

THE WALL STREET JOURNAL.

What's News

Business & Finance

Starbucks named Laxman Narasimhan to be its CEO, months after former head Howard Schultz temporarily took over at the company. Narasimhan said he would step down as Reckitt Benckiser's chief on Sept. 30. **A1**

◆ **Investors settled** into a sense of unease ahead of Friday's jobs report, with many now convinced the Fed will keep tightening monetary policy no matter what the economic data show. **A1**

◆ **The S&P 500 and Dow** edged up 0.3% and 0.5%, respectively, while the Nasdaq slipped 0.3%. Oil extended a streak of declines and bond yields hit their highest levels since June. **B11**

◆ **An administrative law judge** ruled in favor of Illumina in its \$71 billion acquisition of Grail, Illumina said, dealing a defeat to the FTC's efforts to unwind the transaction on antitrust grounds. **B1**

◆ **The U.K.'s competition authority** said Microsoft's planned acquisition of Activision Blizzard could harm their rivals and newcomers to the videogame industry. **B1**

◆ **Chinese cities tightened** measures to halt Covid-19 flare-ups, threatening further damage to the country's embattled economy. **A16**

◆ **The chairman of Lukoil** died after falling from a hospital window in Moscow, according to Russian state media agency TASS. **A7**

◆ **A federal labor official** has concluded that a union victory by labor organizers at an Amazon facility in New York should be upheld. **B5**

World-Wide

◆ **A Russian shipping line** with ties to the country's Defense Ministry has been ferrying weapons and supplies through the Bosphorus to ports on the Black Sea in support of Moscow's war effort, according to Ukrainian officials who have urged Turkey to block their access. **A1**

◆ **A federal judge said** she would make public a more detailed list of the items the FBI took during its search last month of Trump's Mar-a-Lago home. **A4**

◆ **Biden, in a prime-time** speech ahead of the traditional Labor Day start of the midterm campaign season, said Trump and his allies are threatening to undermine the nation's democracy. **A5**

◆ **A judge imposed** the longest sentence so far for a U.S. Capitol riot, and agents arrested a lawyer for a right-wing group accused of a leading role in the attack. **A4**

◆ **Democrats are entering** the homestretch before November's election in better shape than earlier this year, a WSJ poll shows. **A4**

◆ **A man was arrested** after pointing a gun at Argentine Vice President Kirchner and appearing to pull the trigger. Kirchner was unharmed. **A16**

◆ **The CDC recommended** newly authorized Covid-19 booster shots, the final regulatory step toward making them widely available. **A3**

◆ **California lawmakers** voted to keep the state's last nuclear plant online in a bid to ease anticipated electricity supply shortages. **A3**

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Putin Pays Last Respects to Gorbachev, Will Miss Funeral



AT REST: Russian President Vladimir Putin laid flowers at Mikhail Gorbachev's coffin on Thursday, but won't attend the weekend's public funeral in a move reflecting the Kremlin's uneasiness about the former Soviet leader's legacy. **A16**

Investor Hopes Are Shrinking For Fed to Plot a Soft Landing

By AKANE OTANI

Investors settled into a sense of unease ahead of Friday's jobs report, with many now convinced the Federal Reserve will keep tightening monetary policy no matter what the economic data show.

U.S. stocks have fallen four of the past five sessions and chipped away at the late-summer rally that helped them bounce off their lows for the year.

Investors have said the market's malaise is in part due to worries that, rather than

slowing down its pace of interest-rate increases at the first sign of slowing growth, the Fed will keep charging ahead to tamp down inflation.

The S&P 500 snapped a four-session losing streak Thursday, edging up 0.3% after falling as much as 1.3% earlier in the day. Eight of the index's 11 sectors finished the day in the green. Energy stocks, by far the market's best performing group this year, suffered the steepest losses.

Other markets remained under pressure. Gold, oil and other commodities fell, and

bond yields hit their highest levels since June. Bond yields and prices move inversely.

One key test for the markets arrives Friday, when the Labor Department releases employment data for August. Economists surveyed by The Wall Street Journal expect the report to show employers added 318,000 jobs in August while the unemployment rate stayed at 3.5%, matching February 2020's half-century low.

Ordinarily, a strong economic report should be viewed as good news by investors. But this time around, many investors

fear that an impressive read would only give the Fed more resolve to keep raising interest rates.

What about a weak report? For much of the decade following the 2007-08 financial crisis, investors cited the mantra that bad economic news could be good news for markets, since it should push the Fed to delay or scale back plans for its interest-rate increases. Now, investors said the day

◆ **Weekly jobless claims** fall to two-month low..... **A2**

Companies Struggle With An Influx of New Hires

The tight labor market means many employers have unseasoned staff

A United Airlines jet's wingtip clipped another jet earlier this summer after inexperienced ramp workers misjudged the distance between the aircraft. Some nurses are starting hospital jobs after graduating from school having never touched a live patient. Chipotle

By Lauren Weber, Alison Sider and Heather Haddon

said sales at its restaurants are lower than they would be with more experienced staff.

On paper, many companies' workforces are close to prepandemic strength or have even surpassed their early-2020 head count. In practice, companies are thrusting many workers into roles they aren't entirely ready for to satisfy demand for goods and services ranging from burritos to travel and healthcare.

Companies have been laser-focused on filling job vacancies for most of the past year. They have raised wages, lowered barriers such as experience requirements and retooled hiring to make on-the-spot offers in an effort to reduce shortages that kept them from filling orders and keeping customers happy.

Those efforts have helped the U.S. economy recoup the 22 million jobs lost early in the pandemic, reducing the unemployment rate to a half-century low of 3.5% in July. The Labor Department will report August employment data on Friday, and economists expect U.S. employers added another 318,000 jobs last month. That figure would represent a slowdown from the strong pace of job growth this year, but it would demonstrate that employers are still adding a historically

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Congratulations, You've Won A Butter Sculpture. Now What?

Minnesota fair princess takes home bust and trimmings adding up to 90 pounds

By JOE BARRETT

ST. PAUL, Minn.—Heavy is the head that wears the crown at the Minnesota State Fair.

Rachel Rynda became the 69th Princess Kay of the Milky Way at this year's fair, a peerage with duties that include whipping up support for the state's 2,100 dairy farmers for a year.

Ms. Rynda also faces a royal dilemma: what to do with a larger-than-lifesize sculpture of her royal visage carved in butter—and buckets of shavings from the massive original block.

"I don't know if you can

picture 90 pounds of butter, but it's a lot," said Tina Hoff, a 2004 winner, who let everyone in her town roll ears of sweet corn over her butter bust to say thank you for their support.

She said the rest kept her grandmother's baked goods buttered for more than a decade.

Ms. Rynda, a 19-year-old college student who grew up on a dairy farm near the town of Montgomery, intends to make Christmas cookies with the scraps she received. She plans to share her butter head, too: She wants to melt it down and throw a special event for all

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Julie Antonutti in butter

INSIDE



MANSION

Cheap currencies draw American buyers to Europe for property deals. **M1**



BUSINESS & FINANCE

After years of demand, Twitter opens way for an edit button. **B1**

Inspectors Reach Nuclear Plant



U.N. inspectors visit the Zaporizhzhia plant in Ukraine, as nearby shelling has raised fears of a potential nuclear accident. **A6**

Russian Shipping Line Said to Carry Weapons

By JARED MALSIN AND BENOIT FAUCON

ISTANBUL—A Russian shipping line with ties to the country's Defense Ministry has been ferrying weapons and supplies through the Bosphorus to ports on the Black Sea in support of Moscow's war effort, according to Ukrainian officials who have urged Turkey to block their access.

Kyiv has asked Turkish authorities to take action against at least four cargo ships that it says are transporting military equipment from a Russian base in Syria through straits controlled by Turkey, the only way into the Black Sea from the Mediterranean.

Ukraine made a formal protest to the Turkish ambassador on Monday after it said a Russian freighter, the Sparta II, transported an S-300 air-defense missile system

Starbucks Names Outsider As New Leader

Executive who heads company that makes Lysol is chosen as CEO of coffee giant

By HEATHER HADDON AND EMILY GLAZER

Starbucks Corp. named as its new CEO consumer products executive Laxman Narasimhan, months after former head Howard Schultz temporarily took over to steer the coffee giant through rising costs, a unionization push and challenges overseas.

Mr. Narasimhan, 55 years old, for the past three years has served as chief executive of the maker of Lysol and Enfamil baby formula, U.K.-based Reckitt Benckiser Group PLC. On Thursday he said that he would step down from Reckitt on Sept. 30, and The Wall Street Journal reported that he was in final negotiations to take a senior role at a U.S. company.

Before heading Reckitt, Mr. Narasimhan held various leadership roles at PepsiCo Inc. Starbucks and PepsiCo have a longstanding relationship through the chain's ready-to-drink coffee, including a deal struck when Mr. Narasimhan was CEO of PepsiCo Latin America.

Starbucks said in March that then-CEO Kevin Johnson, who led the company for five years, would retire and Mr. Schultz, who had turned the Seattle-based coffee chain into a global brand, would take over on an interim basis beginning

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Group says Ukraine relocations could be a war crime

◆ **Group says Ukraine relocations** could be a war crime..... **A8**

U.S. NEWS

Gasoline Prices Down 24% Since June

By HARDIKA SINGH

Millions of drivers hitting the road over Labor Day weekend are getting a break at the gas pump.

The U.S. average price for regular unleaded gasoline has fallen for 11 consecutive weeks to \$3.81 a gallon, according to GasBuddy data. That is nearing the 12-week long losing streak during the pandemic restrictions in spring of 2020. Prices have lost 24% from a record of \$5 in mid-June, with motorists rethinking trips and growing slowing in the U.S. and China.

"Finally a holiday that has

seen prices plummeting ahead of it," said Patrick De Haan, head of petroleum analysis at price tracker GasBuddy.

The slide is providing some relief to consumers struggling with higher prices for necessities ranging from gas to milk and bread this year. Four-decade highs in inflation are pressuring the Federal Reserve to sharply raise interest rates and spurring fears of a recession. That has hurt prices for everything from tech stocks to fuel.

Analysts don't expect prices to go back up to \$5 anytime soon, especially with the seasonally low-driving winter

ahead. Demand for fuel in the U.S. was at 8.6 million barrels a day during the week ended Aug. 26, which is nearly 1 million barrels a day less than a year ago, according to the latest data by the Energy Information Administration.

"We do expect energy prices to moderate in the fall," said Louis Navellier, chief investment officer at Reno, Nev., money manager Navellier & Associates. He forecasts gasoline prices could fall by 30 to 40 cents in the winter.

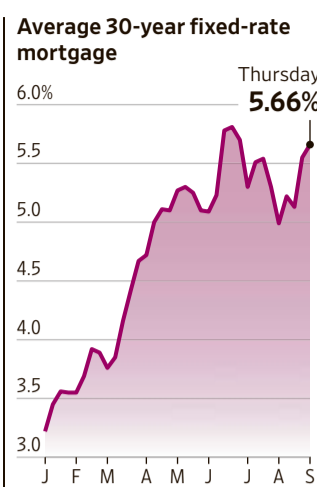
Prices at the pump track underlying crude-oil prices, which have also retreated recently. West Texas Intermedi-

ate crude futures recently posted their third straight monthly decline, ending August at \$89.55 a barrel. That is off 28% from their highs of about \$124 in March, when worries about supply disruptions from Russia's invasion of Ukraine, coupled with surging demand, sent prices to multi-year peaks.

Despite the recent declines, energy stocks have extended their advance from last year. Many reported record profits for the second quarter, fueled by highest energy prices in over a decade and lucrative oil-refining margins. Chevron Corp. is up about 32%, Exxon

Mobil Corp. has gained 53% and Shell PLC has added 41% so far this year.

Gasoline prices are still about 20% higher than last year. The end of the Biden administration's oil releases from the strategic petroleum reserve and demand recovery in the U.S., China and Europe also could power prices. "As soon as China resumes economic growth, as soon as Europe gets out of recession, then the worldwide demand picks up again," Mr. Navellier said. He is adding to his energy positioning, buying mid-stream, refining and coal companies.



Source: Freddie Mac

Mortgage Rates Increase To 5.66%

By CHARLEY GRANT

Mortgage rates increased for the second week in a row, continuing a trend that has slowed the housing market.

The average rate on a 30-year fixed mortgage rose to 5.66% this week, according to a Freddie Mac survey of lenders released Thursday. That is nearly double the rate from a year earlier and not far from the 5.81% peak reached in June, the highest level since 2008. The average rate was 3.22% at the start of 2022.

The steady rise has ended an era of ultralow rates that prevailed for much of the past decade. Higher rates and surging home prices have led to larger monthly payments for prospective buyers and, in turn, fewer transactions.

Sales of previously owned homes dropped nearly 6% in July from the previous month to a seasonally adjusted annual rate of 4.81 million, according to the National Association of Realtors. That marked the sixth consecutive monthly decline in sales volume and the slowest pace since 2015, excluding the pandemic-related drop in 2020.

"The typical family in the U.S. cannot afford to buy a medium-priced home once rates rise above 5.75%," said Nadia Evangelou, senior economist at the National Association of Realtors. Monthly mortgage payments would account for about 25% of their annual income, before considering extra expenses like insurance, taxes and maintenance, she added.

Applications to refinance existing mortgages fell 83% last week from a year earlier, according to data from the Mortgage Bankers Association.

The Federal Reserve has raised its policy rate several times this year in its effort to combat high inflation, and central-bank officials have indicated that more increases are on the way.

Mortgage rates typically rise or fall alongside the benchmark 10-year Treasury yield, which has traded above 3.1% for much of this week. The 10-year yield has risen from about 1.3% over the past year.



The four-week moving average for initial claims, which smooths out weekly volatility, fell to a seven-week low. A job fair in Albuquerque, N.M., in July.

Weekly Jobless Claims Fall to Two-Month Low

By SARAH CHANEY CAMBON

U.S. workers' filings for unemployment benefits fell last week to the lowest level in two months, suggesting employers are clinging to their workers in a tight job market.

Initial jobless claims, a proxy for layoffs, decreased to a seasonally adjusted 232,000 last week from a revised 237,000 the previous week, the Labor Department said Thursday.

"After trending higher for several months, initial claims have drifted lower, providing more evidence that labor market conditions remain tight despite fairly weak economic growth," said Nancy

Vanden Houten, lead U.S. economist at forecasting-firm Oxford Economics.

The four-week moving average for initial claims, which smooths out weekly volatility, fell by 4,000 to 241,500. That was a seven-week low.

Continuing claims, a proxy for the number of people receiving government unemployment payments, increased to 1.44 million in the week ended Aug. 20 from 1.41 million a week earlier. Continuing claims are reported with a one-week lag.

Last week's initial claims total was a touch above the 2019 weekly average of 218,000 and up from a half-

century low this spring. That aligns with other signs that the historically strong job market is offering faint signs of easing as the Federal Reserve raises interest rates to tamp down inflation running near a four-decade high. The average pace of job growth in the first half of the year was slower than in all of 2021, and job openings are down slightly from a record high this spring.

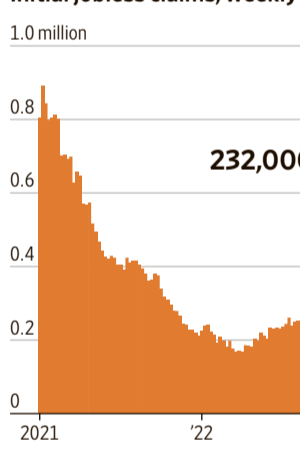
On Friday, the Labor Department will report how many jobs the U.S. economy added in August and say whether the unemployment rate held at the half-century low reached in July. The August employment report will

include updated figures on wage gains, a factor driving high inflation.

Several companies, including Ford Motor Co., Walmart Inc., and Robinhood Markets Inc., have said they are laying off workers or plan to shrink their workforce as they face declining business activity and rising interest rates.

There are nearly two job openings for every unemployed worker seeking a job, meaning that it remains easy for laid-off workers to land a new job. Companies are also raising wages as they compete for a limited pool of workers. Average hourly earnings were up 5.2% in July from a year earlier.

Initial jobless claims, weekly



Note: Seasonally adjusted. Source: U.S. Employment and Training Administration via St. Louis Fed

Fading Rate Hopes Hit Rally

Continued from Page One

dynamic looks different. Bad economic news could be simply that: bad news all around. "The challenge for the markets is, even if the Fed thinks the economy is slowing, that inflation is slowing...they're not going to talk differently until they're thoroughly convinced that inflation is tamed," said Keith Lerner, co-chief investment officer of Truist Advisory Services.

That means for the markets, "a little bit of bad news could go a long way," Mr. Lerner said.

At least one report has already shown some signs of cooling in the labor market: Data released Wednesday by payroll processor ADP showed private employers added 132,000 jobs in August, far fewer than the 300,000 economists surveyed by The Wall Street Journal had expected.

"I wouldn't be surprised if Friday's report was a big disappointment," said Brent Schutte, chief investment officer of Northwestern Mutual Wealth Management Co.

To be sure, few observers believe a protracted downturn is imminent.

Consumer spending has remained resilient despite inflation pushing prices higher. So far, the labor market also has continued to look robust.

But money managers said a scenario in which the Fed avoids causing a recession altogether looks increasingly unlikely, given the central bank is determined not to repeat its mistake from the 1970s of prematurely easing monetary policy.

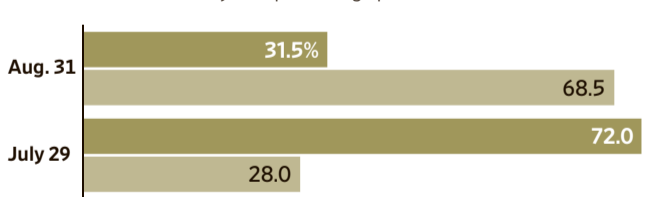
Even without a recession, investors see the potential for pain ahead. Further interest-rate increases threaten to put more pressure on expensive parts of the stock market, which were among the biggest gainers in the summer rally. Meme stocks, shares tied to cryptocurrencies and technology stocks have slumped in the past week.

"With each interest rate hike, the ability to stick that landing and make everyone

Traders have been betting on the Federal Reserve executing a bigger interest-rate increase than initially anticipated when it meets in September.

Probability implied by the futures market

■ The Fed raises rates by 0.5 percentage point
■ The Fed raises rates by 0.75 percentage point



Stocks have fallen a median of 24% in recessions since World War II.



*Years refer to the start of each recession. Sources: ME Group's FedWatch tool (probability); Deutsche Bank (returns)

happy...that's getting more and more difficult to do," said Rod von Lipsey, a managing director at UBS Private Wealth Management. UBS strategists now

see a 60% chance of the economy entering a recession sometime in the next year, up from 40% in June.

The possibility of recession

has made it difficult for investors to be optimistic about markets' path in the coming months.

Economic downturns have historically been bad news for stocks: The S&P 500 has fallen a median of 24% in recessions going back to 1946, according to Deutsche Bank.

With the S&P 500 currently down 17% for the year, stocks appear to already have priced in a mild recession—but not a deep one, Mr. Schutte said.

Federal-funds futures show the market pricing in a 74% chance of the Fed raising interest rates by 0.75 percentage point in September, according to CME Group's FedWatch tool. That is up significantly from one month ago, when market expectations for a rate increase of that size stood at 29%.

The Fed has clearly communicated that it will have to be aggressive in raising interest rates to get inflation under control, even if that winds up causing a recession, Mr. von Lipsey of UBS said.

"The medicine to cure the illness of inflation will be the cause of a recession. Investors are debating what's worse, the illness or the cure," he said.

CORRECTIONS & AMPLIFICATIONS

In some editions Thursday, Chun Han Wong's name was misspelled as Chuna Han Wong in the byline of a World News article about the United Nations human-rights agency's report on

China's Xinjiang region.

Glassmaker Schott AG plans to invest €40 million, equivalent to about \$39.9 million, to expand a plant in Mainz, Germany. A Fi-

nance & Markets article on Monday about Europe's energy crisis incorrectly said Schott plans to invest those funds in a new plant in Turkey, and it incorrectly implied that the investment would

transfer some production to regions where gas prices are lower.

A candle from the jewelry designer Jennifer Meyer that appeared in a What's News article

in the Fall Women's Fashion issue of WSJ Magazine isn't available for purchase. The article incorrectly implied that it is available on the company's website.

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U.S. NEWS

California Set to Extend Nuclear Plant

By JENNIFER HILLER

California lawmakers voted to keep the state's last nuclear plant online in a bid to ease anticipated electricity supply shortages as the state pushes to add more renewable power and decarbonize its grid.

The bill, overwhelmingly approved by lawmakers, would provide a \$1.4 billion loan to keep the plant, known as Diablo Canyon, operating another five years to 2030.

The vote to extend operations, led by Gov. Gavin Newsom, happened early Thursday as the clock ticked down on the state's 2022 legislative session, and against the backdrop of calls for Californians to reduce power use to avoid rolling blackouts amid a heat wave.

The state's lawmakers last week also approved regulations banning the sale of new gasoline-powered cars and trucks by 2035, an action aimed at addressing climate change that could further pressure the power grid by accelerating the adoption of electric vehicles.

Triple-digit temperatures across much of California led the state's electricity grid operator this week to ask residents to limit their power use, including avoiding charging electric cars in the late afternoon and early evening, when electricity demand is high but solar energy declines.

A California law passed in

The California plant supplies about 8% of the power produced in the state.

2018 requires the state to decarbonize its power grid by 2045 and the state has been pushing for more solar, battery storage and wind power. Heat waves, drought and the slow pace to site and permit projects have made the target challenging, though, and nuclear power provides largely carbon-free power reliably. The state energy commission has signaled that Diablo Canyon is needed to help keep the lights on.

Lawmakers in the session's final hours expanded the push to decarbonize beyond the grid, passing a bill that would target overall net-zero greenhouse-gas emissions no later than 2045, building on existing targets to reduce emissions by 40% below 1990 lev-

els by 2030. Legislators approved \$54 billion in spending in the state's budget over several years aimed at addressing climate change, including \$2.7 billion to reduce wildfire risks, \$6.1 billion for accelerating the switch to electric vehicles and \$14.8 billion for transit, rail and ports projects. Other measures that won approval would increase setbacks for new oil-and-gas facilities and require the state to establish a carbon capture, use and storage program.

Mr. Newsom's push to keep the Diablo Canyon plant open was an about-face for the Democrat, who, as lieutenant governor, supported a 2016 plan to close it. The plant has long faced opposition from antinuclear activists, as well as environmental advocates concerned about its impact on marine life. Some legislators were concerned about the costs of continuing to operate it, and it was unclear whether legislation to keep the plant open would pass until the last minute.

The California vote was considered one of the last chances to extend the life of Diablo Canyon past the planned retirement of its reactors in 2024 and 2025. Legislation awaiting Mr. Newsom's signature would push PG&E Corp., the Northern California utility company that owns the plant, to renew its federal nuclear operating licenses and do other work necessary to keep the plant running.

The 2,250-megawatt plant supplies roughly 8% of the power produced in California. PG&E in 2016 agreed to decommission it when its federal operating licenses expire, saying it would be cheaper to replace the output with renewable energy than to re-license it and keep it running.

Armond Cohen, co-founder and president of Clean Air Task Force, which had advocated for Diablo Canyon to remain open, said it would take time to add more resources to back up solar and wind power such as geothermal and battery storage. "You need a zero carbon backbone," Mr. Cohen said. "We do have to pay attention to how the grid actually works, as opposed to how we wish it worked."

Antinuclear activists and environmentalists have raised concerns about the plant's proximity to geologic fault lines, spent fuel storage, and operation and maintenance costs.

PG&E has said the plant is seismically safe and it stands ready to support any changes to state policy.



Mike West, who suffered from nightmares and depression, resigned from firefighting to become a teacher. 'We're trying to build a safety net,' said Riva Duncan, an ex-firefighter and executive secretary of nonprofit advocacy group Grassroots Wildland Firefighters.



DAVID CALVERT FOR THE WALL STREET JOURNAL (2)

Wildfires Take Toll on Responders

By DAN FROCH AND JIM CARLTON

As fire seasons have grown more severe across the West, the federal agencies that battle the blazes are facing another problem: a workforce struggling with stress, anxiety and addiction, and not enough mental-health support to help.

One wildland fire official said she spent hours on the phone trying to keep a colleague from shooting himself. A smoke jumper found a co-worker barely conscious after a drinking binge. A retired firefighter had three friends die by suicide in four years.

Examples such as these are increasingly common, according to current and former wildland firefighters. They say they have struggled to get assistance, citing problems accessing counselors and restrictions on how much support they can receive.

Some smoke jumpers, among the most elite wildland firefighters, wear stickers on their helmets with the names of colleagues who died by suicide, a current smokejumper said.

Top federal fire officials acknowledge shortcomings in mental-health support and say they are ramping up services. This week, the U.S. Interior Department expanded a counseling program for its federal firefighters, one of several new efforts to improve psychological assistance.

"There's a crystal clear awareness that this is urgent," said Jeff Rupert, director of the Office of Wildland Fire, which oversees wildfire budgets and policies for the Interior Department's agencies. "We also have an understanding that there's much more we can do."

The Interior Department and U.S. Forest Service are re-

New Blazes Erupt Amid Extreme Heat

Authorities in California asked residents to conserve energy as a heat wave scorched the western part of the U.S. and the state's firefighters tried to contain two new wildfires.

Triple-digit temperatures were expected in many parts of California through Labor Day weekend and into next week, according to the National Weather Service. Temperatures of 110 degrees and higher were forecast in the San Fernando Valley in Los Angeles County on most days,

and the weather agency predicted temperatures in the 90s in many parts of Los Angeles.

Fires broke out amid the high heat and dry weather. The Route Fire, which began Wednesday in the northern reaches of Los Angeles County, had burned 5,300 acres and was 12% contained. The fire shut a small stretch of Interstate 5, a crucial artery between Northern and Southern California, for roughly 18 hours, according to updates from the California Department of Transportation. The highway was partially reopened Thursday morning.

"Weather conditions are extreme, and excessive heat, low

humidity and steep terrain are going to be some of the most challenging conditions that our firefighters are facing today," Los Angeles County Fire Captain Sheila Kellher Berkoh said Thursday. The department said on Twitter that seven firefighters had been injured.

In San Diego County, more than 4,200 acres burned in a fire that was 5% contained, according to the California Department of Forestry and Fire Protection. State authorities also sent fire crews to Orange County and Santa Barbara County as a precaution because of the risk of fire.

—Tatal Ansari

sponsible for federal wildfire management and currently have several hundred unfilled fire personnel positions. Some firefighters said they left their jobs early due partly to increased burnout and stress.

The problem has become more acute for the roughly 16,000 firefighters employed by the Interior Department and Forest Service. An average of 7.4 million acres has burned each year over the past decade, up from 3.4 million annually in the 1990s, according to the National Interagency Fire Center.

Crews are enduring longer deployments as they combat more destructive fires that behave less predictably. Wildland firefighters said the transition back home has become more jarring. Some said it shattered relationships. Others turned to substance abuse.

While stationed at the National Interagency Fire Center in Boise, Idaho, Nelda St. Clair, a veteran wildland firefighter, said she compiled unofficial estimates of 17 to 22 suicides of federal firefighters a year

between 2015 and 2018. Ms. St. Clair, who has helped develop mental-health support programs for the Interior Department, said despite improvements, federal agencies still had a limited understanding of what firefighters face.

Permanent wildland firefighters get six counseling sessions annually for each type of issue under the federal government's employee assistance program. They must pay for their own help once the sessions run out.

Until the Interior Department moved to include them this week, the department's 1,400 temporary or seasonal firefighters didn't get these services. The Forest Service this fiscal year also began offering its 3,623 seasonal firefighters the same counseling access as their permanent counterparts.

Wildland firefighters say the federal assistance program hasn't worked well. Some reported waiting weeks to speak with a counselor. They said available therapists have little experience treating first re-

sponders and there was no guarantee of getting the same therapist again.

When Mike West sought counseling through the program after a smokejumper friend was killed during a fire in 2013, he was referred to a marriage counselor "who really didn't know anything about trauma," he said. The banality of home life between fire seasons added to the Forest Service firefighter's anxiety. "Little tasks like the washing machine going out can seem overwhelming," he said. "I felt like the job was eating up my brain."

In 2018, when Mr. West began suffering from nightmares and depression, he said, he was directed back to the same counselor. He said he ended up finding a trauma counselor in Reno, Nev., 90 miles away from his home in Susanville, Calif., and paying for it himself. Mr. West, 39, resigned in 2020 after nearly two decades, to become a schoolteacher.

Do you need help? Reach the 988 Suicide & Crisis Lifeline by dialing or texting 988.

No End in Sight for Jackson Water Crisis

By ALYSSA LUKPAT AND RACHEL WOLFE

JACKSON, Miss.—State officials said they had no clear end date for the water crisis here, as residents on Thursday endured another day of unreliable water running through their pipes.

Many of the city's roughly 150,000 residents have had little to no water pressure in their taps since Monday, when flooding overwhelmed the main water-treatment plant. Officials had been preparing for a crisis after the plant's main pumps failed in July and the city went under a boil-water notice.

Water pressure may rise slightly across the city in the coming days, officials said, after crews on Wednesday installed an emergency rental pump at the plant. Still, they said progress in ending the crisis has been stalled.

Republican Gov. Tate Reeves said Mississippi had deployed 600 members of the state's National Guard to help distribute bottled water, non-potable water and hand sanitizer to citizens. A number of locals reported, however, that they had waited in long lines at water-distribution sites only to leave empty-handed.

At the Tennis Center in south Jackson on Wednesday, volunteers didn't advertise on social media that they were



Mississippi National Guard members distributed cases of bottled water at a middle school Thursday.

loading water cases into cars. Kametrica Finch, an event coordinator for the local nonprofit Operation Good, said supplies were quickly dwindling just from people driving by. "We may be looking at six months to a year of this," said Ms. Finch, 42 years old, adding, "it really makes me angry. It scares me."

Mr. Reeves said the state was working with contractors to repair the water system. He and Jackson Mayor Chokwe Antar Lumumba, a Democrat,

said at separate news briefings that one side of the main water-treatment facility, the O.E. Curtis Water Plant, had to be temporarily shut down on Wednesday because it couldn't treat an influx of rainwater.

The plant had to release a batch of only partially treated water to residents because the facility had no other place to put the water, Mr. Lumumba said.

The mayor added that some residents who saw their water pressure return since Monday

have lost it again. "We understand your frustration. We understand your impatience," Mr. Lumumba said Thursday, adding, "all of that is warranted."

Officials said they didn't know when the situation would be resolved.

"We don't have a timeline yet for the adequate and sustainable water supply to be coming from the facilities," Jim Craig, director of health protection for the state's health department, said at a press conference Wednesday.

CDC Recommends Covid-19 Boosters Targeting Omicron

By LIZ ESSLEY WHYTE AND PETER LOFTUS

The CDC recommended newly authorized Covid-19 booster shots, the final regulatory step toward making the reformulated doses widely available.

CDC Director Rochelle Walensky's signoff on the shots on Thursday paves the way for them to become widely available. Most vaccination sites wait for the director's decision before offering the inoculations.

The action comes shortly after the Food and Drug Administration cleared the boosters, which target both the original virus and Omicron subvariants BA.4 and BA.5.

Together, the moves suggest the Biden administration's latest booster campaign—which health authorities have been counting on to protect people once the weather turns colder and cases often rise—could start after Labor Day.

"The updated Covid-19 boosters are formulated to better protect against the most recently circulating Covid-19 variant," said Dr. Walensky. "This recommendation followed a comprehensive scientific evaluation and ro-

bust scientific discussion."

She issued the recommendation less than two hours after vaccine experts advising the CDC, members of the Advisory Committee on Immunization Practices, voted 13-1 in two votes that anyone who was already eligible for a booster should now get the reformulated shots.

"I think they're going to be an effective tool for disease prevention this fall and into the winter," said committee member Matthew Daley, senior investigator at Kaiser Permanente Colorado's Institute for Health Research.

Some committee members, however, said they were concerned about the lack of data from testing of the modified boosters in people.

"There's a lot of hesitancy already," said Pablo Sanchez, a panel member who is a professor of pediatrics at the Ohio State University-Nationwide Children's Hospital. Dr. Sanchez voted against recommending the new shots.

The Food and Drug Administration on Wednesday authorized the booster made by Pfizer Inc. and BioNTech SE for people 12 years and older, and a shot from Moderna Inc. for adults.

U.S. NEWS

View of Democrats Improves Heading Into Midterm Races

By JOHN McCORMICK

Democrats are entering the homestretch before November's election in better shape than earlier this year, boosted by gains among independent voters, improved views of President Biden and higher voting enthusiasm among abortion-rights supporters, a Wall Street Journal poll shows.

Republicans have electoral fuel to tap into if they can keep the debate focused on the economy and what has been the highest inflation in four decades. Nearly two-thirds of registered voters say the economy isn't good or poor—a larger share than in the last Journal survey, in March—and close to two-thirds say the pain of higher costs makes them more likely to cast a ballot.

Democrats hold a slight edge over Republicans, 47% to 44%, when voters are asked which party they would support in their congressional district if the election were held today, a lead that is within the poll's margin of error of plus or minus 2.7 percentage points. Republicans had a 5-point advantage in March.

The Democratic gains come from increased support among independents, women and younger voters. Black and Hispanic voters, who have traditionally favored Democrats heavily, are also more solidly supportive of the party than they were earlier this year.

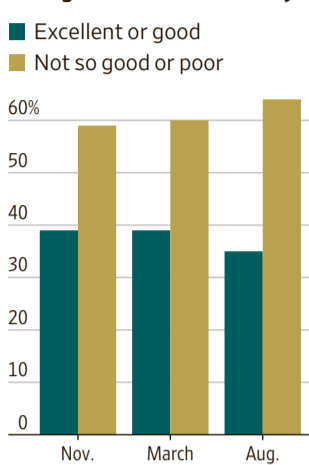
Among political independents, typically the key to victory in close elections, more voters now favor a Democratic candidate for Congress than a Republican, 38% to 35%. In March, Republicans led among independents by 12 percentage points.

Before the Supreme Court's late-June reversal of the landmark 1973 Roe v. Wade abortion ruling, the GOP had been more optimistic about its prospects, in part because the party that doesn't control the White House typically makes midterm-election gains.

"Republicans were cruising, and Democrats were having a hard time," said Republican pollster Tony Fabrizio, who conducted the survey along with

Democrats notched gains in the latest WSJ poll despite a majority of registered voters saying that the country is heading in the wrong direction.

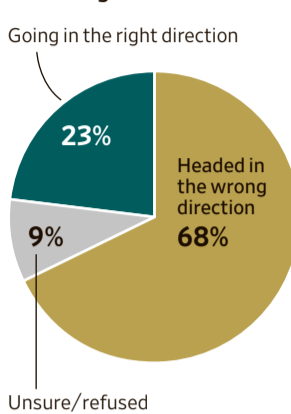
How would you rate the strength of the U.S. economy?



Note: Totals may not add to 100 because of rounding.

Source: WSJ Poll of 1,313 registered voters, conducted Aug. 17-25, 2022, by cellphone, landline and text-to-web; margin of error +/- 2.7 pct. pts.

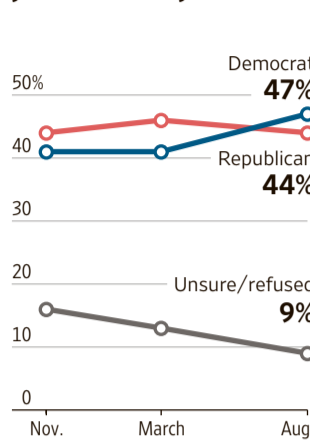
Would you say that things in the country are going in the right direction or headed in the wrong direction?



Note: Totals may not add to 100 because of rounding.

Source: WSJ Poll of 1,313 registered voters, conducted Aug. 17-25, 2022, by cellphone, landline and text-to-web; margin of error +/- 2.7 pct. pts.

If the election for Congress were held today, who would you be more likely to vote for?



Democrat John Anzalone. "It's almost like the abortion issue came along and was kind of like a defibrillator to Democrats."

At 60%, those who say abortion should be legal in all or most cases represent a majority of voters, up 5 percentage points from March. More than half of voters say the Supreme Court's elimination of the federal constitutional right to an abortion has made them more likely to vote.

The Wall Street Journal poll of 1,313 registered voters, with a margin of error of plus or minus 2.7 percentage points, was conducted Aug. 17-25 by Impact Research, and Fabrizio, Lee & Associates. Half of the interviews were done on cellphones, with the remaining split evenly between landline phones and text messaging accompanied by an online survey.

In a separate question, voters cited the court ruling as the single issue most likely to make them vote in November, ahead of four other issues tested, including inflation, border security, gun violence and the Federal Bureau of Investigation's search of former President Donald Trump's Florida home.

The court ruling was especially salient for white, suburban women, a group known for switching between the two parties in recent elections and who say they would back a Democratic candidate over a

Republican, 52% to 40%.

"Male independents did not really change," said Mr. Fabrizio, who was Mr. Trump's lead campaign pollster in 2016 and 2020. "Female independents, because of the abortion issue, changed their opinions and their votes."

The poll's congressional-preference question measures the national political climate, rather than opinion in any one state or House district. Still, the survey's findings add to a growing body of evidence—from other public surveys, recent special-election results and analysis by nonpartisan forecasters—that suggests a more competitive fight for control of Congress than expected earlier this year.

Republicans need to pick up just a few seats to take over the House. Democrats control the 50-50 Senate because Vice President Kamala Harris can break ties.

Some 62% say rising prices are creating major or minor financial strains on their budgets, up 4 percentage points from March. The 64% who say the economy is poor or not in good shape is up slightly from the prior Journal survey.

Among independent voters, 69% rate the economy as poor or not so good. Voters believe Republicans are better able to get inflation under control—by a 12-point margin—and by narrower

margins think the GOP has the better economic plan and is most able to reduce the federal deficit.

More than two-thirds of votes—68%—think the nation is headed in the wrong direction, including 73% of independents. That is even gloomier than the 63% recorded among all voters in March.

Mr. Anzalone, the lead pollster for Mr. Biden's 2020 presidential campaign, said he thinks the abortion ruling, a summer of mass shootings and additional information revealed about Mr. Trump through the congressional hearings on the Jan. 6, 2021, riot at the Capitol have all contributed to improved feelings about Democrats. "On all of those issues, the Republicans were on the wrong side of public opinion," he said.

Midterm elections have traditionally been viewed as a referendum on the current occupant of the White House, but Mr. Trump's high profile in the nomination season and the search of his Florida home have kept him at the forefront of the American political conversation.

Favorable views of Mr. Trump declined slightly, and Mr. Biden leads him in a hypothetical rematch of the last presidential election, 50% to 44%. The two men had been tied in March. In the test match-up, Mr. Biden leads among independents, 46% to 38%.

More Detailed List of Papers FBI Recovered Will Be Made Public

By ARIAN CAMPO-FLORES AND SADIE GURMAN

WEST PALM BEACH, Fla.—A federal judge said she would make public a more detailed list of the items the FBI took during its search last month of former President Donald Trump's Mar-a-Lago home, opening the prospect of a much fuller picture of what documents might be among the classified material seized.

U.S. District Judge Aileen Cannon's decision came during a hearing Thursday over whether to appoint an outside party to review the material now in the Justice Department's hands to determine whether issues of executive and lawyer-client privilege put some of it out of bounds to investigators.

After hearing arguments from both sides, she said she would issue a written order in due course on Mr. Trump's request for that third-party review.

Attorneys for Mr. Trump argued that the federal government's handling of the investigation had damaged public confidence in the probe's integrity and transparency. They said the appointment of a special master to review documents would help put issues raised by the case in proper context.

"We need respectfully to lower the temperature on both sides," said Chris Kise, a former Florida solicitor general with ties to the GOP who was added this week to the former president's legal team.

Jay Bratt, the Justice Department's lead attorney on the case, said Mr. Trump wasn't entitled to the appointment of a special master because the classified and presidential records seized didn't belong to him, but rather to the U.S.

"He is no longer the presi-

dent," said Mr. Bratt, chief of the Justice Department's counterintelligence and export control section. "And because he is no longer the president, he had no right to take those documents."

The Justice Department last month unsealed a limited inventory that showed classified information was removed from Mr. Trump's private club, but didn't describe the subjects of those documents. Mr. Trump's lawyers requested a more thorough accounting of them as well as the return of any items seized that they say weren't within the scope of the search warrant.

In Thursday's hearing, Judge Cannon asked both parties whether they objected to unsealing a more detailed inventory. They said they didn't, prompting her to say she

The judge said she'll decide on whether to appoint a special master in due course.

would issue an order after the hearing to release it.

Judge Cannon, who in an earlier order had signaled she was inclined to appoint a special master, appeared open to the idea in her remarks from the bench. She pressed government lawyers on what harm such an appointment would cause.

She also raised the prospect of allowing a special master to proceed with an "orderly review" without interfering with a damage assessment U.S. intelligence agencies are conducting of the classified documents recovered.



Chris Kise, a new member of former President Donald Trump's legal team, after a court hearing Thursday in West Palm Beach, Fla.

Majority Say Mar-a-Lago Search Was Proper

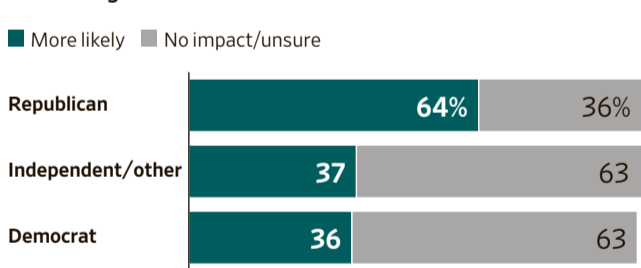
By JOHN McCORMICK

Just over half of registered voters think the Federal Bureau of Investigation search of Donald Trump's Florida home was appropriate in trying to determine whether the former president wrongfully possessed classified information, a Wall Street Journal poll shows.

The survey also highlights the stark partisan divide when it comes to the search of Mr. Trump's Mar-a-Lago estate, as well as how the FBI's Aug. 8 operation has made Republicans more motivated to vote in November's midterm elections.

Given a choice between two statements, a 52% majority agreed that the FBI action "was part of a legal and proper investigation to determine whether former President Trump was involved in any wrongdoing," while 41% viewed it as "just another example of the endless witch hunt and harassment the Democrats and Biden administration continue to pursue against former President Trump."

How has the FBI's search of former President Trump's Mar-a-Lago home impacted your likelihood to vote in the coming November elections?



Note: Totals may not add to 100 because of rounding.

Source: WSJ survey of 1,313 registered voters, conducted Aug. 17-25, 2022, by cellphone, landline and text-to-web; margin of error +/- 2.7 pct. pts.

Four in five Republican voters agreed with the statement that suggests the search was part of a "witch hunt"—a phrase Mr. Trump often uses himself—while about a third of independents held that view and 5% of Democrats did.

The proportion of Republicans backing Mr. Trump's view of the search is in keeping with the durable level of support he has enjoyed within the party since his 2016 presidential nomination, no matter the

circumstances. The survey found 39% of voters overall had a favorable view of Mr. Trump.

For voters overall in the poll of 1,313 registered voters conducted Aug. 17-25 by Impact Research, and Fabrizio, Lee & Associates, 51% said the search would have no impact on their likelihood to vote in the midterms. But among Republicans, 64% said it would make them more likely to vote.

While the poll suggests the

search has stoked enthusiasm among Mr. Trump's core supporters, the Justice Department's investigation also has kept the former president at the forefront of the news, meaning that he sometimes overshadows GOP efforts to focus the midterm campaign on a troubled economy and high inflation.

In an escalation of its allegations, the Justice Department said in a court filing on Tuesday that "efforts were likely taken to obstruct the government's investigation" and its recovery of the documents.

On his social-media platform Wednesday, Mr. Trump again criticized the search and cited it as a reason to "drain the swamp" in Washington.

Earlier this week, Mr. Trump hired a top Florida lawyer to lead his defense related to the Justice Department's probe. Chris Kise, the state's former solicitor general, was retained after a number of other lawyers declined to work on the case.

Panel Asks Gingrich To Give Information

The select committee investigating the Jan. 6, 2021, storming of the Capitol requested information from former House Speaker Newt Gingrich about his contacts with senior advisers to former President Donald Trump in the days leading up to the attack.

The committee said in a letter to Mr. Gingrich that it is seeking information about television advertisements that spread false claims of voter fraud during the 2020 election.

It said Mr. Gingrich, the Georgia Republican who led the House as speaker from 1995 to

1999, was involved in other efforts to overturn the election.

Rep. Bennie Thompson (D., Miss.), chairman of the committee, said in a Thursday letter to Mr. Gingrich that it had obtained emails to senior advisers to Mr. Trump including his son-in-law, Jared Kushner, and a top Trump campaign official, Jason Miller. The emails showed the former House speaker provided input into television ads that encouraged members of the public to pressure state officials to overturn the election, Mr. Thompson said in the letter.

In response to a query, Mr. Gingrich said he hadn't received the committee's letter and couldn't comment.

—Scott Patterson

Retired Police Officer Involved in Jan. 6 Riot Gets 10 Years in Prison

By JAN WOLFE

WASHINGTON—The Justice Department's investigation into the Capitol riot on Jan. 6, 2021, is escalating, with a judge handing down the longest sentence so far for a rioter and agents arresting a lawyer for a right-wing group accused of playing a leading role in the attack at the U.S. Capitol.

Two White House lawyers who served under then-President Donald Trump are scheduled to appear before a grand jury on Friday, the most senior officials known to be called.

The developments came as Mr. Trump told a conservative radio host on Thursday that if he were to run for president again in 2024 and win, he would issue pardons to the rioters.

"We'll be looking very, very seriously at full pardons," Mr. Trump told host Wendy Bell. "And I mean full pardons with an apology—to many, an apology. They've been so badly treated."

Thomas Webster, 56 years old, of New York, received a 10-year prison sentence for assaulting a police officer during the Jan. 6 riot.

"It was your actions—at least on that part of the police line—that opened up the police line that allowed thousands of people through," U.S. District Judge Amit Mehta said at the conclusion of an emotional court hearing in Washington on Thursday.

Judge Mehta said he was shocked by Mr. Webster's behavior given his background as a retired New York City police officer and a veteran of the U.S. Marine Corps.

"For 25 years Mr. Webster was a public servant in the truest sense of the word," Judge Mehta said during the

hearing. "In 46 seconds, he threw all of that away."

Prosecutors had sought a 17.5-year sentence. Mr. Webster's lawyer had asked Judge Mehta to impose no additional prison time beyond the year and a half that his client has already spent either in custody or under home confinement.

A federal jury convicted Mr. Webster in May, rejecting his claim that he was acting in self-defense when he struck a District of Columbia police officer with a flagpole, tackled him and grabbed a gas mask the officer was wearing.

The officer, Noah Rathbun,

testified during the trial that he struggled to breathe during the altercation.

Mr. Webster, who took the witness stand during the trial, had argued that Mr. Rathbun was a "rogue cop" who instigated the confrontation.

That testimony was "not credible" and an "alternative truth," Judge Mehta said during the hearing.

More than 860 individuals have been arrested for alleged crimes related to the breach of the U.S. Capitol, including more than 260 people accused of assaulting or impeding law enforcement.

In another development related to the Capitol attack, a lawyer for the Oath Keepers militia group was arrested on Thursday in Texas.

Kellye SoRelle, 43, is accused of witness tampering and conspiracy to obstruct the certification of President Biden's Electoral College victory. Ms. SoRelle, who is in custody, didn't immediately respond to requests for comment and it couldn't be determined whether she has legal representation.

—Sadie Gurman and Alex Leary contributed to this article.

U.S. NEWS

President Says Democracy Is ‘Under Assault’

BY KEN THOMAS AND CATHERINE LUCEY

PHILADELPHIA—President Biden warned that former President Donald Trump and his allies are threatening to undermine the nation’s democracy, using a prime-time address to lay out his concerns for the country’s future when millions of Americans have questioned the legitimacy of the 2020 presidential election.

Standing in front of Philadelphia’s Independence Hall, Mr. Biden directly condemned what he called “MAGA Republicans,” citing the Jan. 6, 2021, riot at the U.S. Capitol by Trump supporters, saying, “As I stand here tonight, equality and democracy are under assault.”

The speech Thursday night came just before the traditional Labor Day start of the midterm election campaign season.

“Too much of what’s happening in our country today is not normal. Donald Trump and the MAGA Republicans represent an extremism that threatens the very foundations of our Republic,” Mr. Biden said.

Mr. Biden sought to draw a distinction between Republicans allied with Mr. Trump and others in the party. He called people from all parties to “unite behind the single purpose of defending our democracy regardless of your ideology.”

Mr. Trump said on his social-media network: “Someone should explain to Joe Biden, slowly but passionately, that MAGA means, as powerfully as mere words can get, MAKE AMERICA GREAT AGAIN! If he doesn’t want to Make America Great Again, which through words, action, and thought, he doesn’t, then he certainly should not be representing the United States of America!”

During Mr. Biden’s speech, the voices of demonstrators shouting into bullhorns in op-

position to his remarks could be heard from nearby streets.

The Republican National Committee said in a statement that Mr. Biden was “the divider-in-chief and epitomizes the current state of the Democrat Party: one of divisiveness, disgust, and hostility towards half the country.”

Democrats hold narrow majorities in both the House and Senate, and Mr. Biden is seeking to turn the elections into a choice for voters between his party and that of Republicans, who have criticized his leadership and have said Democrats are trying to distract from the more central issues of inflation and economic unrest.

The speech is one of three visits Mr. Biden is making to Pennsylvania, a top battleground state with closely watched races for governor and the Senate, in the course of a week. Mr. Trump is scheduled to hold a rally in the state for GOP candidates Saturday.

Mr. Biden and White House officials have been more direct in recent weeks in criticizing what they have called “ultra-MAGA” Republicans, referring to Mr. Trump’s “Make America Great Again” campaign slogan, and the spreading of false claims about widespread fraud in the 2020 election.

During a Maryland fundraiser last week, Mr. Biden described Mr. Trump and his allies’ approach to governing as “like semi-fascism.”

A Quinnipiac University poll released this week found identical shares of Republicans and Democrats—69% on each side—said they believed “the nation’s democracy is in danger of collapse,” though likely for very different reasons. Other surveys have shown declining faith among Republicans in the electoral system.

—Alex Leary contributed to this article.

U.S. WATCH



JULIO CORTIZ/ASSOCIATED PRESS

POSE NATURALLY: Rob Bennett, an aquarium manager in Dubai, captured a shot of African penguins Thursday at the Maryland Zoo, which with the National Aquarium is hosting the Association of Zoos and Aquariums annual conference in Baltimore.

GEORGIA

Graham Again Told To Testify in Probe

A judge has ruled anew that Sen. Lindsey Graham (R., S.C.) must testify before a special grand jury in Georgia investigating whether then-President Donald Trump and others illegally tried to overturn the 2020 presidential election results in that state, but narrowed the scope of the testimony he can be compelled to make.

U.S. District Judge Leigh Martin May in Atlanta declined to block a subpoena issued to Mr. Graham by Fulton County District Attorney Fani Willis.

Ms. Willis, a Democrat, has been investigating efforts to interfere in Georgia’s 2020 election since last year. Her probe has grown to become the most aggressive state-level investigation into efforts by Mr. Trump and his allies to reverse the November 2020 results.

Mr. Graham is expected to appeal the decision. Bart Daniel, a lawyer for Mr. Graham, didn’t respond to a request for comment.

—Jan Wolfe

FEDERAL RESERVE

Dallas Chief Focuses On Inflation Fight

Lorie Logan in her first comments as leader of the Federal Reserve Bank of Dallas on Wednesday said she agreed with other Fed officials that the central bank must focus on bringing inflation down.

“Being president of the Dallas Fed and as a policy maker, our number one priority has to be to restore price stability,” Ms. Logan said as part of a video on her bank’s website. She didn’t, however, link that view on price pressures to specific policy actions in remarks largely aimed at explaining how she will approach her leadership at the bank.

Ms. Logan took office at the Dallas Fed on Aug. 22 after a long career at the New York Fed. Ms. Logan joins the Dallas Fed as the central bank is collectively engaged in a historic effort to lower the worst levels of inflation seen in 40 years.

As part of that mission, the Fed is aggressively raising short-term interest rates and shrinking the size of its balance sheet.

—Michael S. Derby

CALIFORNIA

Concealed Weapon Revamp Fails to Pass

California lawmakers failed early Thursday to replace limits on carrying concealed weapons that were struck down by a recent U.S. Supreme Court ruling.

A measure that would have enacted more than three dozen new restrictions failed by one vote as lawmakers adjourned.

Democratic Sen. Anthony Portantino, who pushed for the bill along with Attorney General Rob Bonta, promised to reintroduce the legislation on the day lawmakers reconvene in December after the November election.

“California was made less safe tonight by not passing the bill to make us consistent with the Supreme Court’s decision,” Mr. Portantino said.

“It’s unfortunate, it’s sad, it’s surprising,” he said.

Opponents said the bill violated the intent of the high court’s decision while taking aim at law-abiding gun owners instead of concentrating on criminals who aren’t likely to follow the law.

—Associated Press

INDIANA

Man Charged With Killing Dutch Soldier

A 22-year-old Indiana man was charged Thursday with murder in the fatal shooting of a Dutch soldier and the wounding of two others in downtown Indianapolis.

Shamar Duncan was charged with murder, two counts of attempted murder and disorderly conduct in the shootings early Saturday, Marion County Prosecutor Ryan Mears said.

The soldiers had been training at a southern Indiana military camp and were on a night off in Indianapolis when they clashed with Mr. Duncan and his friends, according to an arrest affidavit. The soldier who was killed has been identified as Simmie Poetsma, a 26-year-old member of the Dutch Commando Corps.

Dutch Defense Minister Kajsa Ollongren expressed concern about gun violence in the U.S. after the shooting.

“We do many trainings of our servicemen in the United States, and we really don’t expect this to happen. So it’s very, very concerning for us,” she said.

—Associated Press

Starbucks Chooses New CEO

Continued from Page One
ning in April. Mr. Schultz has since said that the company had made mistakes in recent years and needs to change, from the way baristas are paid to the blenders in its cafes.

“We really do believe that we have found an exceptional individual to be our next CEO. He’s a tested leader,” Starbucks board Chairwoman Melody Hobson said in an interview Thursday.

Mr. Narasimhan will relocate from London to the Seattle area and join Starbucks as incoming CEO on Oct. 1, the company said.

Ms. Hobson said Starbucks’ board asked Mr. Schultz to remain as interim CEO until April 2023 to help Mr. Narasimhan get up to speed on the company and its culture. Mr. Narasimhan will assume the CEO role and join the company’s board on April 1.

Mr. Schultz has twice before handed over the CEO role, but afterward has closely followed company affairs and maintained strong ties with company executives. In an interview earlier this year, Mr. Schultz said he asked to attend a Starbucks board meeting roughly two years ago, after growing concerned over what he had seen in Starbucks’ stores and learned through informal conversations with Starbucks leaders.

While Ms. Hobson said that Mr. Narasimhan will be independent, Mr. Schultz will continue to play what Ms. Hobson called a special role at the company.

“He certainly has a special voice, a deep knowledge of the business in ways none of us has and we want that,” Ms. Hobson said of Mr. Schultz.

Starbucks said in a regulatory filing that Mr. Narasimhan will receive a base salary of \$1.3 million a year, and an annual cash incentive target equal to 200% of that amount. He will receive a cash signing bonus of \$1.6 million as part of forfeited compensa-



Laxman Narasimhan will join Starbucks on Oct. 1.

tion from his current job, Starbucks said.

Mr. Narasimhan will take over the world’s largest coffee chain in number of locations and sales as it navigates a changed business landscape. Covid-19 hit Starbucks hard, forcing it to temporarily close stores. By 2021, to-go orders had helped sales recover to prepandemic levels, but this year, rising costs have eroded Starbucks’ profit margins, and the company has raised prices.

The company is also grappling with a unionization effort that began in its Buffalo,

The coffee chain is navigating a changed business landscape.

N.Y., market a year ago, with workers pressing for better pay, staffing levels and hours. Employee turnover has jumped since the pandemic hit, and the company increased wages in August.

“Although I did not plan to return to Starbucks, I know the company must transform once again to meet a new and exciting future where all of our stakeholders mutually flourish,” Mr. Schultz said in March.

A committee within Starbucks, which included Mr. Schultz and other board members, had been working on finding a new CEO. The coffee chain identified qualities for its new leader, including being purpose-driven and having ex-

perience in a large, complex organization, as well as international operations, Ms. Hobson said in March. Starbucks had hoped to name a new CEO by the fall, Mr. Schultz said.

In June, Mr. Schultz said the company was considering only external candidates for its next chief executive officer, seeking to add new talent and skills to its senior leadership ranks.

For months Starbucks interviewed candidates outside the company who work across the globe, people familiar with the interviews said. Starbucks said in mid-August that its chief operating officer, John Culver, would step down in October, with that role to be eliminated after a new CEO is named. Mr. Culver, a company veteran, had been seen by some at the company as a possible next CEO.

After Mr. Schultz returned in April as interim CEO, he and other executives began to assess ways the company needed to improve. Executives spoke to workers about their jobs to understand how they should change. The company studied how it could revamp its equipment and store design.

Mr. Schultz hired new executives, including a chief strategy officer from outside the company. He suspended billions of dollars in stock buybacks, saying the company needed to invest more in its employees and operations.

In August, Starbucks reported U.S. quarterly sales that outpaced analysts’ expectations. Its costs also increased.

Ms. Hobson said the board supports the work Mr. Schultz has done as interim CEO, which she said will set the stage for Mr. Narasimhan’s arrival. The chain’s new CEO will have time to learn Starbucks’ business under Mr. Schultz, but the board also wants Mr. Narasimhan to bring his expertise to do what he thinks is right, Ms. Hobson said.

“He’s going to be in charge,” she said. “We have great expectations.”

Starbucks is expected to tell investors later this month how much its additional investments in the business will cost. The company suspended its fiscal guidance in May, saying it needed to assess the additional planned spending on its employees, stores and broader operations.

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Project Coordinator at Astreya.
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WORLD NEWS

U.N. Team Visits Ukraine Nuclear Plant

Official says the IAEA 'is here to stay and will maintain a continued presence' at the facility

By ISABEL COLES

ZAPORIZHZHIA, Ukraine—United Nations inspectors visited the Russian-controlled Zaporizhzhia nuclear-power plant on Thursday after crossing the front line between Ukrainian and Russian forces despite intense shelling in the area that the two sides blamed on each other.

The director general of the U.N.'s International Atomic Energy Agency, Rafael Grossi, said late on Thursday that he was finishing his first visit to the plant, and that the IAEA "is here to stay and will maintain a continued presence" at the facility.

Ukraine's nuclear-energy regulator, Energoatom, said five members of the team had remained.

Mikhail Ulyanov, Russia's permanent representative to the IAEA, said the rest of the delegation was heading back

to Vienna.

The visit is the outcome of months of wrangling over access to Europe's largest nuclear-power plant, which has been largely closed off from the world since Russian forces seized it in the early days of their invasion of Ukraine. Heavy fighting near the plant has raised international concerns of a potential nuclear accident.

Footage published on social media by a Russian official showed Mr. Grossi shaking hands with officials outside the plant in the town of Enerhodar following a 75-mile journey from the Ukrainian city of Zaporizhzhia.

Shelling in the vicinity of the plant hours before the 14-member team's departure had threatened to disrupt the visit, but Mr. Grossi said it would go ahead despite the risks being "very, very high."

The brevity of Thursday's visit came as a surprise to some officials.

Mykhailo Podolyak, an adviser to Ukraine's president, questioned whether the IAEA team had been able to inspect the facility properly in such a short time, and without inter-



IAEA Director General Rafael Grossi, second from left, speaks with Ukrainian officials Thursday.

ference.

Yevhen Balitsky, the Russian-installed head of the administration in occupied parts of the Zaporizhzhia region, said the IAEA inspection would continue on Friday and potentially last longer.

Negotiations between the IAEA, Russia and Ukraine over access to the facility have

taken on urgency in recent weeks as fighting around the plant has escalated. Ukrainian workers have continued to operate the facility, effectively at gunpoint, according to Ukrainian officials.

In a sign of how important the plant is to Kyiv, Ukrainian troops tried to retake it early Thursday. Russia's Ministry of

Defense said it thwarted an attempt by Ukrainian "saboteurs" who crossed the Dnipro River in seven boats, landing on the bank of the Kakhovka reservoir.

Ukraine accused Russian forces of shelling the corridor through which the IAEA delegation was set to travel on Thursday, as well as Enerhodar. "The city has been relent-

lessly pummeled by mortars since five in the morning," said Dmytro Orlov, Enerhodar's exiled mayor. "Machine gun salvos can be heard."

Energoatom said shelling in the vicinity of the plant had shut down one of its operating power units and damaged a backup power-supply line.

Russia's Defense Ministry said four shells fired by Ukrainian forces landed about 400 meters from one of the plant's power units, accusing Ukraine of seeking to disrupt the IAEA's mission.

Russian Foreign Ministry spokeswoman Maria Zakharova said the inspection would "open the eyes" of the international community to the fact the threat to the nuclear plant comes from Kyiv, not Moscow.

—Evan Gershkovich, Katia Rudeshko and Ann M. Simmons contributed to this article.

Watch a Video



Scan this code for a video on the inspectors' visit to the nuclear plant.

U.K. Commits to G-7 Plan to Cap Price of Russia's Oil

By AMARA OMEOKWE AND ANDREW DUEHREN

WASHINGTON—The British treasury chief said the U.K. was committed to a U.S.-led effort to put a cap on the price of Russian oil as a top Russian official said the country would refuse to sell oil at a capped price.

In an interview at the British Embassy in Washington, Chancellor of the Exchequer Nadhim Zahawi said he was confident the price cap plan would succeed. Finance ministers from the Group of Seven wealthy nations are expected to virtually meet on Friday and endorse an outline for capping the price of Russian

oil, The Wall Street Journal previously reported.

"I'm confident that tomorrow we're going to be able at the G-7 get everybody to the same place," Mr. Zahawi said Thursday. He said the plan "will again make sure that next year and beyond we don't see an oil price shock which could cause us obviously an even greater challenge than where we are today."

But the plan faces several major questions, including the level at which that cap would be set and whether Russia would agree to sell oil at a capped price. Russian Deputy Prime Minister Alexander Novak said Thursday that Russia wouldn't sell to countries that

impose a price cap, according to Russian state news agencies.

"If they impose price limits, then for such companies or countries that impose restrictions, we will simply not supply them with oil and oil products, since we will not work under nonmarket conditions," he said, according to the outlets.

Western officials are hoping to leverage their control over the financing and insurance of Russian oil shipments to dictate the price at which the oil can sell anywhere in the world.

Much of the world's marine shipping is insured in G-7 countries, particularly the U.K., and so the British government

would play a key role in enforcing the plan. The G-7 countries insure more than 90% of global shipping traffic, according to Bruegel, a think tank.

Under the plan, G-7 institutions would be barred from financing or insuring Russian oil shipments if the sales price of the oil doesn't fall under the set cap.

While the G-7 is nearing agreement on the plan, officials are still courting broader international support. Major buyers of Russian oil, including India and China, haven't supported the proposal and officials don't expect them to agree to a Western sanctions effort against Russia.

European officials have

pushed for the G-7 to earn broader support from other buyers of Russian oil, including Turkey, to ensure that the price cap functions. U.S. officials, meanwhile, have said that the price cap could succeed in lowering Russia's revenue from oil sales even if large buyers don't sign on.

Mr. Zahawi, who discussed the price cap plan with Treasury Secretary Janet Yellen on Wednesday, said that the threat of sanctions would reshape the market for insuring Russian oil shipments even without broad international buy-in for the plan. Mr. Zahawi said Wednesday that having the support of the broadest possible coalition

would make the plan more effective.

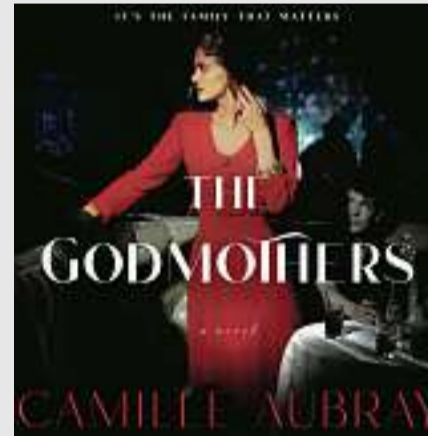
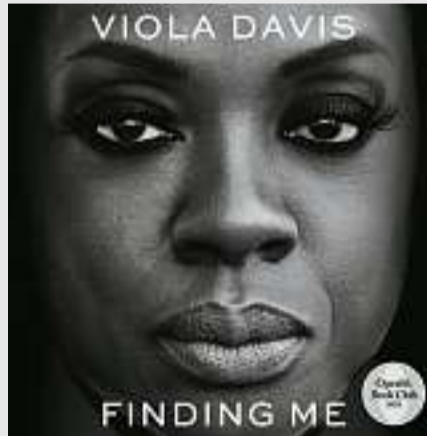
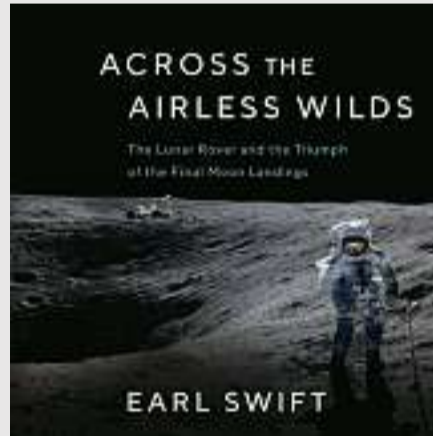
"We want them to be on board," he said of countries such as India and Turkey. "But I think that you will very quickly find actually the markets will move towards, especially the insurance market, what they think is legal and is something that will protect them from any sanctions effectively."

"So I think it'll work and it'll mean that we effectively stop [Russian President Vladimir] Putin profiting from very high oil prices and ensure that we don't see an oil spike," he added.

—Evan Gershkovich contributed to this article.

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WORLD NEWS

Psychiatric Care Strained Amid War

BY ALISTAIR MACDONALD

LVIV, Ukraine—Ukraine's network of often crumbling Soviet-era psychiatric hospitals is grappling with a fresh wave of traumatized soldiers, putting further strains on an already overwhelmed care system.

When Russia invaded Ukraine in late February, some institutions in the east of the country evacuated their patients westward to places such as the Lviv Regional Psychiatric Hospital. That put extra pressure on this and other residential institutions for people with mental, intellectual and developmental disabilities that Western experts say were underfunded and stretched before the invasion.

Those institutions are starting to receive a new wave of

Doctors and other experts say the war is creating more mental-health scars.

soldiers and civilians from the front line. "Now we are waiting for a second peak of soldiers with mental-health problems," said Iryna Halamai, acting medical director of the hospital. "More and more are coming."

The Lviv hospital already is full. On one day in March, it received 220 patients who were evacuated from a hospital in Kharkiv in northeastern Ukraine. Staff say they are seeing the start of what they expect to be a deluge of soldiers.

Doctors and Western experts say the war is creating additional mental-health scars that threaten to push Ukraine's fragile care system into a last-

ing crisis. Ukraine has been slower to move away from the large-scale use of such residential institutions than the West, where there is more emphasis on care in local communities.

At the start of the year, Ukraine had 193 residential institutions for people with mental and intellectual disabilities, with 32,300 places for adults and children, according to Irina Pinchuk, director of the Institute of Psychiatry at Taras Shevchenko National University of Kyiv.

Ukraine's Ministry of Health didn't respond to requests to comment. Kseniia Voznitsyna, the director of the Center for Mental Health and Rehabilitation, a Ukrainian government organization, said the country has relied too much on large institutions, but is trying to move toward a Western model.

Ukraine had been dealing with the mental-health fallout from fighting that has occurred in eastern Ukraine with Russian-led separatists since 2014. About 15% of Ukrainian soldiers who have fought there have suffered from some form of post-traumatic stress disorder, Ms. Voznitsyna said.

The effects move beyond soldiers. One in three children and adolescents in Ukraine has some form of PTSD or depression, in part because of that conflict, according to a 2021 report by Yale University. That compares with about one in seven of that age group worldwide.

When Russia invaded Ukraine this year, many institutions couldn't evacuate quickly, leaving patients and staff trapped. Those who could sent their patients to safer locations.

One patient diagnosed with schizophrenia said she was woken up and told that her psychiatric hospital in Kharkiv



The Lviv Regional Psychiatric Hospital has been under growing pressure since the February invasion. Right, Dr. Tetyana Hryshkanych says her 'doctors are overwhelmed.'

was evacuating. "I didn't take any possessions," the 80-year-old said. "I was led by the hand to the train with only 39 kopiykas," or about 1 cent.

When her group arrived in Lviv, they were exhausted. Some had lost weight, and others had total memory loss, doctors said. Several died.

While the invasion has inflicted suffering across Ukraine, the trauma for people with mental-health issues and conditions such as autism and Down syndrome is magnified by war, with disrupted routines, a lack of understanding and loud noises stirring stress.

Before the war, the Lviv Regional Psychiatric Hospital had 840 beds. Now, it has more than 1,000, but that still isn't enough. "I have to turn people away," said Bohdan Chechotka, the hospital's chief executive.

On a recent visit, three beds were positioned head to foot on each side of rooms that typically accommodate four



people. Many patients were motionless in their rooms that smelled of urine. Others wandered the corridors, where plaster was peeling off the walls of a building that is more than a century old.

"We are full," Dr. Tetyana Hryshkanych said of her ward. "My doctors are overwhelmed."

Ms. Voznitsyna of the government's mental-health center said soldiers admitted recently are suffering from the same problems as those who have been brought in since 2014, but to a much greater degree partly because of the more brutal artillery firepower used this year.

Another big difference now is that more civilians are being affected, both from being caught up in the fighting and because their partners or relatives are in the military, she said. About 44% of Ukrainians have been separated from at least part of their family, she added.

Lukoil Executive Dies After Falling From Hospital Window

BY ANN M. SIMMONS
AND PATRICIA KOWSMANN

MOSCOW—The chairman of Russia's second-largest oil-and-gas giant, Lukoil PJSC, died Thursday after falling from a hospital window in Moscow, according to Russian state media agency TASS.

Ravil Maganov fell from a sixth-floor window at the Central Clinical Hospital where he was being treated, TASS reported. He was hospitalized for a heart attack and was also taking antidepressants, the news agency said.

In a statement, Lukoil said Mr. Maganov, 67 years old, died following a serious illness. The company didn't respond to a request for further details regarding the circumstances of his death.

Russia's main investigative committee, the Moscow police and the hospital also didn't respond to requests to comment.

Presidential spokesman Dmitry Peskov declined to comment on the details reported about Mr. Maganov's death, telling reporters in a briefing Thursday that it wasn't a matter for the Kremlin to address.

Russian President Vladimir Putin visited the Central Clinical Hospital on Thursday to pay tribute to Mikhail Gorbachev, the final leader of the Soviet Union, who died there on Tuesday.

Mr. Maganov is the second senior executive who worked at Lukoil to die in recent months.

Alexander Subbotin, a former senior manager, was found dead in a house in a city on the outskirts of Moscow in May, according to a report by TASS. It said investigators would be checking for drugs in Mr. Subbotin's blood.

Lukoil didn't respond to a request to comment.

Russian media has reported the deaths of other high-profile Russian oil-and-gas executives in the past few months.

In January, state news agency RIA Novosti reported



Lukoil Chairman Ravil Maganov was being treated for a heart attack.

that a senior manager at Gazprom finance arm Gazprom Invest was found dead at his home in St. Petersburg.

Reports later identified the executive as Leonid Shulman, the company's head of transport, according to RIA's Radio Sputnik. There was a suicide note, according to the report. Gazprom didn't respond to a request to comment.

In April, Vladislav Avaev, a former vice president at Russia's third-largest bank, Gazprombank, his wife and daughter were found dead in their Moscow apartment, according to TASS. Police were looking into whether Mr. Avaev killed them before killing himself in a domestic conflict, the agency said.

Gazprombank didn't respond to a request to comment.

Also in April, Sergey Protosenya, a former deputy chairman at gas producer Novatek JSC, was found dead with his wife and daughter in their home near Barcelona, according to Catalan police.

The police said Mr. Protosenya killed his family before killing himself. The case is still open in court, but the police aren't investigating the deaths further, according to court and police spokespeople.

At the time, Novatek said

Mr. Protosenya was "an outstanding person and a wonderful family man, a strong professional who made a considerable contribution to the formation and development of the company."

In a statement Thursday, Lukoil praised Mr. Maganov, who had served as chairman on its board of directors since 2020, for what it said were his immense contributions to "the development of not only the company, but of the entire Russian oil-and-gas sector."

Thanks to his managerial talent, "Lukoil evolved from a small oil production group to one of the world's leading energy companies in next to no time," the company said, noting that he received many national awards for his accomplishments.

Lukoil is one of very few Russian corporations to openly call for an end to Russia's war in Ukraine.

"We stand for the soonest cessation of the armed conflict and fully support its resolution through the negotiation process, through diplomatic means," the company said in a letter to employees and customers in March.

—Xavier Fontdegloria in Barcelona contributed to this article.



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WORLD NEWS

Company Urged to Waive Dividend

BY JENNY STRASBURG
AND NICK KOSTOV

PARIS—French energy company TotalEnergies SE is coming under pressure from Ukraine's government to waive a dividend worth hundreds of millions of dollars from a Russian natural-gas giant as Europe braces for a winter without ample supplies of the fuel.

Oleg Ustenko and Mykhailo Podolyak—top advisers to Ukrainian President Volodymyr Zelensky—sent a letter to TotalEnergies Chief Executive Patrick Pouyanné on Thursday asking what he planned to do with the \$440 million dividend the firm stood to reap from its 19% stake in PAO Novatek.

The letter, reviewed by The Wall Street Journal, came after Novatek announced plans to distribute \$2.27 billion in dividends to shareholders for the first half of the year when energy prices soared after Russia began cutting the flow of gas to Europe as part of its

economic war on the West.

"This is blood money," the advisers wrote, suggesting TotalEnergies reject the dividend or redirect the money to Ukrainian war victims. "As you well know, these figures are inflated in large part because of profiteering at the expense of the Ukrainian people."

A spokesman for TotalEnergies declined to comment.

In April, Mr. Pouyanné told analysts the French company was entitled to a dividend as a Novatek shareholder, adding that it was unclear whether sanctions would prevent his company from receiving the payment. "I don't know if we'll have access or we will keep the rubles somewhere in an account in Russia," he said.

The pressure on TotalEnergies illustrates the reputational risk facing companies that have maintained ties with Russia in the wake of its invasion of Ukraine. Western energy giants are also profiting from higher oil-and-gas prices as the

energy crisis ripples through Europe and beyond.

European governments are preparing households and businesses for a winter of energy austerity that economists expect to tip Germany, the continent's powerhouse, into a recession.

\$2.27B

Dividend amount Novatek says it will give to shareholders.

TotalEnergies says abandoning its shareholdings would mean giving billions of dollars to the Russians for nothing. The French company's holdings include a large stake in the Yamal LNG facility in the Russian Arctic, which has been shipping liquefied natural gas since 2017. The firm says it has no operational role in those projects.

TotalEnergies has condemned Russia's invasion of Ukraine and frozen new investments in the country. The company has declined, however, to follow other Western energy firms that say they are working to sever ties with Russia.

Shell PLC in February said it would exit from the Sakhalin-2 oil-and-gas venture in Russia's Far East, as well as its other, smaller Russia holdings. Still, Shell received \$165 million in dividends in the second quarter related to its 27.5% stake in Sakhalin-2. Shell said the dividends stemmed from 2021 profit from the Sakhalin-2 venture, in which Russian state-owned gas company Gazprom PJSC had owned 50%.

In July, Russia took control of the Sakhalin-2 consortium. Shell doesn't expect further dividends and has written down the full value of its Russia assets, a spokeswoman said.

BP PLC said in February it would exit its nearly 20% stake in Russian state-con-

trolled oil company Rosneft. A BP spokesman said the firm wasn't aware of any 2022 dividends paid on the investment and reported no earnings from the holding through the first half of this year.

If Rosneft were to pay a dividend, BP wouldn't recognize it as income, the spokesman said. BP would expect any dividends to be transferred by Rosneft into a restricted Russian account, making any such payments effectively out of reach according to BP's accounting standards.

BP and Shell haven't specified how they plan to exit from their Russia investments and declined to comment this week on legal options they might pursue.

Shell said Thursday it had notified Russian officials that it wouldn't take part in a new entity set up by the Kremlin to operate Sakhalin-2. Shell said it reserves its legal rights related to Russia's taking control of the project consortium.

Europe Weighs Cap To Drop Electricity Prices

BY KIM MACKRAEL
AND MATTHEW DALTON

BRUSSELS—The European Commission is preparing a proposal to deal with skyrocketing electricity prices by curbing consumer demand and capping prices paid for non-gas sources of power generation.

The recommendations were prepared ahead of an emergency meeting of energy ministers on Sept. 9. They are part of an effort to exert more control over the electricity market after the war in Ukraine, outages at French nuclear reactors and an exceptionally hot and dry summer have sent power prices to record highs.

A document outlining the proposals, which was produced by the EU's executive arm, was reviewed by The Wall Street Journal. The document is preliminary and hasn't been approved by top commission officials, signaling it could change.

European Commission President Ursula von der Leyen said earlier this week that the commission expected to present a plan for an emergency intervention in the electricity market in the coming weeks. She said a broader overhaul of how electricity is priced could come early next year.

The proposals outlined in the document amount to a major intervention in Europe's electricity market. Governments have designed the market to mirror how prices are set for other commodities: the most costly production needed to meet demand sets the price received by all producers. Because natural gas is Europe's most expensive fuel, the region's electricity price usually tracks the price of gas.

The commission wants other forms of generation that have lower fuel costs—from wind and solar power to the region's nuclear plants—to be paid lower prices. Consumers would then pay a price that reflects the blended cost of Europe's electricity generation.

Changing the functioning of the market carries risks, the document says. Capping prices for non-gas generation could shake confidence among investors in those technologies that they can recoup investment costs when prices are high, it says. Generators might also be

The proposals amount to a major intervention in the electricity market.

able to circumvent the cap by selling their output through bilateral agreements, according to the document.

"You shouldn't underestimate the impact on investor certainty when they understand that political intervention can do this," said Dries Acke, policy director at SolarPower Europe, the solar industry's trade association.

The commission document also suggests setting out a plan for reducing the bloc's electricity demand, which it said could mirror an earlier agreement that was focused on natural gas, and aimed to lower the bloc's overall gas consumption by 15%.

The gas plan that was agreed to in July called for European countries to curb their consumption voluntarily at first, but said cuts to demand could become mandatory in an emergency.

One option for reducing electricity demand could involve setting up auctions that would allow industrial users to be compensated in exchange for using less electricity, the document said.

Reducing electricity demand is a "no regret" measure that should help establish a better balance between supply and demand, said Kristian Ruby, secretary-general for Euroelectric, which represents European utilities.

He said implementing a price cap is more complicated, in part because of the risk of undermining investor certainty.

Russian Transfers Called Potential War Crimes

BY THOMAS GROVE
AND EVAN GERSHKOVICH

Russia's troops have forcibly transferred Ukrainian civilians en masse from occupied areas into Russia and processed thousands in camps where some have been held for up to a month in sometimes squalid conditions, Human Rights Watch said in a report published Thursday, saying the actions amounted to potential war crimes and crimes against humanity.

More than 50 interviews carried out by Human Rights Watch with people who said they went to Russia, passed through Russia's camp system or directly knew people who had, paint a picture of an organized attempt by Moscow to round up and detain Ukrainians while collecting data on the detainees and their relatives, Human Rights Watch said.

Based in New York, Human Rights Watch is an international nonprofit that researches human-rights abuses. Its report, which focuses on people it said were transferred from the cities of Mariupol and Kharkiv while they were under siege or Russian control, said the number of Ukrainians who have been transferred involuntarily to Russia isn't clear. Rights groups say many haven't spoken out or contacted authorities because they feel unsafe while on Russian territory and don't have the money to travel to another country, or even back to Ukraine.

In most cases, people who pass through the camp system are based onward to resettle in Russia. Some stay there with an amount of government support. Others leave Russia for other countries.

In June, Ukrainian Deputy Prime Minister Iryna Vereshchuk said Russian troops forcibly took 1.2 million Ukrainians, 240,000 of whom were children. She didn't explain her use of the term "forcibly."



Pro-Russian troops stand near a bus carrying civilians evacuated from the Azovstal steel plant in Mariupol in May.

The transfers have bolstered Russia's domestic-propaganda narrative that Russian-speaking Ukrainians in the country's east and south feel loyalty to Moscow. Human-rights advocates say the scope of the security screenings in the camps where the Ukrainians were held—labeled filtration camps by Russian officials—give Russian security services added insight into Ukrainians' loyalties and ties to the military.

The detentions could last between several hours to almost a month, the report said, adding that some people who were interviewed reported being housed in overcrowded and squalid conditions.

In some cases, Ukrainians who were forcibly relocated didn't pass security screenings because of suspected ties to the

Ukrainian military or nationalist groups, and remained in detention, the report said.

The Kremlin didn't respond to a request to comment. In July, after U.S. Secretary of State Antony Blinken accused Russia of forcibly deporting Ukrainians, Russian Foreign Ministry spokeswoman Maria Zakharova insinuated that he was mentally disturbed.

Daria, 24 years old, told The Wall Street Journal that in mid-March, Russian soldiers stormed into a bomb shelter on the outskirts of besieged Mariupol and told the Ukrainians sheltering there that they would have to leave. Escorted at gunpoint, the Ukrainians were lifted into military transport trucks and taken into Russian-controlled territory, she said.

Daria, her grandmother and 14-year-old brother were interrogated in the village of Bezimenne on the Azov Sea coast in the Russian-controlled region of Donetsk, she said. Their phones were checked, they were fingerprinted, and soldiers took their photos and identifying details, she said, adding that they were questioned about their ties to any groups the Russians labeled as "fascists," and their views about the Ukrainian authorities.

Hours later, she said, she and other Ukrainians were loaded onto buses and driven without being told where they were going. Along the way they figured out they were heading into Russia, Daria recounted. At the Russian border they were interrogated again, this time by agents wearing the insignia of

Russia's FSB domestic intelligence agency, Daria said.

Human Rights Watch said that while in Russia some detainees were pressured to sign, and witnessed other people signing, documents stating that they witnessed war crimes by Ukrainian forces.

Some who had smartphones and access to social-media networks connected with activists based in Ukraine, other European countries and Russia who have helped Ukrainians leave Russia, Daria ultimately left for Estonia.

"At no point did I think it would be acceptable to stay," Daria said. "At each stage in the process they treat you like a sack of potatoes and you know the most important thing is to get out of the place where you face threats."

Kyiv Protests Ship Use

Continued from Page One

tain its political and commercial relations with both sides.

In the opening days of the Russian invasion in February, Turkey invoked the convention to ban Russian and Ukrainian warships from passing through the straits. That has effectively prevented Moscow from reinforcing its Black Sea fleet, which has sustained significant losses from Ukrainian strikes.

Ukrainian missiles sank the fleet's flagship, the Moskva, a missile cruiser, in April.

While the convention allows Turkey to block navy vessels from countries at war, the treaty seeks to protect freedom of navigation for civilian vessels.

Ukraine wants Turkey to block commercial vessels carrying Russian military hardware, arguing the supplies are helping Russian forces in southern Ukraine. In the case of the Sparta II, Ukraine ar-

gued that the vessel should be considered a warship under terms of the treaty and be subject to a ban.

The Turkish Foreign Ministry didn't respond to a request to comment. The Russian Defense Ministry didn't respond to a request to comment on the ships and their cargo. Russia's Foreign Ministry said the issue didn't fall within its purview.

"At the end of the day it is legal" for Russia to move weapons on commercial vessels, said Yuruk Isik, a maritime expert and head of Bosphorus Observer, a consulting firm analyzing activity in the Turkish Straits. But, he said, "if there is political will," Turkey could tell Russia such moves are unacceptable.

"Legally speaking it is not a jurisdiction that is conferred upon Turkey" to ban commercial vessels, said Aler Coskun, former director general for international security affairs at the Turkish Ministry of Foreign Affairs. Still, Russia's use of commercial ships in this manner is "a clear abuse of the Montreux Convention and use of a loophole," said Mr. Coskun, who is a senior fellow with the Carnegie Endowment for International Peace in Washington.



Before the recent voyage of the Sparta II that prompted the Ukrainian protest, Russian forces in Syria moved an S-300 battery to the port of Tartus from a site 41 miles east, according to analysis of satellite images by ImageSat International Ltd. Satellite imagery and ship-tracking data show the Sparta II arrived at Tartus. After the ship de-

parted, the S-300 battery was no longer visible at the port, ImageSat said.

Oboronlogistics said the ship delivered a 2,000-ton commercial cargo that included pipes, electrical equipment, industrial chemicals and fuels to Syria. They said it returned carrying olive oil.

In trips earlier this summer, the company said, Sparta II

delivered equipment for Syria's oil industry and Belarusian trucks. It returned to Russia with fruits and other agricultural goods, the company said.

The Pizhma, another vessel controlled by Oboronlogistics, visited Tartus earlier this year. The company said it delivered Russian cargo destined for nuclear-power facilities in the Egyptian port of Alexandria in May.

The U.S. sanctioned the ship after the invasion of Ukraine. Western officials said it was being used to carry military supplies.

U.S. officials said Russia's moves to bring supplies from Syria are a sign that it is running low on stocks of certain weapons and ammunition and is reaching to the periphery of its areas of military operations to replenish them.

Turkey closed its airspace to Russian military flights from Syria, the Turkish Foreign Minister said in April, after Ukraine raised concerns that Russia was using the flight routes to carry fighters to Ukraine, diplomats said.

A Russian official familiar with Moscow's operations in Syria said the country is "a perfect location to keep the pressure on NATO."

FROM PAGE ONE



STEFANI REYNOLDS/AGENCE FRANCE PRESSE/GETTY IMAGES



ANDREW KELLY/REUTERS

Firms Face Influx of New Hires

Continued from Page One
high number of new hires.

But unseasoned employees and the need for companies to allocate more veteran workers' time to training new hires have contributed to lower labor productivity in recent quarters, executives and economists say. "We've lost a whole generation of institutional knowledge in the pandemic," said Brynwood Partners Chief Executive Henk Hartong, whose private-equity firm owns Hometown Food Co. He has increased training in his factories, which make Pillsbury cake mixes and other foods.

Companies are in the uncertain position of investing billions of dollars in hiring and training while the Federal Reserve is raising interest rates to reduce inflation. Many of the employees brought on in the hiring blitz of the past two years will be hitting their stride as demand for goods and services potentially slows.

"We haven't had a case before where there's a global disruption to economic activity, but we boost demand to prevent a depression, and now we're trying to put the pieces back together," said Brad Hershey, senior economist at the W.E. Upjohn Institute for Employment Research. "We don't have a precedent in the modern economy for how this works."

Executives in some industries say hiring has exceeded training capacity. An increase in retirements during the pandemic and a rise in worker absences due to Covid-19 cases and summer vacations haven't helped. Executives also say new employees quit at higher rates than tenured workers, adding to turnover and demand for training. And many Americans are switching industries and careers, so more people are acclimating to new roles.

Airline woes

U.S. passenger airlines mostly stopped hiring during the pandemic and many encouraged thousands of employees to retire early, take buyouts or go on monthslong leaves of absence. Despite hiring tens of thousands of new workers in the past year and a half, airline executives have said they still don't have the staffing they need, disrupting service and thwarting plans to capture rising demand.

Newer workers aren't yet as proficient at their jobs as the



MARY SCHWALM/REUTERS

old hands who left during the pandemic, airline executives and union officials said. Some things, such as baggage handling, customer service calls and boarding, aren't going as smoothly as they once did, which has at times contributed to delays and lost luggage, some of them said.

Delta Air Lines Inc. Chief Executive Ed Bastian in October 2021 touted the potential "juniority benefit," lowering labor costs as new hires at the lower end of the pay scale replaced more experienced, highly paid workers who had left. But the process of spooling up with over 18,000 workers that were hired since the beginning of last year has proved to be complex.

Delta has restored about 95% of its head count but has been flying less than 85% of its pre-pandemic schedule, Mr. Bastian said during an earnings call in July. "You don't step into these jobs and you learn it overnight. There's a significant learning factor that we're also going through," he said.

JetBlue Airways Corp. has been adjusting training to account for troubles its new workers have had adjusting to things such as the airline's reservation system, President Joanna Geraghty said. "We're doing things that are focused on bridging that experience gap," she said, including offering employees with more seniority the chance to pick up additional time to help train new hires, or putting out additional training modules in areas where workers need more help getting up to speed.

In June, a tow tug was pushing a United Airlines jet back at Newark Liberty International Airport when the plane's winglet collided with the horizontal stabilizer on the tail of a United jet parked at an adjacent gate. Two relatively inexperienced "wing-walkers" guiding the plane misjudged the distance, said Michael Klemm, who leads



BRIDGET BENNETT FOR THE WALL STREET JOURNAL

the union representing United's ramp workers. "They made a mistake," he said, "but it's not a situation they should have been in alone."

A United Airlines Holdings Inc. spokesman said that since the incident, the airline has changed how it schedules shifts to ensure that new employees who move planes have appropriate support and oversight after initial training, including mentorship from more-experienced workers. The airline is also updating scheduling tools to give supervisors better information about a team's experience.

James Hardie Building Products Inc., which makes home siding and exterior building products, has hired more than 1,000 hourly manufacturing employees since the beginning of 2021 to keep up with housing demand, said Robert Scharringhausen, who leads U.S. hiring and recruiting. That has pushed its U.S. workforce to around 3,000 people at 11 plants, a period of unprecedented growth for the company, part of Ireland-based James Hardie Industries PLC.

With that volume of new hires, many of whom arrive with no manufacturing experience, the company said it doubled its orientation time to two weeks. New hires complete a combination of classroom training and "hands in pockets" observation—the new hires

don't touch the equipment—of a veteran employee on the job.

The company also shut down all of its facilities for a day last year to refresh all employees on safety rules and procedures. With plants filled with new people, management was noticing oversights during regular check-ins and walk-throughs, such as people failing to look both ways for forklifts, Mr. Scharringhausen said. The

'We're doing things that are focused on bridging that experience gap.'

company factored the shutdown into its forecasts, he said.

James Hardie aims to get new employees working on their own 90 days after their start date, the same as before the pandemic, said Adam Graham, the plant manager at the Prattville facility, which is doubling in size this year. After their two-week orientation, workers shadow an experienced employee for four to 10 weeks. Then they are tested for proficiency by technical trainers whose primary job is to certify workers' skills. If a crew includes many new hires, sometimes operators will run a machine slower than usual or take

Workers, from top left, at Delta in Reagan National Airport, Chipotle in Manhattan, JetBlue in Boston and the MGM Grand in Las Vegas.

extra time to walk the crew through a safety procedure such as a lockout, when a machine is shut off or restarted.

The wave of new employees across the economy contributed to a decline in productivity in the first and second quarters, some economists say. U.S. nonfarm labor productivity—a measure of goods and services produced in the U.S. per hour worked—fell at a seasonally adjusted annual rate of 4.1% in the second quarter from the prior quarter, the Labor Department said, after dropping 7.4% in the first quarter, the sharpest drop in 74 years.

Some companies, including MGM International Resorts, have cut training time, at least temporarily. MGM shut down all of its casinos and hotel properties when the pandemic took hold in March 2020. When it began reopening a few months later, many of the staff it had furloughed had moved on to other jobs. Turnover and the return of travel also added to labor demand. In the past two years, MGM hired around 41,000 people, and more than 75% were new to the company rather than rehires.

To move people into their roles quicker soon after the reopenings, MGM condensed some of its on-the-job skills training for a short period, said Yonata Rubin, its head of talent. Supervisors who might have been managing an entire operation were sometimes redeployed for a few months to do nothing but train new hires. That put more strain on middle managers, Ms. Rubin said: "You hire employees in, get them trained and onboarded, and then you're hiring a whole new group the following week."

Previously, a new hire was paired with one senior food server for the first two weeks of employment at the MGM Grand in Las Vegas. Now two hires will shadow a veteran, said Kendall Hart, the hotel's director of food and beverage. MGM is also testing a virtual-reality training for new front-desk agents, in which they strap on a headset and advance through simulations with a lost or upset guest.

At Allegheny Health Networks, a system with 14 hospitals in western Pennsylvania, new nurses receive as much as 16 weeks of training before they can tend to patients on their own, compared with 12 weeks before the pandemic, said Claire Zangerle, the network's chief nurse executive. That is because some still graduate from nursing school without having drawn blood or completed other basic tasks with a human patient, she said.

To protect students, hospital staff and patients during the pandemic's first two years, nursing students—the largest source of nursing hires for Allegheny and many other hospital systems—couldn't perform rotations inside hospitals, she said, so their instruction used mannequins. They started their jobs, she said, with less confidence and less experience than prior graduates.

"We have to adjust to their particular level of expertise," Ms. Zangerle said. "There's so much mobility right now in the labor market, people are switching professions, they're trying new things, they're leaving healthcare or coming into healthcare." Less realistic upfront schooling and less "at-the-elbow support," she said, contributes to higher turnover among new nurses. First-year turnover is around 36% at the system, she said, up from 19% before the pandemic.

Restaurant know-how

Brinker International Inc., owner of Chili's Grill and Bar, has been hiring many more people new to restaurant work than in the past, said Rick Badgley, its chief people and administrative officer. At the peak, Brinker was hiring 300 new workers a day on average for its 1,650 restaurants, he said. Each restaurant position requires know-how, whether it's how a cook carries a knife or a server shoulders 34 pounds of food to a table.

Brinker found new hires more likely than prepandemic to quit after about a month, Mr. Badgley said. "Newness is a killer to the guest experience," Mr. Badgley said. "It's been a massive challenge for us."

Kevin Hochman, Brinker's incoming CEO, told investors last month that he is working on reducing complexity in the chain's restaurants to try to make its jobs less laborious. "We're competitive in terms of wage rates," he said. "It's more about the actual work."

Chipotle Mexican Grill Inc. executives said many new employees haven't worked in a busy restaurant with in-person and to-go dining during the pandemic. They said those workers need more training and experience in handling the volume of orders in a typical Chipotle restaurant.

"A lot of these folks haven't experienced how fast the line can move," Chief Executive Brian Niccol told investors in July. "Folks think they're moving pretty quick when in fact we can be moving a lot faster."

—Annie Gasparro
contributed to this article.

You Won a Butter Bust. Now What?

Continued from Page One
her supporters.

"I want to have a big movie night with popcorn and have butter with my popcorn," she said, posing in a snowmobile suit inside a rotating refrigerated case, so fairgoers could watch sculptor Gerry Kulzer carve her creamy yellow likeness from a two-cubic-foot block of grade AA butter.

Past winners have had their butter heads displayed in a museum, hauled out at their weddings or donated to school cafeterias. The nine runners-up get to take home a bust, too. Untold numbers lurk in farm freezers across the state.

"It looks pretty darn good, doesn't it? No freezer burn or anything," said Julie Antonutti, the 1994 winner, as she admired a butter image of herself 28 years younger, believed to be the oldest full bust still

around. Her mother keeps it in a freezer alongside rhubarb, sweet corn and hamburger.

Other state fairs may have bigger butter sculptures depicting full-size cows and various other themes. None send their royalty home with such a huge edible prize.

In Illinois, Iowa, Missouri and Texas, the butter used in sculptures is scraped off the frames and put in cold storage at the end of the fair. Some sculptors reuse it for years. In Ohio, a recycler turns the butter into products such as soap, grease for metal forging, cosmetics, tires and biodiesel.

New York's 800-pound butter sculpture, which this year depicts female athletes and a big container of chocolate milk, is processed into electricity, providing enough juice to power a home for three days. New York State Fair officials are encouraging fairgoers to use an app called the Butterizer that lets them see what they would look like as a butter sculpture.

Tae Nordby, who was crowned the 50th Princess Kay in 2003, recalls being fascinated as a little girl when her older sister, a finalist, had her



Mom's freezer keeps Ms. Antonutti's 28-year-old head looking good.

head carved. "I was determined that someday I was going to be in that butter booth," said Ms. Nordby, 37, a stay-at-home mom who works part of the year on a family apple orchard.

She remembers the nerve-racking, three-hour trip home from the fair on a 95-degree day with the sculpture she won in a box on the back seat of her Mustang. "We had the air on high and tried to keep it cold," she said.

Her butter head, with a

gold crown because of the 50th anniversary of the contest, was displayed at the Minnesota History Center for several years. It's still in her parents' freezer, along with those of her older sister and a younger one, who was also a finalist.

Ms. Antonutti, whose mother is the keeper of the oldest intact bust, said she had planned to sacrifice her butter head to a big party called a corn feed.

"As our luck would have it,

my dad's sweet corn plot got ravaged attacked that year by some raccoons," she said. "And then life just happened, and my mom has kept it in the freezer ever since."

Jean Kessler, a 60-year-old retired dental hygienist who was crowned Princess Kay in 1980, still has the 42-year-old face from her sculpture in a freezer in her house near Pine City. Her mom, concerned about freezer space, made her trim the sculpture after the first year and eventually had her take the face with her as Ms. Kessler moved to Iowa and other states.

"We ate most of it in Christmas cookies, but I couldn't eat the face," she said.

She pulled it out of her freezer on a recent day. "There's a little frost on it," she said. "Oh, my nose is cracking a little," in addition to being pushed in from being reboxed after her homecoming party.

Ms. Hoff, a 38-year-old stay-at-home mom whose husband is stationed at Fort Hood, Texas, was chosen Princess Kay a year after her family sold their cows when a tor-

nado damaged their farm. The community provided so much support that at the end of her reign, she and her family threw a thank-you golf tournament and let everyone use her softening head to butter their corn afterward.

"My brother and sister were all about making a mohawk out of my hair and cutting off my nose," she said.

Abbie Warmka, a 35-year-old large-animal veterinarian in Waupun, Wis., and Princess Kay finalist in 2005, met her dairy farmer husband one day when she was examining his cows. "We hit it off," she said.

When she suggested they get a butter sculpture of him and display both at their 2018 wedding, he was intrigued. The wedding, with a hashtag of #buttertogether, featured an area for guests to take their photos with the sculptures. "It was way over the top," she said. "But people had a lot of fun."

Her 13-year-old butter head was getting a little moldy, she said, so it went in the trash that night.

"But we cut up my husband's head and ate it in cookies and on toast," she said.

ARTS IN REVIEW



JOAN MARCUS (2)

THEATER REVIEW | CHARLES ISHERWOOD

Reason to Make Merry

A pleasing musical adaptation of 'As You Like It' featuring both professional and amateur actors

If Shakespeare were in the audience at the Delacorte Theater, he might have to squint a bit to recognize the Public Theater's "As You Like It" as a rendering of perhaps his supreme comic achievement. But I would fancifully wager he'd enjoy it nonetheless. With his peerless sense of how to give audiences pleasure, he would surely appreciate the way this free-wheeling musical adaptation of the play serves satisfaction to a continuously delighted crowd.

Adapted by Shaina Taub and Laurie Woolery, with Ms. Taub providing the abundance of songs and Ms. Woolery the frothy direction, the show strips away or updates a fair amount of the original language, and runs just 90 minutes. It also switches the genders—and sometimes the sexual orientations—of several characters. The melancholy philosopher Jaques, for instance, is played with a nicely wry flavor by Ms. Taub herself, in pigtailed.

So, perhaps not the ideal choice for those who prefer their Shakespeare served frill-free. But reaching those audiences is manifestly not the goal of the Public Theater's Public Works program, which is celebrating its 10th anniversary with this staging. As with the more traditional Shakespeare in the Park productions, one aim is to give access to Shakespeare's great works to all comers, but the Public Works shows also serve as community outreach projects, with nonprofessionals of all ages joining the professional actors onstage, singing and dancing and even taking on small roles.

It is generally easy enough to tell who's a professional and who's not, but this doesn't detract from the show's effectiveness; perhaps oddly, it enhances one's enjoyment to see a stage dappled with regular folks jubilantly at play among their professional confreres. And one could argue that it's an expansion of the communal feeling that animated early Shakespeare performances, when the groundlings—the poor folks standing during performances—provided rowdy commentary.

The bones of the original play are intact. Duke Frederick (Eric Pierre, stern and seething), having usurped power from his brother, Duke Senior (a gallantly charming Darius de Haas), next banishes Duke Senior's daughter, Rosalind (Rebecca Naomi Jones), the intimate friend of his own daughter, Celia (Idania Quezada), who chooses to follow Rosalind into the Forest of Arden, where Duke Senior and his associates have taken happy refuge.

Before they flee, Rosalind has

been instantly smitten with saucer-eyed love for Orlando (Ato Blankson-Wood) after watching him take down a wrestler—in this version, hilariously, an actual one from the Bronx Wrestling Federation, replete with one of those glittery but vaguely scary masks. Their bout takes place in a traditional boxing ring that rises from beneath the stage.

Smitten in turn, Orlando also ends up in the forest, his envious brother Oliver (Renrick Palmer) having plotted to kill him. Here unfolds the famous teasing ro-

mance at the heart of the play, with Orlando wooing Rosalind in male guise. Much of the taunting, flirtatious wordplay that characterizes their interaction is here, although I don't know if Harold Bloom—almost as much in love with Rosalind as Orlando is—would approve of Ms. Taub transforming Rosalind's mocking litany of women's faults into a song including the lines, "I will harbor resentments I have towards my dad / And unfairly project them on you," although the lines scored a palpable hit with the audience.

Giving a heady lift to the staging throughout are Ms. Taub's immensely likable songs, which range from Elton John-style pop (Ms. Taub recently supplied the lyrics to that star's music for "The Devil Wears Prada") to contemporary R&B, with country- and Caribbean-influenced songs for the major choruses. Among the most amusing is Orlando's R&B ode to Rosalind, which Mr. Blankson-Wood delivers in smooth style and sultry voice, with dancers clad in dapper white joining him.

It distills the pleasures of the original into a production that honors it even as it transforms it.

Ms. Jones's Rosalind, at first more feisty than melancholy, puts the eager Orlando through his paces—ostensibly to cure him of his romantic affliction—with an amusingly stern affection, even if her supposedly masculine attire is so androgynous that it takes a leap of the imagination to believe that Orlando would not recognize her instantly. Emilio Sosa's richly colored, wildly diverse costumes throughout also provide the production with generous pops of liveliness.

The central love story is echoed, mocked or reflected in the fractious romantic tussling between supporting characters. Here, the shepherd Silvius becomes Silvia (a very funny-geeky Brianna Cabrera), chasing haplessly after Phoebe (Bianca Edwards, having none of it with amusing contempt). Touchstone (Christopher M. Ramirez, dervishly energetic) is not besotted with an Audrey but an Andy (Jonathan Jordan).

Might not changing only one of these couples from heterosexuals to homosexuals have been sufficient for diversity-inclusionary purposes? Changing both almost seems a trifle patronizing. (You are seen!) Gay and lesbian characters are not, after all, particularly rare on New York stages.

Still, given the buoyant comic renderings of these characters—and Shakespeare's own playing with gender and sexual attraction in his comedies—it is a defensible choice. Even at its most irreverent (Jaques to Rosalind, as the final scene approaches: "Hey, just a heads-up, the weddings are in like 30 seconds"), this "As You Like It" distills the myriad pleasures of the original into a production that honors it even as it transforms it.

As You Like It
Delacorte Theater, Central Park, Free, 212-539-8750, closes Sept. 11

Mr. Isherwood is the Journal's theater critic.



Rebecca Naomi Jones and Eric Pierre (foreground), above; Darius de Haas (center), top

TELEVISION REVIEW | JOHN ANDERSON

The Run-Up to the Boston Bombing

When three pot dealers were found dead in a Waltham, Mass., apartment in 2011, the circumstances were considered bizarre even among cases of multiple murder. The victims' throats were cut in a manner that suggested a crime of passion rather than business; marijuana was scattered over the bodies; a large amount of cash was left behind. Police took note of all this, but what they apparently disregarded was the date: Sept. 11, the 10th anniversary of the World Trade Center attack.

The timing is crucial to the thesis behind "The Murders Before the Marathon," investigative reporter Susan Zalkind's journey into Islamic radicalization, bureaucratic stonewalling and what appears to be good old-fashioned incompetence: If the Waltham police and other Middlesex County investigators had solved the 2011 triple murder, they would probably have prevented the 2013 Boston Marathon bombing.

The bomber Tamerlan Tsarnaev was killed in a shootout with police near Boston shortly after he and his brother killed three and injured more than 260 people at the Marathon

(his brother Dzhokhar's death sentence was upheld last year by the U.S. Supreme Court). But he had been a friend of the Waltham victims and was the likely perpetrator of their slayings; his reputed accomplice, Ibragim Todashev, a fellow Chechen immigrant, was killed by an FBI agent while apparently in the middle of writing a confession to the Waltham crime, which remains an open investigation—something that precludes the release of police information about the case, which Ms. Zalkind has pursued for a decade with dogged persistence.

Directed by the veteran documentarian Jesse Sweet, "The Murders Before the Marathon" has a satisfying lack of polish and an urgency that suggests there's more here than can possibly fit into three episodes, though it does. It gives its audience credit for an allergy to slickness and a hunger



Susan Zalkind, above, and a story reporting the Waltham killings, below



for the information it provides. Ms. Zalkind is out of her element, in a sense: She's a writer, not a TV personality, and she makes for an almost reluctant—and therefore more convincing—witness to her own reportage.

Likewise, her personal connection

to the crimes: Erik Weissman, one of the three Waltham victims (the others were Raphael Teken and Brendan Mess), had been a personal friend. Mess was described by Tamerlan Tsarnaev at one point as his "best friend." Weissman and Teken had strong ties to Israel; Tamerlan had been an up-and-coming boxer whose advancement through the Golden Gloves was stymied by the fact that he wasn't a U.S. national, something he blamed, incoherently, on "Jews." The three Waltham victims are portrayed in the series as having been pot "connoisseurs," engaged in activities that nowadays would be legal in many places; while arguing before the Supreme Court, government lawyers dismissed them

as "drug dealers" whose murders should not have been factored into Dzhokhar Tsarnaev's defense (as his lawyers contended they should have been). Beyond all else, Tamerlan had been on U.S. intelligence radar even before the 2011 crimes, but after what's presumed to be his radicalizing trip to Dagestan in 2012, no one followed up.

The two cases—the Waltham murders and the Marathon bombing—have any number of connections, and so do the principals in each. What's almost as uncanny is the clarity and briskness Mr. Sweet and Ms. Zalkind bring to the story.

Among other things, "The Murders Before the Marathon" is a parable about people who come to the U.S., are disappointed in fulfilling their often fantastical dreams and look for someone to blame; Tamerlan's anti-Semitism is both predictable and unimaginative, but Ms. Zalkind's unpying portrayal of the Tsarnaevs is of a family burdened not just by hard luck but ignorance. Toward the three men who died in Waltham, she is sympathetic but lets their friends describe their virtues. Toward the government investigators, prosecutors and obfuscators, she has few direct accusations to make, but again, the series credits its audience with intelligence, and damning conclusions aren't very difficult to reach.

The Murders Before the Marathon
Monday, Hulu



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ARTS IN REVIEW

MUSIC REVIEW | KYLE SMITH

A Sinful Waste of Talent

Sterling K. Brown and Regina Hall star in this movie about a corrupt mega-church pastor and his money-obsessed wife



Regina Hall and Sterling K. Brown, left, Ms. Hall, above, and Mr. Brown, below left, in Adamma Ebo's 'Honk for Jesus. Save Your Soul.'

"I HAVE BEEN BLESSED with some beautiful Prada," notes the smug and sanctimonious preacher Lee-Curtis Childs, played by Sterling K. Brown, in "Honk for Jesus. Save Your Soul." Childs, the pastor of what was once a hugely successful Baptist church in Atlanta, lost his ministry in an embarrassing series of scandals, but his church is re-opening on Easter Sunday. Childs hopes to pull off the second-most-dazzling return ever observed on that day.

Mr. Brown, the "This Is Us" star, and Regina Hall, who plays his equally dollar-mad wife, Trinitie, are both utterly wasted in this weak, obvious satire of the materialism and hypocrisies of mega-church leaders. Mocking prosperity-gospel preachers is too easy, and after many years of being ripped apart by comedians they hardly seem worth bothering with anymore. Forty years ago Steve Martin used to do a routine making fun of a televangelist who defended using church funds to build a "baptismal" pool at his house: "So what if it had jacuzzi jets?"

There's a similarly tricked-out baptismal pool in "Honk for Jesus," in which writer-director Adamma Ebo toggles awkwardly between a mockumentary format (the Childses are being trailed by a film crew, and keep urging that the cameras be shut off when things get dicey)

and the more usual omniscient-viewer style. If the audience can see what the pair are doing even when no film crew is present, why bother with the mockumentary gimmick, which is anyway an over-used and stale idea?

The preacher and his wife, who grandly styles herself the "First Lady" of the ministry, revel in tastelessness. They rule from a pair of gilded thrones that Siegfried & Roy might have declared too tacky, and Lee-Curtis dresses himself in a closet the size of a two-car garage that is stocked with garish fruit-colored designer clothing. One minute he is seen denouncing "the homosexual agenda"; the next, we learn that he is gay and is guilty of gross sexual improprieties with very young men, whose silence he is buying via out-of-court settlements. "You don't get to pick how the devil torments you," is the closest he comes to apologizing.

Mr. Brown's huffing hypocrisy—

"I'm no pervert!"—never comes close to being funny, while Ms. Hall, who typically brings a disarming sweetness to her roles in films such as "Support the Girls," is the wrong choice to play the superficial and shallow Trinitie, who enjoys spending \$2,000 for a fancy church hat based on the theologically suspect doctrine that "In the church, we have a saying, 'Come as you are.' But we also have another saying, 'God don't like ugly.'" Trinitie ignores obvious signs that her husband is gay, probably because vast wealth is more attractive to her than the truth. The Childses' bid to re-open on Easter is slightly complicated by the efforts of a rival church led by another

pair of opportunists, the married co-pastors the Sumpters (played by Comhidance and Nicole Beharie). The shuttering of the Childses' church in scandal drove a lot of traffic to the Sumpters, so much so that they were able to build a much larger and more profitable new church for their

A weak, obvious satire of the materialism and hypocrisies of some religious leaders.

flock. The rivalry between the two couples goes nowhere, however; for a much more complex, imaginative and comedically viable satire of mega-churches, try HBO's series "The Righteous Gemstones."

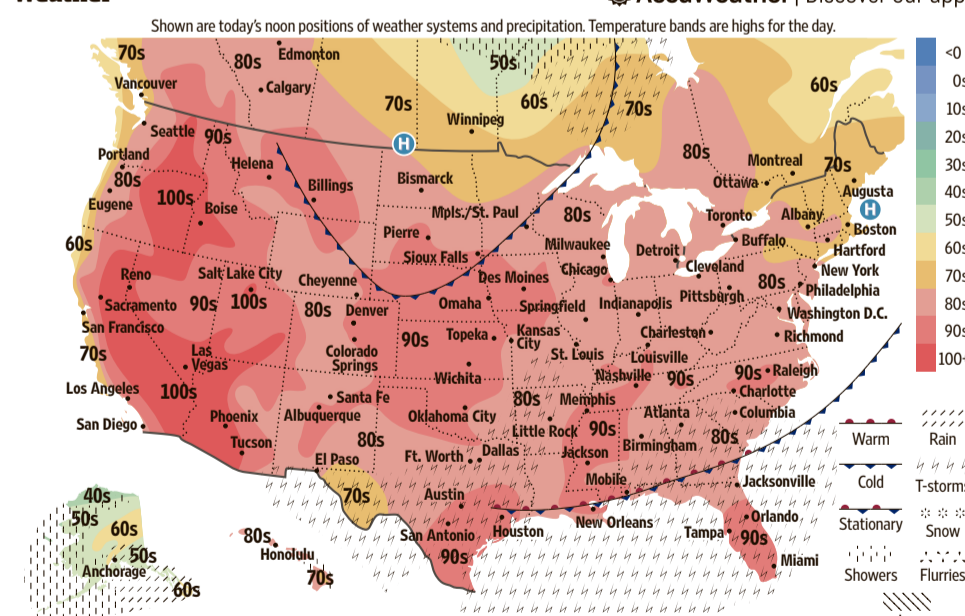
Taking comic potshots at bling-loving pastors while endlessly repeating gags about their venality and hypocrisy barely carries enough comic potential to sustain an eight-minute TV sketch, much less an entire movie.

(This one is simultaneously being dumped in theaters on a bare-cupboard Labor Day weekend and released on the Peacock streaming service.)

Lumbering from one predictable setup to another, the film is painfully slow from the beginning, then really starts to drag as it reveals that it essentially has no plot. A late turn to drama makes a bad film even worse. May Mr. Brown and Ms. Hall quickly move on to more rewarding roles. The way this movie squanders their talents is a sin.

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U.S. Forecasts

s..sunny; pc..partly cloudy; c..cloudy; sh..showers; t..tstorms; r..rain; sf..snow flurries; sn..snow; L..ice

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Anchorage	59	51	c	57	49	c
Atlanta	84	71	t	80	70	t
Austin	91	73	t	86	71	t
Baltimore	87	68	s	90	70	pc
Boise	101	71	s	99	64	pc
Boston	72	60	s	78	66	pc
Burlington	90	81	pc	91	80	t
Charlotte	90	70	pc	87	70	t
Chicago	90	69	pc	85	64	t
Cleveland	86	66	s	86	67	t
Dallas	87	72	t	87	72	t
Denver	93	60	s	92	60	s
Detroit	87	67	s	88	66	t
Honolulu	88	75	s	89	75	pc
Houston	92	75	t	85	73	t
Indianapolis	86	67	pc	87	66	s
Kansas City	89	66	s	88	66	c
Las Vegas	109	85	s	108	86	s
Little Rock	86	71	pc	88	70	t
Los Angeles	95	73	s	98	76	s
Miami	91	81	pc	91	80	t
Milwaukee	87	70	s	79	63	t
Minneapolis	88	59	t	74	54	s
Nashville	90	73	c	85	72	t
New Orleans	90	77	t	84	77	t
New York City	80	66	s	83	71	pc
Oklahoma City	90	69	s	88	67	pc

International

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Amsterdam	77	59	pc	77	61	c
Athens	87	73	s	86	74	s
Baghdad	115	81	pc	117	83	pc
Bangkok	92	80	t	92	79	t
Beijing	84	63	pc	82	63	c
Berlin	70	54	pc	72	58	pc
Brussels	80	60	c	76	59	t
Buenos Aires	63	46	s	61	50	s
Dubai	105	87	pc	106	87	pc
Dublin	67	55	t	59	52	r
Edinburgh	67	57	r	70	59	c
Frankfurt	78	59	pc	75	60	c
Geneva	78	59	t	76	58	t
Havana	89	73	t	89	72	t
Hong Kong	93	82	c	93	82	c
Istanbul	86	73	t	83	71	t
Jakarta	91	76	pc	93	76	t
Jerusalem	90	67	s	90	66	s
Johannesburg	72	51	s	76	53	pc
London	77	61	pc	74	62	t
Madrid	88	60	s	85	58	pc
Mamila	86	80	t	86	79	t
Melbourne	55	45	pc	57	43	pc
Mexico City	75	57	t	71	58	sh
Milan	80	65	pc	76	63	r
Moscow	55	39	c	60	40	pc
Mumbai	89	80	t	88	80	t
Paris	74	60	t	76	57	pc
Rio de Janeiro	81	68	s	79	67	pc
Riyadh	107	83	s	109	83	pc
Rome	83	67	pc	84	69	t
San Juan	89	78	pc	88	78	pc
Seoul	87	68	c	83	69	pc
Shanghai	81	77	c	83	78	pc
Singapore	86	78	t	85	79	t
Sydney	63	53	c	61	52	c
Taipei City	84	79	t	85	79	sh
Tokyo	79	73	r	81	75	c
Toronto	82	66	s	87	64	t
Vancouver	74	59	pc	73	60	pc
Warsaw	68	47	pc	71	52	pc
Zurich	76	57	c	75	55	t

The WSJ Daily Crossword | Edited by Mike Shenk

1 2 3 4 5 6 7 8 9 10 11 12

13 14 15

16 17 18 19 20 21

22 23 24 25 26 27

28 29 30 31 32 33 34 35 36 37 38

39 40 41 42 43 44 45 46 47 48 49 50

51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66

67 68 69 70 71 72

FINISHING THE STORY | By Mike Shenk

The answer to this week's contest crossword is a character from stories.

19 Tacit permission

20 Fidel's brother

21 Address with slashes

22 Stew bit

24 *Ghost who says: "I wear the chain I forged in life"

28 Everything

13 Haydn nickname

14 Proactiv target

15 Singer from Honolulu

16 *High-spirited woman who tells Mr. Darcy: "Your defect is a propensity to hate everybody"

41 *Pet about which Holly Golightly says: "It's a little inconvenient, his not having a name"

42 Rigging supports

43 Syndicate boss

44 Bronze coating

46 Org. with sniffer dogs

47 1986 GE buy

49 Disney collectible

50 Stirrup site

51 *Impoverished student who declares: "Man is a vile creature!"

56 Kleenex and Xerox, e.g. Abbr.

39 Poorly suited

32 Blood pressure raiser

35 Bank stmt. abbr.

PUZZLE CONTEST

57 Lofty lines

58 Potsdam possessive

59 Sphere

61 *Socialite who tells Jake Barnes: "We could have had such a damned good time together"

67 Pop-up waffles

68 Slinky shape

69 Sharing pronoun

70 Appear

71 Flock faction

72 Official emblem

Down

1 Galoot

2 Mineo of movies

3 "The Majesty of Rock" band

4 Tea brand once owned by Starbucks

5 Research setting

6 Star pitcher

7 Lead-in

8 2006 Amy Winehouse song

9 Good, in Grenoble

10 Invalidate

11 Over yonder

12 How some issues are contested

15 Airport annoyance

17 Fine-tune, say

18 Removes from the schedule

22 Freak out

23 Kagan on the Court

25 Busy colonist

26 Around

27 Gather in

33 Chow down

34 Gum unit

36 Crayola color since 1957

37 Coffee mate

38 Old autocrats

40 Bill bloater

42 Verbal attacks

44 Less bright

45 Part for Keanu

48 You might part with them

51 Parts

52 Saw

53 Grassy plant

54 Dorothy, to Em

55 Accompanying

60 P look-alikes

62 ___ Kippur

63 Draw

64 Green and Gore

65 Important time

66 High fashion monogram

Previous Puzzle's Solution

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

► Email your answer—in the subject line—to crosswordcontest@wsj.com by 11:59 p.m. Eastern Time Sunday, Sept. 4. A solver selected at random will win a WSJ mug. Last week's winner: Steve Sivyer, St. Augustine, FL. Complete contest rules at WSJ.com/Puzzles. (No purchase necessary. Void where prohibited. U.S. residents 18 and over only.)

SPORTS

JASON GAY

Keep College Football Weird

It's become a full-tilt capitalist race for dollars. Fine. But don't let television dull its eccentricities.



College football is here, and you don't need me to tell you that college football is bonkers. College football has *always* been bonkers—a semi-coherent, reflexively corrupt brand of regional nuttery that consumes otherwise reasonable people from the humid kickoff classics to the smorgasbord of hilariously sponsored bowl games in December and January. (How I miss the stoic pageantry of the Poulan Weed Eater Bowl.)

Wander into a place like Columbus, Baton Rouge, Athens, Norman or a zillion other college hamlets on a Saturday, and you'll see what I mean. Have you ever wanted to slurp Jell-O shots in the parking lot at 9 a.m. and then go watch a domesticated farm animal romp into a stadium of 90,000? A college football Saturday is a uniquely American madhouse, notch of crazy above any U.S. pro sport, which is why it's beloved, why it endures, and why television networks remain committed to spending billions for it...even as it remains as incoherent and corruptible as ever.

Still, I'm worried. I'm *not* worried about players finally sharing in the money. Money has been calling shots in college football since the Walter Camp era, and rest assured there was money lurking below the surface of whatever pristine memory you hold about the Way Things Used to Be. At least nobody pretends otherwise anymore—it's hard to fake amateurism in an era when top coaches make \$9 million a season and athletic departments keep private jets on standby.

The introduction of "name, image, likeness" reform in college sports—which liberates players to cash in on their success—hasn't ruined the game. It simply diminishes the hypocrisy. Schools will eventually start paying players directly, too, and the planet won't stop. If these schools want to be in the free market, be a free market.

What I'm worried about is this: College football must remain weird. It is a sport that is defined by borders, eccentricities and traditions as much as its champions and legends. As the TV contracts swell into the billions, it cannot become the domain of television programmers and entertainment executives trying to milk maximum value as all the little absurd things



Fans of the Georgia Bulldogs celebrate after defeating the Alabama Crimson Tide, 33-18, in the 2022 College Football National Championship.

that make a college football season singular drift away.

UCLA and USC are joining the Big Ten in 2024. It still sounds goofy. And yet it is being promoted as a logical extension of what college football is becoming—if the already loaded SEC is going to load up with Texas and Oklahoma, then of course it's OK to decimate the Pac-12 and redraw the Midwest to include Los Angeles. To protest is to be a backward sentimentalist: *Come on, buddy: Don't you want the Big Ten to survive?*

Here's what I keep thinking about: interleague play in baseball. Before it was introduced, National League cities were National League cities, and American League towns were American League towns. The other league loomed as a bit of a beautiful mystery—*what do you mean, pitchers hit in the NL?* The only time you were lucky enough to see the other league play in your town was if your hometown

team made the World Series. It was weird and rare.

Then baseball introduced regular season interleague play. We were told it was a winner, that fans would love to see the Mets and the Yankees play every summer, and the Cubs and the White

College football is defined by borders and traditions as much as its champions and legends.

Sox, the Padres play the Tigers...OK maybe not that one, but still. TV executives loved it, and for a while, it was kind of cool. But eventually interleague play became like everything else: expected, routine, its impact diluted. Today it's hardly an attraction. Baseball gave

away a detail that made it weird.

College football should worry about that. It has already obliterated the quirky charms of its bowl system in favor of a playoff format; they still call it the Rose Bowl, but who cares anymore? As the Big Ten and SEC load up, remaining conferences are scrambling to not get left behind. Regional rivalries are slipping away in favor of the big picture.

If it helps the TV deal, it doesn't matter if your schools play two time zones away from each other. It doesn't even matter if the games are exciting.

It's *hilarious* that TV networks are paying a collected billion a year for Big Ten games, which are often like watching a tree grow in real time.

As a Wisconsin fan, back from the sad old days of "three centimeters and a cloud of dust," I'm supposed to be fired up about weekend dates with the Trojans and

Bruins.

I'm supposed to be thrilled about the continued viability of the Big Ten. Meh. I want to beat Iowa. And Minnesota. And of course, I want to soul-crush Coach Khakipants and that school up north. I fear Ohio State. I have no beef with Southern California. I still think it's bizarre we play in the same league as Rutgers.

Meanwhile, the end product is getting far too predictable. Who else rolled their eyes watching the preseason playoff predictions: Alabama, of course, Georgia, of course, Ohio State, of course, Clemson, of course. Maybe someone really let their hair down and picked Oklahoma. Or Utah. If you're confidently penciling in 75% of the bracket before Week 0, you have a parity issue. You don't have enough of what is supposed to make college football great. You have all the money, but you need to keep it weird.

The U.S. Open Underdog: Serena Williams

BY JOSHUA ROBINSON AND JIM CHAIRUSMI

EVER SINCE THE END OF SERENA Williams's prime, women's tennis has found itself in a strange period of unpredictability. It went from having an automatic favorite going into any Grand Slam tournament to suddenly having no idea who was going to win.

The 21 major tournaments since Williams's last triumph, at the 2017 Australian Open, have seen 14 different Grand Slam champions, including 12 first-timers. And at this U.S. Open, where seeded players are tumbling like empty cups in the stands, the women's game is no closer to identifying a clear favorite. In fact, the draw is now so open that a plucky underdog from Compton, Calif., ranked No. 605 in the world, is beginning to think she might even make a run.

Her name is Serena Williams. "I feel like everything is a bonus," she said on Wednesday, after punching her ticket to the third round with a three-set victory over No. 2 seed Anett Kontaveit. "I have had a big red X on my back since I won the U.S. Open in '99. It's been there my entire career...But here it's different. I feel like I've already won, figuratively, mentally."

No one knew quite what to expect from Williams's final swing through Queens—or rather, no one expected anything good. Even U.S. Open organizers threw her a send-off party after her first-round match, despite the fact that she actually won.

They had cause to be nervous about her prospects. Williams only returned to the circuit at Wimbledon after a year away from the court due to injury and promptly fell in the first round to an unseeded 24-year-old. Williams then lost two of her next three matches on North American hard courts as she geared up for the U.S. Open.

But as she battled through her first-round match here against Danka Kovinic of Montenegro, she suddenly seemed to settle into her game inside Arthur Ashe Stadium, a venue she finds so familiar that it might as well be her living room.

"I'm just pleased I showed up, because the last few tournaments I didn't show up," said Williams, who will turn 41 this month. "I've been practicing really well and I'm pleased that I'm finally seeing my practice come into my matches."

If Williams can keep up her form, the bottom half of the women's draw will suddenly look far friendlier to her than it did a few days ago. (Her defeat in the first round of the doubles tournament alongside her sister Venus on Thursday night may prove to be a blessing in disguise if it spares her unnecessary physical strain.)

Williams could have met 2021 U.S. Open finalist Leylah Fernandez or 2021 French Open champion Barbora Krejčíková in the round of 16, but both women lost on Wednesday night. Instead, Williams might face one of the hottest players on tour, Ludmilla Samsonova of Russia, who beat Fernandez and currently is on a 12-match win streak after claiming titles in Washington and Cleveland prior to the U.S. Open.

First, though, she has to face Ajla Tomljanovic of Australia in the third round on Friday, four days after the U.S. Open's star-studded farewell. The situation has become so awkward that when Williams won on Wednesday, organizers simply played the pre-recorded, Oprah Winfrey-narrated



Serena Williams has won two singles matches at this year's U.S. Open. She plays Ajla Tomljanovic of Australia in the third round on Friday night.

but for good. Yet like so many of Williams's opponents these days, she is just happy to face the 23-time major champion once before she steps away.

Before she turned pro, Tomljanovic said she watched Williams play in several Grand Slam finals and worried that she might never have the chance to stand across the net from her.

That will change on Friday night, when Tomljanovic is set to become the 322nd different opponent Williams has faced during her 27-year professional career, according to the statistics website Tennis Abstract.

Tomljanovic, 29, has never advanced past the third round in the U.S. Open, but is playing some of the best tennis of her career, after making the quarterfinals at Wimbledon in July. Williams, she said, was a daily reminder that age barely mattered.

"I'm kind of in the part of my career now where they call you on the

older side," Tomljanovic added. "She's made that kind of non-existent. 'Old' is not even a word in her vocabulary."

Tomljanovic said she was on nearby Court 7 Wednesday night while Williams was playing Kontaveit in Ashe Stadium, yet could hear the raucous cheers. It reminded her of facing Britain's Emma Raducanu on her home turf at Wimbledon.

"I could hear the crowd," Tomljanovic said. "I kept thinking, Oh, my God, that's annoying me and I'm not even playing against her."

And as much as any of Williams's shots, her aura during this valedictory tour has turned out to be among her most useful weapons. At her peak, she intimidated players with the certainty that she would win. At this U.S. Open, she intimidates them with what she has already won. "Of course, this is totally about her," Kontaveit said. "I was very aware of that."



video of her accomplishments for a second time.

Tomljanovic is hoping to give them a reason to say farewell again,

OPINION

Wray's FBI: Comey Redux?



POTOMAC WATCH
By Kimberley A. Strassel

The aces at the New York Times are indignant over the “torrent” of “vitriol unleashed on federal law enforcement officials” following the Mar-a-Lago raid. It’s as if the press corps has memory-holed the last six years of FBI history.

Director Christopher Wray’s Federal Bureau of Investigation isn’t looking all that different from James Comey’s FBI. The bureau again faces questions over politicized agents and questionable investigations. Mr. Comey left a foundering ship, and it’s an open question whether the current leadership has the will or wherewithal to right it.

If Americans are feeling a little vitriolic, it may have to do with high-ranking agent Timothy Thibault, who retired from the FBI last week following criticisms of his actions in 2020 regarding Hunter Biden. FBI whistleblowers say Mr. Thibault and another senior official, Brian Auten, engaged in “a scheme” in the late summer and fall of 2020 to “undermine derogatory information” about Hunter Biden by “falsely suggesting it was disinformation,” according to a July letter to Mr. Wray from Sen. Chuck Grassley.

The whistleblowers further claim Mr. Thibault shut down a line of Hunter investigation, going so far as to attempt “to improperly mark the matter in

FBI systems so that it could not be opened in the future.” (Mr. Thibault’s lawyers have denied he did anything wrong.) In an August letter, Mr. Grassley added that whistleblowers said “FBI leadership told employees ‘you will not look at that Hunter Biden laptop,’ and that the FBI is ‘not going to change the outcome of the election again’”—an allusion to the Hillary Clinton investigation in 2016.

People may be miffed that Mr. Auten was deeply involved in Russiagate, and referred by Justice Department Inspector General Michael Horowitz for review given his decision not to highlight the Christopher Steele dossier’s fictions after discovering them in interviews with Mr. Steele and his main source. Or that Mr. Thibault for years has been blasting partisan views on social media. In 2020 he retweeted a Lincoln Project statement that “Donald Trump is a psychologically broken, embittered, and deeply unhappy man.” It’s Peter Strzok and Lisa Page all over again.

One might be upset that the same month Mr. Auten opened his “assessment” teeing up the false Hunter Biden “disinformation” theme, the FBI felt it urgent to give Mr. Grassley and Sen. Ron Johnson an unsolicited and unnecessary “briefing” to warn them about supposed disinformation. That briefing was later leaked to the media to discredit the senators’ accurate findings in their own Hunter Biden probe. They have been demanding for two years that Mr. Wray tell them

who ordered the briefing, but they’re getting the runaround. The false “tool of Russia” accusations are still hitting Mr. Johnson, who is up for re-election—meaning the briefing has now affected two elections. This follows news that another FBI “disinformation” warning to Facebook was behind its decision to throttle the Hunter laptop story in 2020.

The bureau still faces serious questions about politicized agents and probes.

And plenty of people may still be furious over revelations from John Durham’s investigation that FBI chicanery extended long past Mr. Comey’s firing. We now know FBI investigators were aware by January 2017 that the dossier was fiction, that even the primary source had disavowed it. Yet in the spring of 2018, months into Mr. Wray’s tenure, the FBI was still telling congressional investigators the dossier had integrity, and FBI leadership stood silent while special counsel Robert Mueller glossed over the entire affair.

In a 2019 letter responding to the Horowitz report, Mr. Wray promised reforms, including a renewed emphasis on the FBI as a “field-based law enforcement organization” that rarely runs operations out of headquarters. Yet here we are again, with an unprecedented raid against a former president,

under the direction of insular Washington appointees, right before an election, replete with the usual leaks.

Mr. Wray likes to note the FBI took 40 “corrective steps” in response to Russiagate, and he did quietly replace the worst actors with a new team. Yet overall the low-key director comes across as more interested in protecting the FBI’s reputation than in cleaning house. The bureau more than ever needs a leader focused on running the tightest of ships, especially given new Biden Justice Department appointees who want to drag law enforcement further into politics.

Republicans are among those furious, though they’d be wise to avoid joining the “defund the FBI” chorus. The problem isn’t with the 35,000 FBI agents and staff who keep the country safe, but with a clique of insiders who have abandoned the ethos of fairness and impartiality. Former FBI special agent Thomas J. Baker has made a compelling case that the bureau’s post-9/11 focus on “intelligence” and subsequent centralization of case management are part of the problem—structural issues a Republican Congress might examine.

Mr. Wray could help himself by using the end of the Durham investigation—when it comes—as his excuse to acknowledge failings forcefully, hold people to account, and make a clean break. Something major is going to have to change if the bureau is to restore its reputation.

Write to kim@wsj.com.

BOOKSHELF | By Dave Shiflett

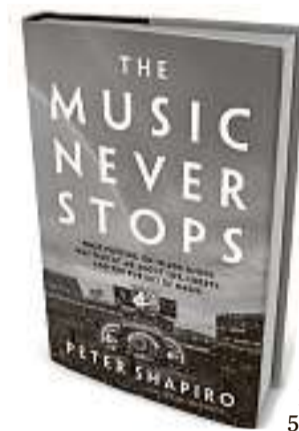
It’s Always Show Time

The Music Never Stops

By Peter Shapiro
(Hachette, 329 pages, \$29)

The reopening of America’s concert halls sparks unsolicited memories. My own include my first Grateful Dead show—on Sept. 11, 1973, in Williamsburg, Va. Tickets ran from \$4 to \$6, and social distancing was a trip too weird to contemplate. Also in the audience at that show, it turns out, was a teenage Bruce Hornsby, the nimble pianist who would later perform some 100 concerts with the Grateful Dead, including a string of 50th-anniversary performances in July 2015 billed as the band’s “farewell.”

In “The Music Never Stops,” we learn that Peter Shapiro was the promotional mastermind behind those 2015 performances. He mentions that general-admission tickets for the Dead’s farewell tour peaked at \$199.50. (At the time Billboard reported that, on the secondary market, some were going for a nifty \$116,000.) The tickets sold briskly despite the absence of legendary bandleader Jerry Garcia, who had died in 1995. Devoted fans attributed the appearance of a



rainbow at one performance to Garcia’s postmortem machinations, while others credited Mr. Shapiro, though he assures us that conjuring rainbows isn’t in his skill set.

But he does take pride in having promoted 10,000 (and counting) performances by acts as varied as the Disco Biscuits, Jono Manson (of Joey Miserable and the Worms), U2, Ms. Lauryn Hill, Bob Dylan and several surviving Grateful Dead members. For his memoir, he focuses on 50 of these events, offering an

entertaining and often amusing look into the music business and a portrait of his own busy, entrepreneurial life.

Mr. Shapiro developed his promotional chops following his 1997 purchase of Wetlands Preserve, a New York City music venue that doubled as a political activism center. It could also do a fair imitation of a money pit: One lightly attended show featuring former Jefferson Airplane vocalist Marty Balin lost Mr. Shapiro, he says, “ten percent of my bank account.” He rallied and showed a knack for improvising that echoed the experimentation of his favorite musicians. One of his innovations combined live music with bowling; another paired the work of celebrity chefs, including Anthony Bourdain, with acts such as the Preservation Hall Jazz Band. His annual Lock’n’ Festival in rural Virginia remains a warm home for bands dedicated to keeping alive the San Francisco vibe despite the sometimes discordant accompaniment of gathering years.

Mr. Shapiro (with assistance from co-author Dean Budnick) comes across as a mellow fellow with a story to charm even those who might prefer Wayne Newton to crooners with more psychedelic predilections. Alongside the famous and semi-famous, his world is populated by bands named Jiggle the Handle, the Fearless Flying Frog Brigade and Pigeons Playing Ping Pong. Acts of nearly supernatural kindness are also fairly common, as when Mr. Shapiro bought tequila shots for 600 customers to celebrate the opening of a concert series. He arranged a benefit show for a regular customer who had suffered cosmic-level bad luck: He “was asleep in a hotel in Portland, Oregon, when an errant taxi crashed into his room and ran him over.”

He watched U2’s frontman eat a salad with his bare hands and Bill Murray sweep up backstage after a Grateful Dead show.

Along the way Mr. Shapiro has watched U2 frontman and international publicity hound Bono eat a salad with his bare hands and Bill Murray sweep up backstage after a Dead farewell show. In the guest book at his Capitol Theatre (in Port Chester, N.Y.), he finds a new way of posing the “does size matter?” question: “I think Brian Wilson’s signature was the smallest while Bob Dylan’s was the largest—make of that whatever you will.” Those given to pondering what musicians think about while performing may find illumination in guitarist Bob Weir’s post-gig comment: “Did you see the University of Georgia flag out there? Nice flag.”

While Mr. Shapiro often swims in heterodox currents, he has a deeply traditional streak. “Getting married helped me to toe the line,” he writes, “and what really helped was being a parent.” He goes out of his way to be an involved father—sometimes way out of the way. He mentions working Friday and Saturday in London, flying to Las Vegas Saturday night and departing Sunday midnight on the red-eye to New York to ensure that he arrives in time to drive his children to school on Monday morning.

His business ethic might also serve as a guide to evolving entrepreneurs. “There’s a quote I really like: ‘The more I practice, the luckier I get.’” Similarly, “You can do it fast and cheap, but it won’t be good. You can do it fast and good, but it won’t be cheap.” He illustrates a part of this maxim with a vignette about booking former Led Zeppelin vocalist Robert Plant for a midnight-club appearance. After handing Mr. Plant a paper bag containing \$50,000, he said he’d give him an additional \$50,000 when he played the show. Mr. Plant’s response: “Is there any paperwork?” “Nope.” Mission accomplished. Mr. Shapiro cites the noted folk philosopher B.B. King: “If you really want something, you bring cash.”

Some of the advice may strike a sour note. “The decision to return home after college had enabled me to avoid paying living expenses and keep my options open. I encourage interns to do the same, whenever possible.” Should his own children move into his basement for an extended bout of post-graduate chilling, perhaps he’ll rethink that position.

For now, Mr. Shapiro keeps on trucking. After doctors discovered a potential widowmaker heart attack waiting in his wings, he throttled back on booze and steaks. But his talent for innovation is undimmed, including hopes of teaming up with legendary Vegas crooner Wayne Newton, known to perform in a tuxedo and eat his salads with a fork.

Mr. Shiflett posts his original music and writing at dave-shiflett.com.

Coming in BOOKS this weekend

Originalism and its discontents • Nomads: Culture and history on the move • Postwar Asia: A continent erupts • The alarmingly outspoken memoirs of Mary Rodgers • Plus big fall novels by J.K. Rowling, A.M. Homes & others

Mother Teresa and the ‘Sisters Who Stay’

HOUSES OF WORSHIP
By Jim Towey

St. Teresa of Calcutta, known during her lifetime as Mother Teresa, died on Sept. 5, 1997. The 25th anniversary should be an occasion for reflection on the Missionaries of Charity, the congregation she founded in 1950 to work with the destitute. As religious vocations for women have declined by around a quarter since 1997, Mother Teresa’s order has grown by a third—

with more than 5,100 sisters serving in 139 countries. Why has it flourished? Perhaps in part because the strenuous demands of the calling attract only those who are fully committed to God. Missionaries of Charity wake up at 4:40 each morning and go to bed late in the evening. They receive no salaries or health benefits, forgo material comforts like air-conditioning and television, and see their families only once a decade.

Mother Teresa’s example of self-sacrifice and fearless faith serve as inspiration for her sisters as they live out their vow to provide “wholehearted and free service to the poorest of the poor.” The Missionaries of Charity operate 275 soup kitchens, 224 children’s homes, 438 homes for the dying and 10 communities for lepers. They visit elderly shut-ins, hospitalized patients and prison inmates, regularly

serve or distribute food to more than a million people annually, and shelter pregnant and abused women. The sisters charge nothing for their services and take no government money.

They are able to do so much with so little because they do everything with love. I saw this firsthand when I volunteered at one of their soup kitchens, in Washington in September 1985. They carefully saved everything, down to the aluminum foil they’d used to cook the chicken. When I offered to buy the sisters as much Reynolds Wrap as they needed, Sister Manorama politely declined. That wasn’t the point, she explained. They were sharing the poverty of those they served.

The conversation was similar to one that Mother Teresa had many years ago, when someone suggested that the sisters use washing machines instead of cleaning clothes by hand. Mother Teresa responded by saying that she’d taken a vow of poverty, not efficiency, and preferred “the insecurity of divine providence.”

Such heroic trust in God’s plans can lead to the ultimate of sacrifices. A year after Mother Teresa died, three sisters were gunned down by an Islamic extremist outside their convent in Hodeidah, Yemen. Three brave sisters volunteered to continue the work the order had started 25 years

earlier with the city’s disabled population. But anti-Christian sentiment in Yemen only intensified, and in 2016 two gunmen stormed a Missionaries of Charity home in Aden and executed four sisters. The order hasn’t returned to that city, but they continue to operate other homes in the country.

Her order, to this day, never shrinks from serving the destitute and trusting in God.

Such harrowing situations come with the territory. A year ago, five sisters were operating a home for severely handicapped children in Kabul when the U.S. abruptly withdrew and the Afghan government collapsed. The sisters were offered seats on a plane to Italy, but they refused to abandon the 11 girls and three boys in their care. By God’s grace and with the help of the Italian government, the sisters and the 14 children were spirited from the country on the second-to-last plane to leave.

The sisters’ resolve is on display everywhere they go. In Haiti, where they’ve been since 1979, they’ve encountered two major earthquakes and unprecedented lawlessness that left the country in

near ruins. They have dodged gunfire at their medical clinic, survived a highway kidnapping by gang members, and overcome blockades of their food, water and medicine by the government. The people of Port-au-Prince refer to the Missionaries of Charity as “the sisters who stay.”

Earlier this year, when Russian missiles bombarded Kyiv, the Missionaries of Charity took in 35 people and huddled with them in the basement of their convent, praying around the clock. When the siege ended, the sisters emerged and began distributing food in the neighborhood.

If a tree is known by its fruit, Mother Teresa’s was the most bountiful of harvests. The anniversary of her death gives the world the opportunity to ponder her legacy and recommit to those who need compassion and care. Few of us can hope to change the world as she did, but all of us can change the world of those around us, starting in our own families and neighborhoods, bringing a smile to the forlorn, hope to the despairing and love to the unloved. As she often said, love is a fruit always in season.

Mr. Towey is founder of the nonprofit *Aging with Dignity* and is author of “*To Love and Be Loved: A Personal Portrait of Mother Teresa*,” forthcoming in September.

Why I Quit Teaching at Oberlin

By Abraham Socher

Every year as Labor Day approaches, I think about meeting a new group of interested, occasionally brilliant students. And then I remember why I quit Oberlin College: deans.

This week the Ohio Supreme Court gave me 36 million reminders. It declined to take up Oberlin’s final appeal of a massive civil judgment against the school for defamation and tortious interference against the Gibson family and the 137-year-old Gibson’s Bakery.

The case began when an Oberlin student attempted to shoplift some wine, but the dean of students, Meredith Raimondo, along with administration underlings and colleagues, really drove this \$36 million train.

On Nov. 9, 2016, Allyn Gibson, who is white, caught Jonathan Aladin, who is black, trying to buy a bottle of wine with a fake ID while hiding two more bottles under his shirt. Mr. Gibson tried to take a photo of Mr. Aladin, who grabbed the phone and fled,

with Mr. Gibson following. Outside the store they tussled, with Mr. Gibson getting the worst of it especially after two of Mr. Aladin’s friends joined in. Bodycam footage from a few minutes later shows Mr. Aladin asking an Oberlin police officer why he and his friends, who were also black,

The deans’ oppression extends even to the town beyond campus.

were being arrested and not Mr. Gibson. “Well,” the officer responds reasonably, “when we got here, you all were on top of him, whaling on him.”

Town-gown conflicts have arisen for centuries over students stealing from and brawling with townies. Shoplifting by Oberlin students was a longstanding problem. What was shocking was the way Dean Raimondo and her colleagues whipped up student anger, helped organize protests in front of the store, tried to destroy Gibson’s

through formal and informal boycotts, and ruthlessly defamed the family as racist in speech and print.

As Assistant Dean of Students Antoinette Myers texted Ms. Raimondo from the criminal trial where Mr. Aladin and his friends pleaded guilty to attempted theft, aggravated trespassing and underage purchase of alcohol: “I hope we rain fire and brimstone on that store.” All three defendants read statements in court acknowledging that they hadn’t been targeted for their race.

Ms. Raimondo and her army of deans, associate deans, assistant deans and the occasional professor acted not as educators but more like old-fashioned ward bosses—organizing constituents, trumping up grievances, and pointing them anywhere but the administration building. The way administrative bloat in universities has driven up tuition costs has often been pointed out, but *Gibson’s Bakery v. Oberlin College* points to another cost that will be borne by students, parents

and donors: bureaucratic idiocy. (Oberlin currently costs a little over \$62,000 a year, plus room, board and books.)

In 1946, W.H. Auden delivered the Phi Beta Kappa poem to Harvard College’s graduating class. It ended with a “Hermetic Decalogue,” rules for humanist followers of the playful Hermes as opposed to the officious followers of Apollo. Auden’s 10 commandments begin:

*Thou shalt not do as the dean pleases,
Thou shalt not write thy doctor’s thesis
On education,
Thou shalt not worship projects nor
Shalt thou or thine bow down before
Administration.*

That’s why I’m not going back to school: illiberal deans.

Mr. Socher is editor of the *Jewish Review of Books*, author of “*Liberal and Illiberal Arts: Essays (Mostly Jewish)*” and a former professor of Jewish studies at Oberlin College.

OPINION

REVIEW & OUTLOOK

Randi Weingarten Flunks the Pandemic

The National Assessment of Educational Progress (NAEP) scores for 2022 were released Thursday, and by any standard they are a calamity. An unprecedented decline in reading and math scores is the first national measure of the damage done by school closures to America's children.

The 2020 NAEP tests were administered shortly before pandemic lockdowns and school closures, so this year's results provide a snapshot of how students have weathered those two years. It's not pretty. Average nine-year-old scores declined the most on record in math (seven points) and in reading since 1990 (five points). Two decades of progress have been erased in two years.

Results were even worse for lower-income and minority students. Math scores fell by 13 points for black students and eight points for Hispanics compared to five points for whites. Reading scores for low-income students fell twice as much as for others.

Higher achievers fared somewhat better but still did worse than two years ago. Scores for students at the 90th percentile fell two points in reading versus 10 points for those in the bottom 10th percentile. The gap between high and low performers had been growing before the pandemic, but now has widened even more, as have racial disparities.

The education website The 74 offered the grim silver lining that the scores "remain higher than 1970s." Some comfort.

You'd think this would be cause for reflection by our education elites, but no such luck. Media headlines blamed "the pandemic," as if Covid-19 ran America's school districts and decided to force students to sit at home in front of screens

for more than a year. Educators—as they call themselves—did that.

National Center for Education Statistics Commissioner Peggy Carr had a grab-bag of excuses for the tragic learning loss: "School shootings, violence, and classroom disruptions are up, as are teacher and staff vacancies, absenteeism, cyberbullying, and students' use of mental health services. This information provides some important context for the results we're seeing from the long-term trend assessment."

She missed the "classroom disruptions" of not being able to go to class at all.

American Federation of Teachers chief Randi Weingarten, who pushed shutdowns as long as she possibly could before parents revolted, tried to forget this ever happened with her statement on Twitter: "Thankfully after two years of disruption from a pandemic that killed more than 1 mil Americans, schools are already working on helping kids recover and thrive. This is a year to accelerate learning by rebuilding relationships, focusing on the basics." But she and her union were the chief disrupters.

America's teachers unions demanded that schools be kept shut even as they remained open in Europe. At the same time unions used the pandemic to extort money from Congress. Schools received some \$190 billion in federal Covid relief to safely reopen and address learning losses, but schools stayed closed and much of the money still hasn't been spent.

After the first months of Covid uncertainty, the school shutdowns had nothing to do with safety. You flunked the pandemic, Randi, and set back America's children for years.

National test results reveal the damage from school closures.

LETTERS TO THE EDITOR

America's Elusive Military 'Margin of Safety'

In "Restore Reagan's Military 'Margin of Safety'" (op-ed, Aug. 29), Roger Zakheim correctly stresses the need for substantial defense-budget increases in the face of military threats from a host of countries. He calls for a return to President Ronald Reagan's concept of a margin of safety. But even the Reagan buildup didn't maintain "a defense capability that provides a margin of safety for America," as the president put it.

We know now that fighting the successful Desert Storm campaign in 1990 (at the peak of U.S. power) required us to deploy the bulk of our conventional forces to the theater. U.S. officials later wrote of the need to "clean out the closet" to meet that requirement. European NATO aircraft had to cover North American air-defense needs, filling in for the U.S. while our Air Force was fighting Iraq. In addition, we had to rent, at vast

expense, hundreds of civilian ships from foreign countries to transport our forces to the war zone because we lacked sufficient sealift capacity. It took multibillion-dollar cash contributions from Japan, Germany and Saudi Arabia to offset our expenses. And that war was considered only a "regional conflict."

Our national security strategy planning required us to be able to fight two of those simultaneously without depleting our NATO commitment for a force-on-force engagement with the Warsaw Pact. There was no way the U.S. military could have done that. We were a long way from a margin of safety.

Fast forward 25 years of defense cuts and a shrinking defense-industrial base, and you can see how woefully underprepared we are.

PETER WOLF
Sedona, Ariz.

Rent Control Will Worsen Housing Shortage

Rent control is a pernicious policy that reduces housing affordability, quality and supply ("Florida Toys With Housing Suicide," Review & Outlook, Aug. 20). It provides a disincentive for landlords and developers to provide quality housing, disproportionately affecting lower-income people who will see maintenance and capital improvements sacrificed in their rent-controlled buildings.

The U.S. may be between 1.5 million and 2 million units behind its housing needs, which increase every year. Housing that has any affordability is in very short supply, not only in urban areas but in rural ones as well.

Land-use policy and local zoning language significantly affect housing production and cost. We need to increase the housing supply to provide

more quality affordable housing and lower rents. State governments should be pushing and perhaps forcing local municipalities to implement affordable-housing plans that include appropriate multifamily zoning to address the needs of seniors, young families, young professionals as well as folks with housing insecurity. Red tape and the lengthy approval process should be addressed, and housing construction should be fast-tracked where needed.

In January, California's S.B.9 went into effect. It essentially allows two-family homes to be built in one-family-zoned areas. If this can be accomplished in California, we can certainly follow suit around the country.

MICHAEL FAZIO
New York

Recycling and an Environmental Imperative

"Widely Recyclable' Packaging Drives Debate on Access" (Business News, Aug. 18) does a fair job explaining the confusion at the local level about what can and can't be recycled. But important efforts are under way to increase the rate of recycling.

The Senate recently approved legislation to establish a grant program to improve recycling accessibility. The focus is on promoting hub-and-spoke models, in which communities feed collected recyclables into processing centers. It would be among the first federal laws dedicated to improving recycling systems in rural and underserved communities.

Companion legislation also approved by the Senate would require the Environmental Protection Agency to collect and distribute data on recycling and composting rates across the country. Gathering this data will provide invaluable information on recycling efforts. The law also, for the first time, would provide definitions

for recycling, recyclable materials and other relevant terms. Using clear terms will help the recycling system be more effective and contribute even more to U.S. environmental goals.

ROBIN WIENER
Institute of Scrap Recycling Industries
Washington

If you had déjà vu while reading this article, it's because the piece exposed the plastics industry's latest greenwashing—and it's the same misleading messaging and cherry-picking of science we've been subjected to for decades. Companies are using insufficient data to convince consumers that their products are sustainable and that plastic recycling is effective. The only solution to the plastic-pollution crisis, however, is ditching unnecessary single-use plastic.

The U.S. plastic recycling rate has dropped below 6%. Relying on recycling to solve the pollution crisis is like trying to mop up water from an overflowing bathtub while the faucet is still running.

Federal lawmakers have a real solution: Ban certain single-use plastics and make producers responsible for their pollution. It's time to address the plastic problem at the source.

JACQUELINE SAVITZ
Oceana
Churchton, Md.

A Quota You Do Not Forget

Checking the racial box goes back much further than 1990 ("Harvard's Invidious Racial Boxes" by William McGurn, Main Street, Aug. 23). In 1978 I worked for a large company and was next in line for promotion to department head. My supervisor called me into her office and told me, point-blank, not to expect it, since the position had to be filled by a black woman. At the time, I was dating a Cuban fellow. The blunt supervisor advised me to marry him, because as a white woman with a Hispanic name, I would have my pick of positions. Too bad I didn't follow her advice.

CHRISTINE LEWIS
The Villages, Fla.

Is Congress Doing Anything That Will Tackle Inflation?

While Thomas Sargent and William Silber's op-ed "What Jerome Powell Can Learn From Arthur Burns" (Aug. 29) is informative, I disagree greatly with the final sentence. It is not the Federal Reserve but Congress that has the responsibility to rein in inflation. As Sen. Elizabeth Warren correctly asserts, high interest rates won't fix supply chains or reduce skyrocketing energy prices.

Unfortunately, neither she nor President Biden nor their colleagues in the House have put forward any programs or legislation to ease the situation; like spurring more oil, shale and natural-gas exploration; allowing new pipelines to come online; or easing mandates for coal-fired and nuclear-energy production, as even California has done.

There has been no legislation easing regulation and taxes on manufacturing and supply chains, no major initiatives to better cooperate and improve trade with other nations and certainly no tax initiatives to help corporations.

ROBERT ORISTAGLIO
Lake Worth, Fla.

Let Bankers Handle Loans

Regarding Preston Cooper's op-ed "Student Loan Reform Is Now Urgent" (Aug. 25) and the letters in reply (Aug. 30): There is an easier one-step fix. End government control of student loans, return it to bankers and let them evaluate risk. Bankers know that an electrical-engineering degree is more worthy of loans than a basket-weaving degree. The government hasn't figured it out yet.

HAL DANTONE
Kingsville, Texas

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Pepper ... And Salt

THE WALL STREET JOURNAL



"New hoodie?"

Who Lost Alaska, Palin or Ranked Choice?

Alaska's next Member of Congress will be a Democrat, Mary Peltola. She beat two Republicans in a special election held Aug. 16 under the state's new ranked-choice voting system. Congratulations to Ms. Peltola, and no disrespect intended... but what in the heck? Alaska voted for President Trump in 2020 by 10 points. Is this now the true will of the electorate?

The second-place finisher was Sarah Palin, and part of the story seems to be that Republicans were polarized by her history. Yet parsing the results is tricky given how these ranked-choice elections operate. The ballot lets voters choose multiple names in order of preference. If no candidate wins a majority, the bottom contender is eliminated, and that person's voters are reassigned to their second choices (or third or fourth, as the process goes on).

In Alaska, the first-choice votes show the GOP divide: Ms. Peltola led with 40.2%. Ms. Palin held 31.3%. Another Republican, Nick Begich, took 28.5%. That meant Mr. Begich was eliminated and then his supporters were reshuffled. Where did they go? Half ranked Ms. Palin second. Slightly more than a quarter migrated to Ms. Peltola, perhaps including some of the Republicans who couldn't stand Ms. Palin.

Another 20.9% of Mr. Begich's supporters, or 11,222 people, made no second choice. Was this because they didn't like Ms. Palin but also couldn't vote for a Democrat? Was it a protest against ranked-choice voting? Did they not understand the ballot? Perhaps some of each.

Hence the final outcome: Ms. Peltola with 51.5% to Ms. Palin's 48.5%.

One critique of ranked choice is that the winner in the end might depend on who initially comes in last. What if Ms. Palin had been eliminated first? Would most of her supporters have found Mr. Begich an acceptable second choice, at least compared with Ms. Peltola? If so, the second round might have catapulted him to a final GOP victory.

The state Division of Elections says it doesn't have data on the second choices of the voters who picked Ms. Palin first. It isn't sure whether such data will ever be collated and posted. The point is that ranked-choice voting encourages such strategic gamesmanship.

Ranked-choice elections are sometimes referred to as instant-runoff voting. What was the problem with regular, old-fashioned runoffs? No election method is perfect, and choosing candidates in partisan primaries has produced its share of turkeys and loons. But there's something clarifying about a head-to-head argument between two candidates with different visions. Whoever wins has a mandate that isn't cobbled together from second or third rankings.

In any case, Alaskans will have to do this rigmorale again soon. Ms. Peltola was elected to fill the remaining term of the late Rep. Don Young. In November voters will be asked to re-rank these candidates, so Republicans now have another two months to figure out how not to elect a Democrat.

Democrat Mary Peltola wins in a red state under a new voting system.

The Horrors of Xinjiang

The United Nations is too often a protectorate for dictators—see its failure to do much against Russia's war on Ukraine. But once in a while some part of Turtle Bay can muster the nerve to tell an uncomfortable truth and maybe do some good.

That's the case this week with the release of the Office of the U.N. High Commissioner for Human Rights report on the repression of Uyghur Muslims in China's Xinjiang province. It chronicles "serious human rights violations" that "may constitute international crimes, in particular crimes against humanity."

The document's release is a minor miracle considering China's furious effort to suppress it. China uses its influence at the U.N. to blunt criticism on everything from human rights to Covid. High Commissioner Michelle Bachelet, a former President of Chile and a woman of the left, released the report Wednesday after lengthy delays and literally in the last moments of her tenure, and kudos to her.

The report, initiated after the U.N. outfit received "serious allegations of human-rights violations" in late 2017, confirms that Beijing has detained "a substantial portion" of Uyghur Muslims. Adrian Zenz of the Victims of Communism Memorial Foundation has estimated the detainees at one to two million overall. The United States says China's treatment of the Uyghurs amounts to genocide, though the U.N. report avoids that term.

Beijing says the camps are "vocational training and education centers" used to de-radicalize terrorists and extremists. Yet the U.N. report notes that detainees are deprived of due process and legal representation.

Former detainees told the U.N. of "treatment that would amount to torture and/or other forms of ill-treatment." That includes beatings with

rods or electric batons or being constrained in "tiger chairs," which resembles a metal high chair with shackles for wrists and ankles.

Uyghurs were prevented from praying or speaking their own language and forced to study Communist propaganda. They described "constant hunger" and "severe weight loss" in custody. Some also reported sexual abuse, including "invasive gynaecological examinations" and "various forms of sexual humiliation" such as forced nudity.

Much of this was known in the West, but having the U.N.'s imprimatur will make it harder for China to dismiss it as what it calls "vicious lies concocted by anti-China forces." The report could have some impact inside China if outsiders can find a way to penetrate the country's Great Firewall of internet censorship.

The report should force a debate in the U.N. General Assembly and Security Council. Incredibly, China still sits on the Human Rights Council, and China's nominee Yue Zhang faces no contenders in next's month's election for a seat on the U.N.'s Human Rights Council Advisory Committee. Let's see if the world's Muslim nations will vote to condemn Chinese treatment of fellow Muslims, or if they'll sell out for a Beijing-financed bridge.

In December President Biden signed the Uyghur Forced Labor Prevention Act, which restricts imports from Xinjiang connected with involuntary labor. The European Union is considering a similar ban, and the U.N. report is another reason for Europe to rethink its solicitous relationship with Beijing.

The U.S. can't stop the horrors of Xinjiang, but it can learn from what those horrors say about the nature of this Chinese government. One lesson is to prevent this nightmare from spreading elsewhere—such as Taiwan.

OPINION

Student Loans and the National Debt

By Mitch Daniels

The colorful Ohio Gov. Jim Rhodes once likened George Romney's run for the presidency to "a duck trying to [make love to] a football." I wish he had been around to put a label on the federal student-loan program. In the sad catalog of its failures, the federal government has set a new standard. President Biden's debt-cancellation announcement represents the final confession of failure for a venture flawed in concept, botched in execution, and draped with duplicity.

The scheme's flaws have been well chronicled. It's regressive, rewarding the well-to-do at the expense of the less fortunate. It's grossly unfair to those who repaid what they borrowed or never went to college. It's grotesquely expensive, adding hundreds of billions to a federal debt that already threatens our safety-net

Purdue students learn to be responsible while their peers get bailouts. There will be a reckoning.

programs and national security. Like so much of what government does, it's iatrogenic, inflating college costs as schools continue to pocket the subsidies Uncle Sam showers on them. And it's profanely contemptuous of the Constitution, which authorizes only Congress to spend money.

When the federal government took over the loan program in 2010, President Obama claimed it would



turn a profit of \$68 billion and that "we are finally undertaking meaningful reform in our higher education system." Credit where due: a dead loss of hundreds of billions of dollars and tuition costs that continued to soar can fairly be described as "meaningful."

There are, and long have been, better ways. Colleges should always have been at some risk for any non-repayments by graduates. One can view such defaults as a breach of warranty, as degrees could be thought to imply that their bearers were prepared to be productive citizens, with the market value and personal character to live up to their freely chosen obligations.

Even a modest percentage of shared liability for non-repayments would have significantly affected schools' behavior. The financial exposure and potential embarrassment

would have driven material changes in the rigor of teaching and the amounts they charged and encouraged students to borrow. Such a system would have amounted to a fair request that institutions stand behind their product.

Of course, much of this unpaid debt would never have been accrued if colleges hadn't raised their prices at the highest rates of any category in the economy. Thanks to the subsidy gusher, that was easy to do. But it wasn't right or necessary.

I have been asked countless times about Purdue's record of holding tuition and fees flat since 2012 while lowering room, board and book costs. It is less expensive to attend our university, in nominal dollars and for all students, in-state or out, than it was a decade ago.

I'd like to claim that this was a triumph of managerial brilliance, but

I can't. We simply asked ourselves each year, "Can we solve the equation for zero?"—meaning what would it take to avoid a fee increase? Placing top priority on containing student costs has driven lower ratios of administrators to faculty, less gold-plating on new buildings, modernized and consumer-driven health plans, and other simple changes. Meanwhile, not coincidentally, enrollment and revenues have surged.

Ten years on, more than 60% of our students graduate debt-free. Debt per student has been cut in half, to just over \$3,000. Had Purdue raised tuition at the national average, students' families would have sent us more than \$1 billion more than they have.

Along with marketable knowledge and skills, Purdue aspires to foster character in its students. Watching each year as more than 99% of our graduates honor their student-debt obligations, we take pride in them. But I'm uncertain what to say to them as they see their less-responsible contemporaries bailed out—with, adding insult to injury, a portion of the tab handed to them as taxpayers.

When, not if, our national debt forces a traumatic reckoning, asset sales will likely be part of the emergency plan to preserve safety-net payments and some vestige of discretionary government. Along with surplus federal land and structures, it will make sense to sell whatever remains of the student-loan portfolio. That will be a fitting end to a bankrupt lending system born of bankrupt policy choices.

Mr. Daniels is president of Purdue University. He served as governor of Indiana, 2005-13.

Biden and Powell Are at Odds on Inflation

By Judy Shelton

If you were expecting Jerome Powell to unveil an elegant new intellectual framework for monetary policy in Jackson Hole, Wyo., last week, the Federal Reserve chairman's speech on the need for "forceful and rapid steps to moderate demand" set you straight. But the Fed's determination to pummel growth will only make matters worse so long as misguided fiscal policies enrage the money supply.

Welcome to the era of good-cop, bad-cop tactics from major government institutions. Fiscal and monetary policy are now working at odds to fight inflation. The Fed could crush demand by raising interest rates to stratospheric levels only to have a spendthrift White House and complicit Congress pump up consumer prices through fiscal measures that expand spending power—cash payments, subsidies, rebates, student loan forgiveness.

The Biden administration's intellectual inconsistency borders on cynicism. The cost of its student-loan forgiveness program will wipe out any projected deficit reduction from the Inflation Reduction Act. But while the fiscal authorities congratulate themselves on their spending blowout, Mr. Powell warns of a tough road ahead.

"Reducing inflation is likely to require a sustained period of below-trend growth," Mr. Powell said last Friday. "Moreover, there will very

likely be some softening of labor market conditions. While higher interest rates, slower growth, and softer labor market conditions will bring down inflation, they will also bring some pain to households and businesses. These are the unfortunate costs of reducing inflation."

No one doubts the part about pain, but does the Fed chairman believe that slower growth and higher unemployment will drive inflation from the economy?

Monetary tightening can't tame price increases in the face of a spendthrift White House and Congress.

In his 2020 Jackson Hole speech, Mr. Powell seemed pleased to present a new monetary-policy framework under which the Fed would tolerate inflation rates that deviated from its longstanding 2% target. Confronted with the simultaneous achievement of record-low unemployment and low inflation under the Trump administration, the Fed would pursue an inflation rate "that averages 2% over time." Mr. Powell promised that the central bank would "remain highly focused on fostering as strong a labor market as possible," but wouldn't specify a numerical goal for employment "because the maximum

level of employment is not directly measurable and changes over time for reasons unrelated to monetary policy." Last year's Jackson Hole speech offered more of the same.

If inflation were to drop below the 2% target rate next year, does anyone think the Fed would let it run that low long enough to average out the current period of rising prices? Mark me down as skeptical.

A successful monetary policy requires intellectual consistency and credibility within the larger context of political reality. The Fed tends to take its own academic models too seriously—before casting them aside under the pressure of distressing data and embracing seat-of-the-pants reasoning.

So what are we supposed to understand about the Fed's approach to monetary policy as conveyed by Mr. Powell's latest remarks: Economic growth is inflationary? Low unemployment is inflationary? Households and businesses must be punished for the government's mistakes?

Perhaps the major impediment to rational thinking among Fed officials is the egocentric predicament: They have a propensity to assume that interest rates are all that matter. They ignore the benefits of pro-growth policies—low taxes and less regulation, better trade and energy policies—and refuse to acknowledge that a business-friendly environment is conducive to greater output. Yet greater output should be the goal when inflation is

largely driven by lack of supply.

When asked whether fiscal initiatives or federal budget decisions will undermine their monetary policy objectives, Fed officials are apt to sidestep the question. That's the problem: There's no point relying on interest rates to control the money supply when government spending continues to exacerbate inflationary pressures.

Stimulus payments and income-support programs put money directly into bank accounts. Meanwhile, the Fed's tools for fighting inflation are geared to managing the narrow component of the money supply over which the central bank exerts control. By paying interest to commercial banks and money-market funds on deposits—some \$3.3 trillion in reserve balances and \$2.5 trillion in reverse repurchase agreements—the Fed keeps huge volumes of cash out of the real economy.

It would be an act of intellectual courage if the Fed chairman would explain these particulars of monetary policy, which deserve more public scrutiny. And it would be cathartic to acknowledge the senselessness of monetary discipline in the face of fiscal recklessness. Sound money and sound finances must go hand in hand for the economy to regain a solid footing.

Ms. Shelton, a monetary economist, is a senior fellow at the Independent Institute and author of "Money Meltdown."

U.S.-China Audit Deal Is Only Window Dressing

By Dennis Kwok
And Sam Goodman

Anyone who has dealt with Chinese authorities knows that serious negotiation starts only after an agreement is signed. Hong Kong learned this lesson the hard way in the decades after the 1984 Sino-British Joint Declaration.

Now it's America's turn. This week Chinese authorities and the U.S. Public Companies Accounting Oversight Board struck a last-minute deal allowing American regulators to inspect the audit papers of Chinese companies in Hong Kong that are listed on U.S. stock exchanges.

Under the 2020 Holding Foreign Companies Accountable Act, the Se-

curities and Exchange Commission has warned some 260 Chinese companies, collectively worth \$1.3 trillion in market capitalization, that they will be delisted in the U.S. by 2024 if they don't allow independent audits. In response, the Chinese government introduced tighter rules for companies listed overseas and encouraged Chinese businesses to upgrade their listing on Hong Kong's stock exchange. New laws on data security and personal information make it almost impossible for many Chinese companies to maintain their listing status overseas without acting in breach of their legal obligations at home. Five Chinese state-owned companies recently announced they would voluntarily

delist from the New York Stock Exchange.

The deal between Beijing and the PCAOB seems to have reassured the financial world. The Nasdaq Golden Dragon China Index, which tracks Chinese companies that trade in the U.S., surged on the news. But differences between the two sides soon emerged.

PCAOB insists that its audit inspections will be wholly independent of Chinese authorities, with no requirement for consent from the Chinese government. The China Securities Regulatory Commission insists that "audit work papers and other information that the U.S. regulator needs access to will be obtained by and transferred through Chinese regulators." The CSRC also says that a Chinese regulator may "assist" in any interviews or testimonies Chinese personnel give during audit inspections.

Under the Chinese interpretation, the PCAOB would be able to inspect only information Chinese authorities have first screened. Officials may insist that data crucial for proper auditing and transparent governance amounts to state or trade secrets and therefore isn't disclosable under Chinese law. It will be almost impossible to challenge these decisions within the Chinese system, even in Hong Kong. The definitions of state or trade secrets fall within the domain of the Hong Kong Committee on National Security, whose decisions are binding on the Hong Kong courts and not open to any challenge

by private parties or overseas regulators. Even if the Hong Kong courts were dragged into a dispute, the U.S. side won't be able to count on a level playing field given the overarching power Beijing has under the Hong Kong National Security Law.

That's not all. We expect China will maintain that audit records containing sensitive personal information and national-security data must be destroyed after any audit in compliance with Chinese laws. The American side is likely to insist that it has the right to preserve all audit records as per international auditing standards.

All and all, the agreement looks to be little more than window dressing. It may allow Chinese companies to remain on U.S. stock exchanges, but there's no reason to think they'll be rigorously audited.

This may please some large institutional investors, but the signal to the Chinese Communist Party is that U.S. regulators, and by extension the Biden administration, are still unwilling to challenge the governance issues endemic to Chinese companies—despite the serious financial risks they pose to investors and shareholders in the Western financial system.

Mr. Kwok is a senior fellow at Harvard's Kennedy School of Government. He served as a Hong Kong legislator, 2012-20. Mr. Goodman is executive director of the China Risks Institute and director of policy and advocacy at Hong Kong Watch.

Logistic Peril For NATO In Ukraine

By Mark T. Kimmitt

Within months of the landings at Normandy in June 1944, allied forces raced across France and Belgium so quickly that they outran their supply lines. Rather than fight a broad-front campaign to defeat the Germans, Gen. Dwight D. Eisenhower was forced to shift to a narrow-front attack, prolonging the war well into 1945. Soon, logistic shortfalls also will confront Ukraine and the North Atlantic Treaty Organization and may force a change in strategy.

On Aug. 19, the U.S. pledged another \$775 million for Ukraine. The aid provides more Javelins, HIMARS rockets, and artillery ammunition. It also includes TOW missiles, 105mm howitzers and smaller-caliber artillery ammunition. The last systems are older and less advanced than the items provided to date and may indicate that battlefield consumption rates have outpaced production to a point where excess inventories provided to Ukraine are nearly exhausted. If so, NATO will have to deal with dwindling stocks of leading-edge weapon systems. This likely will mean muddling through a longer war, with more casualties. It means more pressure from supporting nations, sustained inflation, less heating gas and falling popular support.

There are options. One is to dig deeper into NATO stockpiles being held back for national defense. An argument could be made, especially with European countries, that these are needed to defend their territory against a full-strength Russian army, and battlefield losses have greatly diminished that threat. A hard sell, but necessary to confine the war to Ukraine. Better to use these weapons in Kherson than Krakow.

A second option is to use the Defense Production Act and its European equivalents to ramp up critical shortfalls. Stocks of Javelins, artillery rounds and HIMARS missiles are under pressure. Yet given production lead times and supply-chain issues (each Javelin has more than 250 semiconductor chips), it is unlikely that invoking the Defense Production Act would have a serious effect in the next year.

Dwindling stocks of leading-edge weapon systems probably will mean more casualties.

Another option is to step up the conflict to provide capabilities such as longer-range ATACM missiles, F-16s and Patriots and to broaden the rules of engagement to attack targets in Crimea and possibly Russia. This high-risk option doubtless would spur a response from Moscow, which has held back on mobilizing its vast numbers of eligible males and has to date held some of its advanced weapons in reserve. It also likely would strain NATO unity, as allies may not be willing to risk the conflict spilling into Europe. It may be necessary, however, to consider this option, as the stalemate appears unlikely to change soon and will consume declining weapons stocks.

A fourth option, and for President Volodymyr Zelensky the most vexing, is to push for an interim diplomatic resolution without (or with) territorial concessions. With Vladimir Putin, it may be impossible. As long as both sides believe they are winning—or at least not losing—there is little incentive to negotiate.

Yet Mr. Zelensky must recognize that diminishing resupplies would have a disastrous effect on his army, not merely for battlefield operations but for the message of declining outside support it would send to the people of Ukraine. Beginning the diplomatic resolution would be distasteful, and perhaps seen as defeatist, but as there is little chance of climbing out of the current morass, it may be better to negotiate now than later.

In modern high-intensity warfare, logistics is the Achilles' heel. Good training, great tactics and brave soldiers are critical, but without weapons, food and fuel, armies grind to a halt. That may be what is happening as the battlefield becomes static and a breakthrough looks unlikely.

The military often talks about the ability to see things clearly and comprehensively. Looking into a future of protracted war, diminishing high-tech systems and mounting casualties, Mr. Zelensky and NATO must face up to tough decisions before those decisions are forced on them.

Mr. Kimmitt, a retired U.S. Army brigadier general, served as assistant secretary of state for political-military affairs, 2008-09.

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WORLD NEWS

New Lockdown Hits Chinese Cities

Chengdu is among the locales that is ordering residents to stay home as Covid-19 cases rise

By RAFFAELE HUANG
AND RACHEL LIANG

SINGAPORE—Chinese cities tightened measures to halt Covid-19 flare-ups, threatening further damage to the country's embattled economy ahead of a Communist Party congress to decide the nation's top leadership.

Chengdu ordered its 21 million residents to stay at home from 6 p.m. on Thursday, according to a statement from the city's government. Authorities will conduct citywide Covid-19 tests through Sunday, with one person in each household allowed to leave home once a day to buy groceries, with proof of a negative Covid test. They gave no date for when the measures would end.

Chengdu, the capital of Sichuan province, is the economic heart of China's vast inland area and the largest city put under a quasi-lockdown since Shanghai in April. Tighter Covid-19 controls had been spreading as about 700 locally transmitted infections of the virus were reported in the city in the past week.

The beginning of the new school term has been postponed and an automotive fair called off. Restaurants were told to stop dine-in services and public transport was reduced. Companies engaged in activities deemed essential, such as those delivering food and utilities, can still operate.

Other major Chinese cities, including Shenzhen and



People are tested for Covid-19 in Chengdu, which has ordered its 21 million residents to stay home.

Guangzhou in the export powerhouse of Guangdong province, and the northeastern port city of Dalian, also have stepped up restrictions as cases mounted. With Chengdu, they account for about 7.5% of China's economic output.

The measures in Chengdu could further depress factory operations including Apple Inc. assembler Foxconn Technology Group, Toyota Motor Corp. and Volkswagen AG.

Manufacturers in southwest China, which heavily relies on hydropower, have scaled back production recently because of a heat wave and drought.

VW's Chengdu plant will start operating in a closed-loop system Thursday evening, a company spokeswoman said. Toyota is discussing its response to the order for its Chengdu factory, said a company spokesman.

Stocks and industrial metals fell on the news, which adds to

the headwinds dragging down China's economy. Copper, seen as a bellwether for economic growth, fell 2.3%. Hong Kong's benchmark Hang Seng Index closed 1.79% lower Thursday.

While overall numbers of new cases remain relatively low, strains of the highly contagious Omicron variant have been recorded in all of China's 31 provincial-level regions in recent weeks. There were 1,875 new cases recorded nationwide on Wednesday, according to a National Health Commission release published Thursday, around the average for the previous 14 days.

As the Communist Party gears up for next month's congress, Beijing has been defending its zero-Covid strategy, which aims to extinguish outbreaks through rapid and stringent control measures. Chinese leader Xi Jinping, who is expected to claim a third five-year term as party chief at the

meeting, has claimed the approach is superior to the West's decision to live with the virus.

Meanwhile, the prolonged zero-tolerance policy has hammered China's already wobbly economy. Factory activity contracted and home sales tumbled in August.

Local officials have tended to swiftly ratchet up control measures when they see momentum picking up, but have been more cautious about imposing a citywide lockdown after the monthlong shutdown of Shanghai sparked discontent among residents and disrupted supply chains.

Chengdu residents rushed to stock up on food and other essentials as no date was given to end the home-isolation order. The city also urged residents not to try to leave the city unless necessary. Flights to and from Chengdu were cut back. About 70% of the flights at the city's two

airports were canceled Thursday, according to flight-information tracker Flight Master.

On Tuesday, the organizer of the 10-day Chengdu Motor Show, which opened Aug. 26, closed the event because of the city's gathering restrictions. Auto makers were hoping to launch new models and boost sales at the Chengdu fair after the country's biggest auto show scheduled for April in Beijing was delayed indefinitely. Last year, about 40,000 vehicles were sold at the Chengdu event.

In Shenzhen, where Tencent Holdings Ltd. and other Chinese tech juggernauts are based, the city center has been placed under stricter control measures. Residents must take daily tests to enter their residential compounds and have been urged to stay put. All entertainment venues are closed and public events are suspended.

Shenzhen logged 62 local cases for Wednesday, a jump from 37 on Tuesday. Residents were asked not to leave the city unless absolutely necessary, and anyone who does exit must show proof of two negative Covid-19 tests within 48 hours.

The central area of Dalian has been under a five-day lockdown that is set to end Saturday midnight. Like Chengdu, Dalian allowed only one person from each household to go out for grocery shopping once a day.

Many colleges in the Chinese capital also have tightened controls on student activities. Universities including the elite Tsinghua University have required students to remain in dorms and buy meals from designated canteens in the first three days after they return to the campus, according to notices reviewed by The Wall Street Journal.

Man Aims Gun at Argentina's Kirchner

By KEJAL VYAS

A man held a handgun at point-blank range at the head of Argentine Vice President Cristina Kirchner on Thursday night in Buenos Aires and appeared to pull the trigger, video of the incident replayed on Argentine television showed.

The weapon didn't discharge, and police quickly arrested a 35-year-old man who authorities said was Brazilian and lives in Argentina.

In cellphone videos posted on social media, Mrs. Kirchner, who wasn't harmed, can be seen from several angles flinching and ducking after the gunman pointed the weapon just inches from her face on a busy street in the elegant Recoleta neighborhood.

"It's the most serious act since the return of democracy," President Alberto Fernández said in a televised address condemning the attack.

Mrs. Kirchner "is still alive because for some reason that is still not confirmed, the gun didn't go off. All Argentine people are shaken," the president said.

The authorities didn't say if they have a theory as to why the man would have attacked the vice president. The attack on Mrs. Kirchner happened as she was returning to her home Thursday before 10 p.m. from court, where she is in the midst of a corruption trial. Antigraft prosecutors last week accused her of corruption, seeking 12 years of prison and a permanent ban from public office for Mrs. Kirchner, who served as president from 2007 to 2015. She has publicly said she is innocent and a victim of a politically motivated prosecution.

Beijing Denounces U.N.'s Xinjiang Report

By CHUN HAN WONG

HONG KONG—China lashed out at the United Nations' human-rights agency, calling its assessment of possible crimes against humanity in Xinjiang an illegitimate report concocted in cahoots with the U.S., a fiery response that underscored Beijing's deepening geopolitical fissures with Western powers.

A Chinese Foreign Ministry spokesman accused the U.N. rights agency of acting as a "hired thug and accomplice" for a Washington-led conspiracy to contain China with smear tactics. The U.N. report on Xinjiang "was planned and manufactured by the U.S. and some Western forces, and is completely illegal and void," ministry spokesman Wang Wenbin said.

His remarks echoed a statement issued earlier in the day by China's Permanent Mission to the U.N. in Geneva, which denounced the U.N. report as a "politicized document that disregards facts" and "uses disinformation and lies fabricated by anti-China forces as its main sources."

The propaganda department

of China's Communist Party has instructed state media to portray the U.N. report as a concoction of anti-China forces, according to people familiar with the matter. Foreign diplomats say China would likely marshal a full response on the international stage, such as by mobilizing friendly governments to support its positions at major forums, including at the U.N. Human Rights Council in Geneva, which is due to convene this month.

The 46-page U.N. report, published Wednesday, said China's government may have committed crimes against humanity in its treatment of ethnic Uyghurs and other Muslim minorities in Xinjiang—an assessment that broadly supports critical findings by Western governments, human-rights groups and media detailing mass abuses in the region.

Researchers have in recent years documented a far-reaching Communist Party campaign in Xinjiang to forcibly assimilate Uyghurs and other Muslim minorities, in an effort to impose stability in a region once racked by ethnic violence and sometimes deadly attacks against symbols of Beijing's authority.



Officers guard a detention center in Xinjiang. The U.N. says crimes against humanity may have been committed against minorities.

These efforts included the use of mass-internment camps for political indoctrination, the imposition of strict birth controls and restrictions on religious practices, as well as policies that resulted in forced labor and family separations.

In its Wednesday report, the U.N. rights agency assessed that serious human-rights violations have been committed in the course of the Chinese government's efforts to combat terrorism and extremism, and that its use of

arbitrary and discriminatory detention "may constitute international crimes, in particular crimes against humanity."

The White House welcomed the report. "The report deepens our grave concern regarding the ongoing genocide and crimes against humanity that China is perpetrating," White House press secretary Karine Jean-Pierre said Thursday. She cited measures the U.S. has taken to sanction Chinese officials and limit trade with Xinjiang, saying Washington will

continue to work to hold China accountable while calling on Beijing to "immediately cease committing these atrocities."

It wasn't clear what the U.N. rights agency or other related bodies might do to follow up on the report, which the agency has said doesn't represent a formal investigation.

The agency's top office—the high commissioner for human rights—is vacant after the latest incumbent, Michelle Bachelet, stepped down at the end of Wednesday.

Rights watchdogs have urged the U.N. to use the report as the impetus for creating a formal inquiry to investigate human-rights violations in Xinjiang and punish the perpetrators.

"This is pretty much the first time that a highly independent, multilateral institution has said that Beijing is perpetrating significant human-rights violations," said Adrian Zenz, a senior fellow at the Washington-based Victims of Communism Memorial Foundation. "This report is significant ammunition in the hands of Western nations that seek to hold China accountable at the U.N."

WORLD WATCH

RUSSIA

Putin Will Skip Gorbachev's Funeral

Russian President Vladimir Putin privately laid flowers at Mikhail Gorbachev's coffin on Thursday, snubbing the weekend's public funeral in a move reflecting the Kremlin's uneasiness about Mr. Gorbachev's legacy.

Mr. Putin visited a Moscow hospital where Mr. Gorbachev's body was being kept before Saturday's funeral. "Regrettably, the president's working schedule wouldn't allow him to do that on Saturday, so he decided to do that today," Kremlin spokesman Dmitry Peskov said.

Mr. Gorbachev, who died Tuesday at the age of 91, will be buried at Moscow's Novodevichy cemetery next to his wife, Raisa, following a farewell ceremony at the Pillar Hall of the House of the Unions, a mansion near the Kremlin that has served as the venue for state funerals since Soviet times. The Kremlin stopped short of declaring a state funeral, with Mr. Peskov saying the ceremony will have "elements" of one, such as honorary guards, and the government will help organize it. —Associated Press



The wife of former Malaysian Prime Minister Najib Razak, Rosmah Mansor, remained free on bail after a court in Kuala Lumpur found her guilty in a bribery case on Thursday.

MALAYSIA

Former First Lady Sentenced to Prison

Former Malaysian first lady Rosmah Mansor was ordered to serve 10 years in prison after being found guilty on Thursday of soliciting and receiving bribes during the corruption-tainted ad-

ministration of her husband, Najib Razak, who last week began serving a 12-year sentence in the looting of the 1MDB state fund.

Ms. Rosmah was convicted on a charge of soliciting 187.5 million ringgit (\$41.8 million) and two charges of receiving 6.5 million ringgit between 2016 and 2017 to help a company secure a project to provide solar energy pan-

els to schools on Borneo island.

The court sentenced her to 10 years in prison on each charge, to be served concurrently, and a total fine of 970 million ringgit. She will be allowed to remain free on bail pending her appeal to higher courts.

High Court Judge Mohamed Zaini Mazlan said prosecutors proved beyond a reasonable

doubt that Ms. Rosmah corruptly solicited bribes and received money as a reward for herself. He said her defense was a "bare denial, devoid of credible evidence."

Ms. Rosmah said she had never solicited any funds or taken a single cent while she was heading charity foundations as the prime minister's wife. —Associated Press

ETHIOPIA

Renewed Fighting in Tigray Reported

Officials in Ethiopia's restive Tigray region allege that Ethiopian forces have again teamed up with those from neighboring Eritrea to attack the northern area.

Ethiopia's government didn't comment Thursday after the allegations by the Tigray External Affairs Office and by Tigray forces spokesman Getachew Reda, who said a "massive" offensive had begun in northwestern Tigray.

But the government alleged in turn that Tigray forces' own fighting had intensified.

The conflict that began in November 2020 had calmed earlier this year but resumed last week after efforts at peace talks failed. —Associated Press

Sri Lanka Will Get Lifeline From IMF

By SHAN LI
AND PHILIP WEN

Sri Lanka reached a preliminary agreement for a financial rescue package of about \$2.9 billion with the International Monetary Fund, a milestone as it plots a path out of its worst economic crisis in decades.

The loan, which would be disbursed over four years, is contingent on Sri Lankan authorities following through with measures aimed at putting the nation on a more sustainable financial footing and on the country's creditors giving assurances that they will cooperate on debt restructuring.

"The objective of this fund-supported economic program is to restore macroeconomic stability and debt sustainability while at the same time protecting the vulnerable and stepping up structural reforms," Peter Breuer, the IMF's senior mission chief for Sri Lanka, said Thursday.

Sri Lanka has been racked by economic and political turmoil after its foreign reserves dwindled to the point that it could no longer pay for essential imports including fuel, cooking gas and medicines. It approached the IMF for a financial bailout after suspending repayments on its external debt in April.

Double-digit inflation, lengthy power outages and hours-long lines for fuel and other essentials sparked demonstrations that culminated in protesters storming the capital's presidential palace and other state buildings in July. That prompted former President Gotabaya Rajapaksa to flee the country and resign and the ensuing political turmoil delayed progress on the IMF talks.

Thursday's agreement was announced as an IMF delegation concluded a weeklong visit to Colombo, where they discussed the necessary changes with government authorities. Any disbursement of funds could still be weeks or months away, requiring approval from the IMF's executive board.

BUSINESS & FINANCE

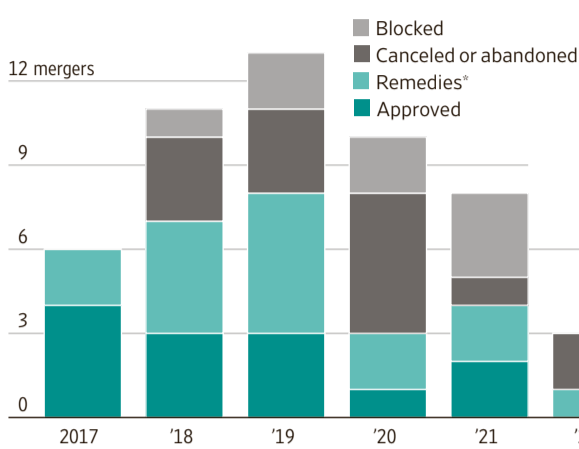
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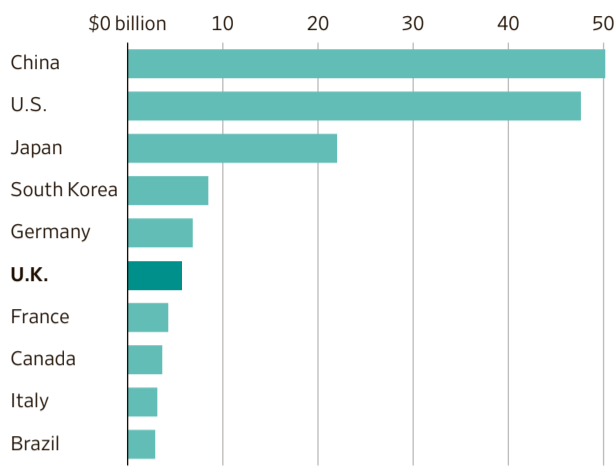
S&P 3966.85 ▲ 0.30% S&P FIN ▲ 0.36% S&P IT ▼ 0.48% DJ TRANS ▲ 0.38% WSJ \$IDX ▲ 0.79% 2-YR. TREAS. yield 3.520% NIKKEI (Midday) 27604.37 ▼ 0.21% See more at WSJ.com/Markets

Results of the U.K.'s Competition and Markets Authority phase 2 investigations



*Deals approved upon meeting certain conditions †Through July 31

Top videogame markets by estimated revenue, 2022



Sources: CMA; Newzoo (markets)

Microsoft's Activision Deal Raises Competition Concerns in the U.K.

By SARAH E. NEEDLEMAN AND KIM MACKRAEL

The U.K.'s competition authority said Microsoft Corp.'s planned acquisition of Activision Blizzard Inc. could harm their rivals and newcomers to the videogame industry, adding uncertainty to the \$75 billion deal in one of the world's largest markets for interactive entertainment.

The Competition and Markets Authority started its investigation into the acquisition in July to determine whether it could lessen competition in the U.K. On Thursday, the regulator said it would give the companies five working days to offer commitments to address the competition concerns it flagged. If the CMA isn't satisfied at that stage, the probe would enter a second phase involving a panel of independent reviewers, it said.

Microsoft President Brad Smith said the company is ready to work with the CMA on next steps and address any of its concerns.

Microsoft makes Xbox videogame consoles and its chief rival, Sony Group Corp., is known for its PlayStation system. Mi-



Activision owns 'Call of Duty' and other game franchises. The Call of Duty League Pro-Am Classic.

crosoft and Sony count Nintendo Co., whose Switch console can be played at home or on the go, as a major competitor. All three companies develop and publish their own games.

Activision specializes in game development and owns popular franchises such as "Call of Duty" and "World of Warcraft."

"CMA is concerned that if

Microsoft buys Activision Blizzard it could harm rivals, including recent and future entrants into gaming, by refusing them access to Activision Bliz-

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Twitter to Start Test Of Long-Awaited Edit Button Feature

By SALVADOR RODRIGUEZ

After years of demand, Twitter Inc. on Thursday announced that it will soon begin letting some users test out an edit button.

The long-awaited feature is now being tested internally, and in the coming weeks, it will become available for testing to a select group of users, including subscribers to the company's \$4.99-a-month Blue service.

The preliminary edit button will allow testers to edit tweets a few times in the 30 minutes after they are published. These tweets will appear with an icon and label indicating they have been edited. When a user taps on an edited tweet's label, they will see an edit history that includes past versions of the tweet.

"Since this is our most re-

quested feature to date, we want to make sure we get it right," the company said in a statement.

The company announced that it was working on an edit feature in April after Elon Musk asked his Twitter followers in a poll if they wanted the feature.

At the time of his edit-button poll, Mr. Musk had just revealed a 9.2% stake in the social-media company. Mr. Musk agreed to buy Twitter for \$44 billion later in April. Now, Twitter and Mr. Musk are locked in a legal battle as the multibillionaire seeks to terminate his takeover of the company.

Twitter launched its Blue subscription service for U.S. users in November 2021. The service comes with features and benefits that are exclusive to subscribers. This in-

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Lufthansa scraps 800 flights after a breakdown in talks with pilots. **B3**



HEARD ON THE STREET

Maker of Jameson has ingredients to grow as fast as rival Diageo. **B12**

Investors Score With Baseball Cards

By ALLISON PRANG

The market for baseball cards is on fire.

Auction houses and appraisers say they are seeing surging demand and higher prices in the sports memorabilia market, particularly for baseball cards and other sports trading cards. A 1952 mint condition Mickey Mantle baseball card sold for \$12.6 million on Sunday, a record price for a piece of sports memorabilia.

The sale of the card eclipsed the prior record: the jersey worn by Argentine soccer star Diego Maradona when he scored his "Hand of God" goal in the 1986 World Cup, which fetched \$9.3 million at a Sotheby's auction in May.

Similar to the frenzied trading of meme stocks such as GameStop Corp. and Bed Bath & Beyond Inc., bitcoin and blank-check companies, the interest in high-end baseball cards and memorabilia intensified during the pandemic.

While many meme stocks, cryptocurrencies and other more speculative investments have fallen sharply this year, the market for sports trading cards has largely remained hot.

The 10 most expensive sports trading cards have all sold during the pandemic, according to a Wall Street Journal analysis of high-value memorabilia sales. A rare Honus Wag-



Interest in high-end baseball cards and memorabilia has intensified throughout the Covid-19 pandemic.

ner T206 card fetched a then-record \$7.25 million last month, according to Goldin Auctions, which handled the sale. That card last sold in 2006 for \$294,338, Goldin said.

The prior record holder, another Honus Wagner T206 card, sold for \$6.6 million in August 2021, according to Robert Edward Auctions, after previously selling a decade ago for \$1.23 million.

The Mickey Mantle card was sold by waste-management businessman Anthony Giordano, who acquired the card for \$50,000 in 1991. That means

Mr. Giordano made a roughly 20% annualized return on the card, more than double what he would have earned if he plunked that money in an S&P 500 index fund.

Some investors see high-end baseball cards as a way to diversify their holdings, similar to buying a famous piece of art. Others view buying cards and other hard assets as a hedge against inflation, which remains near a four-decade high.

Mike Heffner, the president of sports-memorabilia auction house Lelands, said while business was good before the pan-

demic, conditions have gotten even better. "Over the past three years they've been fantastic for our business," he said.

Mr. Heffner and others in the auction and appraisal business in part attribute the rise in popularity in bidding on sports memorabilia—and the high prices—to people being stuck at home during the pandemic.

"With Covid, a lot of people suddenly had time," said Leila Dunbar, who runs her own appraisal and consulting company and used to work for Sotheby's. "They couldn't go out. They

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Illumina Wins Case on Grail Acquisition

By PETER LOFTUS AND DAVE MICHAELS

An administrative law judge has ruled in favor of Illumina Inc. in its \$7.1 billion acquisition of cancer-testing developer Grail Inc., dealing a defeat to the Federal Trade Commission's efforts to un-

wind the deal on antitrust grounds, the company said.

Illumina said the judge rejected the FTC's position that the deal would hurt competition in the market for multi-cancer early-detection tests.

"As we've stated from the outset, this transaction is pro-competitive, will advance in-

novation, lower healthcare costs and save lives," said Charles Dadswell, general counsel of Illumina.

The decision, which the FTC staff can appeal, suggests the agency could face hurdles as it tries to push into newer theories of harm that can result from unchecked merger

activity. The FTC alleged Illumina's purchase of Grail could diminish innovation—a concern that goes beyond antitrust's traditional focus on price levels and output.

In a statement, FTC Bureau of Competition Director Holly Vedova said the agency's staff

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Ruling Is In Favor of Illumina

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is disappointed with the decision and believes it mounted a strong case. "We are reviewing the opinion and evaluating our options," Ms. Vedova said.

San Diego-based Illumina, which makes genetic-sequencing products, agreed in 2020 to acquire Grail, which is developing blood tests for early cancer detection. Illumina founded Grail and had spun it off in 2017, retaining a minority ownership stake. The 2020 deal was to acquire the part of Grail that it didn't already own.

But in 2021, the FTC moved to block the deal, claiming that it would harm competition in an emerging field of tests for early-stage detection of multiple types of cancers.

The FTC said Grail and

cerns such as preserving incentives for innovation, protecting workers and buttressing small businesses.

Illumina's deal was an example of vertical merger, a type of transaction that integrates complementary instead of competing companies, allowing the combined firm to expand into new or related businesses or lower its input costs. Vertical deals have often been viewed with far less skepticism, but the FTC last year withdrew guidelines for reviewing them, indicating enforcers planned to apply tougher scrutiny to them.

"This case was always something of a stretch," said Stephen Calkins, a law professor at Wayne State University. "It was a vertical case, which is a challenging area of law, and the law judge conspicuously noted during the oral arguments that there were very high stakes in terms of healthcare innovation."

Illumina's legal challenges aren't over, as the FTC's staff could appeal Judge Chappell's decision to the agency's commission. The commission authorized the legal challenge to the deal in March 2021 on a bipartisan vote. If the commission overruled Judge Chappell, the companies could take their case to a federal appeals court.

The FTC had initially sought a federal court injunction that would have blocked the closing of the acquisition, but it backed off because Illumina and Grail were facing antitrust scrutiny in Europe.

Instead, the FTC proceeded with an administrative complaint over the deal, resulting in a trial before an administrative law judge in August and September of 2021. The new ruling arises from that trial and post-trial briefs filed by Illumina and the FTC.

In July, a European Union court ruled that the EU's competition regulator has jurisdiction to review the Illumina-Grail deal under European merger regulations. Illumina said it intends to appeal that decision. The European Commission said in July that Illumina's decision to complete the Grail deal breached European regulations.

Illumina is keeping the Grail business separate from the rest of its business while these legal challenges play out.

For Illumina, full control of Grail would give it a solid position in what analysts estimate could be a \$50 billion market for tests that can detect multiple cancers early.

Illumina shares declined 0.5% to \$200.62 Thursday. SVB Securities analysts said in a research note that despite the win, there continues to be regulatory uncertainty around the deal, delaying Illumina's full integration of Grail and its benefits.

\$50B

Potential market for tests to detect multiple cancers early

other developers of early-stage cancer tests all rely on Illumina's DNA-sequencing platform. "If the acquisition is consummated, Illumina will gain the incentive to foreclose or disadvantage firms that pose a significant competitive threat to Grail," the FTC wrote in its complaint last year. Illumina countered that it has made an open offer to provide continued access to its DNA sequencing to any Grail competitors.

Illumina closed its acquisition of Grail in 2021, despite the pending legal challenges.

The case isn't the first time that Chief Administrative Law Judge D. Michael Chappell has ruled against the FTC on one of its lawsuits. Earlier this year, he rejected the FTC's challenge of Altria Group Inc.'s purchase of a large stake in e-cigarette maker Juul Labs Inc. The FTC's staff appealed that decision. The case is now pending before the commissioners.

Judge Chappell also ruled against the FTC in a data-security case in 2015.

The FTC under Chair Lina Khan has investigated more proposed mergers and vowed to take a stronger position against deals that could threaten competition. Ms. Khan has said antitrust enforcers need to be more forward-looking, prioritizing con-

BUSINESS & FINANCE



A Cepsa gas station in Spain. Carlyle took a 37% stake in the company in 2019 at a \$12 billion valuation.

Oil Divides Private Equity

Continued from page B1

not divest," said Macky Tall, chairman of Carlyle's global infrastructure group, which includes energy.

The risks to that approach abound. It can be difficult to get debt financing for companies that produce fossil fuels because banks are wary of lending to them now. The limited pool of willing buyers—not just among investment firms, but among other oil-and-gas companies, which are consumed with their own energy-transition efforts—means there also are significant hurdles to exiting from such investments.

Bankers and private-equity managers say it is nearly impossible to take a fossil-fuel

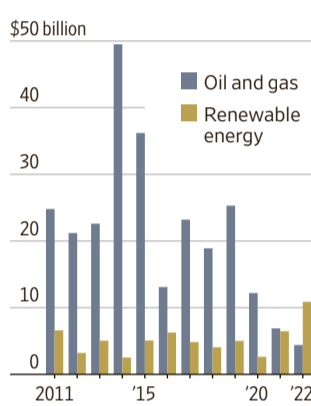
producer public these days.

To have any hope of selling an oil or gas asset at a profit, a firm has to have a plan to make it greener.

That is the aim at Carlyle, where former Chief Executive Kewsong Lee made investing in the energy transition a strategic priority, hiring Mr. Tall from Canadian pension fund **Caisse de dépôt et placement du Québec** and merging infrastructure and energy into one business unit. Mr. Lee has since left Carlyle, but the firm says its board and leadership remain committed to the strategy.

One example of Carlyle's transition strategy is Spanish oil company **Compañía Española de Petróleos**, in which it took a 37% stake in 2019, at a \$12 billion valuation. Carlyle and the oil company's co-owner, Abu Dhabi sovereign-wealth fund **Mubadala Investment Co.**, plan \$7 billion to \$8 billion in capital expenditures over the next decade, with almost two-thirds of that going to measures such as installing

Aggregate transaction value of private-equity and venture-backed investments



Note: 2022 data are as of Aug. 23
Source: S&P Global Market Intelligence

electric-charging stations at many of the company's 2,000 gas stations and developing green hydrogen and so-called sustainable aviation fuels.

Cepsa, as the company is known, had \$1.8 billion in earnings before interest, taxes, depreciation and amortization in 2021 on \$24.5 billion in revenue.

Because of the company's strong cash flow, Carlyle believes it can recoup its initial investment while it owns the business and have cash left over to invest in decarbonization efforts for additional upside, according to Bob Maguire, who oversees the investment as co-head of the firm's international energy fund.

The owners could also opt to carve out certain rapidly growing Cepsa businesses and sell them off or take them public, though Carlyle has no immediate plan to exit from the business, he said.

Cepsa CEO Maarten Wetselaar, who joined from Shell PLC at the start of this year, said he finds working at a private energy company with only two owners easier than at a public company, where shareholders tend to only be interested in owning either a fossil-fuel business or a renewables business.

"The journey is very hard to interest public investors in," he said.



Activision's sales totaled \$8.8 billion in 2021. Above, its 'World of Warcraft.'

Microsoft Buy Draws Concerns

Continued from page B1

zard games or providing access on much worse terms," the watchdog said.

The regulator added it is concerned that Microsoft could use Activision's games to damage competition in the nascent market for cloud gaming, or the streaming of games via internet-connected devices such as consoles, smartphones and laptops.

Microsoft is one of the world's largest cloud-computing service providers and the company has been a leader in the cloud-gaming market through its Game Pass subscription service. Sony offers cloud gaming through its PlayStation Plus subscription.

Microsoft's Mr. Smith said: "Sony, as the industry leader, says it is worried about Call of Duty, but we've said we are committed to making the same game available on the same day on both Xbox and PlayStation."

"We want people to have more access to games, not less," he said.

Representatives for Sony didn't respond to a request for comment.

Entering the second phase of

the probe could indicate the CMA is concerned the deal could harm game developers and consumers in markets under its jurisdiction, said William Newman, a senior counsel at a New York litigation firm. "The U.K. in particular has a very large gaming industry," he said.

The U.K. is home to some top game studios, including Electronic Arts Inc.'s Codemasters and Take-Two Interactive Software Inc.'s Rockstar North. It is the world's sixth-largest videogame software market by revenue, according to industry tracker Newzoo BV. China is the largest, followed by the U.S.

Less than a third of the more than 275 mergers the CMA has investigated since 2017 have moved to the second phase. Of those, the CMA blocked eight, more than a dozen were abandoned and others were approved or gained approval subject to certain conditions.

Microsoft's deal for Activision is being reviewed in the U.S. by the Federal Trade Commission over antitrust concerns. The current FTC leadership has broadcast that it plans to scrutinize acquisitions by the biggest technology companies. Since assuming office in 2021, FTC Chairwoman Lina Khan has taken steps to investigate more deals and what the commission sees as anticompetitive conduct.

Although the deal is undergoing scrutiny in several other markets, competition lawyers said regulators in the U.K., the European Union and the U.S. are

the most likely to intervene. The EU hasn't yet begun a formal review of the deal.

The lawyers said regulators' positions may depend partly on how they define the market affected by the Microsoft-Activision deal and how much of that market the two companies control. If regulators define it broadly—for example, to cover videogames of all kinds—they may be less likely to view the merger as a threat to competition. A more narrowly defined market focused on videogames in the same shooter genre as "Call of Duty" might produce more concerns, they said.

Microsoft announced the agreement to buy Activision for approximately \$95 a share in January. It has said it expects the deal, which would be its largest acquisition by far, to close by June of 2023.

Buying Activision would significantly increase Microsoft's videogame revenue. Activision's sales totaled \$8.8 billion in 2021. Microsoft reported \$16.23 billion in videogame revenue for the fiscal year through June, accounting for about 8% of its total revenue.

Dieter Paemen, a partner with law firm Clifford Chance LLP who is based in Brussels, said the CMA has shown itself to be more assertive after the U.K.'s split from the EU. In recent years, the CMA has been exerting its powers in a series of high-profile cases, targeting tech giants such as Alphabet Inc.'s Google and Apple Inc.

Trading Cards Are In Demand

Continued from page B1

surfing the internet. They discovered sports memorabilia."

Ms. Dunbar estimates there were a handful of million-dollar items in the sports memorabilia market a decade ago. But within mostly the past five years, she says that somewhere between 150 to 200 items have sold for at least \$1 million. "The high end continues to set records," she said.

Even so, the market for baseball cards and sports memorabilia remains opaque. Exact data is hard to come by. What trading cards go for varies based on how rare a card is, its grade and how famous the player is, according to auction houses and appraisers.

Auction houses and appraisers say they are seeing more diversified clientele showing interest in the space. People who for years might invest in a painting by a famous artist are seeing sports memorabilia like a Mickey Mantle trading card as a type of investment, said Michael Osacky, lead appraiser at Professional Sports Authenticator.

"The hobby was really starting to get going prepandemic but then when the pandemic started it was really full speed ahead," Mr. Osacky said.

Chris Ivy, the director of sports collectibles at Heritage Auctions, said demand for sports memorabilia has risen steadily over the past couple of decades. Then came spring of 2020. "It was almost like throwing gasoline on the fire," said Mr. Ivy, referring to prices sharply increasing. Heritage Auctions sold the record-setting Mickey Mantle card.

But market watchers caution that higher prices won't last forever. PSA's Mr. Osacky pointed to a mint-condition Michael Jordan 1986 Fleer rookie card. It was selling for as much as \$35,000 in January 2020, rose to \$725,000 a year later and fell back down now to \$200,000 or less, he said.

BUSINESS NEWS

Campbell's Profit Slides as Shoppers Rethink Spending

By JAEWON KANG AND DEAN SEAL

Campbell Soup Co.'s profit slumped in the latest quarter, as sales volumes shrank even though higher prices boosted the company's revenue.

The soup and snack maker on Thursday reported a profit of \$96 million, or 32 cents a share, for its most recent quarter, compared with \$288 million, or 95 cents a share, in the same period a year earlier.

Costs have escalated for the Camden, N.J.-based company as big food makers deal with industrywide supply-chain constraints that arose from efforts to contain the Covid-19 pandemic and which were exacerbated by Russia's invasion of Ukraine. Companies have sought to pass those costs on to consumers, and decades-high inflation is leading many shoppers to rethink their spending.

Consumers have increasingly looked for items on sale, traded down to less-costly products and bought products in bulk, industry officials have said.

While Campbell's market share in most of its brands remains at or above 2019 levels, Chief Executive Mark Clouse said Thursday, the company is seeing some pressure from store brands, especially in the condensed-soup and broth business. "We've been very focused on which consumers are trading down within soup," Mr. Clouse said on a conference call. Baby-boomer consumers are more sensitive to price changes but are likely to trade back over time, he said, while millennial consumers have been loyal.

Sales increased 6% to \$2 billion for the three months ended July 31, driven by higher prices and sales allowances, while volumes fell 4% amid price increases that have put off some shoppers and supply-chain challenges that have strained production. The company also in-

creased its promotional spending 3% during the quarter, partly as supply rebounded.

Campbell's gross margin narrowed during the quarter, while selling expenses ticked up and administrative expenses, including incentive compensation and benefit-related costs, rose 12%.

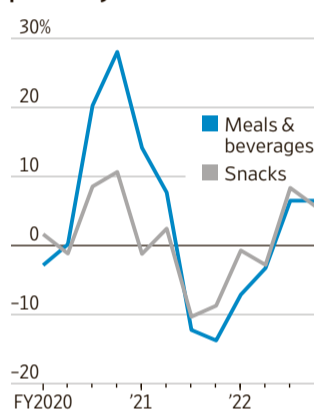
Shares in the company fell 2% to \$49.37 on Thursday.

Campbell has made progress improving its supply chain, but a few businesses are still struggling with material availability, Mr. Clouse said. The company's Lance, Late July and V8 brands are likely to face challenges that Campbell doesn't expect to overcome fully until 2023, he said. Campbell said in June that it had raised prices three times during the past year, leading to increased overall sales but a 3% drop in volumes for its fiscal third quarter.

Campbell said it expects stronger sales growth in its new fiscal year, anticipating supply-chain improvements and higher consumer demand. The company predicted Thursday that revenue would rise between 4% and 6%, versus a 1% gain for the fiscal year ended July 31.

—Patrick Thomas contributed to this article.

Campbell's quarterly sales by segment, change from previous year



Note: Fiscal year ended July 31. Sources: S&P Capital IQ, the company



The cancellations will disrupt plans for around 130,000 passengers, as well as the airline's cargo operations.

Lufthansa Scraps 800 Flights As Its Pilots Stage a Walkout

By BENJAMIN KATZ

Deutsche **Lufthansa AG** is canceling most of its Friday flights at both its major hubs in Germany after a breakdown in talks with pilots led their union to call a 24-hour walkout.

About 800 flights from its Frankfurt and Munich hubs, including trans-Atlantic and other long-haul flights, will be scrapped on Friday with a handful of flights on Thursday also affected, Lufthansa said. The cancellations will disrupt plans for around 130,000 passengers, while cargo operations will also be disrupted, the airline said.

Pilots represented by the German labor group Vereinigung Cockpit were planning to stage the walkout from just after midnight on Friday morning. The union said Lufthansa has failed to make an adequate offer in wage negotiations. Airlines and airports across

Europe are battling repeated and continuing standoffs with workers amid rising inflation and labor shortfalls. Carriers including British Airways and discount giants Ryanair Holdings PLC and easyJet PLC have faced threats of walkouts or prolonged strike action from pilots, cabin crew and ground staff.

The action comes amid widespread staffing shortages across the aviation industry. Operators have tried to rapidly rebuild their networks after a travel bust during the Covid-19 pandemic and a higher-than-expected surge in demand for seats this summer.

The shortages have led to months of travel chaos for passengers, many of whom have been flying for the first time since lockdowns and travel restrictions brought international flying to a standstill.

Lufthansa has made "a very good and socially balanced of-

fer despite the continuing burdens of the Covid crisis and uncertain prospects for the global economy," Lufthansa's Chief Human Resources Officer Michael Niggeman said. "This escalation comes at the expense of many thousands of customers."

The airline said it has offered a 900-euro monthly increase in base salary for all cockpit crew, equivalent to about \$900, representing an 18% increase for entry-level pilots and a 5% raise for higher-paid captains.

The union has asked for a 5.5% increase by the end of the year for all pilots and an additional above-inflation rise in January.

Lufthansa said that, added to other demands, it would add more than 40% in pilot payroll costs over the next two years.

This is the second time in just over a month that Lufthansa is scrapping flights due

to a walkout by staff. The carrier in late July scrapped more than 1,000 flights after separate negotiations with its ground crew union, Verdi, led to a similar walkout. The carrier reached an agreement with the German labor group in early August.

Meanwhile, pilots at Lufthansa's discount arm, **Euro-wings**—also represented by VC—on Wednesday voted in favor of strikes in their separate negotiations over improved wages and benefits. More than 90% of the division's pilots approved possible action, though the union characterized the vote as a warning to management, with no strike dates currently set.

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VW Chief Endorses EV Strategy

Combustion engines still viewed as having role in efforts to curb greenhouse gases

By WILLIAM BOSTON

BERLIN—Volkswagen AG's new CEO, Oliver Blume, endorsed his predecessor's ambitious electric-vehicle strategy on his first day in the job, but said traditional combustion engines could also play a role in the company's effort to reduce its vehicles' greenhouse-gas emissions.

Mr. Blume said that while he backed VW's EV push and might even accelerate it, VW would likely also produce vehicles with low-carbon combustion engines for many years to come.

"Synthetic fuels have the advantage that they can be transported like conventional fuels," Mr. Blume told Germany's Braunschweiger Zeitung newspaper in an interview published on Thursday. "And in addition, today's infrastructure can be used," he said.

Mr. Blume, who is also chief of VW's sports-car brand, Porsche, and his development team there have long embraced so-called electrofuels, a synthetic, low-carbon fuel that can be used in today's vehicles, as a way to keep internal conventional engines in the

market longer while reducing their carbon footprint.

Mr. Blume's support for increasing the role of e-fuels within VW's overall strategy could result in shifting some resources away from electric vehicles to conventional vehicles, said Ferdinand Dudenhöffer, director of CAR-Center for Automotive Research in Duisburg, Germany.

"As a result, VW investment in battery electric vehicles could suffer," Mr. Dudenhöffer said.

In a separate announcement, Porsche said it would hire Sajjad Khan, a respected technology executive who previously worked in leading roles for BMW and Mercedes-Benz, to join its board and oversee automotive information technology development. Mr. Blume, in his role as Porsche CEO, welcomed Mr. Khan, saying it was good to have such a "proven digital expert on board."

Addressing VW top managers at a company gathering in Portugal on Thursday, Mr. Blume nonetheless said the company needed to sharpen its focus on implementing its EV road map and making sure it reached its goals.

"Now, we have to deliver," Mr. Blume told the executives gathered from around the world for the annual conference, according to excerpts from his speech.

The 54-year-old, a 28-year



Support for e-fuels within VW's overall strategy is seen as possibly shifting resources away from electric vehicles to conventional models.

company veteran who has held leadership positions at four of the company's main car brands, was picked by VW's main shareholders as the car giant's new boss after they fired Herbert Diess in July.

Mr. Diess, a former Bayerische Motoren Werke AG executive, joined VW in 2015, becoming CEO in 2018. He transformed the car maker's public image tarnished by an emission-cheating scandal, and set it on a course to rival EV pioneer Tesla Inc.

While well-regarded by analysts, Mr. Diess struggled to deliver on his objectives, including a plan to centralize all software development for VW and bring it in-house.

He also repeatedly fell out with the company's powerful labor representatives, some managers at the car maker's main brands and some of the company's largest shareholders.

As Mr. Blume began addressing the executives in Lisbon, the company's directors announced that they had approved his plan to reduce the size of the management board from 12 to nine, in a move to encourage faster decision making.

Under Mr. Diess, VW's main shareholders had packed the management board with new positions in what analysts saw as an attempt to keep a mistrusted CEO in check.



Oliver Blume supports increased use of synthetic low-carbon fuel.

Toyota Cuts Ties With Editor Over Assault Allegations

By RIVER DAVIS

TOKYO—Toyota Motor Corp. said it would end its relationship with a kabuki and television actor who served as editor in chief of its in-house publication after a Japanese magazine reported that he had sexually assaulted a worker at a club in 2019.

Teruyuki Kagawa, 56 years old, served as a public face of Toyota in Japan in his role as top editor of Toyota Times, a company-owned publication. He appeared in television commercials interviewing Toyota President Akio

Toyoda, who has criticized the way the media portrays the car maker and said its own publication would tell the real story.

Toyota is taking commercials featuring the actor off the air and will end his promotional contract when it expires at the end of this year, a spokeswoman said Thursday.

Last week, the weekly magazine Shukan Shincho reported that Mr. Kagawa, when visiting a Tokyo club in July 2019, had groped the breasts of a woman working at the club. Mr. Kagawa also kissed the woman and re-

moved her bra and passed it around to others, the magazine reported, citing the woman's account of the incident.

Two days after the article was published, Mr. Kagawa apologized on his television program. "I am deeply sorry for the trouble, concern and distress I have caused," he said.

In a statement issued by Mr. Kagawa's management agency at the time, the actor said Shukan Shincho correctly reported that he victimized the woman.

He didn't address the spe-

cific allegations about his actions. He said the fault lay entirely with himself.

Mr. Kagawa hasn't been charged in connection with the incident, and his management agency said he isn't involved in any lawsuits over it.

The actor "conveyed deep remorse" to the woman and "received understanding and forgiveness," the agency said.

Mr. Kagawa has starred in television dramas and, under a different name, has appeared on the kabuki stage playing characters such as a Japanese Robin Hood who steals gold to give to the

poor. He also hosted a news program once a week on broadcaster TBS, which said Thursday it has removed Mr. Kagawa from the program.

Toyota created the Toyota Times media channel in 2019 and appointed Mr. Kagawa editor in chief.

Toyota Times has styled itself as a journalistic organization. A March 2020 post on the Toyota Times website said Mr. Kagawa did his best to remain neutral in reporting from a variety of angles on Toyota and its president.

Through his reporting, Mr. Kagawa aimed to "reveal the

real Toyota," said the post, which was no longer accessible on Thursday. He visited Toyota factories and attended industry events such as the International Auto Show in Detroit.

Mr. Kagawa frequently interviewed Mr. Toyoda and praised the president in an article last year as a man of "exceptional vitality and perseverance."

Thanks to Mr. Toyoda's leadership, Mr. Kagawa wrote, "every Toyota employee I've met in this job has been cheerful. Not a single person appears burnt out."

GM's Cruise Unit Recalls Software in Some Robotaxis

By RYAN FELTON

General Motors Co.'s driverless-car unit has issued a recall related to the software in some of its robotaxis, after a crash this year resulted in minor injuries.

Cruise LLC, in a notice published Thursday by the National Highway Traffic Safety Administration, said the recall campaign covers 80 vehicles with older software that allows them to be operated without a driver at the wheel. When those vehicles made an unprotected left turn, in some circumstances, that software might not have correctly predicted the direction of oncoming vehicles, the filing said.

The software being recalled was used in 80 company-owned cars operated by Cruise in a robotaxi service in San Francisco that weren't made available for sale, the company said. Cruise issued a public recall at NHTSA's suggestion, the filing said.

"We submitted this voluntary filing in the interest of transparency to the public; it pertains to a prior version of software and does not impact or change our current on-road operations," Cruise said.

After years of testing its self-driving-car technology, GM's Cruise in June launched a commercial robotaxi service in San Francisco.

The company is allowed to operate Cruise vehicles in the city's downtown at night without a safety driver present at speeds of as much as 30 miles an hour.

GM has said the deployment of a driverless-taxi service through Cruise will be a crucial growth driver in coming years. The company has



The software was used in 80 company-owned cars operated by Cruise in a robotaxi service in San Francisco.

said Cruise could reap \$50 billion in revenue by the end of the decade, and Chief Executive Mary Barra told investors in July that GM will give priority to investments into self-driving cars and electric vehicles.

Regulators have been paying closer attention as of late to driverless cars being tested on public roads. NHTSA in June released data on crashes involving highly automated systems, such as those operated by Cruise and Alphabet Inc.'s Waymo LLC. Those vehicles are equipped with technology that fully automates driving in certain circumstances.

Cruise's recall follows a June 3 crash involving one of its driverless cars that was struck by an oncoming vehicle in a San Francisco intersec-

tion, according to the filing published this week.

As the driverless car began turning left, its software predicted that the other vehicle, which was traveling in the right-turn lane, would veer directly into the Cruise vehicle's path, the filing said. In response, the Cruise car decided to brake. The oncoming driver then moved out of the turn lane and proceeded into the intersection, colliding with the rear of the Cruise vehicle, the filing said. Local police said the other driver was mostly at fault for the collision.

After the incident, Cruise said it disabled unprotected left turns in its fleet until it updated the vehicles' software July 6. Before then, Cruise said only one such incident occurred in more than 123,500 driverless unprotected left

turns made before the software update.

Cruise said the company's software update improved its ability to predict the actions of other drivers on the road. The company said the software is now better equipped to prevent this type of incident, and it has determined the software would have selected a different path to avoid the collision.

The action is the latest step taken by NHTSA to beef up its oversight of autonomous cars, and it shows how the regulator could address potential safety issues in driverless vehicles going forward. The recall campaign follows a recall earlier this year by Pony.ai, an autonomous-vehicle startup backed by Toyota Motor Corp., over a problem with its driverless software that could

cause vehicles to suddenly shut down.

Cruise's commercial robotaxi service has drawn the attention of regulators in California, as well. In July, the state's regulator responsible for issuing driverless-car permits said it was looking into concerns raised in an anonymous letter that Cruise was preparing to launch its driverless-car operation prematurely.

The letter detailed incidents where Cruise vehicles had stalled at intersections, blocking lanes of traffic, and said that employees had concerns internally about the readiness of the company's technology for commercial deployment. A spokeswoman for the regulator didn't respond to a request to comment Thursday on the matter.

Twitter Tests Edit Button

Continued from page B1

cludes the ability to test new features before they are formally released to all the company's 237.8 million monthly users. When Blue launched in the U.S., the service cost \$2.99 a month. The company raised the price of the subscription in July.

Amid the legal tussle with Mr. Musk, Twitter has stepped up the pace of launching new features. On Tuesday, the company announced Twitter Circle, a way for users to tweet to a

The company has stepped up the pace of launching new features.

smaller group of people rather than their entire follower base.

The deal dispute mostly is centered around Mr. Musk's contention that the company hadn't provided him with the necessary data and information to assess the prevalence of fake or spam accounts on the platform, an argument that Twitter says is an excuse for him to get out of the transaction.

Mr. Musk also alleges that Twitter made changes to the business, including certain personnel matters that he should have been consulted on as the future owner.

BUSINESS NEWS

Amazon New York Union Vote Upheld

Labor official says the company didn't meet burden of proof to overturn results

By Sebastian Herrera

A federal labor official has concluded that the union victory by labor organizers at an Amazon.com Inc. facility in New York should be upheld, after the company contested the April results in which workers voted to establish a union at the tech giant.

Lisa Dunn, a hearing officer with the National Labor Relations Board, said Amazon hadn't adequately proved that the results were inappropriately influenced, a spokeswoman with the NLRB said Thursday. Amazon had contested, saying that the NLRB region where the election was

held, as well union organizers, had inappropriately swayed the vote.

Ms. Dunn's recommendation came after weeks of testimony in a hearing involving lawyers representing Amazon and the Amazon Labor Union, or ALU, the new union that organized workers in New York.

"While we're still reviewing the decision, we strongly disagree with the conclusion and intend to appeal," an Amazon spokesman said in a statement. "As we showed throughout the hearing with dozens of witnesses and hundreds of pages of documents, both the NLRB and the ALU improperly influenced the outcome of the election and we don't believe it represents what the majority of our team wants."

Details of Ms. Dunn's recommendation haven't been released, but the NLRB spokeswoman said Ms. Dunn had

determined that Amazon's objections "should be overruled in their entirety" and that the company hadn't met its burden of proof to overturn election results.

Ms. Dunn's recommendation will be reviewed by regional director Cornele Overstreet from the Phoenix area, where the case moved after Amazon's appeal. Regional directors can often follow the lead of recommendations made by hearing officers when making their decision on cases.

"While we are pleased with her findings, the Amazon workers in the ALU understand that this is just the beginning of a much longer fight," Amazon Labor Union said in a statement. The union has said Amazon's objections to the election were a stalling tactic to delay negotiations for a union contract.

Amazon contested the elec-

tion results after more than 57% of eligible voters from a facility named JFK8 in Staten Island, N.Y., voted to establish the company's first union in the U.S. Amazon Labor Union organizers are seeking to bargain with the company on wages, break time and other issues.

Amazon has argued that union organizers threatened employees into voting in favor of the union. The company also questioned the timing of an NLRB lawsuit that the agency filed shortly before the election, accusing the company of unlawfully firing a Staten Island worker. An NLRB spokeswoman said the agency operates independently to uphold labor law.

At the NLRB hearing over Amazon's objections to the New York vote, lawyers from both parties argued for weeks over minute details in the case and brought in testimony from

Amazon employees, organizers and other people involved with the election.

It could take the regional director weeks or longer to release an official decision. In past cases, directors have followed the recommendations made by hearing officers. One such case involved Amazon's victory in a union election held in 2021 in Bessemer, Ala., which was held again this year after the union in that case won its appeal. A hearing hasn't yet been scheduled to sort out the final results of the second vote after it was too close to call, though Amazon led the tally count when counting stopped in late March.

Parties in the New York case have until Sept. 16 to file exemptions to Ms. Dunn's report.

If the director officially sides with the Amazon Labor Union, the union still has a

battle in front of it. Amazon may ask the NLRB's ruling board in Washington, D.C., to review the director's decision, and companies often stall in contract negotiations. Unions on average wait months to achieve a first contract, according to labor researchers. Ms. Dunn's recommendation sets in motion what could become the first certified union at Amazon in the U.S.

The ALU's victory at JFK8 provided a boost for labor rights activists in the U.S. The election vaulted the union, and its leader, Chris Smalls, to fame while sparking interest from many Amazon workers throughout the country.

The union has since struggled somewhat to capitalize on the victory. The ALU in May lost a bid to unionize a second facility in Staten Island and other organizing efforts have stalled

Kanye West Criticizes Adidas, Threatens to End Gap Deal

By Inti Pacheco and Chavie Lieber

Rapper and entrepreneur Kanye West has lashed out at his fashion partners Gap Inc. and Adidas AG in recent weeks, accusing the companies of everything from stealing his designs to breaking promises that would help expand his ventures.

Mr. West's posts on Instagram on Wednesday and Thursday are his latest expressions of disapproval of the retailers' practices and the partnerships he has with them. The partnerships have resulted in hit products like his Yeezy fashion sneakers and Yeezy Gap hoodie. The artist, in a post he later deleted, also said he wanted to open stores to sell his Yeezy-branded items starting in Atlanta.

"I signed with both Gap and Adidas because it contractually stated they would build permanent stores which neither company has done even



Mr. West's partnerships with the companies yielded hit products such as sneakers and hoodies.

though I saved both those companies," Mr. West said Wednesday in an Instagram post.

A Gap spokeswoman de-

clined to comment. Adidas representatives didn't respond to requests for comment. Representatives for Mr. West didn't return messages seek-

ing comment.

Items that the artist designed in collaboration with Adidas made their debut in 2015, and the parties entered a

long-term partnership the following year. Since then, Mr. West has designed a successful line of Yeezy clothing, sneakers and slide sandals that usually sell out within minutes. Mr. West told The Wall Street Journal in 2020 that the Yeezy brand generates \$1.5 billion in revenue a year.

In June, he called out Adidas Chief Executive Kasper Rorsted on social media when the artist accused the sportswear giant of stealing his designs to sell its Adilette slides. Early last month he criticized the company's leadership for promoting Yeezy Day, a sales event, without his permission.

Gap in 2020 announced a pact with Mr. West in which he would design a clothing line called Yeezy Gap, in a move to help pull the retailer out of its yearslong slump and appeal to younger shoppers. Yeezy was expected to earn royalties and potential equity based on meeting sales targets.

In late 2021, Yeezy Gap released the Perfect hoodie, which Gap said delivered the most sales by an item in a single day on its website. Over 70% of the customers who made a purchase that day were shopping for the first time with the retailer, according to Gap.

"You have to really give me the position to be Ye and do what I'm thinking or I'm going to have to do what I'm thinking somewhere else," Mr. West said in a video he posted to Instagram on Wednesday. In the video, Mr. West is shown talking with Gap officials.

The most recent collection, including designs that Mr. West made in collaboration with the luxury fashion brand Balenciaga, launched in late July. The collection has been met with mixed reviews on social media, said Neil Saunders, managing director of Global Data Retail. Gap hasn't disclosed sales information about the latest collection.

LABOR DAY DEALS



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Buy Side FROM WSJ

THE BOLD NEW SHOPPING SITE FROM THE WALL STREET JOURNAL.

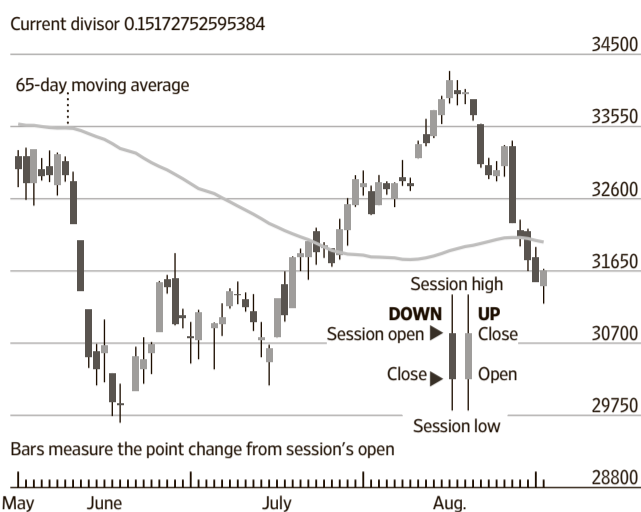
MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

31656.42 ▲145.99, or 0.46%
 High, low, open and close for each trading day of the past three months.

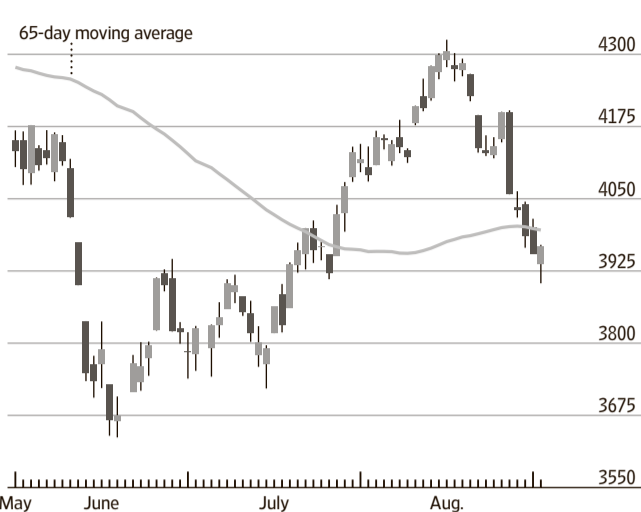
Last Year ago
 Trailing P/E ratio 18.64 24.09
 P/E estimate * 17.79 19.26
 Dividend yield 2.27 1.82
 All-time high 36799.65, 01/04/22



S&P 500 Index

3966.85 ▲11.85, or 0.30%
 High, low, open and close for each trading day of the past three months.

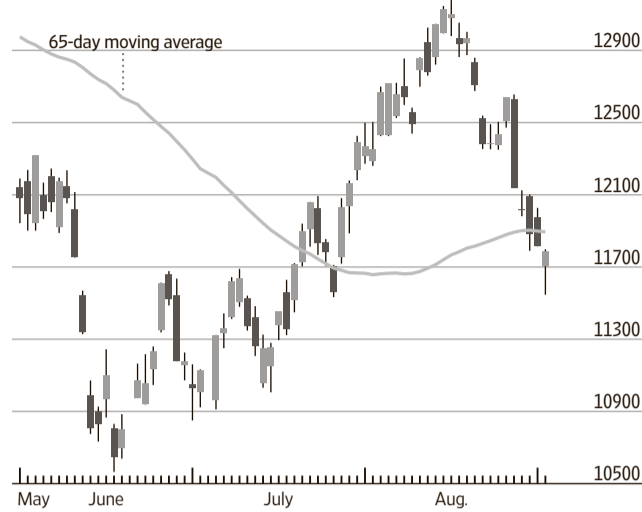
Last Year ago
 Trailing P/E ratio * 22.84 31.26
 P/E estimate * 18.37 22.26
 Dividend yield * 1.54 1.31
 All-time high 4796.56, 01/03/22



Nasdaq Composite Index

11785.13 ▼31.08, or 0.26%
 High, low, open and close for each trading day of the past three months.

Last Year ago
 Trailing P/E ratio * 26.75 36.10
 P/E estimate * 24.25 29.27
 Dividend yield * 0.82 0.66
 All-time high: 16057.44, 11/19/21



Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	High	Low	% chg	52-Week High	Low	% chg	YTD	3-yr. ann.
Dow Jones													
Industrial Average	31677.51	31219.75	31656.42	145.99	0.46	36799.65	29888.78	-10.7	-12.9	6.2			
Transportation Avg	13918.01	13669.35	13913.09	52.44	0.38	17039.38	12868.60	-6.7	-15.6	11.2			
Utility Average	1025.20	1006.18	1024.55	15.47	1.53	1071.75	869.74	7.6	4.5	6.6			
Total Stock Market	39915.30	39258.96	39890.14	24.26	0.06	48929.18	36759.60	-15.3	-18.0	10.0			
Barron's 400	922.08	903.02	914.29	-7.79	-0.84	1127.20	852.16	-12.7	-17.4	11.6			
Nasdaq Stock Market													
Nasdaq Composite	11798.37	11546.52	11785.13	-31.08	-0.26	16057.44	10646.10	-23.1	-24.7	14.0			
Nasdaq-100	12290.33	12012.98	12274.62	2.59	0.02	16573.34	11127.57	-21.3	-24.8	16.9			
S&P													
500 Index	3970.23	3903.65	3966.85	11.85	0.30	4796.56	3666.77	-12.6	-16.8	10.7			
MidCap 400	2416.76	2380.13	2411.20	-19.85	-0.82	2910.70	2200.75	-13.1	-15.2	8.6			
SmallCap 600	1178.34	1157.23	1169.48	-14.50	-1.22	1466.02	1087.48	-15.1	-16.6	8.4			
Other Indexes													
Russell 2000	1826.75	1799.17	1822.82	-21.30	-1.15	2442.74	1649.84	-20.9	-18.8	6.8			
NYSE Composite	14801.24	14576.65	14771.90	-29.35	-0.20	17353.76	14097.05	-12.7	-13.9	5.1			
Value Line	548.59	536.98	544.37	-4.22	-0.77	696.40	510.18	-19.3	-19.0	2.6			
NYSE Arca Biotech	4760.09	4617.59	4758.96	104.76	2.25	6019.57	4208.43	-20.9	-13.8	2.8			
NYSE Arca Pharma	768.19	754.49	767.92	10.96	1.45	887.27	732.23	-3.0	-7.2	9.7			
KBW Bank	105.68	103.61	105.61	-0.18	-0.17	147.56	98.36	-17.0	-20.1	4.3			
PHLX ^S Gold/Silver	96.31	94.42	94.71	-3.34	-3.41	167.76	94.71	-28.7	-28.5	-1.5			
PHLX ^S Oil Service	67.67	65.68	66.17	-2.49	-3.62	88.37	49.14	21.0	25.5	1.7			
PHLX ^S Semiconductor	2629.23	2548.17	2625.95	-51.44	-1.92	4039.51	2458.46	-23.0	-33.5	20.4			
Cboe Volatility	27.45	25.25	25.56	-0.31	-1.20	36.45	15.01	55.8	48.4	10.4			

*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc. †Based on Nasdaq-100 Index
 ‡Nasdaq PHLX
 Sources: FactSet; Dow Jones Market Data

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
SPDR S&P 500	SPY	4,801.7	396.61	0.19	0.05	396.65	382.01
ProShares UltraPro QQQ	UQQQ	2,270.0	27.99	0.15	0.54	28.00	27.65
Apple	AAPL	2,022.6	158.54	0.58	0.37	158.60	155.00
Light Wonder	LNW	2,010.0	47.22	...	unch.	47.22	46.80
Enterprise Pdts Partners	EPD	1,968.8	26.15	-0.02	-0.07	26.39	26.03
Invesco QQQ Trust I	QQQ	1,572.2	300.02	0.62	0.21	319.28	290.93
Direxion Dly SCOND 3 BL	SOXL	1,557.2	13.46	0.24	1.82	13.49	13.09
Mondelez Intl Cl A	MDLZ	1,546.9	61.97	...	unch.	61.97	61.74

Percentage gainers...

Company	Symbol	Close	Net chg	% chg	Latest Session	52-Week High	Low	% chg
HashiCorp Cl A	HCP	107.6	34.39	4.13	13.65	37.00	29.50	
lululemon athletica	LULU	687.4	322.08	27.63	9.38	323.84	292.00	
PagerDuty	PD	76.4	25.57	1.47	6.10	27.25	23.02	
Vanguard Small-Cap	VB	84.5	198.09	10.14	5.40	198.09	186.17	
Roivant Sciences	ROIV	68.1	3.73	0.17	4.78	3.73	3.38	
...And losers								
Udemy	UDMY	354.9	14.06	-0.58	-3.96	14.64	14.05	
NexPoint Residential Tr	NXRT	80.9	50.59	-1.68	-3.21	52.27	50.59	
MGIC Investment	MTG	123.8	13.60	-0.35	-2.51	13.95	13.60	
BioCryst Pharm	BCRX	64.5	13.80	-0.30	-2.13	14.22	13.72	
Direxion Dly Semi 3 Bear	SOXS	229.6	49.99	-0.91	-1.79	51.50	49.90	

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	896,759,960	12,861,011
Adv. volume*	289,105,940	1,101,277
Decl. volume*	592,189,659	11,097,938
Issues traded	3,356	293
Advances	943	64
Declines	2,279	222
Unchanged	134	7
New highs	14	2
New lows	252	27
Closing Arms [†]	0.91	2.53
Block trades [†]	4,533	129
Nasdaq NYSE Arca		
Total volume*	4,792,890,548	328,330,563
Adv. volume*	1,731,438,086	104,710,234
Decl. volume*	3,012,355,010	220,864,146
Issues traded	4,864	1,751
Advances	1,540	461
Declines	3,022	1,275
Unchanged	302	15
New highs	34	7
New lows	425	144
Closing Arms [†]	0.89	0.73
Block trades [†]	26,809	1,383

*Primary market NYSE/NYSE American/NYSE Arca only. †(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World					
	MSCI ACWI	608.31	-4.80	-0.78	-19.4
	MSCI ACWI ex-USA	268.91	-6.49	-2.36	-21.9
	MSCI World	2610.25	-17.07	-0.65	-19.2
	MSCI Emerging Markets	976.14	-17.97	-1.81	-20.8
Americas					
	MSCI AC Americas	1508.50	1.67	0.11	-17.4
Canada	S&P/TSX Comp	19142.72	-188.09	-0.97	-9.8
Latin Amer.	MSCI EM Latin America	2124.59	-1.68	-0.08	-0.2
Brazil	BOVESPA	110405.30	882.42	0.81	5.3
Chile	S&P IPSA	3321.33	-21.06	-0.63	18.4
Mexico	S&P/BMV IPC	45383.85	464.63	1.03	-14.8
EMEA					
	STOXX Europe 600	407.66	-7.46	-1.80	-16.4
Eurozone	Euro STOXX	382.43	-6.71	-1.72	-20.1
Belgium	Bel-20	3533.13	-52.71	-1.47	-18.0
Denmark	OMX Copenhagen 20	1641.14	-49.85	-2.95	-12.0
France	CAC 40	6034.31	-90.79	-1.48	-15.6
Germany	DAX	12630.23	-204.73	-1.60	-20.5
Israel	Tel Aviv	2000.20	-14.32	-0.71	1.1
Italy	FTSE MIB	21302.16	-257.16	-1.19	-22.1
Netherlands	AEX	666.94	-13.37	-1.97	-16.4
Russia	RTS Index	1279.45	21.00	1.67	-19.8
South Africa	FTSE/JSE All-Share	66021.71	-1235.43	-1.84	-10.4
Spain	IBEX 35	7806.00	-80.10	-1.02	-10.4
Sweden	OMX Stockholm	742.08	-21.01	-2.75	-28.4
Switzerland	Swiss Market	10663.44	-191.59	-1.76	-17.2
Turkey	BIST 100	3142.74	-28.47	-0.90	69.2
U.K.	FTSE 100	7148.50	-135.65	-1.86	-3.2
U.K.	FTSE 250	18493.74	-570.01	-2.99	-21.2
Asia-Pacific					
	MSCI AC Asia Pacific	155.06	-3.47	-2.19	-19.7
Australia	S&P/ASX 200	6845.60	-141.16	-2.02	-8.0
China	Shanghai Composite	3184.98	-17.16	-0.54	-12.5
Hong Kong	Hang Seng	19597.31	-357.08	-1.79	-16.2
India	S&P BSE Sensex	58766.59	-770.48	-1.29	0.9
Japan	NIKKEI 225	27661.47	-430.06	-1.53	-3.9
Singapore	Straits Times	3224.08	2.41	0.07	3.2
South Korea	KOSPI	2415.61	-56.44	-2.28	-18.9
Taiwan	TAIEX	14801.86	-293.58	-1.94	-18.8
Thailand	SET	1621.95	-16.98	-1.04	-2.2

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Close	Net chg	% chg	Latest Session	52-Week High	Low	% chg
Hempacco	HPCT	8.35	3.24	63.41	41.80	4.80	...	
GigaCloud Technology	GCT	23.65	9.00	61.43	62.00	12.51	...	
Virax Biolabs	VRAX	5.57	2.06	58.69	29.00	3.01	...	
Forma Therapeutics Hldgs	FMTX	20.24	6.84	51.04	25.21	4.95	-17.6	
ShiftPixy	PIXY	20.58	6.57	46.90	203.00	11.60	-8.6	
Shuttle Pharma	SHPH	52.40	13.92	36.17	126.26	8.13	...	
bioAffinity Technologies	BIAF	8.30	2.18	35.51	15.55	6.13	...	
Nutanix Cl A	NTNX	22.34	5.04	29.13	44.50	13.44	-44.7	
Meihua Intl Medical Techs	MHUA	4.75	0.95	25.00	14.80	2.60	...	
Twin Disc	TWIN	11.59	2.29	24.62	18.20	7.91	-3.8	
Immuneering	IMRX	6.95	1.37	24.55	33.25	3.74	-73.0	
Alaunos Therapeutics	TCRT	3.01	0.55	22.36	3.06	0.41	70.1	
Purple Innovation	PRPL	3.44	0.58	20.28	25.37	2.69	-86.0	
Agios Pharmaceuticals	AGIO	30.59	5.09	19.96	50.98	16.75	-34.1	
Werewolf Therapeutics	HOWL	6.05	0.99	19.57	19.72	3.42	-65.9	

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COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures table with columns for Open, Contract High/Low, Settle, Chg, and Open Interest. Includes Copper-High, Gold, Palladium, and Platinum.

Soybeans, Soybean Meal, Soybean Oil, Rough Rice, Wheat, Wheat (KC), Cattle-Feeder, Cattle-Live, Hogs-Lean, Lumber, Milk, Cocoa, Coffee, Sugar-World, Sugar-Domestic, Corn, Oats, Orange Juice, and Cotton table.

Agriculture Futures table with columns for Open, Contract High/Low, Settle, Chg, and Open Interest. Includes Corn, Oats, and Soybeans.

Interest Rate Futures table with columns for Open, Contract High/Low, Settle, Chg, and Open Interest. Includes Ultra Treasury Bonds, Treasury Bonds, Treasury Notes, and Treasury Inflation-Protected Securities.

Foreign Exchange table with columns for Open, Contract High/Low, Settle, Chg, and Open Interest. Includes British Pound, Swiss Franc, Australian Dollar, Mexican Peso, and Euro.

Index Futures table with columns for Open, Contract High/Low, Settle, Chg, and Open Interest. Includes Mini DJ Industrial Average, Mini S&P 500, Mini S&P Midcap 400, and Mini Nasdaq 100.

Currency Futures table with columns for Open, Contract High/Low, Settle, Chg, and Open Interest. Includes Japanese Yen, Canadian Dollar, and Euro.

Cash Prices

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

Cash Prices table with columns for Thursday and Thursday. Includes Energy, Metals, Fibers and Textiles, Grains and Feeds, and Fats and Oils.

Bonds

Tracking Bond Benchmarks

Return on investment and spreads over Treasuries and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Bond benchmark table with columns for Total return close, YTD total return (%), Index, Yield (%), and Total return close, YTD total return (%), Index. Includes Broad Market Bloomberg Fixed Income Indices, U.S. Corporate Indexes, High Yield Bonds, and U.S. Agency Bloomberg Fixed Income Indices.

Mortgage-Backed Bloomberg Fixed Income Indices

Mortgage-backed bond benchmark table with columns for Total return close, YTD total return (%), Index, Yield (%), and Total return close, YTD total return (%), Index. Includes Mortgage-Backed, Fannie Mae, Freddie Mac, Muni Master, and Global Government.

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=contracted; D=CME; E=Manfra, Tordella & Brookes; H=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; P=Sealand Publishing; R=SNL Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. *Data as of 8/31

Exchange-Traded Portfolios

Exchange-Traded Portfolios table with columns for Thursday, September 1, 2022. Includes largest 100 exchange-traded funds, latest session.

ETF table with columns for Symbol, Closing Price, Chg, YTD (%), and Closing Price, Chg, YTD (%). Includes SPDR S&P 500, SPDR S&P 500 ESG, Tech Select Sector, and others.

*Constrained indexes limit individual issuer concentrations to 2%; the High Yield 100 are the 100 largest bonds. **EMBI Global Index. Sources: ICE Data Services; Bloomberg Fixed Income Indices; J.P. Morgan

Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. Treasuries on benchmark two-year and 10-year government bonds in selected other countries; arrows indicate whether the yield rose (▲) or fell (▼) in the latest session

Global Government Bonds table with columns for Country, Maturity, Yield (%), Spread Under/Over U.S. Treasuries, and Yield (%). Includes U.S., Australia, France, Germany, Italy, Japan, Spain, and U.K.

Corporate Debt

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific expectations

Corporate Debt table with columns for Issuer, Symbol, Coupon (%), Yield (%), Maturity, Spread, and Yield (%). Includes Blackstone Private Credit Fund, Lloyds Banking, Asian Infrastructure Investment Bank, and others.

...And spreads that widened the most

Corporate Debt table showing widened spreads for Banco Santander, Verizon Communications, BNP Paribas, Blackstone Private Credit Fund, Raytheon Technologies, Coca-Cola, Bank of Montreal, and GE Capital International Funding.

High-yield issues with the biggest price increases...

High-yield issues table with columns for Issuer, Symbol, Coupon (%), Yield (%), Maturity, Current, and Last week. Includes Toledo Hospital, FirstEnergy, Raytheon Technologies, and others.

...And with the biggest price decreases

High-yield issues table showing price decreases for Hughes Satellite Systems, Occidental Petroleum, Intesa Sanpaolo, Nokia, Navient, Dish DBS, and Telecom Italia.

Borrowing Benchmarks

September 1, 2022

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.

Money Rates table with sections for Inflation, U.S. consumer price index, International rates, Prime rates, Policy Rates, Overnight repurchase, U.S. government rates, Discount, Federal funds, and Call money.

Secured Overnight Financing Rate

Secured Overnight Financing Rate table with columns for Value and 52-Week High/Low.

DTCC GCF Repo Index

DTCC GCF Repo Index table with columns for Treasury and MBS.

Weekly survey

Weekly survey table with columns for Latest, Week ago, and Year ago.

Freddie Mac

Freddie Mac table with columns for 30-year fixed, 15-year fixed, and Five-year ARM.

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 August 31, 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 Tullett Prebon rates as of 5:30 p.m. ET. Sources: Federal Reserve; Bureau of Labor Statistics; DTCC; FactSet; Tullett Prebon Information, Ltd.

*Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury; 100 basis points=one percentage pt.; change in spread shown is for Z-spread. Note: Data are for the most active issue of bonds with maturities of two years or more. Source: MarketAxess



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BIGGEST 1,000 STOCKS

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq BX (formerly Boston), Chicago Stock Exchange, Cboe, NYSE National and Nasdaq ISE.

Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.

Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher.

Footnotes:
*New 52-week high.
#New 52-week low.
dd-Indicates loss in the most recent quarter.
FD-First day of trading.
H-Does not meet continued listing requirements.
IF-Late listing.
q-Trading halt on primary market.
T-Temporary exemption from Nasdaq requirements.
N-NYSE bankruptcy.
V-Trading halt on primary market.
W-In bankruptcy or receivership or being reorganized under the Bankruptcy Code, or securities assumed by such companies.

Wall Street Journal stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 4 p.m. the previous day.

Thursday, September 1, 2022

Table of stock prices for Thursday, September 1, 2022. Columns include Stock, Sym, Close, Chg, Net, and Stock, Sym, Close, Chg, Net. Includes sub-sections A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

Table of stock prices for Thursday, September 1, 2022. Columns include Stock, Sym, Close, Chg, Net, and Stock, Sym, Close, Chg, Net. Includes sub-sections A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

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Table of stock prices for Thursday, September 1, 2022. Columns include Stock, Sym, Close, Chg, Net, and Stock, Sym, Close, Chg, Net. Includes sub-sections A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

Dividend Changes

Table of dividend changes. Columns include Company, Symbol, Yld%, Amount, New/Old, Frq, Payable/Record.

KEY: A: annual; M: monthly; Q: quarterly; r: revised; SA: semiannual; S21: stock split and ratio; SO: spin-off.

New Highs and Lows

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. % CHG-Daily percentage change from the previous trading session.

Table of new highs and lows. Columns include Stock, 52-Wk High/Low, % Chg, Stock, 52-Wk High/Low, % Chg.

Table of new highs and lows. Columns include Stock, 52-Wk High/Low, % Chg, Stock, 52-Wk High/Low, % Chg.

Table of new highs and lows. Columns include Stock, 52-Wk High/Low, % Chg, Stock, 52-Wk High/Low, % Chg.

Table of new highs and lows. Columns include Stock, 52-Wk High/Low, % Chg, Stock, 52-Wk High/Low, % Chg.

Table of new highs and lows. Columns include Stock, 52-Wk High/Low, % Chg, Stock, 52-Wk High/Low, % Chg.

Mutual Funds

Top 250 mutual-funds listings for Nasdaq-published share classes by net assets.

e-Ex-Dividend; p-Previous day's quotation; f-Footnotes x and s apply; f-Footnotes x and s apply. k-Reallocated by Lipper, using updated data; p-Distribution checks apply.

12b-1-R Redemption charge may apply; s-Stock split or dividend; f-Footnotes x and s apply; v-Footnotes x and s apply; x-Ex-dividend; f-Footnote x and s apply. NA-Not available due to incomplete price, performance or cost data. NE-Not released by Lipper; data under review. NN-Fund not tracked. NS-Fund didn't exist at start of period.

Table of mutual fund data for Thursday, September 1, 2022. Columns include Fund, NAV, Chg, %Ret, Fund, NAV, Chg, %Ret.

Table of mutual fund data for Thursday, September 1, 2022. Columns include Fund, NAV, Chg, %Ret, Fund, NAV, Chg, %Ret.

Table of mutual fund data for Thursday, September 1, 2022. Columns include Fund, NAV, Chg, %Ret, Fund, NAV, Chg, %Ret.

Table of mutual fund data for Thursday, September 1, 2022. Columns include Fund, NAV, Chg, %Ret, Fund, NAV, Chg, %Ret.

Table of mutual fund data for Thursday, September 1, 2022. Columns include Fund, NAV, Chg, %Ret, Fund, NAV, Chg, %Ret.

MARKETS & FINANCE

Dow, S&P Gain After Days of Declines

Oil prices extend run of losses amid demand fears and China lockdown worry

BY PAUL VIGNA AND WILL HORNER

U.S. stocks broke their losing streak, with the S&P 500 and Dow Jones Industrial Average rising slightly even as expectations of higher-for-longer interest rates pummeled other markets.

The S&P 500 added 11.85 points, or 0.3%, to 3966.85, after falling as much as 1.3% earlier in the session.

Gold, oil and other commodities fell, and bond yields hit their highest levels since June, driven by strength in the dollar that pushed the U.S. currency to its highest point in two decades.

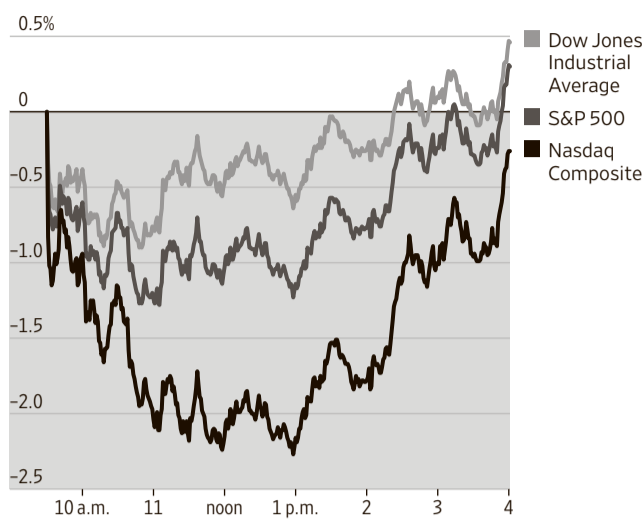
The market is looking at relatively strong economic reports, like Thursday morning's jobless-claims data, and expecting they will compel the Federal Reserve to keep raising rates aggressively, said Thomas Hayes, chairman of Great Hill Capital.

"The bears are going to be in control until the 13th," Mr. Hayes said, referring to the date of the next inflation report.

Comments from Fed Chairman Jerome Powell last week that doubled down on his message that interest rates must continue rising to tame inflation—even if the economy suffers—have sent stocks tumbling. The recent declines have reversed much of the gains made during a summer rally that had lifted stocks and bonds from their lows.

The fall has come as investors reassessed hopes that the Fed could ease off its cam-

Index performance Thursday



Source: FactSet

paign of big interest-rate increases. Instead, many are girding for a lengthier period of higher interest rates, though expectations of when the Fed will start cutting interest rates are likely still too hopeful, said David Donabedian, chief investment officer of CIBC Private Wealth US.

"There was too much Fed optimism. The idea that the

rather than a euphoric one," Mr. Donabedian said.

Yields on benchmark U.S. government bonds climbed to their highest levels since June. The yield on the 10-year Treasury note rose to 3.264% from 3.131% on Wednesday.

Thursday's data provided new clues on the economy and the employment market ahead of Friday's highly anticipated jobs report. U.S. workers' filings for unemployment benefits fell last week, suggesting layoffs are holding at a low level in a tight job market.

A survey of U.S. manufacturing activity for August came in stronger than expected. The ISM Manufacturing PMI came in at 52.8, even with July and above expectations of 51.8.

In commodity markets, oil extended a streak of declines, falling for a third consecutive day, as worries about global demand mount. U.S. crude futures fell 3.3% to \$86.61.

Fresh Covid-19 lockdowns in China are threatening to weaken oil demand, adding to jitters about flagging global growth. The city of Chengdu, with 21 million people, became the latest to impose restrictions.

Overseas, major indexes fell across the board. In Europe, the pan-continental Stoxx Europe 600 retreated 1.8%, led by losses among resource stocks. In Asia, stocks closed lower. At midday Friday, Japan's Nikkei 225 was down 0.2% and the Hang Seng in Hong Kong dropped 0.7%. In mainland China, the Shanghai Composite was up 0.1%.

—Raffaele Huang contributed to this article.

AUCTION RESULTS

Here are the results of Thursday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

Table with 2 columns: Applications, Accepted bids, etc. for FOUR-WEEK BILLS and EIGHT-WEEK BILLS.

Secondary Buyers Expect Investors to Seek Exits

BY LAURA KREUTZER

Wealthy individuals, including so-called accredited investors, poured billions of dollars into private-equity funds and other alternative investments in recent years. Now, more firms that trade in secondhand stakes of private assets are betting some investors will want out.

A survey of around 30 secondary buyers conducted in early 2022 by WSJ Pro Private Equity found 80% of respondents expect to see increased deal volume from family offices and high-net-worth individuals in the next 12 months, up from 70% of buyers who responded to a similar survey in 2021 and 55% in 2020.

Wealthy investors flocked to private equity in recent years

in pursuit of higher returns, often through vehicles called feeder funds that aggregate many investments into a single commitment to one fund.

Over the past decade, a host of companies have also emerged, such as Moonfare GmbH, Beneficient Co. Group LP and Institutional Capital Network Inc., commonly known as iCapital, offering technology or investment structures to help high-net-worth investors access private-markets funds, often by working with advisers.

Even in good times, however, some investors want to cash out of investments before the end of a fund's term. Terms typically range from 10 to 12 years. A survey of 600 mid- to high-net-worth invest-

ors last year by Beneficient and marketing consultant VSA Partners LLC found 82% of respondents tried to seek liquidity for their alternative assets

112 number of Kline Hill Partners deals below \$1 million

at least once over the previous five years.

But the relatively small investments wealthy individuals typically make and the complexities associated with feeder funds they use can make cashing out early from

holdings difficult and costly.

"There are a lot of [secondary] buyers that won't even take a call for [deals of] less than \$50 million," said Verdun Perry, senior managing director at Blackstone Inc. and global head of the firm's Strategic Partners unit.

Over the past five years, Blackstone completed more than 50 such transactions, including some as small as \$250,000, according to the New York firm. Prospective buyers of private-fund stakes from wealthy individuals often need to educate sellers about the structures and terms associated with such deals, Mr. Perry added.

"You have to understand that these people have made their livings as doctors, pro-

fessors and entrepreneurs," Mr. Perry said. "So they may not be as familiar with [secondary transactions] as people who do it all the time."

The structures of feeder vehicles used to invest in private funds, often through banks and other financial institutions, can also make cashing out early more complex.

The feeder fund "may be a different entity with a different fee load or a different cash flow profile," said Tom Kerr, global head of secondaries at private-markets firm Hamilton Lane Inc. "And they are typically raised on a bank platform, so you're not interacting directly with the investor, but with the institution that created that" feeder fund.

Some secondary firms have

built reputations by backing smaller deals. Since its inception in 2015 to late March, Greenwich, Conn.-based Kline Hill Partners invested in 112 deals below \$1 million each and 338 deals below \$10 million each, according to founder and managing partner Mike Bego.

"A lot of wealth managers approach us specifically because we will spend time on the smaller stuff," Mr. Bego said. "They know we will take the time to understand the value of their assets, versus a bigger fund that will put in a lowball bid just to be safe."

Platforms like those run by Moonfare, Beneficient and Yieldstreet Inc. also have sought to bolster liquidity options for investors using their systems.

Tech Companies Say Going Private Comes With Benefits

BY ANGUS LOTEN AND ISABELLE BOUSQUETTE

Private-equity firms are snapping up public companies at a record pace, a move that can rattle chief information officers as trusted tech vendors come under new management.

Newly private tech firms and their private-equity owners say the change is for the better, partly because the companies can focus on the long term instead of on delivering quarterly profits—although the shift typically comes with some growing pains and concerns.

"One of the biggest risks as

a CIO when one of your vendors gets acquired is the product you have: Is that the one that will get killed to cut costs?" said Garrett Bekker, principal research analyst at S&P Global Market Intelligence.

"From our standpoint, we know customers and other stakeholders get nervous," said Monti Saroya, senior managing director and co-head of Vista Equity Partners' Flagship Fund. Vista said this year that it planned to acquire software company Citrix Systems Inc. in a deal valued at \$16.5 billion, including debt, and in August said it would

buy cloud-based tax-management software maker Avalara Inc. for \$8.4 billion.

Mr. Saroya said customers' concerns are typically addressed quickly because Vista focuses on helping its acquisitions scale up their offerings. "In a private setting, we're very much more focused on long-term growth and we worry less about quarterly performance," he said.

Private-equity firms globally spent a record \$220.83 billion on take-private deals in the first half of 2022, up from \$162.81 billion in the comparable period last year, according to data provider Dealogic. In the U.S., private-equity firms spent \$130.23 billion on take-private deals between January and June, nearly double the year-earlier amount. The transactions included Vista's acquisition of Citrix, one of this year's largest deals.

Many buyout firms and investor groups striking deals this year were motivated by the potential for deep discounts for public enterprise-tech vendors, analysts said. The tech-heavy Nasdaq dropped roughly 30% since the start of the year.

Jason Greenberg, head of global technology mergers and acquisitions at investment

bank Jefferies Financial Group Inc., said enterprise-tech companies are attractive acquisition targets for private-equity firms: "They combine predictable revenue streams and, especially for software companies, the potential for expanding profit margins from enhanced scale."

Kurt Shintaffer, chief finan-

cial officer and co-founder of software provider Apptio Inc., said "there were pockets of concern" about its acquisition by Vista, a deal that closed in 2019. The shift led to some employee departures and the senior leadership team needed to learn to cede some control to a board that was much more engaged in daily operations, Mr.

Shintaffer said, although overall he believed the move was for the better.

Free from the scrutiny of its stock price and the pressure of demonstrating quarterly returns, he said the company was able to make longer-term investments such as accelerating the move of its products to the cloud and making acquisitions.



Avalara CEO Scott McFarlane ringing the bell at the New York Stock Exchange on the day his company started trading in 2018.

New Highs and Lows

Table with columns: Stock, 52-Wk % High/Low, 52-Wk % Change, Stock, 52-Wk % High/Low, 52-Wk % Change.

Table with columns: Stock, 52-Wk % High/Low, 52-Wk % Change, Stock, 52-Wk % High/Low, 52-Wk % Change.

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