a country that is the world's most populous and its second-largest economy. Many of the departures have taken place ahead of schedule and without backfills to replace those leaving. In response, some China-based units are pleading with headquarters for extraordinary measures, while some companies are overhauling their organizational charts. In some cases, "companies are even questioning whether it is responsible for them to deploy foreign staff to China when the numerous restrictions mean they are unable to guarantee a basic duty of care for them and their families," the European business lobby in China said on Wednesday in its annual report on the state of business in the country.



prospect of extended school closures have made a China posting prohibitive for many. Souring relations between Beijing and many countries in the West have also hurt China's image in recent years, as well as a perceived hostility to foreigners, business executives say. The chief epidemiologist at the Chinese Center for Disease Control and Prevention warned the Chinese public this week to avoid skin-to-skin contact with foreigners to avoid contracting monkeypox, in a statement that has prompted charges of xenophobia among expatriates in China. Jörg Wuttke, the European chamber's president, said China's stringent Covid controls had the effect of inhibiting human-level exchanges between China and the rest of the world, which he warned "inevitably leads to less understanding" of the country. The U.S. diplomatic community has also been hit by China's pandemic-control policies. In April, the State Department ordered the departure of nonemergency U.S.

Haiti's Fuel-Price Plan Sparks Turmoil

By JOSÉ DE CÓRDOBA AND INGRID ARNESEN

The Haitian government's plans to raise fuel prices has sparked chaos in the Caribbean country, with a powerful gang leader blocking a key port and calling for the prime minister's overthrow, food warehouses looted, businesses and beach houses torched and embassies closed.

The government said last week it would end \$400 million in subsidies for gasoline, diesel and kerosene, doubling the price to consumers. That prompted thousands of Haitians to hit the streets in protest, erecting makeshift road barricades of rocks, furniture, wood, burning tires and old refrigerators.

"The population cracked," said Jean Eduver, a 52-year-old truck driver in Port-au-Prince, the Haitian capital.

Demonstrators across the country are calling on Prime Minister Ariel Henry to resign after they say he failed to address a spiraling economic and security crisis that has destabilized the Western Hemisphere's poorest nation since last year's still-unresolved assassination of President Jovenel Moïse. Inflation is running at 29%, the worst in 10 years, according to the country's central bank. Kidnappings and gang killings are rampant. Many Haitians are deeply disappointed that Mr. Henry has done little to move the country toward democratic elections. Opponents of Mr. Henry criticize the U.S. and other



Protesters set up barricades in Port-au-Prince on Monday, demanding Prime Minister Ariel Henry resign.

foreign nations for not pressing Mr. Henry to dialogue with the country's civic opposition. The U.S. Embassy, which continues to operate, on Sunday condemned the violence and looting and called on Haitians to express their views in a peaceful manner. Juan Gonzalez, the U.S. National Security Council's senior director for Western Hemisphere affairs, on Monday said the U.S. would continue to push for dialogue between Mr. Henry and other Haitian political and civic groups, and continue programs to strengthen the nation's police to avoid a repeat of an intervention by a United

Nations peacekeeping force from 2004 to 2017. "There is no easy fix to Haiti," he said. On Sunday, Mr. Henry appealed for calm, condemned the violence, and asked Haitians to clear roads. He says that ending fuel subsidies was crucial to contain a steady drop in foreign-currency reserves, feeding a black market where a gallon of fuel has gone as high as \$25. In Gonâves, a city on Haiti's west coast, rioters destroyed a food warehouse run by the United Nations World Food Program. Some 1,400 metric tons of food were looted, enough to feed 100,000

schoolchildren from Haiti's most fragile families, said WFP Haiti director Jean-Martin Bauer. Looters were seen carrying out bags of rice, beans and other staples. Others took planks of wood, construction materials, desks and computers as a policeman looked on helplessly. In Port-au-Prince, at least a half dozen embassies have closed temporarily, including those of Spain, France, Mexico, Canada, the Dominican Republic and Germany. Banks, supermarkets and other stores have been looted and burned down, as have beach houses belonging to Haiti's elite.

Vacancies at foreign companies are often taking longer to fill than in the past.

government employees and family members based at the American consulate in Shanghai as Covid cases surged in the city. It is unclear whether staffing levels have returned to normal. The U.S. Embassy in Beijing didn't respond to a request for comment. Vacancies are often taking longer to fill than in the past. One European nation has been holding online recruitment sessions in recent months to explain what it is like to work in China in hopes of drawing more recruits, diplomats from the country said. The exodus of foreign talent also includes international schoolteachers. For the current school year, the British Chamber of Commerce in China forecasts a turnover rate of at least 40% of teachers in international schools in China for foreign-passport holders. As student numbers have fallen since the pandemic's onset, some international schools have closed or adjusted their operations. Some organizations have had to get creative to retain talent. Beijing-based multinational lender Asian Infrastructure Investment Bank began allowing China-based employees to work for weeks or even months outside the country, The Wall Street Journal has reported. —Zhao Yueling contributed to this article.

WORLD WATCH

UGANDA Rare Ebola Strain Found in Dead Man

Uganda declared an outbreak of a relatively rare strain of the Ebola virus, raising concerns of a wider spread because existing vaccines are unlikely to provide quick protection against this version of the virus. A 24-year-old man who died on Monday in central Uganda was found to have been infected with the Sudan strain of Ebola, said Diana Atwine, permanent secretary at Uganda's health ministry. It is the first time in more than a decade that the Sudan strain has been detected in Uganda.

Eight other patients who are suspected of having Ebola are currently being treated in health facilities in Mubende, a forested farming district about 90 miles west of the capital Kampala, Dr. Atwine said. Health authorities are also investigating the deaths of six other people in the village of the 24-year-old man dating back to early September. —Nicholas Bariyo

IRAN Protests Over Death Of Woman Escalate

Iranian protesters clashed violently with police on Tuesday in a fourth straight day of protests

over the death of a young woman in police custody, prompting a harsh response from a conservative Islamic government challenged by discontent over its enforcement of morality laws. Authorities have moved to suppress the outpouring of fury on the streets since Mahsa Amini, 22 years old, died after being detained for allegedly violating Iran's strict Islamic dress code. Government officials said they had arrested foreigners in connection with the unrest, a tactic they have used against previous protests. Authorities again blocked Internet service in areas where protesters gathered, in hopes of disrupting their com-

munication and ability to transmit images to the outside world. As the latest protests spread, Elon Musk said his satellite-internet system Starlink would seek an exception to sanctions to make its service available in Iran. —Aresu Eqbali

SWEDEN Government Lifts Rates by Full Point

The central bank raised its key policy rate by one percentage point, lifting it to 1.75%, its biggest increase in decades. The krona depreciated 0.6% against the dollar and 0.3% against the euro.

Typically, higher interest rates will boost a currency because they attract yield-seeking capital flows. But in recent months, concerns about a growth slowdown in Europe has been garnering the opposite effect, said Rohan Khanna, a rate strategist at UBS. The Bank of England and the Swiss National Bank both deliver rate decisions on Thursday, a day after the Fed. —Anna Hirtenstein

MEXICO Quake's Death Toll Rises to at Least 2

The death toll from a 7.7-magnitude earthquake that

rocked southwestern Mexico on Monday afternoon rose to at least two people, while coastal areas experienced minor damage. The earthquake, which occurred shortly after a drill was held to commemorate devastating quakes in 1985 and 2017, struck the southwestern state of Michoacán. Two people died in the Pacific resort town and port of Manzanillo, in Colima state. One woman died from injuries suffered from a falling wall, and a man was killed when a roof partially collapsed at a shopping mall, said Laura Velázquez, the head of the country's civil-protection agency. —Anthony Harrup

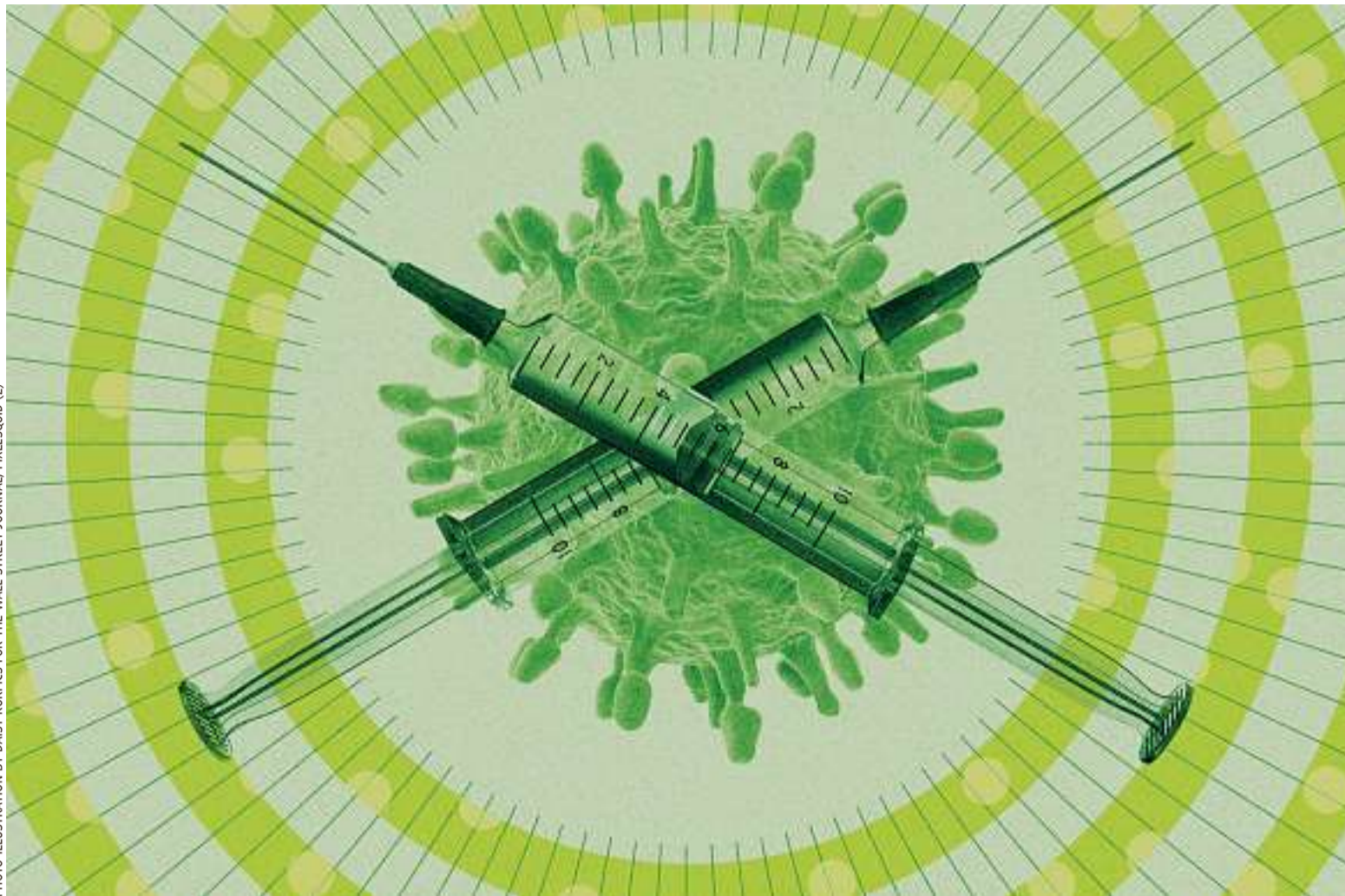


PHOTO ILLUSTRATION BY DAISY KORPIK FOR THE WALL STREET JOURNAL. PXLCSQUID (2)

When to Get Your Flu Shot

Yes, you can get it at the same time as your Covid booster, and why this season could be rocky

By ALEX JANIN

This year's flu season may be a tough one, doctors warn.

A surge in cases in Australia, where winter is just wrapping up, may portend a similar rise in the coming season here as temperatures start to cool. A widespread reduction in Covid-19 precautions also points to the possibility of a more substantial flu season this year compared with the past two, which were relatively mild.

Here is what we know about the kind of flu season the U.S. could be in for, according to infectious disease specialists.

How bad is this flu season expected to be?

Doctors say they expect more influenza cases than in the past two years, and possibly as many cases or more as there were in pre-pandemic flu seasons.

Australia has reported more than 217,000 cases of influenza so far this flu season, which is tracked between April and October each year, after they fell sharply earlier in the pandemic. This year's reported number is almost

double the pre-pandemic five-year average of about 114,000 cases, according to Australia's Department of Health and Aged Care.

"Not only did flu come back with a vengeance in terms of high numbers of cases, but it also came back earlier in the flu season," says Andrew Pekosz, co-director of the Johns Hopkins Center of Excellence in Influenza Research and Surveillance.

However, health experts are reluctant to make strong predictions, especially because last year's forecasts of a rocky flu season turned out to be overblown.

There were between eight million and 13 million cases of influenza in the U.S. in the 2021-22 flu season, compared with an estimated 35 million cases in the 2019-20 flu season, according to Centers for Disease Control and Prevention estimates.

Why might it be worse this year?

Covid-19 precautions have largely waned as Americans are spending more time in-person at their offices, gyms and social gatherings. Those precautions helped prevent the spread of influenza as well as Covid-19.

The low levels of influenza over the past two years have also led to lower levels of natural immunity, doctors say. So if you haven't had the flu in a few years, your immune system might not be as prepared to fend it off.

Doctors are also concerned that pandemic or vaccine fatigue might make people forget about or avoid the flu shot altogether.

When is flu season?

Flu season usually begins in October in the U.S., but it could kick off earlier if it follows the same pattern as Australia's this year, Dr. Pekosz says.

In a typical year, flu season peaks between December and February. The 2021-22 flu season was mild but lasted longer than average, with steady case numbers reported through May.

What precautions should I take to protect myself?

Get yourself and your family vaccinated against the flu. This will help prevent severe infection, reduce the risk of hospitalization and death, and might also help prevent transmission, health experts say.

Take precautions such as fre-

quent handwashing, covering your coughs and sneezes, and staying home when you feel sick. Covid-19 precautions such as wearing a mask in public indoor spaces also help protect against the flu.

If you do get sick, ask your doctor about prescription antiviral drugs that can treat the flu, such as Tamiflu, Relenza and Rapivab. They come in various forms, including pill, liquid and inhaled powder. They work most effectively when started two days after getting sick, according to the CDC.

When is the best time to get a flu shot?

For people under the age of 65, doctors advise getting the first flu shot available. Shots are available now at health offices and drugstores.

"Your flu vaccine is like timing the stock market: You don't want to overthink it too much," says Dr. Pekosz.

The vaccine takes about two weeks to reach peak efficacy. It is especially important for people at high risk of severe disease to get the flu shot as soon as possible, doctors say.

This year, the CDC issued a recommendation for people over the

age of 65 to receive one of three specific flu vaccines: Fluzone high-dose quadrivalent, Flublok quadrivalent or Fluvad quadrivalent. People in that group should talk to their doctors and pharmacists about receiving those vaccines, says Dr. Alicia Fry, chief of the CDC influenza division's epidemiology and prevention branch.

The first two contain higher doses than standard shots and the third contains an adjuvant, an ingredient that sparks a stronger immune response.

Can I get a flu shot and my Covid-19 booster together?

Yes, you can get both shots at the same time, so long as you are eligible for the booster, which means you have received at least a primary series of the vaccine, don't actively have Covid-19 and have waited at least two months since your last Covid-19 shot.

Doctors say there is no harm in getting the shots together, though you should expect to feel a little achier than you normally would.

How much does the flu shot cost?

The vaccines are fully covered by most forms of health insurance.

People without health insurance might face an out-of-pocket cost between \$20 and \$75, according to GoodRx, a healthcare company that tracks drug prices. Some health centers provide free shots, and some pharmacies accept coupons from partner organizations to reduce or cover out-of-pocket costs.

Are there new flu strains I should worry about?

The predominant strain circulating in Australia is H3N2, a subvariant of influenza A. It is the same subvariant that was most common in last year's U.S. flu season. Doctors say the flu vaccines, which are quadrivalent vaccines designed to protect against four different flu viruses, are well matched to the current subvariants.

However, doctors warn that a lot can change between now and peak flu season.

"There's plenty of time for the influenza virus to change or predominant strains to change," says Dr. Jonathan Grein, director of hospital epidemiology at Cedars-Sinai in Los Angeles.

What flu symptoms should I look for?

The flu, like Covid, is a respiratory virus that can cause symptoms such as fever, cough, fatigue, sore throat, runny nose, body aches, shortness of breath, headache and gastrointestinal distress.

Most people who get the flu and don't experience complications recover in a few days, whereas Covid symptoms, while variable, can last for up to two weeks or more. The symptoms of flu and Covid-19 can look similar, so doctors say it is important to get tested for both viruses if you feel sick.

King Charles's Style Is Designed to Last



ON TREND
JACOB
GALLAGHER

A few years ago, keen-eyed royal watchers noticed that then-Prince Charles was still wearing the same exact double-breasted Anderson & Sheppard tweed overcoat he first busted out in the Thatcher era.

"I'm one of those people," he conceded to British Vogue in 2020, "who hate throwing anything away."

With 73 years to shape it, King Charles III's taste in clothes is fixed. For the better part of four decades, the king has almost exclusively been seen in stolid double-breasted, peak-lapel suits with the occasional whisper of a plaid pattern. He is not suit-maker monogamous: Over the years, the king has had suits made from Savile Row stalwarts Anderson & Sheppard and Gieves & Hawkes. But he is all-giant to demure neckties and Turnbull & Asser dress shirts no louder than blush pink. Betting on King Charles to hold forth in a tomato-red suit would be an easy way to lose some money.

You also wouldn't see him easing into a hoodie

Charles on a 2009 visit to Savile Row stalwart Gieves & Hawkes.



The king also visited the Anderson & Sheppard atelier in 2012 to sift through its measurement books and observe the cutting of a garment. His sartorial sightseeing continued the next year, with a tour of Turnbull & Asser's Gloucester shirt factory where the prince gamely manned a sewing machine to practice his stitching skills. More recently, in 2020, he recorded a virtual address to the Pitti Uomo trade show in Florence, espousing the ecological benefits of wool.

"He's an absolutely cast-iron, brilliant ambassador for everything that is great about British traditional men's craftsmanship, both on the textile side and on the clothing-making side," said Patrick Grant, a Scottish designer and the judge on the popular TV show "The Great British Sewing Bee." Mr. Grant says he has chatted style with the king frequently over the years, claiming to have never seen him without a necktie on.

As he takes the throne, King Charles may well be one of the last world leaders to care, very deeply and genuinely, about clothing. Today looking *good enough* is as much as most heads of state aspire to; when it comes to suits, everyone from Brazilian President Jair Bolsonaro to Japanese Prime Minister Fumio



For decades, King Charles has favored double-breasted, peak-lapel suits.

made from textiles that were intended to be less environmentally harmful. Designed by Italian students, the pieces, like a \$1,550 cashmere bomber jacket and a \$635 cashmere roll-neck sweater, deviated greatly from the king's own tailoring proclivity.

In that British Vogue interview, King Charles showed a genuine interest in the polluting woes of the fashion world, rolling off statistics about how many tons of greenhouse gases the apparel industry expels. "It is critical that we address the whole issue around how we produce clothes," he said.

One remedy can expose another problem: Several online commentators balked at the elevated prices of these clothes. Unlike elected officials, the British royal family is perhaps less compelled to appear of-the-people in their taste for luxury.

The king is most at home at London's Savile Row, ground zero for bespoke suits. His two favored suit makers, Anderson & Sheppard and Gieves & Hawkes, have long held royal warrants marking them publicly as official suppliers of the royal. Other royal warrant holders include outerwear specialists Barbour, sock company Corgi and glove-maker Dents. The late Queen Elizabeth II similarly championed the fashion world from time to time. Memorably, she sat in the front row at burgeoning British designer Richard Quinn's show during London Fashion Week in 2018.

Kishida maintains a look-alike, solid-colored and single-breasted banality.

But a royal's role is different: not a legislator, but a booster. He boosts the royal family but he also boosts his personal fascinations, which have ranged from landscaping to watercolor painting to, yes, sustainable fashion. Those with kind eyes toward the king's style have even made the claim that his proclivity for wearing the same garments for decades is itself a personal message of sartorial sustainability. "He's a great example, I think, for those of us that are obsessed with consuming, that you can still be beautifully dressed without buying lots and lots of new things," said Mr. Grant.

In 2020, his charity, the Prince's Foundation, aligned with the retail conglomerate Yoox Net-a-Porter on an 18-piece collection of garments

PERSONAL JOURNAL.

By ALLISON POHLE

Booking a trip to New England to catch the vibrant reds and golds of peak fall foliage could be tough this season.

This year, drought conditions across much of the country, followed by recent rains in the Northeast, have complicated timing for trips, scientists and veteran leaf peepers say. Invasive species drawn to trees made vulnerable by drought are also damaging leaves in some areas. In Maine, some trees are turning earlier than usual, while prior drought conditions in New York are pointing to a shorter foliage season, according to state departments of conservation.

Leaf peeping is big business in the U.S., especially in the Northeast. About one-fifth of Maine's visitation and 25% of annual trips to New Hampshire's White Mountains occur in the fall, according to tourism officials in those destinations. The maples, birches and other trees in the region create a color show of reds, oranges and golds not seen in other parts of the country. Because of demand, many travelers book months in advance for travel that often takes them to small towns with limited lodging.

The unpredictability is something businesses in these destinations have navigated for years, leading them to plan a slew of harvest festivals and other events in town to make sure visitors are entertained. In Vermont's Mad River Valley, the Hyde Away Inn & Restaurant has seen the season extend compared with prior years, owner and general manager Ana Dan says.

"It looks like the popularity of fall, at least in this region, has increased, and as people have tried to come here more, they maybe found more limited availability and come later," she says.

The variable weather makes predicting foliage difficult from year to year, says Dan West, a forest entomologist for the Colorado State Forest Service. Factors including warming temperatures and other conditions worsened by climate change, from droughts to heavy rainfall, will make predicting the timing and color of foliage even more variable, scientists and ecologists say.

Last-minute trips are expensive as demand for fall foliage trips



Finding Fall Colors Is Tricky This Year

Variable weather has made it hard to predict when foliage will peak

stays strong. The October average rate for a short-term rental in the Berkshires of Massachusetts is \$340 a night, up 41% from 2019, according to market-research firm AirDNA. The average October hotel price in Bar Harbor, Maine, is \$358 a night, a 77% increase compared with October 2019, according to search data from travel company Kayak.

The timing and color of the fall foliage season depends on the species of tree, temperature, precipitation, amount of daylight and other factors. Last year, New England had one of its warmest and wettest summers on record, meaning trees in some areas held on to their leaves longer and changed color later.

This summer, much of the Northeast experienced a drought. As of Sept. 15, all of Massachusetts was under drought conditions, according to the U.S. Drought Monitor. Trees in Vermont and New Hampshire have generally fared better than those in Massachusetts and Connecticut this season, ecologists say.

In Maine, some trees have turned colors earlier than usual due to the late-summer dry period, but peak color should develop normally from north to south, depending on weather in the coming weeks, the state's first fall foliage report says.

In Maine's Acadia National Park, peak foliage happens later than it used to, says Stephanie

Spera, an assistant professor at the University of Richmond who is leading a study in the park. In the 1950s, prime fall foliage color occurred the first weekend of October. Now, it's about 10 days later, she says.

"For every degree Celsius warmer in September, it's about 2½ days later," she says.

Leaves drop earlier in drought years. Colors can appear more muted because remaining leaves don't have the same balance of sugars, says Nicole Keleher, forest health program director for the Massachusetts Department of Conservation and Recreation.

New York state has also experienced drought conditions this year, which the state's Department

of Environmental Conservation says will likely shorten the season. Colors will likely be muted, but recent rain could negate the effects of the drought, the department says.

Travel companies say demand for fall-foliage tours has reached and in some cases exceeded pre-pandemic levels. American Cruise Lines has seen a 30% increase in bookings compared with 2019 for its multiday Hudson River foliage cruise, which departs from New York City.

Northeast Unlimited Tours sees about 65% of its business from now through the end of October, says Michelle Pino, the company's

\$358

October average nightly rate for a hotel in Bar Harbor, Maine

co-owner and co-founder. In recent years, the leaves have turned later, so the company's eight-day foliage tours began in early October compared with late September. But the weather can always throw a wrench into the timeline, like the drought did this year, she says. She says the range of destinations will still provide travelers with a good experience.

The Berkshires experienced drought earlier this year, and a spongy moth outbreak, which damaged leaves, Ms. Keleher says.

The conditions have had no effect on hotel bookings, which remain strong, says Lindsey Schmid, the region's senior vice president of tourism and marketing. The region also has harvest festivals and parades to entertain visitors.

Kelly Zona, 25 years old, has taken fall-foliage trips for the past several years. During past trips to Maine and New Hampshire, she tried to time her visit to the peak, but missed out by about a week.

This year, she decided to book a trip to Tannersville, N.Y., giving priority to nearby hiking and biking trails because timing the foliage is tough. Ms. Zona, who lives in the Princeton, N.J., area, says she still hopes she'll catch a good viewing period.

"It's too hard to plan it perfectly," she says.

Hoarders Clear Out Trader Joe's Shelves

Continued from Page One

the ice cream with the trendy purple yam flavor would vanish by the end of the summer.

"You get a product and you never see it again," said Ms. Fischer. "I call it getting Trader Joe's-ed."

Ms. Fischer and other Trader Joe's fanatics said years of shopping at the chain have taught them it's better to be safe than sorry.

Trader Joe's, which operates more than 535 stores in the U.S., is known for quirky flavors and seasonal items ranging from pumpkin ice cream to flavored black tea. The catch? Not all products stick around. Some are only sold in certain seasons, others disappear with little indication of when or if they will return.

As a result, some shoppers said they buy as many of their favorites as possible when they hit shelves. Along with other social media, TikTok has added to the pressure, with videos of people raving about items or showing their hauls.

California-based Trader Joe's mostly sells private-label products that are unique to the company's stores. The downside, some shoppers said, is that if a product runs out, they can't look for it at a Kroger or Safeway supermarket instead.

The grocer said each product cycle is unique and that customers vote on what they want with their dollars. A Trader Joe's spokeswoman didn't respond to requests for comment on customers who bulk buy.

In Lubbock, Texas, Marita Tedder makes the five- to six-hour trek at least twice a year to Trader Joe's stores to stock up on her favorite summer product, mango black tea.

"I have found some substitutes that I use. I don't like them as much and they are more expensive," said Ms. Tedder, a remodeling contractor. She recruits friends to buy products on her behalf when they travel to places with Trader Joe's. In July, one friend returned from a trip with 30

boxes of the tea for her.

"It's so rude when they do that," said Shannon Clark, an accountant in Austin, who was appalled when a member of a Trader Joe's Facebook group bragged about stockpiling a popular limited-time only potato chip. "At the end of the day, we need to be looking out for each other a little more."

when she opens one of her favorite condiments—fermented crushed Calabrian chili peppers, aioli garlic mustard sauce and an eggplant garlic spread, for example—she purchases two or three more on her next shopping trip.

"I'll have a stash for like a year if they discontinue anything," she said.

Sometimes the strategy can backfire. Jessica Brazie, who works in information technology consulting in Austin, is a fan of Trader Joe's patio potato chips—a bag with mixed flavors including salt and vinegar, dill, barbecue and others.

She said she has a stash of the chips for her next shopping trip.

She said she has a stash of the chips for her next shopping trip.

Natasha Fischer's haul of ube mochi ice cream from Trader Joe's.

You can love something without being greedy."

Members of that Facebook group, Favorite Trader Joe's Products, frequently alert others when beloved products resurface in stores. Some trade tips they get from sales associates about when certain items will arrive, or if products have been delayed or discontinued.

Cindy Spetalnick, an international tax specialist in Rancho Mirage, Calif., said she learned her lesson in 2021, after supply-chain issues took her beloved garlic-flavored olive oil off the shelves of her local Trader Joe's for weeks.

Now, Ms. Spetalnick said,

when she opens one of her favorite condiments—fermented crushed Calabrian chili peppers, aioli garlic mustard sauce and an eggplant garlic spread, for example—she purchases two or three more on her next shopping trip.

"I'll have a stash for like a year if they discontinue anything," she said.

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Natasha Fischer's haul of ube mochi ice cream from Trader Joe's.

Last summer, fearing the chips would disappear from shelves by fall, she bought five bags.

By the third one, "I open up the bag and they're all stale," she said. She threw the remaining bags away.

Komala Hayes, a part-time professor of sociology in Chicago, has already started checking her local store for her favorite pumpkin soup, which is only available in the fall and winter. She tries to buy as much as she can, sometimes purchasing up to six to eight cartons at once. At times, she has stockpiled as many as 30. "I want it to last as long as it can," she said.

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ARTS IN REVIEW



TELEVISION REVIEW | JOHN ANDERSON

Cross-Species Cooperation

Narrated by Benedict Cumberbatch, an exploration of collaboration—including an alliance between fishermen and dolphins

Ordinarily, the rule in nature television is that humans should be heard and not seen. And unless you're David Attenborough, even that may be going too far. But humans are animals, after all. Shouldn't they be among the players? Or even the played?

The latter, in the six-part, state-of-the-art "Super/Natural," involve the vampire spiders of Lake Victoria in Kenya, which use the "perfume" of human blood to attract a mate; in order to get it, they go on what narrator Benedict Cumberbatch calls a "bloodthirsty killing spree." (Their victims are well-fed mosquitoes.) The former include fishermen who've created a symbiotic alliance with bottle-nosed dolphins in the waters off Laguna, Brazil. There, mullets

abound but are hard to catch, so the dolphins let the humans know where they've herded the smaller fish; the fishermen toss their nets in those designated spots; the throwing of the nets startles some fish into the mouths of the dolphins. Everybody wins. Except the mullets.

This National Geographic documentary series is about a lot of things, but it emphasizes throughout the cooperation that exists between species, either inherent or learned. James Cameron, no doubt deeply involved with his multiple "Avatar" sequels (the first, "The Way of Water," is expected in December), serves as an executive producer on "Super/Natural," which is no small thing: His deep-sea documentaries have been astounding ("Aliens of the Deep," notably). Not surprisingly, the Nat Geo series contains no shortage of revelations, at least for this

viewer, who had no idea that the whistling acacia even existed on the African savannah, much less that cocktail ants (their backsides full of toxins) bore holes in the trees so the wind sounds like swarming bees—which scares away foliage-eating elephants. Or that male Mexican fireflies on the make form their own kind of flash mob, blinking in unison to gather their mates.

What's not a shock at all is Mr. Cumberbatch's viability as an heir to Mr. Attenborough as the Voice of Nature, if not God. He's serious when he should be and drily funny when he can be, even if some of his quips are groaners. "With great parenting comes great responsibility," he says, a line far more awkward than the African jacana, a bird that can virtually walk on water. When a female Asian gibbon joins her ape of a



A seal, above, Anole lizard, left, and mongoose, below—some of the fascinating animal characters in the new National Geographic series on Disney+



NATIONAL GEOGRAPHIC/Disney+ (3)

husband in a victory scream after he's vanquished some intruders, it's because "he's still her king of swing." Both the subject and narrator are out on a limb.

Quippery such as this is about the writing, not Mr. Cumberbatch, who is a charming host and guide to the show's episodes, which are devoted to providing a bird's-eye view (and a frog's-, squirrel's- and hyena's-eye view) of life, reproduction and survival. The pace ebbs and flows—the adventures of a sea sponge are not going to be as electrifying as those of a peregrine falcon, navigating the thermals of downtown Chicago and training its young to catch prey in midair. Or, for sumo fans, the wrestling of the inelegant ele-

phant seals of the California coast.

A qualifier at the end of each episode (which carry titles such as "The Mating Game," "Rivals" and "Impossible Journeys") notes that "Some sequences have been graphically enhanced or were filmed under controlled conditions." Still, "all scenes represent actual animal behavior"—even human animal behavior, as limited as it is. "If you think you know nature," Mr. Cumberbatch says at the end of each chapter, "think again." Between the violence and the raw sex (among harlequin shrimp), "Super/Natural" offers food for such thought, all of it organic.

Super/Natural
Wednesday, Disney+

CULTURAL COMMENTARY

Blake Edwards At 100

BY PETER TONGUETTE

ALTHOUGH BEST KNOWN as a maker of comedies, the great American filmmaker Blake Edwards, who was born in Tulsa, Okla., in 1922 and died in 2010, consistently toggled between genres. His filmography includes such entries as the candid alcoholism drama "Days of Wine and Roses" (1962), the grand autumnal western "Wild Rovers" (1971) and the passionate romance among spies "The Tamarind Seed" (1974). Edwards resolved the tension between his antic instincts and dramatic aspirations with beautifully realized mature works, including "10" (1979) and "Victor/Victoria" (1982).

Yet, a century after his birth, Edwards's name remains inextricably linked with that of a certain fatuous, fictitious French inspector, Jacques Clouseau—the central figure in the director's remarkable "Pink Panther" series.

Edwards himself all but ensured this legacy by returning frequently to the franchise he created with the first film's co-writer, Maurice Richlin: Between 1963 and 1993, Edwards directed and co-wrote eight "Panther" comedies, including three ill-advised sequels that came after the death of the series' inimitable star, Clouseau himself, Peter Sellers. The director's devotion to the franchise was partly practical. "I like to make films, and in order for me to continue making films, I've got to get somebody to put up the money," said Edwards, explaining, in a 1977 interview with



Peter Stamelman, his decision to revive the popular series.

Beyond economic considerations, Edwards clearly saw the "Panther" series itself as an opportunity to fuse the forms of the whodunit and the farce, and each individual "Panther" film as a chance to indulge anew in the sight gags and general comic mayhem he loved. He used the basic, predictable elements of the series—such as the near-total incompetence of Clouseau (Sellers); the huffy impatience of his superior, Chief Inspector Charles Dreyfus (Herbert Lom); or the over-eager training exercises of his manser-

vant, Cato (Burt Kwouk)—as a clothesline on which to hang perfectly timed, meticulously executed and elegantly staged comedy. The first "Pink Panther" film was a template for what followed: The storyline—involving the search for the pilfered pink-hued diamond named in the title—was merely a pretext for the film's riotous succession of chases, disguises and characters hiding in bathrooms or beneath beds.

Although Edwards's delight in nonverbal comedy owes much to the silent era, he sloughed off the excesses and indulgences of his cinematic forefathers; the coolly

Director Blake Edwards, best known for the "Pink Panther" series, in 1968

precise "Panther" films lack the sentimentality of Charlie Chaplin and the earnestness of Harold Lloyd. Instead, Edwards purified the screen farce, constructing comic sequences that exist only to perpetuate themselves.

In a classic scene from 1976's "The Pink Panther Strikes Again," Clouseau heedlessly hits a croquet ball in the direction of Dreyfus, who is standing beside a lake upon his pending release from a psychiatric hospital. The first laugh comes when Clouseau's errant ball causes Dreyfus to tumble into the water, but the laughs build as Clouseau tries to extract a soaked Dreyfus (initially with the croquet mallet, which breaks, and then with a rake) only to twice submerge him again: when Clouseau sits with his ex-boss on a bench and, upon standing, causes the unbalanced bench to spring Dreyfus into the drink; and again when Dreyfus, having emerged from the water, places a foot on the rake and tumbles backward once more. The scene has a pleasing circularity: Dreyfus starts the scene sane, but after encountering Clouseau—that agent of disorder—ends up madder than ever.

For all their frivolity, the "Panther" films say something meaningful about the frustration of existing in the physical world: of getting from one place to another without stumbling, or saying something without being misunderstood. In 1975's "The Return of the Pink Panther," Clouseau attempts to enter a hotel, but, after he fails to navigate a revolving door, his suitcase becomes lodged in one of its compartments—and, in attempting to retrieve it, he in another. At last inside the lobby, Clouseau asks the clerk about the availability of a room—the word pronounced, in Sellers's ostentatious French accent, with the "r" flamboyantly rolled. The word is traded several times before com-

prehension is reached. Clouseau huffs: "That is what I have been saying, you fool." In his interview with Stamelman, Edwards identified what he called "Clouseau's 11th commandment": "Thou shalt not give up."

Only a director with extraordinary attention to detail could portray scenes of such profound misunderstanding and obliviousness. In another signature scene in "The Return of the Pink Panther," Clouseau allows himself to be drawn into an extended argument with a vagrant playing an accordion in the company of a monkey—"You must get yourself a proper lie-sansé," Clouseau demands, meaning "license"—while, in a window behind them, we see, but Clouseau does

In his movies he used comedy to explore deeply human needs and frustrations.

not, masked robbers muscling their way into a bank, dashing off with cash and sprinting into a getaway car—helped, unknowingly and astonishingly, by the inspector. With his careful choice of shots and angles, Edwards sees to it that the audience is clued into the action while the inspector is, predictably, none the wiser.

Perhaps Edwards, deep down, would have rather made more films in the vein of his more somber, self-reflective comedies, such as the beloved "Breakfast at Tiffany's" (1961) or the vastly underrated "The Man Who Loved Women" (1983). Yet, with their brilliantly achieved effects and enduring laughs, Clouseau and company's exploits represent escapism of the highest order.

Mr. Tonguette is a contributing writer at the Washington Examiner magazine.

RON GALELLA COLLECTION/GETTY IMAGES

SPORTS

Girls Are Leaving High School Basketball

Participation has declined amid more sports options and the physical demands of the game

By Rachel Bachman

Two decades ago, girls' basketball was the queen of high school sports. Nearly half a million players crowded into gyms nationwide...

But last school year, basketball dropped to the fourth-most-popular girls' sport by participation, according to the data released this month [Sept. 14] by the National Federation of State High School Associations.

Though boys' and girls' high school sports participation overall declined 4% since 2019 in the first post-pandemic national survey, girls' basketball dropped 7%.

The fall of girls' basketball is even more pronounced given the growth in popularity of the women's game: TV ratings for the NCAA women's basketball tournament and the WNBA are on the rise.

Several forces are driving the decline. More athletes are sticking to one sport nearly year-round. Schools have added other sports for girls, which have lured athletes away from basketball.

"It's sad," said Erica Delley, first-year head coach at Dallas's Kimball High School, which was a regional power when she played there in the early 2000s.

Only one girl from last year's Kimball team initially signed up to play for the season starting in October, Delley said. The coach coaxed two others to return, then recruited two dozen more with T-shirts and a promise that she'd teach them the game.

In Texas, powerhouse girls' basketball teams are drawing as many players as ever, some through open-enrollment policies, but other programs limp along with depleted rosters.

"A lot of athletes are specializing sooner," said Brooke Brittain, the girls' basketball coach and co-athletic coordinator at Mansfield High in the Dallas-Fort Worth area.

Brittain, who loves the game so much she deflated and packed a basketball on her Army deployments to Iraq, said the incoming roster of freshman players is the thinnest in her 16 years of coaching.



Above, a Nebraska high school basketball game between Lincoln Southwest and Fremont. Left, Caitlin Clark played at Iowa's Dowling Catholic.

come so important that some athletes actually won't go out for high school basketball to avoid disappointing their club volleyball coaches or teammates with potential absences.

In a statement, officials at the Nebraska School Activities Association said that only one school classification out of six competes on Presidents Day, and that the basketball schedule was approved by the NSAA's membership.

The number of girls' basketball teams in Nebraska has dropped 12% over two decades, a result of school closures, consolidations and cooperative sponsorships.

Meanwhile, the number of girls playing high school sports overall in Nebraska rose nearly 11% in the last decade, NSAA officials said. That increase came in part from growth in the number of girls competing in bowling and wrestling.

Nationwide, boys' basketball participation also has declined, although less sharply: about 4% over two decades. Across all high school sports over the past three years, as

the pandemic disrupted sports and prompted remote learning, boys' participation dropped 3.5% while girls' dropped 4.7%.

Shelby Gliebe, head coach at New Albany (Ind.) High, said the program halted junior-varsity play around midseason last year because of dwindling numbers.

"We've had kids that have to stop because they have to take care of some stuff at home first," Gliebe said. "Some of them are like, 'I have work, and I can't not work.'"

In the age of Instagram and TikTok, basketball also suffers in comparison with sports perceived to be "girlier," Gliebe said.

"I think the biggest reason for girls not participating in basketball, and I know this is silly: It's not a 'cute' sport," said Gliebe, mentioning the skirts worn in tennis and the spandex shorts worn in volleyball and running.

Delley of Dallas's Kimball High said she feels an urgency to get girls back into basketball, especially since they have the pros to aspire to.

"We want to keep it going," Delley said. "We don't want that to go away. You need a pipeline."

require the physical task on your body that maybe basketball does," Sigrist said.

Indeed, Natalia Bryant, the eldest child of the late Kobe Bryant and Vanessa Bryant, told Teen Vogue last year that she preferred volleyball to basketball because she hates running.

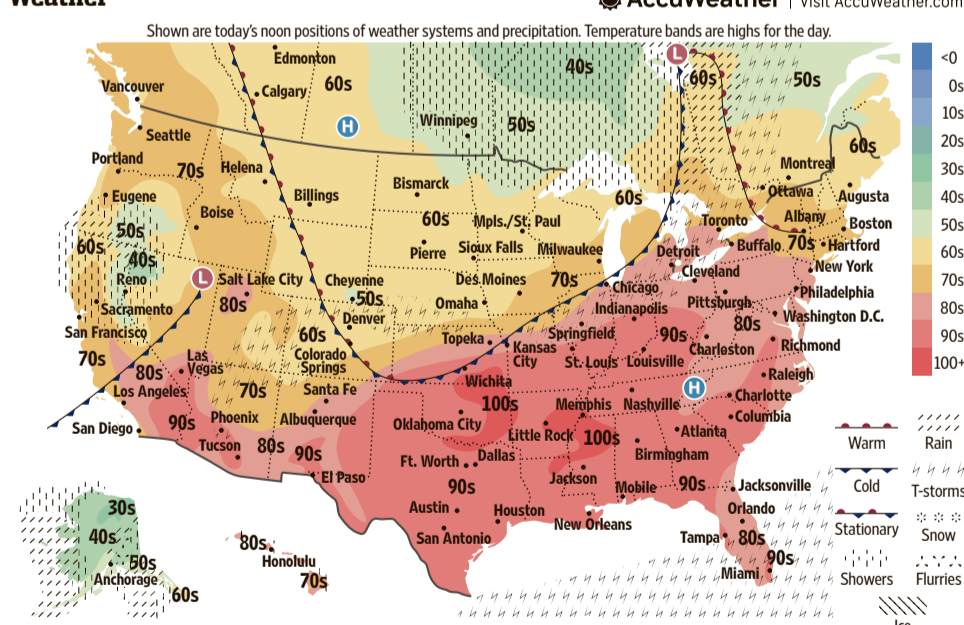
In Nebraska, the overlap of a large club volleyball tournament and high school district basketball playoffs on Presidents Day weekend spurred, "VB is negatively affecting BB participation. I'm grateful for the depth of VB talent in this state, but not at the demise of BB."

Such club tournaments have be-

come so important that some athletes actually won't go out for high school basketball to avoid disappointing their club volleyball coaches or teammates with potential absences.

In a statement, officials at the Nebraska School Activities Association said that only one school classification out of six competes on Presidents Day, and that the basketball schedule was approved by the NSAA's membership.

Weather



U.S. Forecasts

Table with 4 columns: City, Today Hi Lo W, Tomorrow Hi Lo W. Lists major cities and their forecasted high, low, and weather conditions for today and tomorrow.

International

Table with 4 columns: City, Today Hi Lo W, Tomorrow Hi Lo W. Lists international cities and their forecasted high, low, and weather conditions for today and tomorrow.

The WSJ Daily Crossword | Edited by Mike Shenk

A crossword puzzle grid with numbers indicating the starting positions for clues. The grid is 13x13.

- 63 Didn't surrender
24 Tycoon
64 Bank holding
26 Retreats
65 Romanov rulers
27 Key on a map
66 Lover of Aphrodite
28 Hold on tightly
29 Craze
33 Power source
34 "Adam Bede" author
35 Coward of comedy
37 Violent storms
39 "Pale Blue Dot" author Carl
42 Tavern on TV
44 Babar's spouse
47 Beverage brand since 1905
48 She's after Harris in the line of succession
49 Tennis star Naomi
50 New parent, e.g.
51 Incline
54 Acclaim
55 "Excuse me..."
56 Some sisters
60 Young fellow
61 Before, to Blake
62 Ukr., once

BUSINESS LIQUIDITY | By Geoff Brown

- 1 Winner of the Ballon d'Or seven times
23 Appliance brand
6 Store house?
25 Like a savanna
45 Draw
26 Business's ability to maintain a competitive edge, per Warren Buffett
30 Raid target
31 Cybertruck maker
32 Nation on the Gulf of Aden
36 Very dry, to sommeliers
38 Actors Ken and Lena
18 Circular tent
19 Colombian cash crop
20 Cash generated on a regular basis
41 "The Crucible" setting
43 Early computer
46 Backing for some securities
49 Uncommissioned
52 Fit for sentry duty
53 Retail stores or online marketplace, e.g.
57 Old Testament prophet
58 Waikiki Beach site
59 They're red on pairs of Louboutins

Previous Puzzle's Solution: A grid showing the solution to a previous crossword puzzle, with words filled in.

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

OPINION

Putin's Best Bet Is Negotiation



BUSINESS WORLD
By William W. Jenkins, Jr.

Russia's Ukraine gamble might have paid off if its original thesis had been correct: Ukraine was a fake country and rotten state, ready to fall gratefully into Russia's hands. This would have proved a lot of things—that Russia is a model for the future that somebody somewhere wants to be part of, that its neighborhood is full of countries and peoples that are naturally inclined to bend to its control. But unless I miss my guess, Vladimir Putin knows nothing now would finish him off quicker than if domestic allies saw him reaching for a dangerous escalation of a botched war that no longer offers any upside for Russia, that is pursued only to save Mr. Putin's face. He's already tossed away 50 years of Soviet and Russian effort to build up a European gas business. This is enough damage for one episode.

Mr. Putin's best bet is to negotiate—for starters, to get a cease-fire and then let the talks toward a final settlement drag on for 10 years, 20 years, however long he expects to be alive while he strives to rebuild his energy capital.

The question is much debated, but Mr. Putin can survive a failed war. The Russian

dead mostly belong to his disposable classes and minorities from the provinces. We can assume he knows something about his situation. His conspicuous policy, to which everything else has been subordinated since the war went wrong, has been to anesthetize vital sectors of the population to the fact that a war is going on at all. Moscow and St. Petersburg's privileged 17 million aren't going to protest in the streets if he doesn't conquer Ukraine. They might if he tries to drag their families into his deluded project.

He would still face hard-line pushback, but he's turning 70 and was destined to face aging-dictator risk anyway. His chances are better by cutting his losses, but don't expect to see it coming. He can't show his hand prematurely because the other thing he can't risk is being rebuffed and humiliated by Volodymyr Zelensky.

For months, Mr. Putin has been holding out for a leverage-increasing development that hasn't come: a military blunder by Ukraine and its Western allies, Europeans succumbing to energy panic. Even if a friend and ally were to rise to power now in Italy or another major European country, it wouldn't deter the U.S., Brits, Eastern Europeans and even Germans from continuing to back Ukraine.

And unlike Mr. Putin, Ukraine has no trouble mobilizing its population behind

the war. They fight willingly. The arms and training from the West are turning them into a local military superpower. Every story about a ballet dancer, poet or entrepreneur dying in battle compares with Russia's dependence on goons and dolts. After being cagey about losses, Ukraine began describing 100 to 200 dead a day under Russian long-range shelling. I was

He can survive a botched war but not a rebuff or humiliation by Ukraine's Zelensky.

skeptical. Why heavily man forward positions when Russia conspicuously lacked the infantry to follow up? But Ukraine could talk about its losses, possibly even exaggerate them, while Russia still must hide its own.

Ukraine's obvious knack, to the lowliest foot soldier, is for the inventive, multidisciplinary warfare (including the information war) that prevails in the 21st century. Even Mr. Putin must be getting the picture, and the risk it portends of more defeats coming—perhaps explaining why he increasingly shuts out Russia's formal military leadership in favor of consulting with his mercenary bosses.

His energy card can't rescue

him now, having waited too long to play it. Panic in Germany has given way to preparation and planning. As his "easy" war spun out of control, he turned to making sure the influential Russian middle class was minimally troubled by the conflict. Leaked last week was a video of Putin intimate Yevgeny Prigozhin in a prison yard trying to recruit paid fighters. Most telling was Mr. Prigozhin's candid response to the leak: "It's either private military companies and prisoners, or your children. Decide for yourself."

These words, posted on social media, were aimed at the sophisticated Russia that gets its news from the internet, over the heads of the cannon fodder and their parents who wallow in propaganda-filled state TV.

Mr. Putin's hardline backers were apoplectic over last week's Ferris wheel episode—he was inaugurating a new one in Moscow while his troops in Ukraine were retreating.

"It is very important for people to have a chance to relax with their family and friends," he explained. He could prove me wrong by instituting a national draft to throw the educated sons of Russia's middle class on the pyre of his useless war. I doubt it. The real question now may not be whether Mr. Putin wants an out. It's whether Ukrainian President Zelensky will give him one.

BOOKSHELF | By Meghan Cox Gurdon

The Quest For a New You

The Gospel of Wellness

By Rina Raphael
(Holt, 345 pages, \$28.99)

G.K. Chesterton had it that people who choose not to believe in God will believe in anything. P.T. Barnum supposedly quipped that a sucker is born every minute. What would these shrewd fellows have made of America's "wellness" industry? I think we can guess.

Wellness is at once an idealized state of being, a godless spiritual movement and pure marketing gold. As Rina Raphael observes in "The Gospel of Wellness," a survey and critique of a sprawling \$4.4 trillion business, wellness has become an "aspirational obsession for some and close to religious dogma for others." The ambiguity of the term makes it wonderfully useful in commercial come-ons, because it can be attached to virtually anything. Turmeric tablets, charcoal-activated toothpaste, acupuncture, fertility treatments, "detox" drinks, mindfulness apps, athleisurewear—all sorts of goods and services now come with the promise of maximizing personal excellence, delaying (or disguising) aging, and, with any luck, postponing death.

The vogue for wellness has altered the way we talk, Ms. Raphael notes. "People say things like 'I need this for my self-care,' 'I'm on a cleanse,' or 'I'm practicing gratitude.' These slogans weren't around 15 years ago." A former reporter for Fast Company who has written for a variety of media outlets, Ms. Raphael focuses most of her attention here on women—especially in the middle- and upper-income brackets—and with good reason: American women make something like two-thirds of domestic spending decisions and four-fifths of all decisions having to do with health, so they wield tremendous economic power. They have also, as a cohort, proved themselves highly receptive to the allurements of wellness marketing. Why?

According to Ms. Raphael, advertisers have the idea that women are subject to "greater emotionality" and "inarticulate longings," an assessment that she traces to the bad old days of Madison Avenue chauvinism. In her view, the main reason we're such easy marks is that our lives are unfairly hectic and demanding: We are stressed out by partisan politics (hers lean left), we're denied access to inexpensive child care, and we find ourselves doing the, ah, lioness's share of domestic labor.

Maybe, but after reading her account of ecstatic spin classes and cannabis-infused wellness weekends; of women eager to buy jade yoni eggs, therapeutic crystals and "chemical-free" beauty products (which, as Ms. Raphael wryly notes, are composed of chemical compounds like everything else in life), it's hard to disagree with the old-school ad men. We modern women *do* seem possessed of intense emotionality and inarticulate longings. Other forces are at work that probably intensify our susceptibility. The devices that bring us Instagram's beguiling targeted ads for wellness products, for example, are the same devices that feed our social anxieties.

That some loopy things get sold in the name of wellness doesn't mean that the concept is without value. Who doesn't want to feel well? The problem, in Ms. Raphael's opinion, is that millions of Americans are looking to "wellness" to supply something it can't: refreshment in deep places that have been left parched in the long, slow withdrawing of organized religion. Two decades ago, 70% of Americans belonged to a church, mosque or synagogue; today it's fewer

than half. During that same period, demand has soared in the wellness-industry subsection known as "mystical services," which traffics in tarot cards, psychic readings and astrology. Oriented toward the self and its narcissistic satisfaction, such purchases can create their own "meaning crisis," Ms. Raphael writes. "When a family member dies, crystals do not offer a communal ritual, nor does manifestation [intense positive thinking] soothe the collective grief or solidify memorial rites."

Ms. Raphael recounts several awkward exchanges from an expensive wellness-themed weekend in Utah. In the course of conversation, three people inquired about her meditation "practice." When Ms. Raphael said she didn't meditate but instead centered herself by reading traditional Jewish prayers, she was met with bewildered embarrassment. "I really don't know what to say to that," one fellow managed, after a long pause. "That's different."

Ms. Raphael keeps up a jaunty pace in "The Gospel of Wellness" and mixes her metaphors with cheerful abandon—at one point fitting a genie, a tsunami, an avalanche, an echo chamber, jail inmates and a chloroformed gatekeeper into a single paragraph. She's particularly good at pointing out the credulity of too many consumers. Products are not necessarily safer or nicer because they are "natural," for instance (they may just rot faster). Certain vilified "toxins" represent no threat to health. No woman needs "gluten-free" shampoo, unless she plans to drink the stuff. In our quest for wellness, it seems, we would be wise on occasion to consult our brains. We would be wise, too, Ms. Raphael suggests, to beware the false promises of false gods.

Near the end of "The Gospel of Wellness," Ms. Raphael quotes the late David Foster Wallace, who, like Chesterton and Barnum, noticed certain human propensities. "There is no such thing as not worshipping. Everybody worships," he observed. In what now seems like prophecy, the novelist went on: "Worship your own body and beauty and sexual allure and you will always feel ugly, and when time and age start showing, you will die a million deaths before they finally plant you."

The Journal recently ran an article on the beauty magnate Kourtney Kardashian, who says she began her own "wellness journey" 12 years ago with the birth of her son. She is now extending her commercial empire into "the world of wellness" with a line of sweet gummy vitamins. The packaging, you will be happy to learn, will all be "post-consumer recycled plastic and distributed with carbon-neutral shipping."

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

How Russia's Invasion Changed the World



POLITICS & IDEAS
By William A. Galston

Events in the past week show how the invasion of Ukraine has forced the major powers both to reconsider their relations with Russia and to rethink how to pursue their long-term interests.

Indian Prime Minister Narendra Modi delivered a face-to-face rebuke to Vladimir Putin, despite his country's near-total dependence on Russian weaponry and its interest in maintaining a close relationship with Moscow as a counterweight to Beijing: "Today's era is not an era of war," he said, "and I have spoken to you on the phone about this."

Chinese leader Xi Jinping forced Mr. Putin to acknowledge China's "questions and concerns" about the war in Ukraine during an in-person meeting in Uzbekistan last week—quite a change from Beijing's pledge of "limitless friendship" seven months ago. In a statement after the meeting, Mr. Xi called on Moscow to work with him to "inject stability into the turbulent world," while meeting with leaders of Central Asian countries, who have not backed the invasion of Ukraine despite Russia's long-dominant role in their region.

On Sunday night, CBS reporter Scott Pelley asked President Biden a carefully worded question: "So unlike Ukraine, U.S. forces—U.S. men and women—would defend

Taiwan in the event of a Chinese invasion?" Mr. Biden replied bluntly: "Yes, if in fact there was an unprecedented attack."

As always, White House staff insisted this statement wasn't a policy change. But it was clearly another long step away from the strategic ambiguity that has long shaped American policy toward Taiwan. Let's call it "strategic disambiguation."

Mr. Biden clearly believes clarifying U.S. policy will help deter a Chinese invasion. Many China experts argue that Mr. Xi is watching how the West is responding to the Russian invasion, and this is a clear message that if Beijing attacks, it can expect Washington to show Taipei the same firm solidarity it has given Kyiv.

At a Brookings forum on Monday, scholars explored the consequences of Mr. Putin's history-changing decision. International relations expert James Goldgeier argued that it will be impossible for the West to restore normal relations with Russia or enjoy stability in Europe so long as Mr. Putin remains in power. All we can do is punish him.

Energy expert Samantha Gross predicted that Russia will soon turn off Europe's natural-gas spigot entirely, making this winter even harder to endure. Germany expert Constanze Stelzenmüller sharpened the point: Although Germany has succeeded in filling its storage tanks, this reserve will last for only two months; she added dryly that winter will last "considerably longer."

Things will become even more difficult if, as seems likely, worse-off European nations ask Germany for fuel.

Several Brookings scholars expressed doubts that the American-led effort to cap Russian oil prices will intensify pressure on the Russian economy in the short term, though they concede that Russia's long-term prospects have been weakened. To decouple from Russian energy, Europeans are building infrastructure that will make it

It drove other nations to rethink relations with a weakened, isolated Moscow.

hard for Russia to win them back, including the technology needed to accept liquid natural gas from other producers such as the U.S., Qatar and Nigeria. In the long run, the invasion will likely accelerate Europe's transition from fossil fuels, though it has temporarily increased coal's role and may delay planned shutdowns of nuclear power plants as well.

Panelists agreed that the war has generally weakened Russia. Ukraine's defense has punctured the myth that Mr. Putin had rebuilt the invincible Red Army. His military's logistics are weak, its weapons second-rate, its tactics inflexible, and its top-down command structure obsolete. Criticism of the invasion is spreading in Russia, and Mr. Putin's reputation for strategic

infallibility is being called into question. The West is more united than it has been in decades, the number of U.S. troops stationed in Europe has increased, and the North Atlantic Treaty Organization is strengthened by increased military spending and the impending membership of Sweden and Finland.

As defense policy expert Caitlin Talmadge remarked, the war in Ukraine has reminded us of the key role that "nonmaterial factors" play in armed conflict. Motivation and morale make a huge difference. The invasion instantly made possible in Ukraine the sort of national mobilization that Mr. Putin hasn't dared force in Russia. The Ukrainians know why they are fighting. Except for Wagner Group mercenaries, the Russians don't.

Robert Kagan also emphasized the role of nonmaterial motives in U.S. foreign policy. By the standards of classic "realist" theory, defending Ukraine isn't in America's core national interest. But during the past century, Americans have embraced a broader view of U.S. foreign policy. Experts and ordinary citizens alike care about defending a peaceful world order in which dictators don't change boundaries by force of arms and don't suppress peoples' desires for self-government. The American response to the invasion of Ukraine proves that this idealism remains at the core of our national identity and that we can't conduct a viable foreign policy without acknowledging its enduring impact.

LIV Long and Prosper? Probably Not

By Kevin Cook

The latest battle in the golf-tour wars was fought this weekend in Chicago, where the upstart LIV staged an event featuring shotgun starts, booming music, skills tests for fans, and a growing list of players who have bolted from the strait-laced PGA Tour for what the new circuit calls "Golf, But Louder."

Phil Mickelson collected a reported \$200 million to join LIV, backed by Saudi Arabia's \$620 billion Public Investment Fund. Dustin Johnson and Bryson DeChambeau got more than \$100 million each. The latest big-name defector, 2022 British Open champ Cameron Smith, signed for a similar sum before his LIV debut this month in Boston, where commissioner Greg Norman parachuted to the first tee and tossed beers to fans.

The golf establishment had hoped LIV would be on life

support by now. Instead it kept making headlines and converts. Last month the PGA Tour announced multimillion-dollar boosts in prize money and a new guaranteed minimum of \$500,000 a year for players who stay in the fold. Loyalists including Tiger Woods, who turned down

It's more like the XFL than the American Football League.

more than \$700 million to join LIV, and Rory McIlroy are teaming up for "Monday Night Golf." Such long-overdue innovations might not have happened without pressure from LIV.

Pressure is one thing; "blood money" is another. That is how Bob Costas describes LIV's wealth, charging defectors with helping the Saudi regime "sportswash" its human-rights record. Oppo-

nents dubbed LIV the Bone-saw Tour, a reference to Saudi assassins killing journalist Jamal Khashoggi.

Donald Trump, who hosted a LIV event at his course in Bedminster, N.J., has predicted an "inevitable" merger between the tours like the National Football League's absorption of the American Football League in 1970. Mr. Trump could be right, though it bears remembering that he owned the New Jersey Generals of the U.S. Football League, which won an antitrust suit against the NFL and was awarded \$3 in damages.

One looming question: Will golf's major championships blacklist LIV players? That wouldn't be smart. The Masters bills itself as "a tradition unlike any other." It backs that claim with an annual Champions Dinner for all living champions. Banning Masters champs who joined LIV would end all that.

It's also hard to imagine a 2023 U.S. Open or PGA Cham-

ionship without stars like Mr. Mickelson or Mr. Johnson, or a British Open without its defending champion. They'll probably tee it up in an uneasy truce with PGA Tour stalwarts. Even so, the majors' fields will be thinned because LIV golfers don't earn world-ranking points for play on the new circuit. They'll have to rely on past performances in the four majors and tours outside LIV, like the DP World Tour.

LIV Golf has given the sport a much-needed shakeup, but its impact is likely to end there. The best comparison is not to the old AFL but to the XFL of Vince McMahon. Founded in 2001, the XFL was loud, beery fun at first. It went under for the same reason that will sink LIV Golf in the long run: Nobody cared who won.

Mr. Cook is a former editor of Golf Magazine and author of "Tommy's Honor" and "Titanic Thompson."

OPINION

REVIEW & OUTLOOK

Liz Cheney's Bill to Stop a Jan. 6 Repeat

The good news is that the House now has a bill to update the 1887 Electoral Count Act, the antiquated law implicated in the Jan. 6 Capitol riot. Even better, the legislation unveiled this week by Republican Liz Cheney and Democrat Zoe Lofgren reads like it's an improvement, in some respects, of the Senate version.

The House plan says the Vice President's role when Congress tallies the Electoral College "is ministerial." The VP can't on his own "order any delay in counting." This responds to President Trump's claim in 2020 that Mike Pence could seize control of the joint session. Mr. Trump's legal argument relied on a lack of clarity in the 12th Amendment, which can't be fixed by statute. Still, it would be helpful to have Mr. Trump's theory contradicted by the law and Congress's explicit procedure.

The House bill says Electoral College certificates "shall be accepted as conclusive" if submitted by a state's Governor, unless a court orders otherwise. If a rogue Governor refuses to certify the real winner, federal courts could "direct another official of the State" to complete the job. A three-judge panel would preside, with appeal to the Supreme Court. The date for electors to vote would be pushed to Dec. 23, providing more room for challenges to play out.

Where the House bill might be an improvement is in making it harder for partisans in Congress who want to get C-Span-famous to lodge phony Electoral College objections. Only a specified set of complaints would be heard, such as if a state sends too many electors; if electors vote on the wrong day or are ineligible; or if the presidential or vice presidential candidate is ineligible. No whining on the House floor that somebody had a funny feeling about the vote totals in west southeastern Pennsylvania.

The Senate bill offers similar finality to the Governor's certificate. Yet it would continue to permit Congress to object vaguely that an elector's vote wasn't "regularly given." That's the same phrase Congress has abused for years, and in 2020 an alarming 147 House and Senate Republicans objected. An ideal reform would stop this grandstanding. Hence, the House bill's idea

to enumerate specific grounds for legitimate objections.

Ms. Cheney and Ms. Lofgren also propose to lift the threshold for objections. Under the current Electoral Count Act, a single Senator working with a single Representative can force Congress to debate their wild claims. The Senate bill would

require signatures from a fifth of each chamber. The House bill raises that to a third. How about they keep going and compromise at two fifths? More is better, but requiring 33 Senators is better than needing only Sen. Josh Hawley or Rep. Jim Clyburn.

The best approach remains for lawmakers to get out of this objection business and leave such disputes to the courts. The House bill retains a purported authority to reject Electoral College votes if Congress decides that the incoming President is constitutionally ineligible. But isn't 14 days before Inauguration Day a little late for that, folks? Imagine if President Trump wins a landslide in 2024 and then Democrats move to invalidate his electors, saying that Mr. Trump led an "insurrection" as defined under the 14th Amendment.

Perhaps it's unrealistic to expect lawmakers to give up the power they arrogated in 1887, but the madness of Jan. 6, 2021, should have made a convincing case. It's asking for trouble to enshrine any political process for overturning the will of the voters two weeks before the transfer of power is scheduled to take place. Last time it was voting machines in Michigan, and before that it was Russian interference, and before that it was voting machines in Ohio... but it's always something for Congress's partisans.

Nevertheless, a bill to make that prospect less likely goes in the right direction, especially if it cuts off the microphone for the sour grapes and conspiracy theories that marred the counting after 2000, 2004, 2016 and 2020.

This reform should have been the top priority for Congress and the Jan. 6 committee from the beginning, but their priority has been replaying the riot rather than trying to prevent the next one. Let's hope it isn't too late in this Congress to get this done at last.

There's no excuse for the delay in fixing the Electoral Count Act.

Now Democratic Senators want to forgive parental loan debt.

No Student Loan Borrower Left Behind

One sign that President Biden's student-loan cancellation isn't playing well politically is the push by Democratic Senators to extend the write-off to parents who borrowed to pay for college for their children.

Congress created the Parent PLUS loan program in 1980 to help middle-class families. Undergraduate federal loans for dependent students are capped at \$31,000, but parents can borrow an unlimited amount to cover the gap between what colleges charge and their children receive in financial aid. About 3.6 million parental borrowers owe the government some \$107 billion.

Parent PLUS loans carry higher interest rates than student loans but default rates are also much lower. One reason is the federal government performs credit checks in the application process. Novel concept, we know.

Democrats have apparently realized that canceling debt for young people who don't want to repay isn't fair for the millions of parents diligently making payments. Under the President's plan, parent borrowers can get up to \$10,000 in

forgiveness. But eight Democratic Senators led by Maryland's Chris Van Hollen are beseeching the President to forgive more.

"Without addressing this group of borrowers, any improvements to these programs will fall short in adequately addressing the multigenerational student loan debt crisis many families are facing," the Senators wrote to Mr. Biden last week. They want parents to receive an additional \$10,000 in forgiveness if their child received a Pell grant.

Democrats also want to extend the new more generous income-based repayment plans that cap monthly payments at 5% of their discretionary income (down from 10% today) to parents and make it easier for parents participate in a special public-service loan forgiveness program.

Who knows how much this parental payoff would add to the up to \$1 trillion cost of student-loan forgiveness, but it wouldn't be cheap. Once government starts forgiving loans for political reasons, there's no limiting principle, and Democrats will keep demanding more.

Newsom's 2024 Climate Platform

California can barely keep the lights on as its climate policies bite the electric grid, but Gov. Gavin Newsom is undaunted. On Friday he signed no fewer than 40—count 'em 40—new climate bills to amp up California's green-energy shock experiment.

Even as gasoline prices nationwide have fallen to an average \$3.68 a gallon, Californians are still paying \$5.45 a gallon. California's electric rates are already more than double those in neighboring states. This is what happens when politicians try to eliminate fossil fuels with a Molotov cocktail of regulation, taxes, and renewable mandates and subsidies.

But Mr. Newsom blew right past that on Friday: "We're not only doubling down, we're just getting started."

One new bill raises the state's "clean electricity" mandate to 90% by 2035 and 100% by 2045. The state currently generates about a third of its power from renewables such as solar and wind, so utilities will have to start skewing investments even more to meet the new targets.

This will require a rapid and massive expansion of battery storage, manufacturing and technology that doesn't exist. This will be hugely expensive if it can be done at all. Utilities will have to decide if it's worth maintaining gas-fired plants that will soon have to shut down. More power outages, here we come.

Another new law would require that the state reduce greenhouse-gas emissions to 85% below 1990 levels and achieve "carbon neutrality" by 2045. The state Air Resources Board would have free-wheeling power to impose regulations to achieve these benchmarks, including restricting new housing construction, manufacturing and agricultural production.

The Western States Petroleum Association

says these new targets would cost every California household between \$5,600 and \$10,700 a year and increase the cost of building a new home by at least \$50,000. Like all of California's climate policies, the new CO2 goals are a hidden regressive tax that will smack low- and middle-income residents hardest.

Ditto a new law limiting new oil wells within 3,200 feet of homes, schools, parks or businesses open to the public. California's oil production has fallen 40% since 2014 owing to climate regulation that discourages investment. The state has had to import more oil by tanker from overseas. Can Mr. Newsom explain how this reduces CO2 emissions?

California's new oil production limitations could destroy tens of thousands of jobs. The State Building and Construction Trades Council warned they would eliminate "high wage industrial manufacturing union jobs in California's most disadvantaged and underserved communities," which "represent the only path out of poverty" for many.

You almost have to wonder if California Democrats are trying to drive away working-class families and businesses to ease the strain on the grid and meet their climate goals. Affluent progressives would then have the state to themselves.

Cruising to re-election, Mr. Newsom appears to be fleshing out a platform in case President Biden doesn't run for re-election in 2024. This includes a new council to dictate wages and working conditions at fast-food franchises along with a \$308 billion budget. The climate package is intended to appeal to progressives who say the Biden Administration has been too timid. High-cost, high-tax California governance may soon be coming nationwide.

LETTERS TO THE EDITOR

Mueller Didn't Demolish the FBI. He Saved It

Thomas Baker argues that changes made to the FBI after 9/11 by Director Robert Mueller led to "the ugly disaster of Crossfire Hurricane, the fruitless but disruptive investigation of the Trump campaign and Russia" ("How Robert Mueller Shredded the FBI's Credibility," op-ed, Sept. 15).

Hardly. Like Mr. Baker, I am a former FBI special agent, and I had a front-row seat to Mr. Mueller's Herculean efforts to save the FBI. After 9/11, there were serious discussions about gutting the bureau and handing its national security missions to a new, MI-5-style organization. It was a bad idea. Even my friends in MI-5 said so. To end this self-destructive hand-wringing, Mr. Mueller knew he had to ensure that the FBI was exceptional not only at solving complex cases, but in preventing them from occurring.

The transformation didn't come without breaking some of the family china. But the culture was badly in need of change. It struggled with acceptance of women and minorities. It struggled with technology. After becoming director in 2001, Mr. Mueller

was shocked to discover that we were still submitting handwritten time cards and using red and blue pencils to index information in our reports.

Mr. Mueller had disdain, as Mr. Baker alleges, for several of the special agents in charge of the FBI's field offices who were particularly belligerent about "centralization." This was already the precedent in big, complex cases, and one field office didn't have the bandwidth to direct a 9/11-type investigation.

Mr. Mueller's changes have made the FBI a better defender of American democracy. Intelligence-driven investigations have prevented hundreds of attacks on the homeland since 9/11. Stronger emphasis has been placed on protecting civil liberties. As a former president and his minions rip at the threads by which the Constitution hangs, the bureau's work is essential. Its job is to protect the American people and uphold the Constitution.

FRANK MONTOYA JR.
Logan, Utah

Mr. Montoya served in the FBI from 1991 to 2016.

Get the Facts Straight on Yeshiva Education

The perspective of yeshiva parents like Sheva Tauby ("The Campaign Against Our Yeshivas," Houses of Worship, Sept. 16) was sorely lacking in the New York Times cover story to which she replies. The Times highlighted about a dozen Hasidic primary schools that fared much worse than public schools on state exams. But the relevant comparison is to other students who come from homes where English isn't the primary language.

Once we compare apples to apples, the yeshiva results no longer appear exceptional. On the 2019 state English Language Arts exam, there were 155 New York City public schools in which fewer than 1% of English Language Learning (ELL) students performed at grade level. In more than 95% of New York City public schools, at least two-thirds of ELL students failed to perform at grade level.

More important: Are yeshiva graduates prepared to earn a living? The Times cited high poverty rates in Hasidic communities, but the rates are distorted by larger family sizes and a younger median age. Household income provides a more accurate picture of the ability of Hasidic Jews to find decent jobs, and on that measure they outperform the general public. More specific data is needed, but a 2021 study found a median Haredi household income of \$102,000.

As Ms. Tauby notes, the yeshiva system produces communities with a high degree of social capital and low rates of crime and other social ills. The Times should investigate how it manages to do that. The public-school system might learn something.

JASON BEDRICK
Research fellow, Heritage Foundation
Phoenix

Art Is More Than an Ideological Battleground

I have read with interest the varying letters on museums and politics (Sept. 10, 12, 13, 15), and I believe that many have lost sight of the true purpose of an art museum. I am 16 years

Chicago—Love It and Leave It? Crime and a City's Future

Regarding your editorial "McDonald's and the Crisis of Chicago" (Sept. 16): Yes, we have crime, a homeless population and an overworked police force—show me a major urban hub free of those. Yet Fortune 500 companies have relocated to Chicago for the spectacular array of urban amenities and quality of life that are so critical to maintaining a well-educated workforce. Cisco, Meta, Accenture and Google are all opening new offices in Chicago. Such moves aren't indicative of a city in "crisis."

KEITH CAMPBELL
Chicago

My wife and I left Chicago in 2020 due to the crime and chaos, even though we lived in the supposedly safe neighborhood of Bucktown. Our decision was validated when, scant weeks later, a neighbor was shot in an attempted carjacking in the alley not 10 yards from our former home. He survived and, with his family, joined the Chicago exodus.

We hated to leave—Chicago has so much to offer. But a vibrant cultural scene and dazzling architecture are hard to appreciate when you're ducking at every loud noise and constantly checking your rearview mirror. Many of our formerly active Chicago friends are simply laying low. McDonald's CEO Chris Kempczinski summed it up: "McDonald's commitment to Chicago... it's not open ended and unconditional."

JOHN KNOERLE
Shorewood, Wis.

Yesterday's Personality Cults

I was interested to read Sara Stevenson's assertion that Democrats "are not members of a personality cult" ("No Biden Flags for a Reason," Letters, Sept. 19). This might come as a surprise to fellow Democrats whose dwellings feature icons of the martyred John and Robert (Kennedy), or who venerate those who have suffered for the faith, in particular, Hillary (Clinton), Jimmy (Carter) and, of course, Adlai (Stevenson) of blessed memory.

PHILIP TERZIAN
Oakton, Va.

old, and my generation has inherited a chaotic intellectual landscape. Between arguments about ideology and indoctrination, we have forgotten that, above all, art is made to be enjoyed.

Ever since I first went to the National Gallery with my mother and saw Degas's delicate dancers and Monet's pastel blooms, the art museum has been a place of peace and contemplation for me. To make it a battleground where the ideological wars of the present day are fought is to betray the intent for which museums were originally created: to bring beautiful works of art together for visitors to enjoy.

While understanding Degas's aim in painting his ballerinas and the effects these works had on society may be illuminating, my ecstasy at seeing "Four Dancers" for the first time, at age 6, wasn't dimmed by my ignorance of their working conditions.

CHARLOTTE O'BEIRNE
McLean, Va.

Queen's Old-School Virtues Put the Rest of Us to Shame

I wholeheartedly agree with and appreciate Daniel Henninger's take on the absence of the application of traditional values in America today ("The Countercultural Queen," Wonder Land, Sept. 15). It is difficult to argue with his observations regarding the erosion of "the Queen's old school virtues"; this degradation is plain for all to see.

The challenge for those of us who espouse traditional values runs on a parallel track to the writer and preacher Francis Chan's challenge to Christians: "The theology that matters is not the theology we profess but the theology we practice." Who among us would stand comparison with the Queen in our steadfastness in the application of traditional values? The obvious question is: Are we part of the problem at times?

MARK STELLPFLUG
New Holstein, Wis.

Pepper ... And Salt

THE WALL STREET JOURNAL



"We're seeing a lot of this lately. I wish I knew what it is."

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

What the Child Poverty Rate Is Missing

By Phil Gramm
And John Early

House Speaker Nancy Pelosi and Senate Majority Leader Chuck Schumer assured us in July 2021 that expanding the child tax credit would “cut the nation’s child poverty rate in half.” Shortly thereafter, President Biden proclaimed that the expanded credit would “cut child poverty in half this year.” The official census numbers are out, and in 2021 the poverty rate among children under 18 was 15.3%. It fell a mere 0.7 percentage point from 16% in 2020 and was still 0.9 point higher than the pre-pandemic low of 14.4% in 2019, even though government spent an extra \$2.6 trillion on transfer payments in 2020-21.

The Census Bureau’s tallies still don’t include \$1.9 billion in government transfer payments.

As we pointed out on these pages, the Democrats’ rosy promise wouldn’t be recorded in the official Census Bureau poverty numbers, because the income numbers used to calculate the official poverty rates don’t count refundable tax credits as income to the recipients. No matter how much money the government pours into any of these tax credits, it will never raise the official income measure given the way the census defines income. The omission of refundable tax credits from the official poverty rate calculation isn’t unique. The Census Bureau fails to count two-thirds of all government transfer payments to households in the income numbers it uses to calculate

not only poverty levels but also income inequality and income growth. In addition to not counting refundable tax credits, which are paid by checks from the U.S. Treasury, the official Census Bureau measure doesn’t count food stamps, Medicaid, the Children’s Health Insurance Program, rent subsidies, energy subsidies and health-insurance subsidies under the Affordable Care Act. In total, benefits provided in more than 100 other federal, state and local transfer payments aren’t counted by the Census Bureau as income to the recipients.

If the Census Bureau had included the missing \$1.9 trillion in transfer payments, child poverty would have been only 3.2% in 2017, compared with the official rate of 17.5%. Government transfer payments that were distributed in 2017 had already cut child poverty by 82%.

The administration has made a lame effort to deflect attention from this structural flaw in the official poverty measure by referencing a so-called supplemental poverty measure. This is one of many experimental efforts to measure poverty using a different method from the official one. This experimental measure shows that poverty for children fell by 4.5 percentage points, from 9.7% in 2020 to 5.2% in 2021. This supplemental rate does count refundable tax credits and some other transfer payments not counted by the official measure, but it still fails to count about half of all transfer payments and significantly overstates the amount of child poverty in America. No matter what supplemental measure the Census Bureau uses to produce the results predicted by Mrs.



DAVID KLEIN

Pelosi, Mr. Schumer and Mr. Biden, the official measure of poverty, which will be the focal point of debate in future years, won’t record any reduction in the child poverty level from the refundable child tax credit.

Last year, the official census numbers for 2020 failed the laugh test. They showed that household income was down by 2.9% and the poverty rate was up by 1 percentage point in a year when federal transfer payments expanded by 36%. For the first time ever, the Census Bureau included the supplemental estimate in the same release as the official number, showing that income had actually risen by 4% and the poverty rate had fallen from 11.8% to 9.1%. Had it counted all the transfer payments, the poverty rate would have been about 2%.

The official poverty estimate by

the Census Bureau not only overstates the level of poverty, but it distorts the policy debate. Politicians use the overstated poverty numbers as a rationale for additional transfer payments. The new transfer payments aren’t counted as household income, so there is no improvement in the official poverty rate. This process is repeated over and over. In the past 50 years the real value of taxpayer funding for transfer payments to the poorest 20% of American households has risen from an average of \$9,677 to \$45,389.

This vicious circle of deception drives up the deficit and the national debt without solving America’s real poverty problem. Constantly increasing government means-tested transfers doesn’t address the basic needs of the 2% of American households that actually

are poor. These households usually suffer from a wide range of dysfunctional conditions that simply can’t be addressed by expanding means-tested transfer payments. Those with severe mental-health problems and drug addiction often never sign up for benefits. Sending payments to those who are no longer poor means that the truly needy, who long ago fell through the cracks in the existing poverty program, continue to be largely uncared for.

The financial burden of federal transfers rose to more than \$4.5 trillion annually in 2021. Even before the recent increases, the level of benefits had reduced the percentage of work-age adults in the bottom quintile who actually work from 68% in 1967 to 36% in 2017. At the current level of means-tested benefits, the labor-force participation rate has now fallen in the second and middle quintiles of income earners.

The Bible tells us, “Ye shall know the truth and the truth will make you free.” But the Lord leaves it to us to ferret out the truth. A good start would be for Congress to require that the official Census Bureau numbers reflect reality by including the effects of all transfer payments and taxes.

Mr. Gramm is a former chairman of the Senate Banking Committee and a nonresident senior fellow at the American Enterprise Institute. Mr. Early served twice as assistant commissioner at the Bureau of Labor Statistics. They are the co-authors of “The Myth of American Inequality: How Government Biases Policy Debate.”

The Migrant Influx Could Help With the Labor Shortage

UPWARD MOBILITY
By Jason L. Riley

Republican governors doing it.

When the administration transports migrants from Texas to New York, as it has been doing on the down-low for more than a year, it’s called “resettlement.” When Texas Gov. Greg Abbott does the same thing in a much more transparent fashion, it’s labeled “human trafficking.” The proper name for all this is political theater, but we shouldn’t forget that flesh-and-blood human beings in the most desperate straits are being used by our elected officials to score partisan points.

Sadly, this immigration war between states is escalating, with GOP governors in Arizona and Florida following Texas’ lead. Immigrants are being sent to liberal strongholds such as Chicago, Washington and Martha’s

Vineyard, a celebrity vacation destination in Massachusetts. States and cities that for years have described themselves as “sanctuaries” for undocumented migrants—including violent criminals—and have ostentatiously refused to cooperate with federal immigration-enforcement officials, are now getting a tiny taste of what it’s like these days to be a southern-border state. Local health-care and education resources are being overburdened, social safety nets are being strained, and lawmakers in Washington are pointing fingers at one another.

There’s a better way. New York Mayor Eric Adams told reporters last week that he’s asking the White House to expedite immigrant work visas. “I think it’s imperative that we look at the employment,” he said. “Think about this for a moment. We’re telling migrants and asylum seekers, ‘You can come to the country but for six months you can’t work.’ What? Six months you can’t work. So, six months you are having people who just sit idly by, waiting. So, who’s supposed to pick up the tab for that?”

Mr. Adams is on the right track in recognizing that the foremost driver

of illegal immigration is economic hardship, and that there are few ways for people to enter the country and work lawfully. Still, he doesn’t go far enough. What state and local officials really need from Washington is more autonomy when it comes to immigrant labor. This isn’t a new idea, and it’s something that Democrats and Republicans alike have called for in the recent past.

The surge at the border isn’t going away. Making more work visas available would solve two problems.

Republican Sen. Ron Johnson of Wisconsin and Rep. John Curtis of Utah have previously introduced legislation that would create a state-based visa system. When Joe Biden was running for president, his immigration platform called for “a new visa category to allow cities and counties to petition for higher levels of immigrants to support their growth.” As president, it continued, “Biden will support a program to allow any county or municipal

executive of a large or midsize county or city to petition for additional immigrant visas to support the region’s economic development strategy.” People who can come legally to work in Wisconsin or Utah are much less likely to enter Texas or Arizona illegally.

In Canada and Australia (countries with immigration systems that Donald Trump and his supporters have cited favorably) the national government allows regional and local authorities to act more independently on migrant issues. “Under the Canadian Constitution, for example, immigration is a concurrent power jointly exercised by both the federal and provincial governments,” writes George Mason University law professor Ilya Somin in his 2020 book, “Free to Move: Foot Voting, Migration, and Political Freedom.” “Australia also has a program of state-based visas for workers.”

Even here in the U.S., there have been times when the federal government has tinkered with immigration policy to address regional labor shortages. At the urging of the California and Texas congressional delegations during World War II, the U.S. created the Bracero Program to allow hundreds of thousands of Mexican

farm workers to enter the country legally as seasonal laborers. A 1980 Congressional research report concluded that, “without question,” the program was “instrumental in ending the illegal alien problem of the mid-1940s and 1950s.”

The White House initially insisted that the surge at the border was seasonal and would fade over time, but it’s turned out to be about as transient as inflation. Tight U.S. labor markets, stemming in part from overly generous pandemic relief efforts that made not working more attractive, have only added to the problem. The upshot is that illegal border crossings continue at a record pace, while Democratic leaders pretend there is no serious immigration problem to address and that anyone who says otherwise is xenophobic.

If the ultimate solution is comprehensive legislation that combines better border security with more visas, it doesn’t mean nothing constructive can be done in the interim. But that will require at a minimum some acknowledgment on both sides of the aisle that immigration has benefits as well as costs, and that those costs are spread unevenly throughout the country.

China Hit Some Bumps on Its Road to Semiconductor Dominance

By Rick Switzer
And David Feith

Don’t be lulled into thinking China is failing in its goal to become the world’s biggest semiconductor-chip producer. That’s the conclusion some are drawing from such troubles as the bankruptcy of national champion Tsinghua Unigroup and the high-profile arrests of several officials and executives. If China is failing, the argument goes, why is Washington launching an expensive industrial policy to subsidize domestic semiconductor manufacturing?

This analysis is emblematic of the Western habit to underestimate the strength and resilience of China’s economy, political system and industrial strategies. China’s statist approach suffers from endemic waste,

misallocation of capital and corruption. China isn’t guaranteed to succeed simply because Beijing wants to. But the notion that these arrests and bankruptcies signal China’s failure lacks evidence.

Consider the solar and shipbuilding industries. Similar to semiconductors, solar technology was invented and first commercialized in the U.S., only to be targeted later by China’s state planners. In 2012, after years of massive subsidies and overinvestment, China’s largest solar firms began to suffer high-profile setbacks. Trina and others cut production to maintain profitability. LDK Solar and others were bailed out by local governments while defaulting on foreign bonds. Suntech, the Nasdaq-listed darling of China’s solar sector, went bankrupt in 2013.

Fast-forward to the present,

however, and China’s solar industry is so dominant that U.S. and European green-energy goals depend on Chinese exports. China accounts for 80% of global solar production (across all segments of the supply chain) and nearly 95% of polysilicon crystal. To make matters worse, China’s solar sector exploits forced labor from Uyghur Muslims in Xinjiang and beyond, so importing more Chinese solar panels often means abetting slavery.

In shipbuilding, too, Beijing’s interests have been well-served by subsidies, market-bending policies, and a willingness to endure economic losses. In 2002 Premier Zhu Rongji gave a speech calling for China to be the world’s leading shipbuilder, and Beijing made 2015 the target year to achieve this goal. At the time, China accounted for only 5% of global shipbuilding output. In 2003 a national shipbuilding plan emerged, followed by massive subsidies and other accommodative industrial policies.

Between 2005 and 2009, China added 30 times as many new shipyards as global leaders Japan and South Korea. Reuters reported in 2011 that China’s shipyards were “in troubled waters as orders dry up.” But other countries’ shipyards suffered worse. By 2017 China’s immense increase in global capacity forced once-dominant firms such as South Korea’s Daewoo Shipbuilding and Japan’s Mitsubishi Heavy Industries to shrink significantly or seek government assistance to remain in business, while many other firms exited the industry.

Despite losing tens of billions in

wasteful overinvestment, Beijing accomplished its goals. By purposely creating global overcapacity, driving profits out of the industry, and bankrupting foreign competitors, China became the world’s leading shipbuilder. It now controls some 50% of global shipbuilding sales. (U.S. shipbuilding is in such short supply that as recently as 2016 U.S. defense contractors considered joining with Chinese firms for dry-dock capacity.)

But the history of solar power and shipbuilding shows why the U.S. can’t afford to be complacent.

A recent Stanford study showed that industries targeted by China’s five-year plans see a surge in new Chinese firms and significant declines in U.S. firm creation, output, employment and earnings.

These lessons of history apply to semiconductors too. By certain measures Beijing’s policy is finding success. China now produces more chips than the U.S., accounting for about 15% of global output. Its chip-manufacturing giant, SMIC, recently produced a 7-nanometer chip. That is behind the global cutting edge, which is 3 nanometers and smaller, but it may rival U.S. leaders such as Intel.

Beijing’s industrial policies reflect inconvenient realities. Building semiconductor foundries (known as fabs) is now so expensive, close to \$20 billion each at the cutting edge, that

firms all but demand state backing before building one. Between 2012 and 2020 (when U.S. lawmakers began working on the subsidy plan enacted this summer), most new high-volume, leading-node fabs in the world were built in China, South Korea and Taiwan, where firms enjoy government subsidies and implicit guarantees.

Hence the case for the recently passed Chips+ Act, through which Washington will subsidize U.S. semiconductor manufacturing, which has fallen to 12% of global production from 37% in 1990. Subsidies can create distortions and feed corruption, so we need deft administration, transparency and limits. But ceding semiconductor manufacturing to others who subsidize it for strategic advantage has exposed the U.S. to a dangerous dependency on exports from overseas markets that are subject to Chinese coercion.

Policy makers can recognize the challenges of America implementing its own industrial policy without mischaracterizing China’s mission as failed or doomed. Whatever embarrassing failures are hurting China’s semiconductor industry these days, history and strategic prudence show that the U.S. should take Beijing’s ambitions seriously and spend to counter them before it’s too late.

Mr. Switzer is a senior fellow at the Special Competitive Strategies Project. Mr. Feith, an adjunct senior fellow at the Center for a New American Security, served on the State Department policy-planning staff and as deputy assistant secretary of state for East Asia, 2017-21.

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THE WALL STREET JOURNAL.

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Gap to Cut 500 Corporate Positions

Apparel retailer is laying off staff at its offices in San Francisco, New York and Asia

By SUZANNE KAPNER

Gap Inc. is eliminating about 500 corporate jobs, according to people familiar with the matter, moving to reduce expenses at the apparel retailer amid declining sales and profits.

The jobs are mainly at Gap's main offices in San Francisco and New York as well as in Asia, the people said. The company is laying off staff and eliminating positions that are currently open across a range of departments. Some employees have

been notified of the layoffs in recent days, the people said.

"We've let our operating costs increase at a faster rate than our sales, and in turn our profitability," Bob Martin, Gap's executive chairman and interim CEO, wrote in a memo to employees on Tuesday notifying them of the job cuts, according to a copy reviewed by The Wall Street Journal.

The company has endured years of slumping sales at the flagship Gap brand and, more recently, problems at the Old Navy chain, which accounts for more than half of total revenue.

Sales at Old Navy took a hit this year after an attempt to make inclusive clothing sizes backfired, leaving it with surplus goods. The company is

searching for a permanent chief executive after the resignation of Sonia Syngal in July.

Last week, the company said it was ending a partnership with Kanye West to make clothes under the Yeezy Gap label, after Mr. West accused the company of breaching the 10-year agreement.

The job cuts are unrelated to the winding down of the Yeezy Gap partnership. Gap plans to introduce Yeezy Gap items it has in the pipeline, meaning the label won't disappear right away, people familiar with the situation said.

In August, Gap finance chief Katrina O'Connell told analysts the company would be looking for ways to reduce spending and overhead, including a

pause on planned hiring.

Gap had about 8,700 employees in headquarters locations as of Jan. 29, according to its annual report. In total, the company had 97,000 employees, most of whom were hourly workers in its stores.

The Gap job cuts follow recent corporate layoffs at other retailers, including Walmart Inc., Abercrombie & Fitch Co., and Stitch Fix Inc. In addition, Bed Bath & Beyond Inc. has said it plans to shrink its corporate ranks amid a deep sales slump.

Retail sales have slowed from their torrid pace of last year, as consumers spend less on apparel and homegoods and more on traveling and dining out. Inflation is making groceries, gasoline and other items

more expensive, leaving less room in budgets for nonessential goods. That has caused inventories to pile up at many retailers, which is depressing profits as they offer discounts to clear out the goods.

Gap, which also owns Banana Republic and Athleta, swung to a loss of \$49 million in the three months ended July 30 from a profit of \$258 million a year earlier. Net sales fell 8% to \$3.86 billion. Sales excluding newly opened or closed stores were down 10% in the period.

Gap shares fell 3.3% to \$9.21 on Tuesday. Board member and former Walmart executive Bob Martin has taken over as interim CEO while the San Francisco-based company looks for a new leader.

Tencent Identifies Assets For Sale

By JING YANG AND RAFFAELE HUANG

Tencent Holdings Ltd. is looking into shedding more of its huge investment portfolio as the Chinese social-media and videogame company tries to fund a series of share buybacks and refocus its growth strategy, people familiar with the matter said.

The technology giant, which owns stakes in some of China's largest internet companies, has recently completed a regular review of its sprawling portfolio and identified its priorities for possible stake sales based on the returns these investments have generated, the people said. Potential disposals could include online real-estate brokerage KE Holdings Inc., food-delivery company Meituan and ride-hailing giant Didi Global Inc., they added. Tencent is in no rush to execute the divestments, the people said, and it is unclear when they will happen.

The review into potential disposals is being driven partly by the desire to free up cash from some matured assets to allow Tencent to invest in other areas such as videogames and healthcare. Another motivation is to support buybacks to ward off the pressure on Tencent's share price as Prosus NV, its biggest shareholder, reduces its stake in the Chinese company, according to people familiar with the matter.

If they do happen, the disposals will be part of a turn for Tencent, which owns WeChat, the ubiquitous do-everything app, as well as many other services on which swaths of the Chinese public have become reliant. The company became a major investor in startups, assembling an investment powerhouse that was valued at hundreds of billions of dollars before China's crackdown on internet platforms deflated valuations.

As of the market close on Monday, Tencent's stakes in KE Holdings, Meituan and Didi were valued at \$29 billion, and the total value of Tencent's stakes in listed companies was at \$82.7 billion, according to calculations by Robin Zhu, an analyst at Sanford C. Bernstein.

Tencent doesn't have any pipeline, arbitrary timeline or target amounts for divestments, a company spokesman said.

"We have always invested with the goal of generating strong returns for our company and shareholders, not ac-

Uber Says Collective Carried Out Hack

By ROBERT McMILLAN

Over the past year, some of the world's biggest technology companies have been bested by an international group of hackers—some of them teenagers—whose motivations seem at times unusual, said security experts who have investigated the episodes.

Uber Technologies Inc. said Monday that it was a victim of the group, called Lapsus\$, saying it gained access to the company's internal systems and posted messages, including a graphic image, to employees.

It was the latest in a noteworthy string of hacks. Last month, Cisco Systems Inc. said it had been hacked, most likely by a hacker affiliated with Lapsus\$. And during a month-long rampage around March, the group broke into the networks of chip maker Nvidia Corp., Microsoft Corp., online access management vendor Okta Inc., Samsung Electronics Co. and others, the companies said.

Some hacking groups install ransomware or quietly steal data, such as credit-card information or Social Security numbers, that they then sell. Others are government-backed and try to steal corporate secrets or conduct espionage.

Lapsus\$ is different, security researchers say.

Sometimes the group demands extortion money. But often the motivation seems to be publicity: a kind of notoriety used as street cred with other hackers so they can possibly team up on future criminal endeavors, said Allison Nixon, chief research officer at the cybersecurity firm Unit 221B.

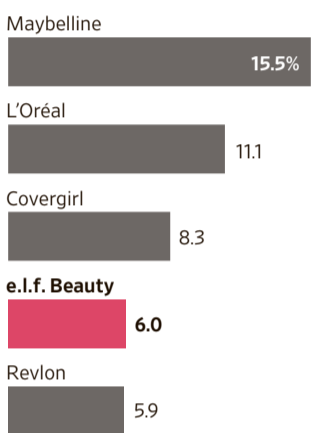
"They're basically children who grew up in online communities that groom children to do cybercrime," said Ms. Nixon, who has tracked the group since last year.

It is an amorphous team that hides behind anonymous online aliases, but members of the group have left enough digital breadcrumbs that some of them have been identified by law enforcement and private researchers. The group likely includes members from Brazil and the U.K.—several of them teenagers—according to security researchers and law-enforcement officials. In its short life, it has developed a set of techniques that, while not technically sophisticated, have proven to be devastatingly effective at breaking into some of the world's largest technology companies.

Many of these attacks prey on the very systems that companies have set up to operate efficiently during an era of remote work, targeting company help desks and the systems companies use to reset passwords and remotely access corporate networks.

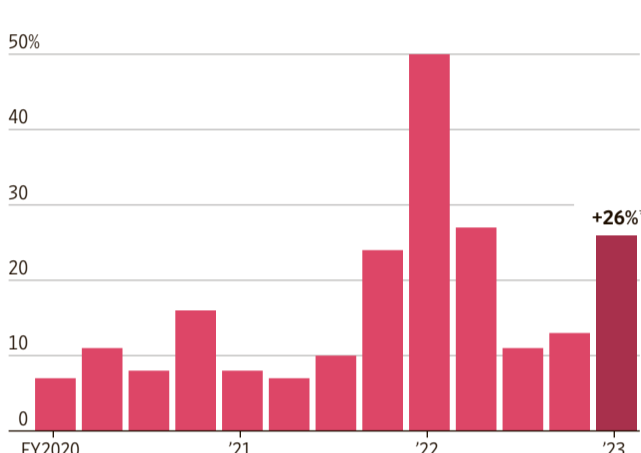
"These kids have developed a very successful methodology. Please turn to page B4

U.S. market share of mass-market cosmetics brands



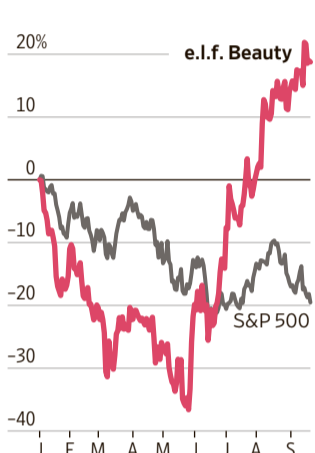
*For the quarter ended June 30

e.l.f. Beauty net sales, change from previous year



Sources: Bank of America Global Research (market share); the company (sales); FactSet (performance)

Performance, year-to-date



At \$3, a Lipstick Defies Inflation

By SHARON TERLEP

E.l.f. Beauty Inc., known for selling cheap-but-trendy makeup in drugstores, raised prices and rolled out higher-end products this spring when fast-rising costs threatened profits.

Left untouched: \$3 lipstick.

Chief Executive Tarang Amin said he made a bet amid escalating inflation to leave prices unchanged on e.l.f.'s cheapest items. "We didn't touch a third of our items," Mr. Amin said in an interview, including bestsellers such as lipsticks, eyelash wands and mascara that cost just a few dollars.

Inflation in the U.S. is hovering near four-decade highs. Setting prices is among the thorniest issues facing CEOs today, particularly in the consumer-products industry, where relatively small price increases can send shoppers fleeing to rival products.

E.l.f., which stands for eyes, lips and face, generally sells cosmetics at prices below those of brands that are sold in department stores and specialty shops such as Sephora. The low-price offerings draw in new buyers, Mr. Amin said. "We wanted to be sure there



EUGENE GOLOSUKHIN/GETTY IMAGES FOR NYLON

Budget cosmetics brands such as e.l.f. have fared well amid high inflation as demand stays strong.

was an entry into e.l.f. if someone was on a budget constraint," he said.

The Oakland, Calif.-based company plans to stick with the strategy even if inflation doesn't abate, Mr. Amin said. The company, which outsources manufacturing to China-based suppliers, says it makes money on even its lowest-priced items. It is also

adding higher-priced items such as skin care to its lineup.

The 18-year-old company is on a winning streak even by the standards of the beauty business. The industry has fared relatively well amid high inflation, buoyed by stronger demand for makeup, perfume and skin creams as Americans venture out more. Budget drugstore brands such as e.l.f.,

L'Oréal SA's Maybelline, and Coty Inc.'s Cover Girl have especially benefited as shoppers feel comfortable splurging on a low-cost pick-me-up.

E.l.f., with about \$400 million in annual revenue, posted a 26% sales gain in the most recent quarter, more than twice analysts' estimates. Its share price is up more than

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INSIDE



AUTOS
Hertz agrees to buy up to 175,000 electric vehicles from General Motors. **B3**



PROPERTY REPORT
Chinese companies are selling off U.S. commercial real estate in a turnaround. **B6**

State GOP Officials Press Card Firms To Halt Gun Code

By ANNAMARIA ANDRIOTIS

Republican attorneys general of 23 states are warning Visa Inc., Mastercard Inc. and American Express Co. not to move forward with their plan to add a new code to identify when purchases are made at firearms retailers.

The attorneys general said in a letter that the card companies' plan could lead to the misuse of consumer data and wouldn't protect the public.

"Categorizing the constitutionally protected right to purchase firearms unfairly singles out law-abiding merchants and consumers alike," their letter to the three companies says. The letter, a draft of which was reviewed by The Wall Street Journal,

was expected to be sent Tuesday.

The effort was led by the offices of Tennessee Attorney General Jonathan Skrmetti and Montana Attorney General Austin Knudsen.

Visa, Mastercard and Amex use merchant-category codes, or MCCs, to identify types of merchants by the goods and services they sell. The companies said this month that they would add a new code for firearms retailers, who have long been categorized under broader groups such as specialty retailers or durable-goods sellers. The new code was recently approved by an international entity that sets standards for the payments industry.

Gun-control advocates have pressed the financial in-



BRANDON BELL/GETTY IMAGES

The officials say the plan could lead to misuse of consumer data.

curb mass shootings, though it has been an uphill climb. They say the new merchant code could help identify suspicious gun sales.

Gun-rights advocates have long resisted such efforts, saying they could unfairly prevent legal gun purchases.

In interviews, both Mr. Knudsen and Mr. Skrmetti said they could launch investigations into the companies if they moved forward with the gun-shop code.

"We will marshal the full scope of our lawful authority to protect our citizens and consumers from unlawful attempts to undermine their constitutional rights," their letter said.

Merchant codes generally don't identify the product a card user is buying. Instead, they describe the type of store where a purchase was made. That means transactions with the gun-shop MCC might involve gun purchases, Please turn to page B5

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Lipstick Brand Stays at \$3

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50% from a year ago, and the company recently passed Revlon Inc. as the fourth-biggest mass-market beauty brand in the U.S. In July, Revlon filed for bankruptcy protection, squeezed by a hefty debt load.

The leaders of some retailers and consumer brands are starting to see signs of consumer stress after years of being able to raise prices without denting demand. Executives at Kroger Co. and Walmart Inc. in recent weeks have said consumers are trading down to cheaper brands or cutting back on how much they buy.

E.l.f.'s low prices and round numbers make price increases especially noticeable, said Scott Rick, who studies behavioral decision making at the University of Michigan's business school. "People might not notice a difference between \$15.99 and \$16.99, because that's less memorable of a price," he said. "But on the smaller-ticket items that can draw people in, you don't want to draw attention to increases."

Less affluent consumers, particularly, "don't seem to be in an overly forgiving mood" when it comes to price increase, he said.

Other companies have protected notably cheap offerings. Costco Wholesale Corp., for instance, opts to take a loss on its popular \$1.50 hot dog and soda combo rather than raise prices. Many haven't. Dollar Tree Inc., which sold almost everything for a dollar in its name-sake chain, last fall said it would start selling products at \$1.25 or \$1.50. McDonald's Corp. earlier this year began letting franchisees sell sodas for higher prices, after all sizes of the drinks were promoted nationally for \$1 for several years.

E.l.f. one of the few major mass beauty brands with a loyalty program, took the unusual step of communicating details of price increases directly to consumers. In March, the company said in an Instagram post that it would raise prices by \$1 on most of its products, explaining to consumers that costs were rising and some product prices would stay the same.

While the lipstick is still \$3, the company has been able to recoup added costs both through the price increases on other products and by adding higher-end offerings such as skin-care products, like a three-piece hydration set for \$34—priced by e.l.f.'s standards.

Prices on average are up nearly 10% across the company. It has ramped up spending on advertising in recent months and is seeing growth across a range of demographic groups, Mr. Amin said. "Their operations are so different from their mass competitors," said Bank of America analyst Anna Lizzul. With the pricing moves, she said, "They did several things that were unique and make them especially well-positioned with consumers."

The company's presence in China has proved an advantage, Ms. Lizzul said. About 80 of e.l.f.'s 300 employees are stationed there and have deep relationships with suppliers, while avoiding long-term contracts that tie them to any vendor. The result, Ms. Lizzul said, is a more flexible operation that has been able to adjust to demand shifts and supply-chain snags that have hurt rivals. Other big mass-market brands do more of their own manufacturing.

The company in August raised sales and profit growth estimates for the fiscal year ending March 31. Industry analysts expect e.l.f.'s sales growth for the period will be double that of the overall industry. Profitability has grown in recent quarters.

Standing in the makeup aisle of a Manhattan CVS, Bindi Sawant was drawn to the e.l.f. display's variety of makeup brushes. An image consultant visiting from Mumbai, Ms. Sawant, 44 years old, has an extensive makeup regimen and is considering adding e.l.f. after seeing its \$7 eye shadow palette. "Wow," she said. "The pricing is really good."

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E.l.f. Cosmetics' palette of SRSly Satin Lipstick shades

BUSINESS & FINANCE

Walgreens Acquires Rest of Shields

By DEAN SEAL

Walgreens Boots Alliance Inc. has reached a \$1.37 billion deal to take full ownership of Shields Health Solutions.

The company said on Tuesday that it had signed an agreement to acquire an additional 30% stake in Shields, rounding out the roughly 70% stake it had built up since July 2019, as Walgreens moves toward providing more health-care services.

Shields partners with hospitals and health networks nationwide to provide specialty pharmacy services, which typically entail high-cost products for severe illnesses and complex diseases.

Walgreens said on Tuesday that Shields has delivered 57% sales growth in the first nine months of 2022.

The pharmacy-chain operator started making moves to take ownership of Shields three years ago when it and a private-equity firm made equity investments in the company on terms that weren't disclosed.

Shields said at the time that the investments would bolster its national expansion.

Last fall, Walgreens increased its stake to about 70% with a \$970 million invest-



Walgreens Boots Alliance has built up its stake in Shields Health Solutions since July 2019.

ment that included an option for the company to pick up any remaining equity interests in the future.

The deal to take full ownership of Shields is expected to close by the end of the calendar year, after which the company will continue operating

as a distinct business and brand within the Walgreens umbrella.

Walgreens also said on Tuesday that John Standley is stepping down as president of the Walgreens Co. subsidiary in a management shakeup that will see the unit reorganized

under two leaders.

Under the restructuring, Shields chief Lee Cooper will take over pharmacy operations while Tracey Brown, president of retail products and chief customer officer, will head the retail side, Walgreens said

Nordstrom Adopts Poison Pill After 9.9% Stake Buy

By SUZANNE KAPNER

Nordstrom Inc. adopted a so-called poison pill to prevent outsiders from boosting their stake in the business after a Mexican company acquired a 9.9% stake in the upscale U.S. retailer.

A roughly \$300 million investment made El Puerto de Liverpool SAB—which operates high-end department stores in Mexico—the second-largest shareholder after the founding Nordstrom family, which owns about 30% of the Seattle company.

Poison pills, also called shareholder rights plans, are legal maneuvers that make it hard for shareholders to build their stakes beyond a set point by triggering an offer for others to buy more shares at a discount.

In the case of Nordstrom, the company adopted a shareholder rights plan that will issue new shares if Liverpool or anyone else acquires a stake of 10% or more in a transaction not approved by Nordstrom's board.

Existing holders of more than 10% of the company's stock, including the Nordstrom family, will be grandfathered in.

Liverpool said on Sept. 15 that it had spent 5.9 billion pesos, or about \$295 million at current exchange rates, to purchase Nordstrom stock as a means to diversify geographically.

The company's securities filing indicated it was a passive investment.

"We wouldn't rule out the possibility that [Liverpool] might increase its stake and take on a more active role over the long-term," wrote Citi analyst Sergio Matsumoto in a note to clients.

"Meanwhile, the two entities may forge a closer relationship," he wrote. In 2016, Liverpool acquired the Suburbia clothing chain from Walmart de Mexico SAB for about 19 billion pesos.

The company operated 122 department stores, 164 Suburbia stores as well as 28 shopping malls, according to its most recent annual report.

Liverpool has a market capitalization of around \$6.5 billion, compared with a roughly \$3 billion valuation for Nordstrom.

The Nordstrom family offered to take the company private in 2017 for about \$50 a share, but abandoned the transaction after it had difficulty securing financing.

The company's shares fell 2% in Tuesday trading, closing at \$19.25.

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BUSINESS NEWS

Hertz to Buy Up to 175,000 GM EVs

By MIKE COLIAS

Hertz Global Holdings Inc. has agreed to buy up to 175,000 electric vehicles from General Motors Co. over five years, the latest example of rental companies bulking up on EVs.

The companies said Tuesday that Hertz would buy EVs from across GM's four main brands in North America—Chevrolet, Buick, GMC and Cadillac. The first orders would be for Chevy Bolt EVs starting early next year, the companies said.

Car-rental companies have been ordering electric cars to differentiate their fleets and add to their premium offerings.

It also helps them to bur-nish their environmental, so-

cial and governance, or ESG, credentials with investors.

Hertz expects to offer GM's electric models across its business lines, including leisure customers, business travelers, corporate fleets and ride-share drivers, Chief Executive Stephen Scherr said. Financial terms weren't disclosed.

Jeff Nieman, Hertz's senior vice president of operations initiatives, said the purchase was in the multibillion-dollar range.

For auto makers, rental-company demand is an opportunity to land bulk orders as they are trying to scale up production of plug-in cars.

Last year, Hertz said it would buy 100,000 Teslas for its fleet. The rental-car firm also last spring agreed to pur-

chase 65,000 electric cars from Swedish auto maker Polestar.

Hertz said Tuesday that it planned for one-quarter of its fleet to be electric by the end of 2024.

Executives from Avis Budget Group Inc. and Enterprise Holdings Inc. have said they are planning to add EVs to their fleets.

At Hertz's airport locations, the company has charged \$30 to \$35 more a day for Teslas than the average rate for premium rentals, Mr. Scherr told analysts during a July conference call.

Selling EVs to Hertz could help GM hit ambitious sales targets that it has outlined to investors.

GM Chief Executive Mary Barra said early this year that

the company expected to sell 400,000 EVs in North America by the end of 2023, more than 10 times the number it has sold annually in recent years. GM has said it aims to sell one million EVs in North America in 2025 as it rolls out more models.

Steve Carlisle, president of GM North America, said he hoped that a Hertz customer who rented an EV would like it and buy one later.

"It's a try-before-you-buy sort of situation," he said during a media briefing.

Mr. Carlisle said GM's profit margin on its EV sales to Hertz would be closer to the margin it gets on retail sales. Historically, auto makers' sales to rental firms have been steeply discounted.

Suit Cites More False-Arrest Issues

A lawsuit by five Hertz Global Holdings Inc. customers has accused the rental giant of faulty inventory tracking that caused the drivers to face wrongful arrest for car theft.

The suit, filed in Delaware Superior Court on Tuesday, said the customers were stopped in the past year by police and held at gunpoint for renting and driving vehicles that Hertz incorrectly reported as stolen.

Such instances have been a continuing issue for Hertz, the plaintiffs' lawyer said, with at

least 300 since 2015. The majority of legal claims related to false arrests were funneled into bankruptcy proceedings after Hertz entered chapter 11 in May 2020. The latest suit appears to be the first stemming from police stops that occurred since Hertz emerged from bankruptcy.

A Hertz spokeswoman said Tuesday that the company has already sent almost 60 confidential settlement offers to individuals "who had a negative experience with our company." She added that Hertz is processing individual claims as fast as possible and plans to make progress in reaching resolutions over the coming months.

—Dean Seal

Jet Builder To Cut 150 Positions In Finance

By ANDREW TANGEL

Boeing Co. said it plans to eliminate about 150 finance jobs in the U.S. as part of a push to simplify its corporate structure.

The expected reduction follows what the company said were earlier corporate staffing cuts in areas such as information technology, aimed at reducing complexity so Boeing can focus more resources on engineering, manufacturing and product development.

Some of the U.S. finance positions to be eliminated this year would be relocated to India, people familiar with the matter said. They said the company may make additional, similar job cuts in coming months.

Boeing said in a January regulatory filing that it ended last year with about 142,000 employees worldwide.

China Meets With Boeing on 737 MAX Flights

By RACHEL LIANG AND CAO LI

China's air-safety regulators have met with Boeing Co. to discuss the company's 737 MAX, a move the regulator's official media outlet said signaled the jetliner could soon return to Chinese skies after more than three years.

The Civil Aviation Administration of China held an evaluation meeting last week with Boeing's U.S. and China teams to review the training protocols for pilots, the CAAC News, a news outlet run by the regulator, said on Tuesday.

The regulator will release a revised report on the plane once questions raised at the meeting are resolved, the news outlet said, adding that it offered hope that the process to reintroduce the 737 MAX to China would be completed soon. The CAAC News didn't provide a timeline.

A Boeing spokesperson said the company would continue to work with customers and global regulators, including the CAAC, to safely return the 737 MAX to service worldwide.



China Southern Airlines Boeing 737 MAX aircraft parked at Urumqi airport in China in 2019.

Boeing shares rose 0.7%, or \$1.06, on Tuesday to close at \$145.94 each.

China was the first country to ground the plane in March 2019, after the second of two fatal crashes involving the 737 MAX within a half year. Since late 2020, the jet has resumed operations in more than 190 countries, including the U.S.,

Australia, Canada and 31 countries in Europe. But China and a few other countries have held off.

In December, China's air-safety regulators issued a key safety approval for the jet, a move that brought the aircraft a step closer to resuming passenger service there.

In March, a Boeing 737-800

operated by China Eastern Airlines Corp., one of China's biggest airline companies, nosedived into a mountain slope in southern China, killing all 132 people on board, further denting Boeing's reputation in China and complicating the recertification progress for its separate 737 MAX series of jets.

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TECHNOLOGY

WSJ.com/Tech

Spotify Launches Audiobook Service In Push to Expand

By ANNE STEELE AND JEFFREY A. TRACHTENBERG

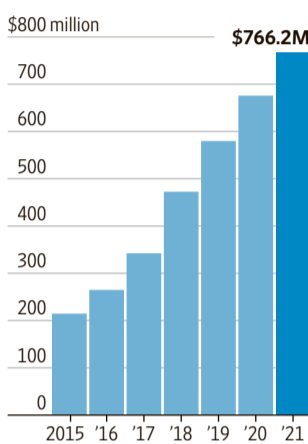
Spotify Technology SA began offering audiobooks on Tuesday as the streaming giant aims to expand beyond music and podcasts.

Spotify users can purchase and listen to a catalog of more than 300,000 audiobooks from independent authors and major publishers, including titles by horror writer Stephen King, journalist Malcolm Gladwell and romance novelist Abby Jimenez.

The books are available on a pay-per-download basis, sim-

ilar to existing audiobook services such as those offered by Apple Inc. and Alphabet Inc.'s Google. While Spotify is known for its user-specific music recommendations—and is working on building that out for podcasts as well—it will make editorially curated recommendations for audiobooks to start. The company said it would work to add algorithmic recommendations, based on the full scope of a user's listening habits, over time.

Publishers' revenue from downloaded audiobooks



Source: Association of American Publishers

Spotify last fall announced its acquisition of global audio-

book distributor Findaway, mounting a challenge to the country's largest audiobook service, Audible, a unit of Amazon.com Inc. The deal closed in June.

Spotify sells its titles at individual prices and said it is setting those prices and negotiating terms directly with publishers. Audible offers a subscription service where users pay a fee to get access to its 760,000 audiobooks and other content, including its own originals. Audible controlled about 48% of U.S. audiobook unit sales for the monthly period ended mid-April, according to book-audience researcher Codex Group LLC.

Spotify's vice president and head of audiobooks, Nir Zicherman, said the company is exploring different business models, including ad-supported and subscriptions, as well as exclusive titles. Spotify said the offering, launched in the U.S. only on Tuesday, will eventually roll out to other markets.

Spotify, which has been fighting Apple over its in-app purchase policies, said users will be directed to make audiobook purchases via a web browser instead of inside the app—a move that means Apple won't be taking up to a 30% commission for downloads.

During Spotify's investor day in June, Chief Executive Daniel Ek highlighted audiobooks as a key expansion area as part of his vision to expand the company to 10 times its current size. Mr. Ek said he believes the overall audiobook market could drive \$70 billion in annual revenue, and margins over 40% for the Spotify unit.

Mr. Zicherman said audiobooks represent 6% to 7% of the book market globally but are growing by 20% year-over-year.

Shares in the Stockholm-based company closed down 2.5% Tuesday.

Apple, Disney Pressed on Politics

By ALLISON PRANG

An activist investor who has been a sharp critic of so-called environmental, social and governance, or ESG, investing is urging Apple Inc. and Walt Disney Co. to not engage in political discussions and to make employment decisions without taking an individual's race, sex or political opinions into account.

Vivek Ramaswamy, who recently launched Strive Asset Management, said Disney should no longer take public positions on political issues that aren't related to the company's core business. The letter cited how Disney Chief Executive Bob Chapek took a stance on Florida's parental rights in education bill.

"Disney must act now," Mr. Ramaswamy wrote in his letter, dated Monday. "If Disney continues speaking out on political issues that do not affect its business, it will face even greater pressure to act when they do. And the sides Disney will be expected to take won't be the ones that are favorable to its business."

A Disney spokesman said in an email that the company regularly receives input from



Activist investor Vivek Ramaswamy has attacked ESG strategies.

its shareholders. "We listen to their perspectives," he said.

In a separate letter to Apple, Mr. Ramaswamy pushed back on the company's plans to conduct a racial-equity audit and asked the tech giant to make all hiring decisions without taking into account political beliefs, race or sex.

Apple declined to comment. Strive holds positions in Apple and Disney in a recently launched exchange-traded fund that invests in large public companies. The fund has roughly \$11 million in net assets.

Mr. Ramaswamy is the author of "Woke Inc.," a book

that argues companies shouldn't be swayed by politics. Strive Management's main fund, focused on energy, has \$320 million in assets. Earlier this month, he publicly called on Chevron Inc. to pump more fossil fuels over the next decade and slow spending on its energy-transition plan. His energy ETF holds a position in Chevron.

He says companies have a fiduciary duty to their shareholders, not the firms who represent those stockholders, like big asset managers such as BlackRock Inc.

"You owe a fiduciary duty to

the actual owners of Disney, not to the institutions who claim to represent them," Mr. Ramaswamy wrote to Disney. "There is strong reason to believe that these large asset managers are not acting with their clients' best interests in mind."

Many asset managers have previously pushed back on criticism of ESG—the loosely defined practice of considering issues beyond short-term profits when making financial decisions—by noting that companies that take into account environmental risks and opportunities tend to be more profitable over time.

Earlier this year, Disney's Mr. Chapek changed course on his policy of staying out of politics. He said he had told Florida Gov. Ron DeSantis that he was concerned about the education bill's potential impact on LGBT children. He also pledged to spend \$5 million on contributions to LGBT causes. Florida in April passed a law eliminating Disney's special tax benefits in the state.

In his letter to Disney, Mr. Ramaswamy also called on the company to commit to making it clear that both customers and employees won't be punished for their political beliefs.

Uber Says Collective Hacked It

Continued from page B1
ogy," said Marc Rogers, a former Okta security executive who is now the chief security officer with Q-Net Security Inc. "Even the mightiest company can be brought low, so long as they're clever about who they target and how they target."

In Uber's case, the attacker likely purchased a username and password belonging to an Uber contractor on the dark web after it had been stolen

from the contractor's computer via malicious software, Uber said in a Monday blog post on the incident. Then the hacker tried to use these credentials to log into Uber's networks. Because Uber requires a "two-factor" login, these attempts sent messages to the contractor's phone asking if they were really trying to log in. Initially, this stopped the attack, but the hacker didn't give up and kept repeating the requests. Eventually, "the contractor accepted one, and the attacker successfully logged in," Uber said.

In some cases, after breaking in, the hackers have jumped onto their victim's crisis communications calls and internal messaging systems to gain "insight into a victim's state of mind, their knowledge

of the intrusion, and a venue to initiate extortion demands," according to a March blog post from Microsoft. Samsung, Nvidia and Microsoft all said the group stole source code or proprietary information from them, according to statements by the companies in March.

In the Nvidia hack, the group demanded that the company change the licensing terms of some of its software, releasing it instead under a freely shareable open-source license. After the Okta hack, the group gave a running critique of Okta's public statements about the incident in an apparent effort to taunt its victim.

Public statements like this add to the group's notoriety, Ms. Nixon said. But eventually, that notori-

ety resulted in action from law enforcement.

In April, the City of London Police charged two teenagers in connection with the hacks. The teenagers, who were 16 years old and 17 years old at the time of their arrest, are currently on conditional bail.

Reached on Thursday, the hacker claiming credit for Uber's breach didn't respond to questions about the incident but noted that they had had "24 journalists contact me."

—Dustin Volz contributed to this article.

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TECHNOLOGY & BUSINESS

FTC Probes Amazon's Roomba Deal

By Dave Michaels

WASHINGTON—Federal antitrust enforcers are investigating Amazon.com Inc.'s proposal to buy Roomba maker iRobot Corp., according to a securities filing.

The Federal Trade Commission this week formally requested documents from both companies explaining purpose and rationale, iRobot disclosed on Tuesday.

The FTC's review is the latest investigation involving Amazon. The agency also is examining Amazon's \$3.9 billion deal to buy iLife Healthcare Inc., which operates One Medical primary care clinics in 25 U.S. markets.

The filing by iRobot said both companies would cooperate with the FTC's investigation and expect to promptly reply to the FTC's request. After an investigation, which typically takes up to a year, the FTC can sue to block a merger, seek concessions such as divestitures or decline to take action, allowing a deal to close.



The Roomba is a consumer-oriented vacuum cleaner that collects data about its users' homes.

An Amazon spokeswoman declined to comment. An iRobot spokesman didn't respond to a message seeking comment.

The FTC under Chairwoman Lina Khan is taking a skeptical view of acquisitions by technology giants, saying the deals often hurt competi-

tion and give the incumbent firms control over valuable consumer data. The agency recently sued to block Meta Platforms Inc. from acquiring

Within Unlimited Inc. and its virtual-reality dedicated fitness app, Supernatural.

Amazon said it has been "very good stewards of people's data across all of our businesses" and that it isn't acquiring iRobot to gather intelligence from inside customers' homes.

The Roomba is a consumer-oriented vacuum cleaner that collects data about its users' homes using cameras, sensors, artificial intelligence and machine learning.

The FTC is separately investigating Amazon's Prime membership program, according to a legal petition Amazon filed last month.

The company has asked the five-member commission to quash subpoenas tied to the probe, saying the FTC staff made excessive demands on founder Jeff Bezos and other company executives.

The commission is due to respond to Amazon's petition by Wednesday, according to an order made public last week.

'Serial' Podcast Lifted by Case News

By Joseph Pisani

"Serial" leapt up podcast charts a day after a judge vacated the murder conviction of Adnan Syed, whose case was the center of the show's first season eight years ago.

"Serial" became a cultural phenomenon when it was released in 2014, helping popularize podcasts and leading to a wave of other true-crime shows like it. New York Times Co. bought the production company behind "Serial" in 2020.

The podcast was the No. 1 show in the U.S. on Apple Inc.'s platform Tuesday afternoon after the release of a new 17-minute episode called "Adnan Is Out." It was the 26th most popular podcast on Spotify Technology SA's U.S. list.

Mr. Syed was convicted in 2000 for the murder of Hae Min Lee, an 18-year-old high-school student and his ex-girlfriend. Mr. Syed was 17 years old at the time of the crime and was charged as an adult. He had been serving a life sentence.

The first season of "Serial" and a later HBO docuseries raised questions about Mr. Syed's involvement in the strangling of Ms. Lee in 1999, helping spur attempts to revive his case in recent years.

"You might be asking, what on Earth happened?" Sarah Koenig, the host of "Serial," said in the episode Tuesday. "I've spent the last few days trying to understand it myself."

Last week, the state's attorney for Baltimore city asked the court to vacate Mr. Syed's first-degree murder conviction, saying a nearly yearlong investigation had revealed new evidence.

The third season of "Serial"—its most recent season—was released in 2018.

A representative for the podcast didn't respond to a request for comment.

Buyout Firm Nears Deal for Majority Stake in Eataly

By Cara Lombardo

A European private-equity firm is close to a deal to buy a controlling stake in Eataly SpA, with the aim of helping the Italian marketplace chain continue to expand globally, according to people familiar with the matter.

Investindustrial is in talks to take a 52% stake in Eataly in a deal that involves an investment of around €200 million, equivalent to \$199 million, as well as the purchase of additional shares, the people said. A deal could come together Wednesday, assuming talks don't fall apart.

Eataly plans to use the investment to retire debt and open more flagship stores as well as develop new formats, the people said.

Eataly was founded in 2003 by Oscar Farinetti. Its marketplaces feature a mix of restaurants and retail, all with a focus on Italian food and drink. It has

roughly 40 locations in countries including the United States, the United Arab Emirates, Japan and Brazil, with more planned.

The Farinetti family, the Baffigo/Miroglio family and Italy-based Tamburi Investment Partners will own the remaining 48% of the company, the people said.

Investindustrial has a decadeslong record of helping brands with European, and especially Italian, roots expand. It was founded by Andrea Bonomi. The firm, which has roughly €11 billion under management, took fashion label Ermenegildo Zegna Group public through a special-purpose acquisition company in 2021 and invested in spa maker Jacuzzi Brands in 2019. Last month, Investindustrial agreed to buy part of TreeHouse Foods Inc.'s meal-preparation business as well as ingredient company Parker Food Group.

Tencent Identifies Assets

Continued from page B1

cording to any arbitrary timeline or target," the spokesperson said.

KE Holdings declined to comment. Meituan and Didi didn't respond to requests for comment.

In June, Amsterdam-based Prosus, along with its parent Naspers Ltd., Africa's largest-listed company, began a program to sell its Tencent shares to narrow the gap between the two companies' valuations. Prosus is using an open-ended approach to the share sales, going directly to the market to sell shares rather than con-

ducting a big block trade. The move walked back previous promises made by Prosus that it wouldn't sell more shares in the Chinese internet giant until 2024.

Prosus hasn't specified how much Tencent stock it plans to sell. It said in June that the disposal would be done regularly and in an orderly manner for as long as the company's trading discount to net asset value was at elevated levels.

Since then, Tencent has regularly been buying back its shares. Between June 28, the day after Prosus announced the disposal plan, and Sept. 19, Tencent spent the equivalent of \$1.4 billion in total on buybacks, according to a Wall Street Journal tally of stock-exchange filings.

Although Tencent, which is the world's largest videogame company by revenue, has long been profitable, it needs to come up with more cash if it is

to offset Prosus's disposals without denting its credit profile, people familiar with the matter said.

Tencent has a strong cash position, with the equivalent of around \$26.3 billion in cash and an additional \$18.7 billion of term deposits at the end of June. But it also had roughly \$48 billion of borrowing and notes payable, meaning that its net debt was about \$2.9 billion. That was up around 85% from the first quarter, although Tencent said the rise was mainly due to a dividend payment and share buybacks.

The company generated free cash flow—the amount of operating income left over after spending—of around \$3.2 billion in the second quarter.

Tencent doesn't need to sell anything for share buybacks and can fully fund its share buybacks with current cash flow, the company spokesperson said.



Sen. Roger Marshall says lawmakers would intercede on the code.

States Press on Gun Code

Continued from page B1

hunting gear or a gun safe, among other things.

The payments industry has long been divided on whether to assign MCCs to gun shops. Some executives have privately flagged concerns that it could lead to the creation

The payments industry is divided on whether to assign MCCs to gun shops.

of more codes for cracking down on businesses such as abortion providers. Visa, Mastercard and Amex say the new merchant code will function just like others and won't stop gun purchases from happening. The companies say they won't allow purchases to be blocked based solely on the merchant code.

"We do not believe private companies should serve as moral arbiters," Visa said in a post last week.

"If we identify unauthorized blocking or intentional restrictions of legal commerce, we will take swift action to address such activity," Mastercard said recently.

Sen. Roger Marshall (R., Kan.) recently sent a letter to the three companies saying that lawmakers would intercede to prevent card networks and issuers from doing "an end run" around the Second Amendment. The letter was signed by 11 other Republican senators.

Amalgamated Bank applied for the code to the standards-setting group that determines MCCs. At a news conference last week, Priscilla Sims Brown, Amalgamated's chief executive, said banks had the responsibility to report illegal activity that took place over their payment systems.

The attorneys general of New York and California, both Democrats, have said the card companies should begin tracking gun sales and flagging suspicious purchases to law enforcement. At the news conference last week, New York Attorney General Letitia James referenced mass shooters using cards to buy guns.



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THE PROPERTY REPORT

Chinese Firms Flee U.S. Commercial Sector

Investors from China sold a net \$23.6 billion of American properties in recent years

By KONRAD PUTZIER

Chinese firms for years were among the most aggressive buyers of U.S. luxury hotels, office towers and other commercial real estate. Now they are running for the exits. Chinese companies sold a net \$23.6 billion of U.S. commercial properties since the start of 2019, according to data provider MSCI Real Assets. That marks a dramatic turnaround. Between 2013 and 2018, Chinese firms were net buyers of nearly \$52 billion of U.S. commercial properties, according to MSCI.

Buyers from China snapped up aging U.S. office buildings, development sites and hotels, particularly in Manhattan, where they often made headlines for paying top dollar. **Anbang Insurance Group** acquired New York City's famed Waldorf Astoria hotel in 2015 for \$1.95 billion, the biggest price tag yet for a stand-alone U.S. hotel.

"They seemed to have unlimited money and a huge appetite for special trophy assets," said Doug Harmon, chairman of capital markets at brokerage Cushman & Wakefield.

Chinese investment in U.S. properties started falling four years ago, around the time that Chinese regulators made it harder for many companies to move money out of the country, said Joel Rothstein, chairman of law firm Greenberg Traurig LLP's Asia real-estate practice. Some of the most active buyers ran into financial trouble. Political relations between the U.S. and China also worsened, another drag on investment.

Chinese firms never accounted for a large share of overall investment in U.S. commercial real estate, even during their prime buying pe-



SL Green Realty recently took over Manhattan office tower 245 Park Avenue from an affiliate of Chinese conglomerate HNA Group.

riod. But they had an outside influence on the market, said Jim Costello, chief economist at MSCI Real Assets. When Chinese firms paid large sums for high-profile buildings in Manhattan, these deals often became benchmarks for nearby properties and emboldened other sellers to demand similarly steep prices.

These Manhattan deals, in turn, sometimes became reference points for property values in other cities.

In this way, the impact of Chinese money trickled through the U.S. commercial real-estate market, helping

push up values across the country, Mr. Costello said.

Chinese firms were in some cases willing to overpay because they sought the prestige of owning famous New York buildings, and because they planned to hold properties for many years, brokers say.

The values of many of these properties have fallen recently amid higher interest rates, a drop in business travel and weak demand for office space, brokers and investors say.

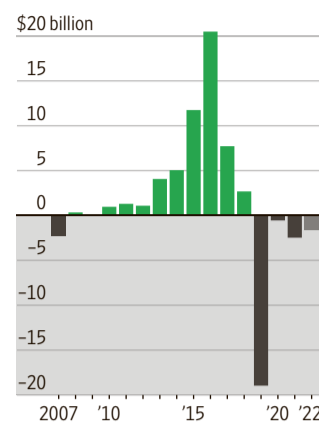
One of the more prominent deals during China's heyday of trophy-property acquisitions recently reached a new resolu-

tion. Real-estate investment trust **SL Green Realty Corp.** this month took over the Manhattan office tower 245 Park Avenue from its bankrupt owner, an affiliate of Chinese conglomerate **HNA Group Co.** When HNA paid around \$2.2 billion for the 1.8 million-square-foot property in 2017, it was one of the most expensive sales of a single U.S. office building ever recorded. SL Green is taking over the property's \$1.8 billion debt and now owns the building, according to SL Green's chief investment officer, Harrison Sitomer.

HNA, which owns an airline and acquired trophy buildings across the globe between 2015 and 2017, ran into financial difficulties in 2018 and has since sold off or lost most of its U.S. property holdings.

Other Chinese firms are also in retreat. Developer **China Oceanwide Holdings** has lost a number of its U.S. projects to its lenders. **Dajia Insurance Group Co.** has sought to shed a multibillion-dollar hotel portfolio, which includes Manhattan's Essex House hotel near Central Park. But its deal to sell the properties to South Korea's Mirae

Net acquisitions of U.S. commercial real estate by Chinese companies



Note: 2022 is for the first half
Source: MSCI Real Assets

Asset Financial Group fell apart during the pandemic.

Some of the properties purchased during the boom years are now in financial distress. "Most of the deals that we're doing with China-based investors these days are either workouts, restructures or exits," Mr. Rothstein of Greenberg Traurig said.

Chinese investors' recent travails share similarities with the wave of Japanese investment that rolled over the U.S. real-estate market in the late 1980s and early 1990s. Japanese firms paid steep prices for famous office properties, including New York's Rockefeller Center, during a property-market boom, and suffered steep losses when the market turned.

Chinese firms haven't abandoned the U.S. entirely. Dajia, which took over assets held by the now-defunct Anbang Insurance Group, is converting part of the Waldorf Astoria Hotel into apartments, although the project has been plagued by cost overruns.

And while Chinese bids on U.S. properties are now rare, Korean, German and Singaporean firms have picked up the slack, said Cushman & Wakefield's Mr. Harmon.

"There's always capital that emerges," he said.

Revival in Group Travel Boosts Hotel Owners

By KATE KING

People are traveling in packs again.

More than two years after the pandemic grounded group travel, hotels are finally selling blocks of rooms. Bookings for corporate events, conferences and large social gatherings such as weddings picked up steam this spring and accelerated for many hotels and resorts through the summer, analysts and hotel owners said.

Earlier this year, many companies scheduled smaller gatherings with employees or clients than they had before the pandemic. As concerns about Covid-19 infections waned, the guest lists grew, said Linda McNairy, a vice president for American Express Global Business Travel's meetings and events division. Companies also are catching up on so-called incentive trips, organized to reward top-performing employees with luxury stays in destinations such as Hawaii, she said.

The average daily room rate for group bookings last month surpassed prepandemic prices at nearly \$204, according to preliminary figures from hotel data and analytics firm STR. Group revenue per available room, a key industry metric, was only 3.4% below 2019 levels last month, STR said.

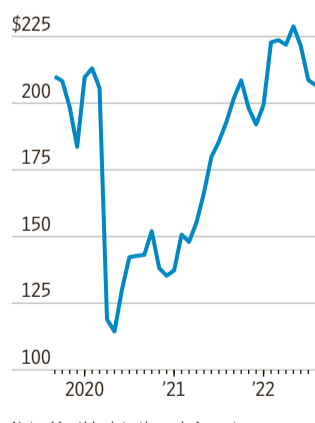
In a reversal from prior economic recoveries, group travel is rebounding faster than individual business trips, Truist Securities analyst C. Patrick Scholes said. Videoconferencing, remote work and growing concern over the environmental impact of flying likely means companies and their employees are being more selective about solo travel, he said.

"Things are going better than we could have imagined," said Peter Strebel, chairman of **Omni Hotels & Resorts**, which has 50 properties across North America and specializes in group business and leisure travel. "We were on hold for two years, and people are anxious to get back to business."



Omni Hotels & Resorts' Omni Nashville Hotel in Tennessee.

Average daily room rate for group travel



Note: Monthly data through August
Source: STR

Omni's revenue from group travel, defined as bookings of 10 rooms or more at pre-negotiated rates, turned the corner in March and has been beating 2019 numbers since May, Mr. Strebel said. Much of the demand is coming from companies that are organizing retreats to boost morale and introduce new hires.

The recovery is uneven. Southern cities like Nashville, Tenn.; Austin, Texas; and Dallas are "going gangbusters" but group travel to Washington, D.C., is still sluggish, Mr. Strebel said. Corporate bookings at Omni hotels are similar to prepandemic levels while group travel by professional and social associations, many of which lost dues-paying members during the pan-

demic, is still behind.

New Covid-19 variants or hits to corporate profitability could threaten group travel's recovery if people and companies are forced to hunker down and cut costs, Mr. Scholes said.

At the Gaylord Palms Resort & Convention Center in Kissimmee, Fla., group travel rebounded sharply from the Omicron variant's impact, according to owner **Ryman Hospitality Properties Inc.**, a real-estate investment trust specializing in group travel. Occupancy was down 75% in January, but within two months exceeded 2019 numbers, said Patrick Chaffin, executive vice president and chief operating officer.

"We started to see companies finally comfortable with asking their employees to gather together," he said.

In August, the average daily room rate for future bookings across Ryman Hospitality's portfolio topped \$250, a record for the month for the company. Booking windows are still shorter than before the pandemic, but hotel owners and analysts said they expect group travel to only gain strength in the fall, which is historically a more active season for business travel than summer.

"We'll probably do more group-room nights in September than we've ever done in the history of this company," said Mr. Strebel of Omni Hotels & Resorts.

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BUSINESS NEWS

Beyond Meat Official Arrested

By Jesse Newman

Beyond Meat Inc.'s chief operating officer was arrested in Arkansas over the weekend, after a physical altercation in which he allegedly bit a person's nose and threatened to kill him.

Doug Ramsey, 53 years old, of Fayetteville, Ark., was arrested Saturday night and charged with terroristic threatening and third-degree battery, records from Arkansas's Washington County show. He was released the following morning on \$11,085 bond, the records showed.

Upon being booked into jail, Mr. Ramsey listed his occupation as chief operating officer, according to a county official. Washington County records didn't identify Mr. Ramsey's company. An address listed for Mr. Ramsey on the county detainee record related to the Saturday arrest matched one listed by Beyond Meat for the executive in an earlier regulatory filing.

Beyond Meat said Mr. Ramsey has been suspended effective immediately and that Jonathan Nelson, senior vice president of manufacturing operations, would oversee operations on an interim basis. Mr. Ramsey didn't respond to requests for comment.

Beyond Meat shares fell 6% Tuesday, closing at \$16.03, an all-time low for the company.

Mr. Ramsey joined Beyond Meat in December following a



Doug Ramsey has been charged with felony battery.

30-year career at Tyson Foods Inc., where he oversaw the meat giant's domestic poultry and global McDonald's Corp. businesses. He was one of two meat-industry veterans Beyond Meat hired that month to expand the company's operations as it sought to scale its business worldwide.

Mr. Ramsey's arrest is the latest setback for California-based Beyond Meat, which has struggled with languishing sales and fallout from the Covid-19 pandemic. The plant-based meat company, which uses yellow peas and other ingredients to make products that imitate sausages, burger patties and meatballs, has reported losses in recent quarters due partly to weaker demand for its products in grocery stores.

According to a preliminary police report dated Saturday, Mr. Ramsey got into a fight with another male in a parking garage near the University of Arkansas football stadium on Saturday night following a traffic dispute. During the incident, Mr. Ramsey punched through the back windshield of the other individual's Subaru, the report said. The incident followed a University of Arkansas football game.

"The owner got out and the victim stated Mr. Ramsey pulled him in close and started punching his body," the arresting officer wrote in the report, referring to the owner of the Subaru. "Mr. Ramsey also bit the owner's nose, ripping the flesh on the tip of the nose." Mr. Ramsey also threatened to kill the Subaru's owner, ac-

ording to the officer's report, which cited the owner and a witness.

Beyond Meat has worked to scale up its supermarket presence since the pandemic hurt its restaurant business, launching a jerky product with PepsiCo Inc. in March and planning to introduce a sliced-steak product in retail stores this year.

At the time of Mr. Ramsey's hire, Beyond said it had tapped him and another former Tyson executive during a time of "rapid innovation and commercialization" for the company. It said the pair would play an important role in building the company's operations, supply chain and manufacturing, and that they would work to achieve cost savings as Beyond seeks to expand some of its products match the price of traditional meat.

In February, Beyond said its U.S. grocery sales had fallen sharply in previous months due to factors such as lower demand, increased discounts and lost market share. In May, the company said cost-intensive measures required to support product launches pressured its bottom line. Last month, Beyond said it would cut 4% of its global workforce as part of a plan to reduce costs at a time inflation is driving consumers to buy less-expensive protein. The company also trimmed its full-year sales forecast in August.

Judge Lowers Charter Payment To \$1.15 Billion

By Emily Glazer and Patience Haggin

A Texas judge ordered Charter Communications Inc. to pay \$1.15 billion in damages for the murder of one of its customers, sharply lowering an earlier jury award.

In July, a jury held that Charter was responsible for the 2019 robbery and murder by a Charter employee and awarded punitive damages of \$7 billion to the victim's family.

Charter cable technician Roy Holden Jr. was charged with stabbing 83-year-old Betty Thomas to death with a tool from his company toolbox in 2019, the day after he performed a service call at Mrs. Thomas's home.

Mr. Holden was off-duty when he murdered Mrs. Thomas, though he was wearing his Charter uniform and using the company van. Mr. Holden admitted to the crime and in April 2021 was sentenced to life in prison.

The Dallas County Court jury found that Charter's negligence led to the crime and that Charter forged a document with the intent to harm or defraud the plaintiffs, according to a decision by Judge

Juan Renteria dated Sept. 19.

Charter said Mr. Holden is solely responsible for the crime. The company disagrees with the verdict and will appeal, a Charter spokeswoman said.

The judge's decision reduced the damages set by the jury, but a \$1 billion award would still represent a significant penalty for a civil case. The judgment includes more than \$200 million in damages each for Mrs. Thomas's estate and her four children.

Chris Hamilton, a Hamilton Wingo LLP lawyer representing the family of Mrs. Thomas, said the findings that Charter committed forgery eliminated the cap on punitive damages under Texas law. The victim's family sought to have the punitive damages reduced and the lowered amount is unlikely to be overturned given the jury's findings and Supreme Court precedent, he said.

Charter said the claims of wrongdoing are false. A background check for Mr. Holden showed no criminal behavior before he joined the company, the spokeswoman said, and his performance on the job didn't suggest he was capable of such a crime.

Queen's Funeral Draws Over 10 Million U.S. Viewers

By Joe Flint and Sarah Krouse

More than ten million U.S. viewers watched the funeral of Queen Elizabeth II on the nation's major broadcast and cable outlets Monday, according to preliminary data from Nielsen.

Among broadcast networks, Walt Disney Co.'s ABC News had the biggest audience, averaging more than three million viewers during much of its coverage of the service, according to the preliminary

data. Comcast Corp.'s NBC also averaged around three million viewers for the bulk of its coverage. Paramount Global's CBS had close to two million viewers for its coverage.

Fox Corp.'s Fox News was first among cable news outlets, with over 1.7 million viewers during its six hours of morning to midday coverage. Warner Bros. Discovery Inc.'s CNN averaged about 1.3 million viewers, while Comcast's MSNBC had an audience of

929,000 during that time. Fox Corp. and Wall Street Journal parent News Corp share common ownership.

The number of viewers will likely grow as more data emerge and other networks such as BBC America, PBS and C-Span are factored in. A Nielsen spokeswoman said the ratings firm would release its analysis of viewership for the Queen's funeral on Wednesday.

Queen Elizabeth II, the country's longest-serving monarch, was laid to rest on Monday in the first British state funeral since Winston Churchill's in 1965. During six hours of tightly choreographed pageantry, her coffin was taken in a procession, on foot and by hearse, from a state funeral in Westminster Abbey in central London to its final resting place in Windsor Castle.

The Sept. 8 death of Queen Elizabeth II has driven renewed interest in content about the British royal family. Seasons one and two of Netflix Inc.'s "The Crown", a dramatization of Queen Elizabeth II's reign, attracted a

combined 57.5 million hours of viewing globally, in the week ending Sept. 18, according to data published by the streaming service.

The first season of "The Crown" broke into the streaming service's list of the top 10 English-language TV shows by hours viewed for the week

ended Sept. 11. It was the first time since at least June 2021, when the streaming service began publishing the list, that a season of the show ranked among the most watched English-language shows. The first and second seasons of the show made that list during the week ending Sept. 18.

The first season of "The Crown" was the No. 1 English-language TV show in Ukraine and Iceland during the week ending Sept. 18, and among the top 10 such shows in 87 countries from the U.S. to the U.K., Argentina, Mexico, Germany, Egypt, Hong Kong, Australia and Israel.



Guests watched the queen's funeral procession at a bar in Washington.

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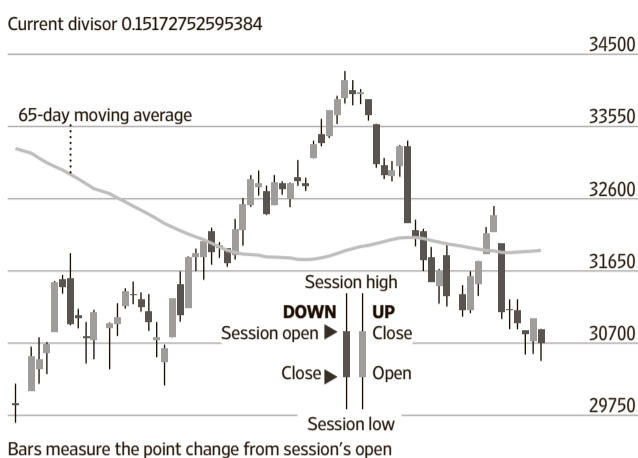
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MARKETS DIGEST

EQUITIES

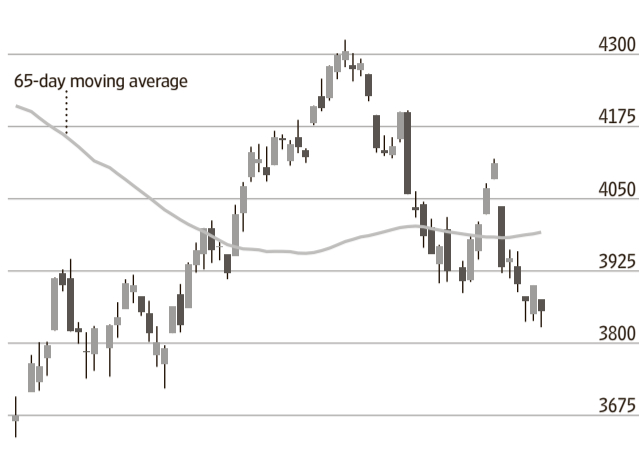
Dow Jones Industrial Average

30706.23 ▼313.45, or 1.01%
High, low, open and close for each trading day of the past three months.



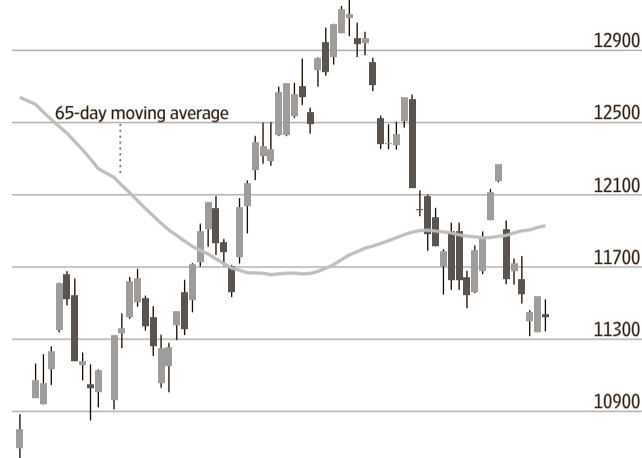
S&P 500 Index

3855.93 ▼43.96, or 1.13%
High, low, open and close for each trading day of the past three months.



Nasdaq Composite Index

11425.05 ▼109.97, or 0.95%
High, low, open and close for each trading day of the past three months.



Major U.S. Stock-Market Indexes

Table listing various stock market indexes including Dow Jones, Nasdaq Stock Market, S&P 500, and Russell 2000 with their latest values and changes.

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services...

Most-active issues in late trading

Table of most-active issues in late trading, listing companies like SPDR S&P 500, Finl Select Sector SPDR, and others with their volume and price changes.

Trading Diary

Volume, Advancers, Decliners

Table showing trading volume, number of advancers, and decliners for NYSE and NYSE Arca.

International Stock Indexes

Table of international stock indexes from various regions including Europe, Asia-Pacific, and Latin America.

Percentage Gainers...

Table of percentage gainers, listing companies like Amprius Technologies, NeuroBo Pharmaceuticals, and others.

Percentage Losers

Table of percentage losers, listing companies like Viriyo Therapeutics, Pagaya Technologies, and others.

Most Active Stocks

Table of most active stocks, listing companies like Ford Motor, ProShares UltraPro QQQ, and others.

Volume Movers

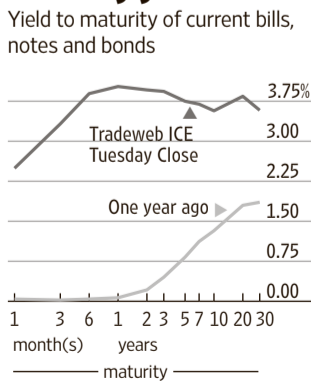
Table of volume movers, listing companies like Social Cap Hedo IV CI A, BYND Cannabis Ent, and others.

CREDIT MARKETS

Consumer Rates and Returns to Investor

Table showing consumer rates (prime rate, new car loan) and returns to investor (federal funds rate target, money market, etc.).

Treasury yield curve



Forex Race



Corporate Borrowing Rates and Yields

Table of corporate borrowing rates and yields for various companies and sectors.

CURRENCIES & COMMODITIES

Currencies

Table of U.S. dollar foreign-exchange rates for various countries and currencies.

Commodities

Table of commodity prices for items like oil, natural gas, and gold.

BIGGEST 1,000 STOCKS

Continued From Page B11. Table listing 1,000 largest stocks with columns for Stock, Sym, Close, Net Chg, and various financial metrics.

New Highs and Lows

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. % CHG-Daily percentage change from the previous trading session.

Table of New Highs and Lows for Tuesday, September 20, 2022. Columns include Stock, Sym, Hi/Low, % Chg, and 52-Wk High/Low.

52-Wk % High/Low

Table of 52-Week High/Low for Tuesday, September 20, 2022. Columns include Stock, Sym, Hi/Low, % Chg, and 52-Wk High/Low.

52-Wk % High/Low

Table of 52-Week High/Low for Tuesday, September 20, 2022. Columns include Stock, Sym, Hi/Low, % Chg, and 52-Wk High/Low.

Highs

Table of Highs for Tuesday, September 20, 2022. Columns include Stock, Sym, Hi/Low, % Chg, and 52-Wk High/Low.

Cash Prices

Table of Cash Prices for Tuesday, September 20, 2022. Columns include Commodity, Price, and % Change.

Bankrate.com MMA, Savings and CDs

Table of Average Yields of Major Banks for Tuesday, September 20, 2022. Columns include Bank, Type, and Yield.

Borrowing Benchmarks

wsj.com/market-data/bonds/benchmarks

Money Rates

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Table of Money Rates for September 20, 2022. Columns include Rate Type, Rate, and Week High/Low.

Cash Prices

Table of Cash Prices for Tuesday, September 20, 2022. Columns include Commodity, Price, and % Change.

Consumer Savings Rates

Table of Consumer Savings Rates for Tuesday, September 20, 2022. Columns include Bank, Rate, and Term.

Inflation

Table of Inflation for August 2022. Columns include Index, Rate, and % Change.

U.S. consumer price index

Table of U.S. Consumer Price Index for August 2022. Columns include Index, Rate, and % Change.

International rates

Table of International Rates for August 2022. Columns include Country, Rate, and % Change.

Prime rates

Table of Prime Rates for August 2022. Columns include Country, Rate, and % Change.

Policy Rates

Table of Policy Rates for August 2022. Columns include Country, Rate, and % Change.

Energy

Table of Energy prices for Tuesday, September 20, 2022. Columns include Commodity, Price, and % Change.

Grains and Feeds

Table of Grains and Feeds prices for Tuesday, September 20, 2022. Columns include Commodity, Price, and % Change.

Metals

Table of Metals prices for Tuesday, September 20, 2022. Columns include Commodity, Price, and % Change.

Food

Table of Food prices for Tuesday, September 20, 2022. Columns include Commodity, Price, and % Change.

Fats and Oils

Table of Fats and Oils prices for Tuesday, September 20, 2022. Columns include Commodity, Price, and % Change.

Overnight repurchase

Table of Overnight Repurchase rates for Tuesday, September 20, 2022. Columns include Rate, and Week High/Low.

U.S. government rates

Table of U.S. Government Rates for Tuesday, September 20, 2022. Columns include Rate, and Week High/Low.

Discount

Table of Discount rates for Tuesday, September 20, 2022. Columns include Rate, and Week High/Low.

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. Discount rate is effective July 28, 2022. Secured overnight financing rate is as of September 19, 2022. DTCC GCF Repo Index is Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs. Value traded is in billions of U.S. dollars. Federal funds rates are Tullet Prebon rates as of 5:30 p.m. ET. Sources: Federal Reserve; Bureau of Labor Statistics; DTCC; FactSet; Tullet Prebon Information Ltd.

Engelhard industrial

Table of Engelhard Industrial prices for Tuesday, September 20, 2022. Columns include Price, and % Change.

Handy & Harman fabricator

Table of Handy & Harman Fabricator prices for Tuesday, September 20, 2022. Columns include Price, and % Change.

LBMA Gold Price AM

Table of LBMA Gold Price AM for Tuesday, September 20, 2022. Columns include Price, and % Change.

Maple Leaf - American Express

Table of Maple Leaf - American Express prices for Tuesday, September 20, 2022. Columns include Price, and % Change.

High yield savings

Table of High Yield Savings for Tuesday, September 20, 2022. Columns include Bank, Rate, and Term.

One-month CD

Table of One-Month CD rates for Tuesday, September 20, 2022. Columns include Bank, Rate, and Term.

Two-month CD

Table of Two-Month CD rates for Tuesday, September 20, 2022. Columns include Bank, Rate, and Term.

Three-month CD

Table of Three-Month CD rates for Tuesday, September 20, 2022. Columns include Bank, Rate, and Term.

Five-year CD

Table of Five-Year CD rates for Tuesday, September 20, 2022. Columns include Bank, Rate, and Term.

Money market and savings account

Table of Money Market and Savings Account rates for Tuesday, September 20, 2022. Columns include Bank, Rate, and Term.

Money market and savings account

Table of Money Market and Savings Account rates for Tuesday, September 20, 2022. Columns include Bank, Rate, and Term.

Money market and savings account

Table of Money Market and Savings Account rates for Tuesday, September 20, 2022. Columns include Bank, Rate, and Term.

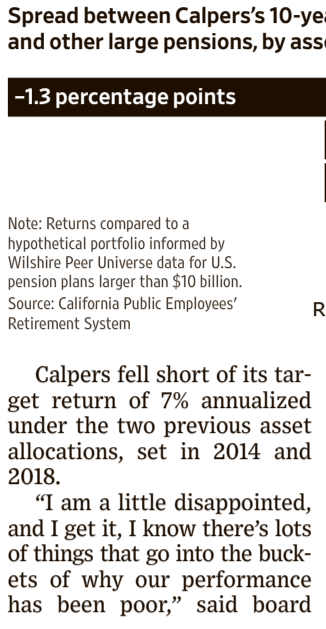
Notes: Accounts are federally insured up to \$250,000 per person. Yields are based on method of compounding and rate stated for the lowest required opening deposit to earn interest. CD figures are for fixed rates only. MMA: All six (6) third-party transfers per month, three (3) of which may be checks. Rates are subject to change. Source: Bankrate.com, a publication of Bankrate, Inc., Palm Beach Gardens, FL 33410. Internet: www.bankrate.com

BANKING & FINANCE

Calpers Portfolio Chief Laments Returns

BY HEATHER GILLERS
The nation's largest pension fund got a scathing performance review when its new investment chief highlighted the retirement system's underperforming returns and estimated it missed out on \$11 billion in gains during a "lost decade" for private equity.

or less in new money into private equity, an asset class that public pension funds have relied on in recent years to amp up returns.
"There isn't one magic answer" to why Calpers underperformed, said chief investment officer Nicole Musicco, who started her job in March. "The biggest impact by far was the 10 years we took a break from participating in private equity."



Calpers fell short of its target return of 7% annualized under the two previous asset allocations, set in 2014 and 2018.
"I am a little disappointed, and I get it, I know there's lots of things that go into the buckets of why our performance has been poor," said board President Theresa Taylor.

"We underperformed every one of our peers on the upside, all with the promise that when we got to the downside we would be better protected than other funds," Terry Brennan, director of budget, revenue and pensions for the Service Employees International Union's branches in California said during the public comment portion of Monday's investment committee meeting. Instead, "we continued to underperform our peers."

peer returns by 0.7 percentage point, according to the presentation, which used data from Wilshire.
But even that portfolio has underperforming assets, risky properties that have been sitting in Calpers's portfolio since before the 2008 financial crisis, said Sarah Corr, Calpers' managing investment director for real assets. "We did a bunch of development that didn't work out," Ms. Corr said.

EY Faces Knotty Split of Its Tax Business

BY JEAN EAGLESHAM
Ernst & Young's tax experts bring in lots of cash and are highly valued by the firm's clients. Many members of the 70,000-strong group don't know where they will be working next year or if they will be competing against each other.

the two firms will compete for the same tax work, the people familiar with the matter said. A noncompete agreement, setting out areas where the audit-focused firm will agree to stay off the consulting company's turf for an initial period, is still being negotiated.

Wrangling over the split of the tax division was one reason EY's breakup plan was delayed this summer, people familiar with the matter said. For the tax experts, the split will mean either going to work for a traditional, slow-growth auditing firm or for a consulting firm that will compete in the open market against powerful rivals.

one quarter of its tax practice to the audit-focused firm, although the proportions will vary markedly between different countries, said the people familiar with the matter. Those specialists are needed to help with complicated tax, valuation and other issues that affect the audits of many big companies.

specialists, said Isaac Heller, chief executive of accounting software company Trullion. "Those guys are all over this." The restructuring is complicated but it is the type of thing EY does for clients all the time, according to one person familiar with the matter, who said the firm's tax professionals are positive about the split.

Binance, FTX Top Bidders for Voyager

BY PAUL VIGNA
Crypto exchanges FTX and Binance have made the leading bids for the assets of bankrupt crypto-lender Voyager Digital Ltd., according to people familiar with the matter, but neither bid has been accepted yet.

Goldman Program Helps Entrepreneurs Grow Their Business

BY CHARLEY GRANT
Thousands of entrepreneurs packed into a ballroom at a conference center just outside of Washington this summer to hear from the likes of Warren Buffett and Gwyneth Paltrow. Sens. Kyrsten Sinema (D, Ariz.) and Tim Scott (R, S.C.) joined panel discussions.

business owners annually for a monthslong crash course in entrepreneurship. It helps them secure loans from community banks and meetings with lawmakers. Goldman says it hosted about 400 meetings with lawmakers at its summer confab.



JOSE A. AMARADO JR. FOR THE WALL STREET JOURNAL

Some 13,000 business owners have graduated from the program since its inception.
necting with some of their most politically engaged constituents. Some 90% of program participants plan to vote in November's midterm elections, a recent survey found.

broader economy.
"Driving inclusive economic growth starts with supporting small businesses," said Asahi Pompey, a Goldman partner who oversees the program.

FTX and Binance have emerged among the few winners in the crypto meltdown. Both have managed to increase their share of the trading market. FTX, owned by Sam Bankman-Fried, has been aggressively acquiring distressed assets during the downturn.

New Highs and Lows

Table with columns for Stock, 52-Wk % Change, and % Net YTD. Lists various stocks and their performance metrics.

Mutual Funds

Table with columns for Fund, NAV, and % Net YTD. Lists various mutual funds and their performance metrics.

MARKETS

Stocks Fall, Yields Hit Multiyear Highs

All 11 S&P sectors suffer losses, Ford posts biggest percent drop since 2011

By JOE WALLACE AND MATT GROSSMAN

Stocks fell and Treasury yields rose to multiyear highs on expectations the Federal Reserve will unveil more forceful monetary tightening to curb inflation this week.

The major U.S. indexes opened Tuesday in the red and stayed there through the closing bell, a reversal of Monday's gains. The S&P 500 lost 43.96 points, or 1.1%, to 3855.93. The Dow Jones Industrial Average dropped 313.45 points, or 1%, to 30706.23 and the Nasdaq Composite retreated 109.97 points, or 1%, to 11425.05.

Government-bond prices kept falling, pushing yields higher. Ten-year Treasury yields rose to 3.571% from Monday's 3.489%, setting a closing high since March 2011. Yields on two-year notes,

which are sensitive to the interest-rate outlook, climbed to 3.962% from 3.946% Monday, ending again at their highest level since 2007.

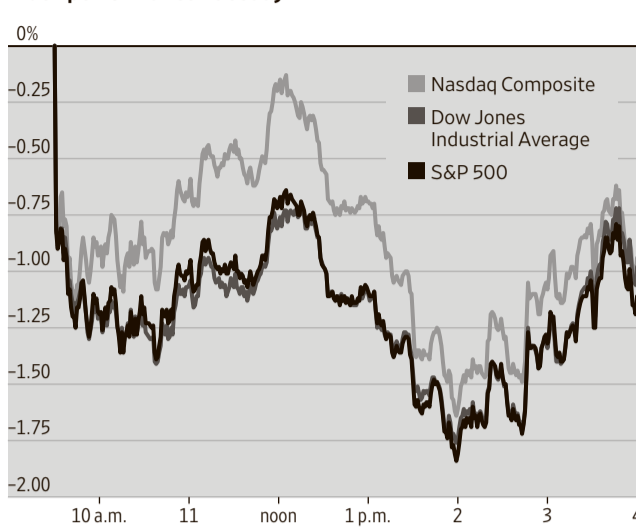
All eyes are on the Fed, which began a two-day policy meeting. At the end of the gathering Wednesday, the central bank is expected to raise its interest-rate target by three quarters of a percentage point to a range of 3% to 3.25%. Traders in fed-fund futures put roughly 1-in-6 odds on a larger full-percentage-point increase.

Higher rates have pummeled markets in 2022, putting stock and bond prices into reverse after a multiyear run-up driven in part by low interest rates. Many investors are concerned that tighter central-bank policy, together with disruptions from Chinese Covid-19 lockdowns and the war in Ukraine, will push the U.S. economy into a recession next year.

Recently, downbeat corporate updates from big businesses such as FedEx and Ford Motor have added to the gloom.

"The tone has definitely gotten a bit more pessimistic, and I do think we're going to see more of that," said Kristy Akul-

Index performance Tuesday



Source: FactSet

lian, a senior strategist at BlackRock's iShares Investment Strategy. Ms. Akullian said more of the asset manager's clients have wanted to shift funds to bonds and away from stocks as bond yields rise.

Stock losses were broad, hitting all 11 S&P sectors. Ford shares posted their biggest percentage loss since 2011, dropping \$1.84, or 12%, to \$13.09, a day after the auto

maker warned that parts shortages and higher costs will hit earnings. Gap fell 31 cents, or 3.3%, to \$9.21. The Wall Street Journal reported that the apparel retailer will trim about 500 corporate jobs to cut costs.

Casino operators were among the small group of S&P stocks that gained, on signs that loosening Covid-19 restrictions could improve tourism in Macau, an Asian gambling

mecca. Wynn Resorts rose \$1.91, or 2.9%, to \$67.80 and Las Vegas Sands gained 46 cents, or 1.2%, to \$39.28.

Fed officials have made clear they are willing to accept a recession if it is the price of slowing the pace of inflation. Data last week showed inflation remained strong, cementing expectations the central bank will keep raising rates.

"Markets remain convinced that the Fed would continue to act in a one-way fashion to any sort of inflation surprise," said John Roe, head of multiasset funds at Legal & General Investment Management.

The surge in Treasury yields was echoed in foreign-government bonds as other major central banks step up their own efforts to control rising prices.

Sweden's Riksbank on Tuesday raised its benchmark rate by a full percentage point and signaled that it would end asset purchases by year-end to remove another leg of monetary stimulus. The Bank of England is expected to raise rates Thursday, following a similar move by the European Central Bank in early September. "What we're seeing from

global central banks is a recognition that inflation is a more difficult issue for them to tackle than they may have thought a month ago or a year ago," said Andrew Hollenhorst, chief U.S. economist at Citigroup.

The Stoxx Europe 600 fell 1.1%.

Oil prices edged down, with Brent-crude futures falling \$1.38, or 1.5%, to \$90.62 a barrel. The WSJ Dollar Index, which tracks the currency's value against a basket of foreign money, ticked higher.

Early Wednesday, Japan's Nikkei 225 and Hong Kong's Hang Seng Index were both down 1.4% and the Shanghai Composite was down 0.4%. S&P 500 futures were up 0.2%.

AUCTION RESULTS

Here are the results of Tuesday's Treasury auction. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

19-YEAR, 11-MONTH BONDS

Applications	\$31,858,173,100
Accepted bids	\$12,000,023,100
* noncompetitively	\$10,543,100
* foreign noncompetitively	\$0
Auction price (rate)	93.835989 (3.820%)
Interest rate	3.375%
Bids at clearing yield accepted	65.82%
Cusip number	9128101K4
The bonds, dated Sept. 30, 2022, mature on Aug. 15, 2042.	

Investors Back Away From South Korean Markets

By HAKYUNG KIM

SEOUL—The dominant dollar is causing trouble in yet another locale: South Korea.

The rise of the greenback, fueled by rapid Federal Reserve tightening, has helped weaken the South Korean won to levels last hit during the global financial crisis. Some analysts and investors are concerned about similarities with the Asian financial crisis of 1997-98, which was triggered partly by a strong dollar and which saw destabilizing outflows from South Korea and other markets.

For South Korea, "capital

outflows will be a serious issue," said Kim Il-koo, chief economist at Hanwha Investment & Securities. Further outflows would put fresh pressure on the currency, stocks and bonds. That would make commodity imports even costlier in local-currency terms and raise the cost of funding for businesses.

The dollar has gained nearly 17% against the won so far this year through Monday. On Tuesday, \$1 bought about 1,392 won after reaching a 13-year high of 1,399 won last week.

Many of South Korea's headaches are widely shared:

Investors are pulling back from countries that don't offer investors substantially higher interest rates, adjusted for inflation, than the U.S. And currencies such as the British pound, euro, Japanese yen and Chinese yuan have tumbled to multiyear or multidecade lows.

At the same time, high raw-materials costs are stoking inflation for commodity importers, and China's slowdown is hurting trading partners across Asia.

But South Korea has some distinctive problems of its own, making the tumbling won even more unwelcome. In particular, high household and

corporate debt levels limit the ability of its central bank to tighten policy aggressively to quell inflation and bolster the currency.

In addition, there are longer-term questions about the country's heavy reliance on exports, particularly with its largest trading partner, China. And Seoul hasn't done enough to persuade index provider MSCI Inc. that it merits developed-market status—an upgrade that Goldman Sachs analysts have estimated could attract more than \$44 billion.

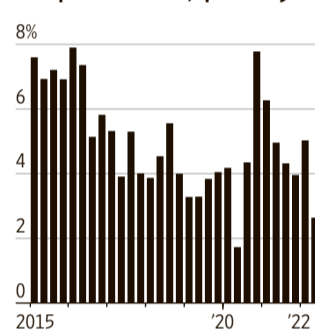
Mr. Kim at Hanwha also pointed to worsening trade data and corporate-profit mar-

gins. And he said efforts by China and the U.S. to foster domestic production of key products such as semiconductors and batteries were likely to put pressure on prices for these goods.

Foreigners own the smallest share of the country's stock market since the depths of the global financial crisis, at 26.2% of total market value as of August, official data show. As of July, foreigners had withdrawn \$12.5 billion from South Korean stocks in the previous six months, taking net withdrawals to nearly \$43 billion since the onset of the pandemic.

South Korea's current-account balance has shrunk, reflecting an export slowdown.

Current-account balance compared to GDP, quarterly



Source: FactSet

dog·ger·el

'dôgərel/

noun

I've never met you, but I love you more
Than waves love sand upon the shore.
And so I'll never stop searching for you,
That's why I'm here.
If you're ever trapped under rubble,
I promise to find you there.

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