

# THE WALL STREET JOURNAL.

## What's News

### Business & Finance

**The Bank of England** said it would buy U.K. government bonds with long maturities "on whatever scale is necessary" in a bid to restore order to the market after a large set of government tax cuts sent borrowing costs soaring. **A1, A8**

◆ **A wild run for bonds** took an unexpected turn after the BOE stepped in to stop a rout in the U.K. government-debt market, spurring a furious rally in bonds on both sides of the Atlantic. **A1**

◆ **U.S. stocks swung higher** after several days of losses for the S&P 500 and Dow, which rose 2% and 1.9%, respectively, on Wednesday. The Nasdaq gained 2.1%. **B1**

◆ **Canadian movie-theater chain Cineplex** has approached lenders to its bankrupt rival Cineworld about reviving a potential merger with the U.K. company's Regal Entertainment franchise. **B1**

◆ **Saudi Arabia offered** a first look inside the performance of its \$600 billion sovereign-wealth fund, disclosing a return that was in line with the broader market. **B1**

◆ **VW said it priced Porsche's** initial public offering at the top end of the targeted range, putting the IPO on track to become one of Europe's largest in more than a decade. **B2**

◆ **Lions Gate is now considering** a spinoff of its studio business rather than its Starz premium-cable channel, according to a securities filing. **B2**

◆ **Regions Financial agreed** to pay \$191 million to settle CFPB accusations that it charged surprise overdraft fees that harmed customers. **B10**

### World-Wide

◆ **Hurricane Ian struck** southwest Florida on Wednesday as a damaging Category 4 storm packing maximum sustained winds of 150 miles an hour, making it one of the strongest storms on record to hit the U.S. **A1, A6**

◆ **Zelensky vowed** to protect Ukrainians living under the threat of prolonged Russian rule as Moscow prepares to annex parts of four regions in the east and south of the country following staged referendums. **A7**

◆ **The EU said it would push** through legal changes to allow for an international price cap on seaborne Russian crude and proposed a new sanctions package against Russia. **A7**

◆ **European governments** raced to safeguard their energy infrastructure after detecting leaks on two major Russian natural-gas pipelines that officials said were the result of sabotage. **A7**

◆ **Business groups** including the U.S. Chamber of Commerce and the American Bankers Association sued the CFPB over a recent move by the agency to combat potential discrimination in banking services. **A3**

◆ **The families of victims** of the Fourth of July mass shooting in Highland Park, Ill., are suing gun maker Smith & Wesson for its alleged role in the attack. **A3**

◆ **A wearable device** that automatically regulates blood-sugar levels was found to help people with Type 1 diabetes better manage their condition. **A3**

◆ **Died: Coolio**, 59, "Gangsta's Paradise" rapper. **A2**

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A satellite image shows Hurricane Ian making landfall near Cayo Costa on Florida's Gulf Coast Wednesday.

# Monster Hurricane Ian Lashes Florida With Wind and Rain

By JON KAMP AND ELIZABETH FINDELL

Hurricane Ian struck southwest Florida on Wednesday as a damaging Category 4 storm packing maximum sustained winds of 150 miles an hour, making it one of the strongest storms on record to hit the U.S.

The point of landfall was near Cayo Costa, a small island on the Gulf Coast near Cape Coral and Fort Myers. But Ian's effects are expected to be widespread and catastrophic, including a storm surge that could reach 18 feet.

Tropical storm-force winds late Wednesday extended 175 miles from the storm's center, while hurricane-force winds reached 50 miles out.

"It will be one of the storms people always remember," Gov. Ron DeSantis said. Earlier in the day he warned: "This is going to be a nasty, nasty day, two days."

The hurricane knocked out power to more than 1.8 million customers, with outages concentrated in southwest Florida, according to tracking site poweroutage.us.

By 8 p.m. Eastern time, Ian

was a Category 3 storm about 95 miles from Orlando with maximum winds of 115 miles an hour, the National Hurricane Center said. It said hurricane-force winds were expected to spread inland to central Florida near Ian's core through early Thursday.

Ian is tied with seven other storms for fifth place in highest recorded sustained wind at landfall in the continental U.S., alongside Charley, a hurricane that hit the same region of Florida in 2004, according to Phil Klotzbach, a senior research scientist at Colorado

State University.

The hurricane center said the storm surge could reach 12 to 18 feet above ground along a roughly 50-mile stretch of coast, from Englewood to Bonita Beach, including Charlotte Harbor. These projected numbers grew as the storm intensified. The height would depend on whether peak surge happens during high tide.

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◆ Ian pummels a fast-growing Florida region..... A6  
◆ Property owners brace for damage..... A6

# British Central Bank Moves to Buy Debt

Officials seek to calm markets after U.K.'s tax-cut announcement prompted a big selloff

By PAUL HANNON AND CHELSEY DULANEY

LONDON—The Bank of England said Wednesday that it would buy U.K. government bonds with long maturities "on whatever scale is necessary" in an effort to restore order to the market after a large set of government tax cuts sent borrowing costs soaring.

The furious selloff in U.K. government debt in recent days rippled through normally staid parts of the financial markets. Pension funds and insurers who hold financial derivatives tied to U.K. debt in particular faced the possibility of severe losses, according to analysts, who said the central bank stepped in to try to stop those losses from running out of control.

The BOE's move caused an immediate reaction in markets, but investors and economists said it was too soon to gauge how deep or widespread the damage was and whether the central bank's efforts would be enough to stabilize the situation.

Bond prices both in the U.K. and other markets rallied, sending borrowing costs

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◆ Greg Ip: Inflation's return makes deficits riskier..... A2  
◆ U.K. market woes threaten political, economic crisis..... A8

# Telehealth Startup Failed to Vet IDs Of Minors

By KHADEEJA SAFDAR

Telehealth startup Cerebral Inc. had software that could verify customer IDs but didn't use it to check birth dates and other details, a policy that resulted in some minors being treated without parental consent, according to former employees and documents reviewed by The Wall Street Journal.

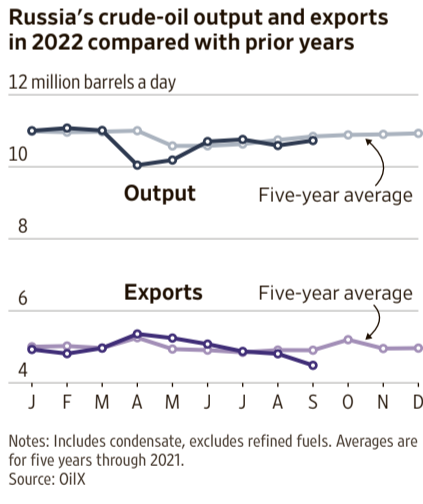
An internal memo reviewed by the Journal described the software ID check as an impediment to customer retention when Cerebral was trying to quickly enroll tens of thousands of customers for mental-health treatment during the Covid-19 pandemic. The company used software to capture selfies of patients but relied on clinicians to verify details such as ages during 30-minute video chats.

"We have provided much-needed care to hundreds of thousands of patients, many of whom would not have had access to critical mental-health support without Cerebral's telemental health services," Cerebral said in a statement. It added that it has tested different ways to verify IDs in its registration process, but has always met legal requirements.

Anthony Kroll signed up for Cerebral in December and uploaded his Missouri intermediate driver's license showing he was 17. Missouri law prohibits clinicians from providing mental-health treatment to people under 18 without parental consent.

Anthony told a Cerebral clinician he had suicidal thoughts, and she prescribed him an antidepressant that

*Please turn to page A2*



**Russian Economy Feels Squeeze**

Russia's already embattled economy is facing new pressure from a costly troop mobilization, plunging energy prices and a new round of Western sanctions over the war in Ukraine. **A7**

# Evidence Emerges Of Alleged Atrocities

More than 400 bodies exhumed in town Russians once occupied in Ukraine

By STEPHEN KALIN

IZYUM, Ukraine—In the early-August heat, Vitaliy Boroviy fished a pair of bloated bodies from the river bisecting this eastern Ukrainian town. From their bound hands, the municipal funeral director surmised that they had been detained, tortured and killed by occupying Russian forces.

*Please turn to page A10*

Mr. Boroviy arranged their burial as best he could, interring them in a pine forest along with more than 400 others who perished during Russia's five-month occupation, which Ukrainian forces brought to an end this month.

◆ Zelensky vows to protect citizens..... A7

# Bend It Like Geller: Psychic Turns His Powers to a Soccer Team

By JAMES HOOKWAY

FALKIRK, Scotland—The players from the seaside town of North Berwick were up against it in the clash against local favorites Mill AFC. Win and they could go top of their local amateur soccer league

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here in Scotland. But Mill were tough opponents, quick to get in North Berwick's faces.

"Maybe you can text Uri and get him to use his powers?" North Berwick substitute Gary Brownlee asked a spectator as Mill launched another

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# Bond-Buying Plan Sparks Rebound In Global Markets

By SAM GOLDFARB AND MATT GROSSMAN

A wild run for bonds took an unexpected turn on Wednesday after the Bank of England stepped in to stop a rout in the U.K. government-bond market, spurring a furious rally in bonds on both sides of the Atlantic.

The sharp move added to a stretch of highly volatile trading sessions and came just after the 10-year U.S. Treasury note had climbed above 4% for the first time in more than a decade—a significant milestone that was quickly swept away by the day's events.

After the dust settled, the benchmark 10-year U.S. Treasury yield settled at 3.707%, according to Tradeweb. That was down from as high as 4.017% in the overnight session and its Tuesday close of 3.963%, marking its largest one-day decline since March 2009.

The 10-year U.K. bond yield

fell to around 4.05% from about 4.50% before the Bank of England's announcement.

Yields on government bonds, which rise when their prices fall, have been climbing all year as central banks around the world try to combat the worst inflation in decades by raising short-term interest rates and otherwise tightening monetary policies.

In the past week, however, yields rose at an especially alarming rate.

Investors began dumping bonds last Thursday, a day after the Federal Reserve had signaled that it would likely lift rates even faster than investors had expected. They got another jolt on Friday when the new U.K. government said that it would cut taxes and greatly increase borrowing, setting off disorderly selling in U.K. bonds

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## INSIDE



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Yankees slugger Aaron Judge hits 61st home run, tying AL record. **A14**



**PERSONAL JOURNAL**  
White House's new bid to clarify maze of airline fees faces rough landing. **A11**



## U.S. NEWS

CAPITAL ACCOUNT | By Greg Ip

## Inflation's Return Makes Deficits Riskier



It's tempting to see the market backlash against the British government's proposed income-tax cut as a uniquely British problem.

That would be a mistake. The markets are sending a deeper message: It's a more dangerous world for deficits.

Before the pandemic, depressed private investment and demand kept inflation too low for central banks that targeted 2%. In that world, government deficits helped by putting upward pressure on inflation. This also tended to push up interest rates, not a bad thing when central banks worried more about rates being stuck at zero. The upshot was that, as far as markets were concerned, governments' capacity to borrow was infinite.

That world is over. Inflation in many countries is too high, and structural forces threaten to keep it there. Having belatedly realized this, central banks are raising rates at the fastest pace in nearly 40 years.

Elected leaders, though, are stuck in prepandemic times. They acknowledge inflation is a problem but borrow as if limits don't exist. After the stimulus-inflated levels of 2020 and 2021, budget deficits fell sharply across developed markets this year, to an average 4.3% of gross domestic product, according to independent economist Phil Suttle. He estimates that

will rise to 6.1% next year and 6.9% in 2024.

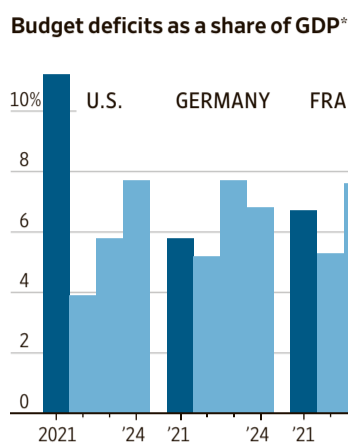
The reaction to British Prime Minister Liz Truss's package at first blush seems excessive. More of the intended borrowing in the coming year is to subsidize energy prices, not cut taxes. As a share of GDP, it's in line with what other European governments are borrowing to defray energy costs in the coming year.

Markets, however, were more forgiving of those plans for several reasons. First, by lowering headline energy prices, subsidies make it less likely inflation becomes embedded in the public's thinking and is thus sustained.

Second, they were seen as necessary, and temporary. By contrast, Ms. Truss's proposed tax cuts are a political choice. They are intended to be permanent and to reduce deficits by boosting growth yet come with no analysis of how. "It's not so much that the package is large, but that the government doesn't seem to mind—and at times seems to welcome the controversy of a strategy that rebels against orthodoxy," J.P. Morgan wrote in a note to clients.

The 3% fall in the pound and a half-percentage point rise in government-bond yields since Chancellor of the Exchequer Kwasi Kwarteng unveiled the proposals Friday has some comparing Britain to an emerging market. The analogy doesn't work. In the Latin American

and Asian crises of the 1980s and 1990s, falling currencies alongside rising rates reflected fear of devaluation, default and hyperinflation. None apply to Britain: it borrows in its own, floating currency, so devaluation or default isn't an issue. It has a credible, independent central bank; indeed, market expectations of future inflation have gone down since Friday, not up. Precisely because Britain is not a fragile emerging market, the Bank of England was able to calm markets Wednesday by announcing renewed purchases of government bonds.



\*Estimates for 2022, forecasts for 2023 and 2024. †3Q 2022 for the five-year Treasury yield as of Sept. 28. Sources: Suttle Economics (deficits); Federal Reserve (expected growth, Treasury yield)

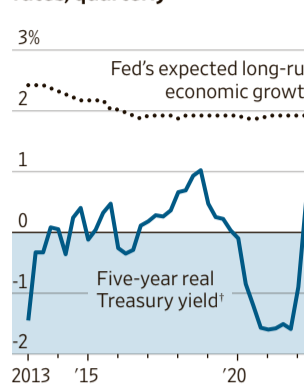
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While the rise in yields appears to have been amplified by the positioning of pension funds, the underlying driver is expectations the BOE will

raise rates to counteract the inflationary effects of the package, while investors will have to buy a lot more debt. Mr. Suttle said Britain needs to borrow £225 billion, equivalent to \$240 billion, to finance the budget deficit next year. In addition, the BOE on Wednesday reiterated plans to sell £80 billion per year of bonds purchased in previous years. In total, Mr. Suttle said, domestic and foreign investors will have to buy debt equal to a staggering 12.2% of British GDP. He warned of a vicious circle: "As markets demand higher bond yields as compensation for greater supply and greater risk...so deficits will widen and net financing needs rise further."

Britain's situation is one, but not unique. Italy, one of

## Economic growth vs. interest rates, quarterly



the world's most indebted governments, has seen its bond yields shoot higher this year, even though incoming right-wing Prime Minister Giorgia Meloni has promised fiscal rectitude. In part that's because the European Central Bank is no longer backstopping governments by purchasing additional debt.

But the country that resembles the U.K. most closely is the U.S. While the reserve status of the dollar and Treasury debt insulates the U.S. from some of the pressures buffeting Britain, its fiscal policy is just as miscalibrated. While President Biden touts the Inflation Reduction Act, which lowers deficits by \$240 billion over a decade, he has signed into

law increased spending on veterans benefits, infrastructure and semiconductors, while taking executive actions that vastly expand food stamp and Obamacare benefits and cancel student debt worth \$400 billion to \$1 trillion.

Adding that to last year's stimulus and associated interest, the Committee for a Responsible Federal Budget estimates Mr. Biden will increase deficits by \$4.8 trillion, or 1.6% of GDP over a decade—comparable to the amount by which Ms. Truss is boosting the U.K. deficit. The relaxed attitude toward debt is shaped in part by Biden economists' assumption that real interest rates—the nominal rate minus inflation—will remain around zero for the coming decade. Federal debt is much more manageable when real rates are lower than the economic growth rate. They have some justification: Real rates were well below the economy's growth rate for the decade before the pandemic.

On the other hand, massive deficits, Fed tightening in response to flare-ups of inflation and diminished private saving could all elevate real rates—as occurred after then-Fed chairman Paul Volcker crushed inflation in the early 1980s. Here's one troubling sign: The real yield on five-year inflation-indexed Treasury bonds this week touched 1.91%, the highest since 2008, about equal to the U.S.'s expected long-term growth rate. On Wednesday, it fell back to 1.63%.

## Minor Patients Not Vetted

Continued from Page One carries a warning label for adolescents, according to medical records reviewed by the Journal. Cerebral didn't notify his family.

His parents, Wendi and Todd Kroll, said they didn't know their son was suicidal or seeking mental-health treatment. "I had no idea he was even on [medication] until the day he died," Mrs. Kroll said, adding that she found the pill bottle at their home a few hours before her son died by suicide.

A Cerebral spokesman said Anthony misrepresented his age, the company regrets he received care without parental consent, and the treatment he received was appropriate. "This case is an unfortunate outlier," the spokesman said. "Any loss of life is tragic, and we extend our deepest condolences to the family."

Cerebral launched its service in early 2020 with a stated mission to improve access to mental-health services. It spent heavily on social-media ads and offered stimulant prescriptions for attention-deficit hyperactivity disorder, or ADHD. Its practices are now under investigation by the Federal Trade Commission and the Justice Department. Cerebral has said it is cooperating with the investigations and has stopped prescribing most controlled substances to new patients.

The company, which was valued as high as \$4.8 billion last year, also enrolled people with bipolar disorder, suicidal thoughts and other serious conditions—and gave some of them appointments without properly vetting their IDs, according to the documents and employees.

Cerebral said its services are for patients 18 and older, and clinicians are required to check IDs. Cerebral said it identified 17 minors who enrolled between May 2021 and April 2022, including Anthony. The company said the patients misrepresented their ages and that it had appointments with about 450,000 patients during that period.

Verifying patient IDs is an issue for the burgeoning telehealth industry, and practices vary among companies. The process helps to ensure telehealth providers aren't treating minors without consent or prescribing to patients in states where clinicians aren't licensed.



Wendi Kroll and her husband, Todd Kroll, weren't aware their 17-year-old son was being treated.

Former and current Cerebral employees, including clinicians and support staff, said that they worried the ID checking process allowed patients to get prescriptions they shouldn't. Some of them said employees had flagged numerous cases in which patients had duplicate accounts or received prescriptions for controlled substances with expired IDs on file.

After the Journal contacted the company this summer, Cerebral said it was in the process of updating its software. The company said it now checks for ages, expired IDs and duplicate accounts. "The company has been and will continually improve these systems," the Cerebral spokesman said.

Cerebral said it originally used custom software to capture images of IDs and patients for clinicians to verify manually. In October 2020, Cerebral started using software from Persona Identities Inc., a tool that verifies IDs by checking ages, duplicate accounts and expiration dates, among other details. Cerebral said it initially used the software to capture photos and block fraudulent IDs but not to check ages.

When Anthony Kroll signed up in December 2021, Cerebral said it used the Persona software to capture an image of his license but it still hadn't enabled the capability to check his date of birth.

On Dec. 27, Anthony had a 24-minute video appointment, according to his medical records. He told the nurse practitioner that he felt safe at home with his family and in all his relationships, and he had attempted suicide one or two months earlier, the records show. He listed his father, Todd, as his emergency contact.

The nurse practitioner wrote a prescription for the antidepressant fluoxetine, the records show. On a call two

days later, he told another employee, a Cerebral counselor, that he had what she described in the records as "passive suicidal intent," and they established a safety plan. The counselor determined Anthony wasn't a risk to himself and others, the records show.

Fluoxetine is a generic version of Prozac. In use for decades, fluoxetine has been shown to be safe but the Food and Drug Administration has added a "black box" warning label indicating increased risk of suicidality in some teens and young adults.

## Cerebral says teen who killed himself misrepresented his age to company.

The prescription bottle, with 14 pills left, has a label listing the nurse practitioner and Michael Boggs, a psychiatrist who is also Cerebral's director of clinical safety.

Dr. Boggs said Anthony wasn't his patient. "If my name was on a prescription bottle for a patient in Missouri, it should not have been," he wrote in an email. Dr. Boggs said he had been the nurse practitioner's collaborating physician in Illinois and Oklahoma, but not in Missouri. State records show Dr. Boggs was issued a license in Missouri on July 22; the company said he applied for it about a year earlier.

Cerebral said its prescribing software only allowed for one supervising doctor to be associated with a nurse practitioner. The company has since upgraded its software. Cerebral said the nurse practitioner was working with another physician licensed in Missouri,

whom it declined to name.

The sheriff's office ruled Anthony's death a suicide. Cerebral said it deemed Anthony passively suicidal and that it discusses removing harmful items with such patients. Mrs. Kroll said she didn't know her son had taken a gun from the house and the family would have removed all firearms if they had been notified.

Telehealth providers should communicate with parents about the care of youth, unless there is a specific reason not to, such as suspected abuse, according to guidelines from the American Academy of Child and Adolescent Psychiatry. Guidelines also recommend that family be advised to remove lethal means from the surroundings of a suicidal patient and monitor prescription medications.

Cerebral said it treats suicidal patients when many other telehealth providers turn them away and that it has worked with leading experts to develop its crisis protocols. The company has created a specialized crisis response team and calls emergency contacts for patients who are actively suicidal. "We stand by our practices," the spokesman said. "Cerebral proudly welcomes the opportunity to care for these individuals."

After her son's funeral, Mrs. Kroll contacted Cerebral in February to complain that it had treated a minor without consent. She asked for his medical records in March and again in June.

Cerebral documents show that in February, company officials reviewed their records and saw that her son's date of birth didn't match his driver's license. They notified Dr. Boggs. Cerebral said clinical leaders reviewed the case and determined the company's crisis protocols were followed.

—Rolf Winkler contributed to this article.

## U.S. WATCH

## OBITUARY

## 'Gangsta's Paradise' Rapper Coolio, 59

Coolio, a hip-hop star known for melding gangsta rap and pop music into memorable hits such as "Gangsta's Paradise," died Wednesday at 59.

The rapper, whose real name was Artis Leon Ivey Jr., died at a friend's home in Los Angeles, his manager, Jarez Posey, told the Associated Press. A cause of death was not immediately clear. Coolio had been performing for audiences and was scheduled to be in Stuttgart, Germany, on Saturday.

A Grammy-winner, Coolio struck gold with the 1995 single "Gangsta's Paradise," which topped the Billboard Hot 100 chart and was featured on the soundtrack of the film "Dangerous Minds."

Coolio, whose career began in the late 1980s, combined his rhymes with a melodic pop sensibility that produced some of the era's biggest hip-hop hits, including 1994's "Fantastic Voyage."

—Neil Shah

## NEW YORK

## Guilty Plea Entered in Hate Crime

A New York man accused of punching an Asian woman more than 100 times in an unprovoked attack has pleaded guilty to a state hate-crime charge, prosecutors said Tuesday.

Tammal Escó, 42 years old,

was caught on video surveillance in March in Yonkers, N.Y., punching and stomping on a 67-year-old woman of Filipino descent.

Mr. Escó pleaded guilty Tuesday to assault in the first degree as a hate crime.

Westchester County District Attorney Miriam E. Rocah said Mr. Escó would be sentenced in November to 17.5 years in state prison, and five years of supervised release, as part of his plea agreement. A lawyer representing Mr. Escó didn't respond to a request for comment.

—Jennifer Calfas

## CALIFORNIA

## RFK's Assassin Fights Parole Denial

Sirhan Sirhan, who assassinated presidential candidate Robert F. Kennedy in 1968, is asking a judge to free him from prison by reversing California Gov. Gavin Newsom's denial of his parole earlier this year.

Sirhan shot Kennedy in Los Angeles, moments after the U.S. senator from New York claimed victory in California's pivotal Democratic presidential primary.

Mr. Newsom said in January that Sirhan remains a threat to the public.

Sirhan's attorney, Angela Berry, says there is no evidence her now 78-year-old client is dangerous. She is filing a writ of habeas corpus asking a judge to rule that Mr. Newsom violated state law. The governor's office didn't respond to a request for comment.

—Associated Press

## CORRECTIONS &amp; AMPLIFICATIONS

Izhevsk, Russia, lies about 60 miles east of Moscow. A World News article on Tues-

day about a school shooting in Izhevsk incorrectly said it is southeast of Moscow.

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## U.S. NEWS

## Consumer Agency Exceeded Authority, Suit Says

By PAUL KIERNAN

WASHINGTON—Business groups sued the Consumer Financial Protection Bureau over a recent move by the agency to combat potential discrimination in banking services, as legal battles between industry and Biden administration regulators are beginning to intensify.

The U.S. Chamber of Commerce, American Bankers Association and several other trade groups Wednesday asked a federal court in Texas to stop the CFPB from looking for discriminatory behavior when conducting routine examinations of financial firms.

They said the agency overstepped its authority when it indicated in March that discrimination in offering financial services could trigger liability under a law that prohibits “unfair, deceptive and abusive acts and practices” in consumer finance. The agency implemented the policy through changes to its examination manual rather than by proposing a rule and seeking public comment, a process plaintiffs say it should have followed.

CFPB spokeswoman Allison Preiss said the agency voluntarily publishes its examination manuals in an effort to be transparent.

“The CFPB’s exam manuals allow banks to ensure they are following the law, and help make certain that consumers are receiving the fair and equitable treatment they deserve,” Ms. Preiss said.

Federal statutes prohibit discrimination in lending on the basis of race, religion, sex or other factors. But in the case of

### Trade groups are targeting CFPB’s antidiscrimination guidelines.

other financial products—such as bank accounts—it is less clear whether such laws apply.

In updating the CFPB’s examination guidelines in March, CFPB Director Rohit Chopra said that it “is unambiguously unfair” for a person to be denied access to a bank account because of their religion or race. As a result, the CFPB said it planned to scrutinize financial firms’ decisions in advertising, pricing and other areas to ensure they are “appropriately testing for and eliminating illegal discrimination.”

Challenged by Senate Republicans over the move in a hearing in April, Mr. Chopra said the CFPB was guided by decades of precedent over what constitutes unfairness.

Mr. Chopra has embraced rhetoric and tactics some other bureaucrats view as out of bounds, pushing the agency to be more adversarial to financial firms than it was during the Trump administration.

“The CFPB is pursuing an ideological agenda that goes well beyond what is authorized by law,” said Neil Bradley, the U.S. Chamber of Commerce’s chief policy officer. He said the CFPB’s updated guidelines are “creating legal uncertainty that will result in fewer financial products available to consumers.”

Industry officials said there is a lack of clarity around how the CFTC will define discrimination. Their concern, echoed by some Republican lawmakers, is that the agency will look beyond intentional practices and instead include cases in which harm to certain groups or individuals is unintentional, a concept known as disparate impact.

For example, financial institutions often charge fees for overdrawing a checking account, cashing a check or sending remittances abroad. Such costs are disproportionately borne by low-income and minority Americans. A study by the Financial Health Network last year found that Black households spent 6% of their annual income on everyday financial services, compared with 3% for white households.

## Low Water Level Exposes More of the Great Salt Lake’s Bottom



**WATCH YOUR STEP:** Angelic Lemmon, a park ranger with the Utah Department of Natural Resources, walked across reef-like structures called microbialites, which are exposed by the receding waters of the Great Salt Lake, near Salt Lake City on Wednesday.

## Bionic Pancreas Shown to Aid Diabetics

Wearable device helped to reduce blood-sugar levels, according to study

By DOMINIQUE MOSBERGEN

A wearable device that automatically regulates blood-sugar levels was found to help people with Type 1 diabetes better manage their condition, potentially expanding the field of treatments for the chronic disease.

The iLet bionic pancreas made by Concord, Mass.-based Beta Bionics helped people with Type 1 diabetes reduce average blood-sugar levels more effectively than other treatment methods including similar devices, according to a study published Wednesday in the *New England Journal of Medicine*.

The Food and Drug Administration hasn’t cleared the iLet, a type of automated insulin-delivery system, for distribution in the U.S. The agency in 2019 granted it breakthrough-device

designation to speed the review process. The agency said it wouldn’t comment on pending applications. The FDA has cleared automated insulin-delivery systems from three other companies: Medtronic PLC, Tandem Diabetes Care and Insulet Corp.

Almost 2 million people in the U.S. have Type 1 diabetes, a potentially fatal condition, according to the American Diabetes Association. The disease arises when the pancreas makes insufficient amounts of insulin, a hormone that regulates the sugar glucose in the blood. Without insulin, glucose buildups can cause complications including heart and kidney disease. Too much insulin can lead to low blood-sugar levels that can also be dangerous.

People with Type 1 diabetes need the right amount of insulin at the right time to avoid such complications. That has long involved multiple fingerstick blood tests and insulin injections a day, said Laurel Messer, a co-author of the iLet study. Only about one-fifth of people with Type 1 diabetes in

the U.S. maintain average blood-sugar levels within the recommended range, research has shown.

“There’s a daily psychological burden of having to do math all day,” said Dr. Messer, a researcher at the Barbara Davis Center for Childhood Diabetes at the University of Colorado.

Automated insulin-delivery systems aim to make the process simpler. They measure glucose levels every few minutes and send insulin into the bloodstream as needed.

Hundreds of thousands of patients with Type 1 and Type 2 diabetes use the Medtronic, Tandem and Insulet devices, studies show. The devices are available with a prescription for around \$6,000, some of which is typically covered by insurance, Dr. Messer said. Insulin cartridges and other supplies can cost hundreds of dollars a month without insurance, she said.

Beta Bionics co-founder Ed Damiano said the iLet, whose name is a nod to the pancreatic islets of Langerhans containing cells that make insulin, would

have a similar price. Dr. Damiano, a professor of biomedical engineering at Boston University whose son has Type 1 diabetes, said the iLet requires less input from users and healthcare providers than other devices.

Other automated insulin-delivery systems prompt patients or healthcare providers to estimate a ratio of insulin to carbohydrates, Dr. Damiano said. They prompt users to indicate how much insulin to administer or how many carbohydrates they plan to consume before each meal. Larger doses of insulin need to be administered right before meals to help regulate the excess glucose consumed through carbohydrates.

Users of iLet input their body weight when the device is first set up, Dr. Damiano said, and indicate before each meal whether it is smaller, typical or larger than usual for them without having to count the carbohydrates in the meal. iLet users can stop insulin from being administered but not manually adjust doses.

The iLet should be charged

for a few minutes every day, Dr. Damiano said.

In the randomized-control study published on Wednesday, over 200 adults and children with Type 1 diabetes used the iLet for about three months. Their results were compared with about 100 people with the same condition using other insulin-delivery methods, including other automated insulin-delivery systems, non-automated insulin pumps and daily insulin injections.

Average blood-sugar levels among iLet users decreased, the study said. The other group showed no change in average blood-sugar levels. There was no statistically significant difference in severe hypoglycemia between the two groups.

Jason Baker, an assistant professor of medicine at Weill Cornell Medicine in New York, said no insulin-delivery system could be considered fully automated. Dr. Baker, who has Type 1 diabetes, said patients should occasionally augment the systems with fingerstick blood tests to ensure it is working properly.

## Big-Mountain Skier Nelson Found Dead After Avalanche

By JOSEPH DE AVILA

Hilaree Nelson, an acclaimed big-mountain skier, was found dead Wednesday after she went missing below the summit of Mount Manaslu in Nepal, according to a helicopter rescue team and her partner.

Ms. Nelson, from Telluride, Colo., went missing Monday, according to her sponsor the North Face. Simrik Air Helicopter, a local helicopter company, recovered her body with the aid of Sherpas, according to Yogesh Sapkota, an official with the company.

She was transported to a hospital in Kathmandu, Nepal, where there will be a postmortem examination, he said.

Ms. Nelson’s partner, Jim Morrison, also a ski mountaineer, accompanied her on the trip. He was with the rescue team when her body was recovered, he said on Instagram.

Mr. Morrison said he and Ms. Nelson reached the summit of Manaslu in tough conditions Monday morning. They planned to ski down from the summit and were on their way to regroup with their Sherpa team when she was swept off her feet by a small avalanche, he said. She fell down a narrow snow slope over the south side of the mountain, he said.

“There are no words to describe the love for this woman, my life partner, my lover, my best friend, and my mountain partner,” Mr. Morrison said. “My loss is inde-



The body of skier Hilaree Nelson was brought to a hospital in Kathmandu, Nepal, after being airlifted from Mount Manaslu.

scribable and I am focused on her children and their steps forward.”

Ms. Nelson, who has two children, has been captain of The North Face Athlete team since 2018. “Today we lost our hero, mentor, and our friend,” the North Face said. “Hilaree Nelson held a spirit as big as the places she led us to. She embodied possibility. Her adventures made us feel at home in the vastness of the world.”

Ms. Nelson had been a professional ski mountaineer for more than two decades and trekked across more than a dozen countries, according to the North Face. She was named National Geographic Adventurer of the Year in 2018 after skiing the Indian mountain Mount Papsura.

Mr. Morrison is also sponsored by the North Face.

Ms. Nelson documented her trip to Manaslu with Mr. Morrison on Instagram in the days leading up to her disappearance. “These past weeks have tested my resilience in new ways. The constant monsoon with its incessant rain and humidity has made me hopelessly homesick,” Ms. Nelson wrote last week on Instagram. “I am challenged to find the peace and inspiration from the mountain when it’s been constantly shrouded in mist.”

Emily Harrington, a professional mountain climber, wrote on Instagram that “Hilaree was a force to be remembered not for this accident or even the physical mountains she climbed and so expertly skied down, but for unapologetically paving the way for women in this space to be everything they want to be.”

## Gun Maker Sued Over Highland Park Attack

By JENNIFER CALFAS

The families of victims of the Fourth of July mass shooting in Highland Park, Ill., are suing gun maker Smith & Wesson for its alleged role in the attack that left seven dead and dozens injured.

The civil lawsuits, filed Wednesday in Lake County Circuit Court, allege Smith & Wesson used deceptive and unfair marketing strategies that violate Illinois law and target “the risk-seeking—and often troubling—desires” of “disturbed young men.”

The gunmaker’s actions, the families say, launched a series of events that led to alleged shooter Robert E. Crimo III firing more than 70 rounds from a rooftop into a crowd gathered for an Independence Day parade.

The lawsuits also name a gun retailer, gun dealer, the accused shooter and his father.

“The shooter did not act on his own,” said Alla Lefkowitz, senior director of affirmative litigation at Everytown Law, the litigation arm of Everytown for Gun Safety, during a press briefing Wednesday.

She said the mass shooting came as a result of deliberate choices made by members of the gun industry.

A representative for Smith & Wesson didn’t respond to a request for comment.

Prosecutors with the Lake County state’s attorney’s office said Mr. Crimo confessed to the shooting.

He later pleaded not guilty to 117 charges, including 21 counts of murder and 48 counts of attempted murder for those wounded.

Mr. Crimo used a Smith & Wesson Model M&P 15 semi-automatic rifle to carry out the attack, according to prosecutors.

Gun manufacturers have broad federal protections from lawsuits brought against them over the illegal use of the weapons they produce, under the Protection of Lawful Commerce in Arms Act.

Lawyers representing the victims of the Highland Park shooting pointed Wednesday to an exception under the law that may allow manufacturers to be found liable based on marketing tactics that violate state law.

The lawsuits filed Wednesday also allege that gun retailer Budsgunshop.com LLC and dealer Red Dot Arms Inc. violated state law by knowingly selling and transferring an assault weapon to a resident of an area where they are banned.

Representatives for Red Dot Arms and Budsgunshop.com didn’t respond to requests for comment after attempts to reach them.

The lawsuits accuse Mr. Crimo’s father of negligence for helping his son get a state firearms license despite allegedly knowing his previous threats of violence.

A lawyer representing Mr. Crimo’s father didn’t respond to a request for comment.



U.S. NEWS



Many Black residents of Chicago's Austin neighborhood, above, expressed doubts that their vote would do much.

# In Crime-Wearied Chicago, Some Consider Not Voting

Democratic governor is heavily favored, but GOP seeks inroads with black residents

By JOSHUA JAMERSON AND CHAD DAY

CHICAGO—Many Black voters in some of Chicago's most violent neighborhoods are frustrated that Democrats haven't curbed persistent crime or fixed the economic problems that underpin it, prompting some to weigh sitting out coming elections.

The Republican long-shot effort to win the Illinois governor's race this fall has centered on calling for more police officers and blaming Democrats for violent crime in Chicago, which last year had one of its worst years since the 1990s before some types of crimes receded this year. Republican aides and strategists said they wouldn't come close to winning deep-blue areas of the state such as Chicago but that they hoped to chip away at the Democratic advantage in the city, which could be achieved if some voters stay home.

The far West Side neighborhood of Austin is part of a swath of neighborhoods on Chicago's South and West sides where longstanding crime worsened during the Covid-19 pandemic. While reported shootings are down this year compared with last year, people who live in the neighbor-

hood say they still occur too often, generally between rival cliques and street gangs. For the year through early September, more vehicles were reported stolen in Austin than during the same period in any of the previous four years, according to city data.

Black Chicagoans say they are skeptical that Chicago's violent crime problem will be addressed based on votes they cast this fall or next year, when Democratic Mayor Lori Lightfoot is up for re-election. Some said their frustration with what they described as Democrats' lack of support for business development and other economic initiatives has left them disillusioned with the political process. Many remain reluctant to back GOP candidates because they disagree with them on other issues and dislike their affiliation with former President Donald Trump.

"Neither politician, Republican or Democrat, represents the interests of the Black people," said Anthony Young, a 26-year-old Black man, in explaining why he doesn't plan to vote this fall.

Illinois trails only Pennsylvania—home to one of the nation's most competitive Senate races—in the number of political advertisements aired this election cycle that are focused on or mention crime, according to an analysis by The Wall Street Journal of data from the ad-tracking firm AdImpact. The ads helped make the Illinois GOP gubernatorial pri-



Source: City of Chicago

mary the most expensive such contest in the U.S. The winner, Darren Bailey, is facing Democratic Gov. J.B. Pritzker, who is heavily favored.

Mr. Young said he moved out of Austin to find safer surroundings but returns to see relatives and friends.

On a recent summer day, he stood on a street corner talking to longtime resident Ronald Talley, 59. Mr. Talley said he felt disillusioned with the political system. Although he has voted for Democrats in the past, he now said he wondered whether voting was worth it. "Crime is right here," he said, pointing to vacant blocks. "No businesses."

Representatives for Ms. Lightfoot said that other cities also saw crime surge during the pandemic, and that Chicago's homicide trajectory was headed downward from its 2020 level. Aides credited city investments toward community safety, such as earmarking \$85 million over three years toward violence-prevention efforts. Christina Freun-

dlich, a Lightfoot spokeswoman, said that curbing crime with economic investments wouldn't be swiftly accomplished, and that the mayor thought that a "holistic approach is what's necessary to truly address the underlying drivers of violence—poverty, neglect, and a lack of economic opportunity."

Mr. Bailey has made Chicago's crime rates a centerpiece of his campaign, calling the city a "hellhole" that Ms. Lightfoot and Mr. Pritzker have failed to clean up.

The Democratic Party "for years [has] come into these communities, they've come into these churches, and they've made promises" that they haven't kept, he said in an interview this summer.

Mr. Bailey's campaign proposals to reduce crime largely focus on law enforcement, such as increasing state penalties for car-jackings by minors and setting up a \$125 million fund to hire and retain cops in the state.

Mr. Pritzker drew praise from Democratic Party officials for his comments against gun violence after the deadly shooting at a July Fourth parade in suburban Highland Park.

A spokeswoman for Mr. Pritzker, who declined an interview request, said the governor had invested in public-safety programs, including by signing legislation that toughened gun-access laws and expanding access for mental healthcare and substance abuse treatment.

# Kagan v. Roberts: Justices Spar Over Court's Credibility

By JESS BRAVIN

WASHINGTON—During the summer months when the Supreme Court was out of session, new arguments arose between the justices themselves on whether the court's legitimacy, in the eyes of the American public, was imperiled after it overturned longstanding precedents in its most recent term.

Liberal Justice Elena Kagan, in a series of public appearances, said the court's conservative majority had diminished the high court's credibility with decisions that track Republican priorities. Chief Justice John Roberts, speaking at a separate event, retorted that the court's decisions have no bearing on its legitimacy as it carries out its mandate to interpret the Constitution. On his side was fellow conservative Samuel Alito, author of the majority opinion in the term's landmark case overturning Roe v. Wade, eliminating a woman's constitutional right to an abortion.

Across the court's history, "the very worst moments have been times when judges have even essentially reflected one party's or one ideology's set of views in their legal decisions," Justice Kagan said last week at Salve Regina University in Newport, R.I. "The thing that builds up reservoirs of public confidence is the court acting like a court and not acting like an extension of the political process."

In July, the Obama appointee, part of the court's three-member liberal minority alongside Justices Sonia Sotomayor and Ketanji Brown Jackson, told a judicial conference in Big Sky, Mont.: "If, over time, the court loses all connection with the public and with public sentiment, that is a dangerous thing for democracy."

Chief Justice Roberts this month took issue with Justice Kagan's critique. "Simply because people disagree with an opinion is not a basis for questioning the legitimacy of the

court," he told a judicial conference in Colorado Springs, Colo. The high court's role, grounded in the Constitution, "doesn't change simply because people disagree with this opinion or that opinion or disagree with the particular mode of jurisprudence," he said.

In a comment Tuesday to The Wall Street Journal, Justice Alito said: "It goes without saying that everyone is free to express disagreement with our decisions and to criticize our reasoning as they see fit. But saying or implying that the court is becoming an illegitimate institution or questioning our integrity crosses an important line."

The chief justice and Justice Kagan declined to comment.

Justice Kagan was on the losing side in nearly every major case last term, not only the landmark opinion overruling Roe v. Wade but also decisions that expanded access to concealed weapons, limited the Environmental Protection Agency's power to fight climate change, and increased religion's presence in public education.

Days after Chief Justice Roberts's remarks in Colorado Springs, Justice Kagan suggested the majority sought those results over consistent application of legal methods conservatives often say they follow. A justice shouldn't be a "textualist just when it leads to the outcomes that you personally happen to favor," she said at Northwestern University.

Court precedents, she said, should be respected except in the most extraordinary circumstances. "It just doesn't look like law when some new judges appointed by a new president come in and just start tossing out the old stuff," she said, in an apparent reference to the positions of Justices Neil Gorsuch, Brett Kavanaugh and Amy Coney Barrett, who were all confirmed during President Donald Trump's single term in office.



Justice Elena Kagan said decisions by the Supreme Court's conservative majority had diminished the high court's credibility.

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# Biden Seeks to Expand Free School Meals

By KRISTINA PETERSON

WASHINGTON—President Biden pushed to expand free school meals as part of what he called a new national strategy to end hunger and increase healthy eating by 2030.

The administration's attempt to stamp out hunger comes as rising food costs have become a political liability for Democrats ahead of this fall's midterm elections. Grocery prices increased 0.7% in August from a month earlier and 13.5% over the past year, according to the Labor Department.

"My plan would make at least nine million more children eligible for free school meals—a major first step for free meals for every single student," Mr. Biden said on Wednesday at a White House conference focused on nutrition, hunger and health.

Republicans, who said the White House had done little outreach to them ahead of the conference, expressed skepticism about broadening federal nutrition programs, including free school meals.

"It is important to utilize taxpayer funds in a meaningful way to help those most in need; providing free meals to the children of doctors, lawyers and lobbyists does not do that," said Rep. Virginia Foxx (R., N.C.), the top Republican on the House Education and Labor Committee, which over-

sees child-nutrition programs.

A program in place during the pandemic that allowed schools to serve free breakfast and lunch to all children ended at the start of this school year, when lawmakers allowed it to lapse.

While Mr. Biden wants to restore free universal school meals fully, administration officials said as a first step that they would press Congress to expand a program known as "community eligibility" that allows schools and school districts in high-poverty areas to

## The GOP expressed skepticism about broadening federal nutrition programs.

serve free breakfast and lunch to all students, without requiring their parents to apply for the benefits.

Republicans blocked a Democratic effort in the stopgap spending bill currently moving through the House and Senate to restore universal free school meals and have indicated that they are skeptical of other efforts to widen free school meals beyond the population already eligible.

Currently, schools or districts are eligible for the community-eligibility program if

40% of their students receive food-stamp benefits or participate in another safety-net program tied to household income.

The administration has estimated that lowering that threshold to 25% would result in about nine million additional children receiving the free school meals but didn't provide an estimate of what that would cost.

Under the current guidelines, children in a family of four are eligible for free school meals if their household income is roughly \$36,000 or less, or \$51,000 for reduced-price meals.

"The working poor—they're the ones who fall through the cracks," said Diane Golzyski, child-nutrition director for the state of Michigan.

Some families who took advantage of the universal free school-meals program during the pandemic said they didn't see a need to keep it in place.

The administration said it would also push Congress to expand access to food-stamp benefits, formally known as the Supplemental Nutrition Assistance Program, including to many formerly incarcerated individuals. Those who were convicted of a federal or state felony involving the possession, use or distribution of a controlled substance are barred from receiving food-stamp benefits, but many states have limited or rolled back that ban.

To make it easier for people to use their benefits, the administration said it would expand online-shopping options for the Special Supplemental Nutrition Program for Women, Infants and Children, known as WIC, and propose updating regulations to permanently allow people to shop online using food-stamp benefits, the use of which surged during the Covid-19 pandemic.

During his Wednesday speech, Mr. Biden asked whether Rep. Jackie Walorski (R., Ind.), who was killed in a car accident last month, was in attendance.

"Jackie are you here? Where's Jackie? She was going to be here," Mr. Biden said. Ms. Walorski was an outspoken advocate for addressing hunger in the U.S. and sponsored legislation to convene the conference, which showed a memorial video of her Wednesday afternoon.

Following the speech, White House press secretary Karine Jean-Pierre didn't acknowledge that Mr. Biden had misspoken. Ms. Jean-Pierre said the president is planning to meet with Ms. Walorski's family at the White House on Friday.

"So of course, she was on his mind. She was top of mind for the president," Ms. Jean-Pierre said. "He very much looks forward to discussing her remarkable legacy of public service with them when he sees her family."



## U.S. NEWS

## Ian Pummels a Fast-Growing Florida Region

BY ELIZABETH FINDELL

As Hurricane Ian slammed ashore Wednesday, it hit an area full of newcomers.

The hurricane made landfall between Fort Myers and nearby Port Charlotte as a Category 4 storm, just after 3 p.m. It's an area that has seen a rapid influx of people since the start of the Covid-19 pandemic.

"For a lot of people, this is an initiation week," said John Boutchia, pastor of Calvary Baptist Church in Englewood, just east of Port Charlotte.

The Punta Gorda metropolitan area, which includes Charlotte County, was the fourth-fastest growing metro area from July 2020 to July 2021,

according to the U.S. Census Bureau.

Since 2000, the area's population has grown from about 141,600 to an estimated 194,800.

Nearby Fort Myers, which U.S. News & World Report ranked as the second-best place in the country to retire, was the sixth-fastest growing city from 2020 to 2021, jumping from just over 86,000 residents to over 92,000.

The area has a high number of retirees, with Charlotte County consistently among the oldest counties in the country, with a median age of over 60 in 2021, according to the Census.

Pastor Boutchia, who lives in Port Charlotte, has watched

the area boom in population.

His church has increased its membership, while the median age of his parishioners has stayed around 65, he said.

"The area's been growing tremendously," Pastor Boutchia said. "If you want anything near the water, this is one of the last places to grab on to anything."

The pastor opted not to evacuate, not wanting his 85-year-old mother-in-law to have to travel, he said.

He spent Tuesday helping a church team board up about nine homes.

His own home had just lost power around noon on Wednesday as the hurricane approached.

"We're just sticking through

it with our people," Pastor Boutchia said.

When Vitaliy Merkulov and his family moved from Sacramento, Calif., to Venice, Fla., in nearby Sarasota County, in 2020, he thought little of hurricanes.

The couple rented a house surrounded by tall trees with a creek in the backyard that connected to a bay. The beach was in sight.

Then came reports of Hurricane Ian. When Mr. Merkulov's family members in Charlotte County said they were considering evacuating due to the projected storm surge, he said "What's that?" he recalled.

He quickly began learning about hurricane patterns and

water surges, as he considered the state of his home, his newborn baby and potential rescue by boat.

The family opted to evacuate.

On Monday, they packed as many belongings as possible, visited four gas stations to find fuel, and drove 11 hours to Charlotte, N.C., with their four daughters, who range in age from 2 weeks to 5 years old.

"I think everything will be pretty much damaged," Mr. Merkulov said. "We are safe and everything else we will figure it out."

Jared Gritton, senior pastor of First Baptist Church of North Port, just above Port Charlotte, said that while many people stocked up on

food and water over the weekend, many remained hopeful the storm would pass farther to the north, until the forecast made it clear the area was in more danger.

"Yesterday, everyone was out," he said. "Generators were flying off the shelves, I know, and I saw a lot of people with plywood, so I think it was a last-minute scramble."

He has been keeping in touch with members of his church, including those weathering the storm.

"There are some in evacuation zones who as of yesterday said they planned to stay, so I'm praying for them," Pastor Gritton said.

—Lynn Waddell  
contributed to this article.



Gusts strike a neighborhood in Punta Gorda, Fla., on Wednesday, as the category 4 storm blew ashore. Sailboats tilt at perilous angles in Roberts Bay, Venice.

## Category 4 Hurricane Strikes

Continued from Page One

"I haven't seen numbers like this many times in my career," said Jamie Rhome, the hurricane center's acting director, during a storm update. "Just a very devastating event starting to unfold unfortunately for the residents of southwest Florida."

Floodwaters were rising quickly Wednesday afternoon in Fort Myers as Krista Gillespie watched a neighbor's car floating down the street, fearing it would hit her house.

Ms. Gillespie, a lifelong Floridian who lives just north of Fort Myers Beach, had been through enough storms that she and her husband opted to ride out this one. They grew more worried about the storm surge as Ian approached Wednesday morning and ran from their one-story home to a neighbor's two-story house.

Their neighbor, a firefighter, had told them they could stay there and left an ax in case they needed one, Ms. Gillespie said.

By 4 p.m., water had entirely submerged mailboxes and cars were floating down the street, Ms. Gillespie said. As she spoke by phone, water began running into the house where she and others were sheltering.

"We've been through so many storms and we've never had flooding like this in this area, so we thought we'd be OK," she said. "We all just un-



derestimated it or something."

The head of the state's largest power utility, Florida Power & Light Co., said it was bracing for sections of its service territory to be destroyed.

"With the storm surge and with these winds, there will be damage that is beyond repair and will require a complete rebuild," Chief Executive Eric Silagy said.

The storm caused widespread transportation disruptions, including airport closures and at least 2,160 cancellations within, into or from the U.S. on Wednesday, according to flight-data tracker FlightAware. Florida's biggest seaport, Jacksonville, and Port Canaveral on the state's Atlantic coast joined the Tampa port in shutting down entirely.

The storm's track spared the heavily populated and flood-vulnerable Tampa Bay area from a direct hit, though the region is still poised to feel the hurricane's effects, in-

cluding significant rainfall.

More than 2.5 million people were under evacuation orders amid school closures.

Mr. DeSantis, a Republican, said on Wednesday he requested from President Biden a major disaster declaration for all 67 Florida counties. Such a declaration provides a range of federal assistance programs, including funds for both emergency and permanent work.

The White House didn't respond to a request to comment. Mr. Biden, a Democrat, has said he would provide any federal resources Florida needs.

Thousands of National Guard troops and utility workers were mobilized for Ian's aftermath. Convoys of utility bucket trucks were heading south toward Florida along I-75 in southern Georgia.

Ian's broader effects could last several days. The Southeast is bracing for widespread, heavy rainfall as the hurricane crosses Florida's peninsula

along a northeast track and potentially emerges as a tropical storm over the Atlantic Ocean. It could then make landfall again Friday, possibly in Georgia or South Carolina.

Central and northeast Florida are projected to see 12 to 20 inches of rain, with some areas receiving as much as 30 inches. Parts of Georgia and South Carolina are bracing for rain in the range of 4 to 8 inches, with up to a foot possible.

Georgia Gov. Brian Kemp declared a state of emergency on Tuesday, warning that damaging winds and downed trees and power lines were possible statewide Friday and Saturday.

Ian could cost the property-insurance industry \$20 billion to \$40 billion in claims based on early hypothetical figures by risk-modeling firms, while the total economic losses would be much higher, RBC Capital Markets analysts wrote in a research note.

RBC said Ian's costs would

be manageable for the industry, which has faced \$80 billion to \$100 billion of annual catastrophe losses for each of the past several years.

This hurricane will be a serious test of Florida's unusual home-insurance market, where dozens of small to midsize carriers and a state-run insurer of last resort play a leading role in paying claims.

Floridians already pay some of the highest home-insurance premiums in the nation, at an average \$4,231 this year, according to trade group Insurance Information Institute.

—Cameron McWhirter, Joseph Pisani, Denny Jacob, Leslie Scism and Lynn Waddell  
contributed to this article.

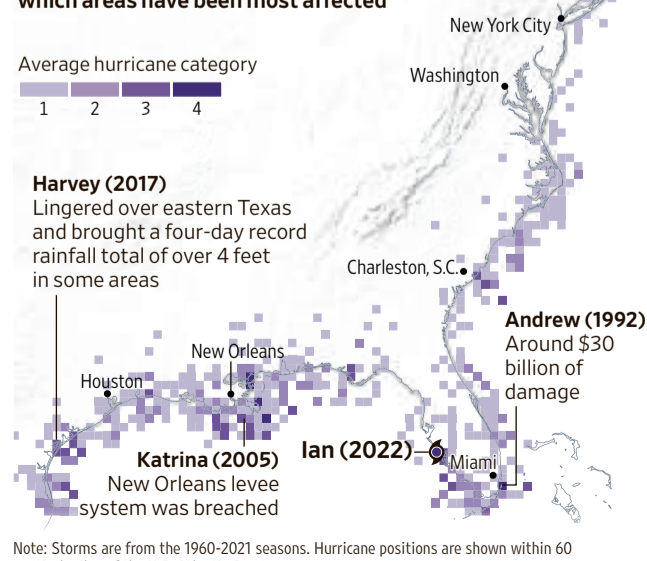
### Watch a Video

Scan this code for a video on Hurricane Ian and its impact on Florida.



As Sarasota on the Gulf coast is swept by Ian's winds, Brent Shaynore makes a break for shelter.

### Decades of recorded hurricane tracks reveal which areas have been most affected



## Tampa Property Owners Brace for Damage

BY KONRAD PUTZIER  
AND WILL PARKER

Florida's Tampa Bay, one of the country's hottest real-estate markets, has experienced a surge in construction and property values in recent years. Now, much of that pricey real estate risks ending up under several feet of saltwater.

That is according to the National Hurricane Center. Hurricane Ian, which strengthened to a Category 4 hurricane early Wednesday, made landfall south of Tampa on Wednesday afternoon.

Apartment and office buildings, hotels, shopping centers and other commercial properties valued at around \$1.5 trillion sit in the storm's forecast path in Florida and nearby states, according to data provider MSCI Real Assets.

Tampa is the biggest property market on Florida's west coast, and it has the most at risk. Developers have been bracing for what is expected to be the worst storm to hit the region in a century, fleeing to higher ground, and tying up loose lumber and roofing tiles.

While many recent property developments were designed to weather powerful storms, more mature properties are unlikely to fare as well.

Older homes on the region's barrier islands are particularly vulnerable, said Jon Mast, chief executive of the Manatee-Sarasota Building Industry Association. "There's a huge opportunity for catastrophe damage from storm surge and wind," said Mr. Mast.

More than one million homes and multifamily buildings, with a replacement value of more than \$258 billion, are at risk of storm damage because of Hurricane Ian, according to housing-data provider CoreLogic.

As more Americans migrate to Sunbelt cities, Tampa has been one of the biggest beneficiaries. The metro area has experienced rapid job and population growth, and now ranks among the highest in the U.S. for accelerating home prices and rising rents.

Since late last week, home builders across the region said they have been halting construction activity and are preparing building sites for heavy winds, strapping building materials into large bundles.

Metro Development Group, which develops master-planned communities in the Tampa area, has been busy preparing its properties for the storm. The company is partially draining artificial lagoons to prevent them from overflowing in the rain, said Vaik O'Grady, vice president of marketing and communications.

Downtown Tampa is also vulnerable. In the Tampa Bay area, almost 17,000 commercial properties and apartment buildings spanning 182 million square feet are in areas at high risk of flooding, according to real-estate data company CoStar Group.

Newer single-family homes are at less risk during Ian, Mr. Mast said, because they tend to be built farther from the water and adhere to modern building codes.



## WORLD NEWS

## Zelensky Vows to Protect Citizens

Ukrainian president's pledge comes as Putin is poised to annex swaths of country

By STEPHEN KALIN

KYIV, Ukraine—President Volodymyr Zelensky vowed to protect Ukrainians living under the threat of prolonged Russian rule as Moscow prepares to annex parts of four regions in the east and south after staged referendums.

Ukrainian forces are trying to push farther into areas occupied by Russian forces, undermining the Kremlin's goal of placing swaths of the country under its permanent control. But after a lightning offensive that liberated some 3,500 square miles of territory in recent weeks, there are signs that the Ukrainian military is encountering stronger resistance in some areas after they regrouped farther east.

Five days of voting in Russian-controlled parts of four regions—Donetsk, Luhansk, Kherson and Zaporizhzhia—ended Tuesday. Residents there said Russian soldiers compelled them to vote, guns drawn, in a choreographed show of support for Moscow's plan to make their regions part of Russia.

On Wednesday, the heads of Russian-backed governments in those regions publicly requested to join the Russian Federation, and two of them said they traveled to Moscow. Politicians in the Russian capital hailed the outcome, saying residents had chosen to "return home."

Russian President Vladimir Putin is expected to announce the regions' annexation in the coming days.



A Ukrainian mechanic test drove a repaired Russian vehicle near the city of Kharkiv in Ukraine's northeast this week.

In a virtual address to the United Nations Security Council late Tuesday, Mr. Zelensky called on foreign governments to send a clear signal to Mr. Putin that such a move would result in further isolation.

"Another attempt to annex the territory of Ukraine will mean that there is nothing to talk about with this president of Russia," he said, warning of further military action.

Turkish President Recep Tayyip Erdogan said Wednesday the referendums would jeopardize efforts to revive a diplomatic process to end the

war, according to a statement from the Turkish presidency.

The U.K.'s Defense Ministry said Ukrainian forces continue to make slow progress in the northeast, where the Ukrainian military said Russian reinforcements don't appear to have had training. But the Ukrainians are facing increased resistance toward Luhansk.

In the Donetsk region, Ukrainian forces are continuing to push east of the Oskil River to encircle the strategic town of Lyman. Street battles could spread to the Luhansk region if Ukrainian forces ex-

tend their advance.

Ukrainian forces remain on the defensive in other parts of the Donetsk region, such as the city of Bakhmut and Avdiivka. Russia controls about two-thirds of the region.

The Biden administration said Wednesday that it was providing an additional \$1.1 billion in military aid for Ukraine.

In light of Mr. Putin's latest military mobilization, the U.S. Embassy in Moscow has warned American citizens wanting to depart Russia to make independent arrange-

ments to leave as soon as possible. The embassy has severe limitations on its ability to assist U.S. citizens, and conditions, including transportation options such as commercial flights, may suddenly become even more limited, it said.

"Russia may refuse to acknowledge dual nationals' U.S. citizenship, deny their access to U.S. consular assistance, prevent their departure from Russia, and conscript dual nationals for military service," the embassy said Tuesday.

Overland routes are still an option, the embassy said.

## Annexation Plan Leads EU to Seek New Curbs

By LAURENCE NORMAN

The European Union's executive said it would push through legal changes to allow for an international price cap on seaborne Russian crude and proposed a new sanctions package against Russia following the Kremlin's latest move to annex new parts of Ukraine.

European Commission President Ursula von der Leyen told reporters on Wednesday the new measures would place an import ban on €7 billion, or about \$7 billion, of Russian sales to the EU, though she gave few details. The package, which needs the approval of all 27 member states, also would ban the export to Russia of a number of goods that can be used by its military in the war in Ukraine, she said.

Ms. von der Leyen said the proposed package included the legal measures to allow for the Russian oil-cap mechanism, a plan being pushed by Washington and backed by the Group of Seven developed nations.

Despite early skepticism in some European capitals over the practical implementation of the measure, the EU, as a participant in the G-7, had said it supported the cap. Washington is pushing the novel mechanism as a way to soften the potential global market effects of an EU oil embargo on Russia, which includes an EU ban on insurance of vessels carrying Russian oil that could have crimped oil sales to Asia and Africa.

That ban was to start Dec. 5. Because that insurance market is dominated by European firms, it could have impeded a much larger share of Russia's global market. U.S. officials worried it could send global prices soaring.

While the EU oil embargo will still start in December, Brussels plans to permit European companies to insure shipments to third countries if the oil is sold within the price cap. The commission is also proposing banning EU shipping companies from carrying Russian oil shipments that are priced above the G-7 price cap. That price hasn't yet been fixed. Under the commission's proposal, the price cap and any future changes to it

**\$7B**

In Russian crude oil facing an EU import ban

wouldn't require separate approval from member states.

The move represents another step forward for the plan, put together and pushed by U.S. Treasury Secretary Janet Yellen. Big buyers of Russian crude, including China and India, are, however, unlikely to sign on, U.S. and European officials say.

EU officials hope the sanctions package can be approved over the next week.

According to a commission explanatory note, seen by The Wall Street Journal, the new sanctions package includes a full import ban on steel and steel products from Russia, as well as bans on paper, machinery and appliances, chemicals, plastics and Russian cigarettes and imports.

The export bans will include goods used in aviation like tires and brakes, lignite used in the refinery industry and electronic components. The sanctions will also target around three dozen people and companies alleged to be involved in the Kremlin-backed referendums in Ukraine and the war.

The EU is also proposing a ban on its citizens from taking positions on the boards of Russian state-owned companies. A number of top former European politicians have taken high profile positions in Russian energy and other firms, including former German Chancellor Gerhard Schröder who was chairman of Rosneft's board. Under public pressure, Mr. Schröder stepped down in May.

Absent from the EU measures was a plan to place an import ban on Russia's rough diamonds. The widely expected measure was removed at the last minute, diplomats said.

## Leaks Spur Europe to Protect Infrastructure

By GEORGI KANTCHEV AND JOE WALLACE

BERLIN—European governments raced to safeguard their energy infrastructure after detecting leaks on two major Russian natural-gas pipelines that officials said were the result of sabotage.

The European Union on Wednesday threatened retaliation for any further attack on Europe's energy facilities following the incidents on the Nord Stream and Nord Stream 2 pipelines.

While the incidents don't affect Europe's gas supply because the pipelines aren't in use, they have raised fears about the safety of the continent's energy systems as governments race to shore up gas supplies for the winter.

Grids, pipelines, telecommunication cables and other vital infrastructure are normally built to withstand accidents but not deliberate at-

tacks. Securing them would add to the financial and logistical burden Europe faces as it seeks to shield itself from its aggressive neighbor.

The Nord Stream incidents, which disrupted shipping and raised environmental concerns, add to a combustible situation in European geopolitics and energy markets.

The U.S. and several European governments have pledged to get to the bottom of it. Some officials and analysts have pointed the finger at Russia. The Kremlin on Wednesday called the allegations "predictably stupid." It called for an investigation.

Later Wednesday, Russia's Foreign Ministry said it would call a United Nations Security Council meeting in connection with what it called "provocations" regarding the pipelines.

The EU is drawing up new sanctions after President Vladimir Putin escalated his war on Ukraine last week by

mobilizing hundreds of thousands of troops and threatening nuclear strikes.

The EU's foreign-policy chief, Josep Borrell, said the leaks suggested a deliberate act, and the bloc would take

**EU will take 'further steps to increase our resilience in energy security.'**

"further steps to increase our resilience in energy security."

Norwegian police on Wednesday reinforced security around the nation's oil-and-gas installations a day after Denmark said it would strengthen safety measures around energy infrastructure. Germany's economy minister, Robert Habeck, warned that critical infrastructure in Europe is a target.

## Russia's Draft, Falling Oil Prices Worsen Economic Pain

A costly troop mobilization, plunging energy prices and a new round of Western sanctions threaten to bear down on Russia's already embattled

By Georgi Kantchev, Yuliya Chernova and Joe Wallace

economy and undermine the financial underpinnings of President Vladimir Putin's war in Ukraine.

The economic storm clouds come as Mr. Putin orders more financial resources directed at the war in Ukraine. The Kremlin's decision to call up more than 300,000 soldiers will require new funds to equip, train and pay the new reinforcements, some analysts said. It has also spread disruption among Russia's private businesses, which face a fresh challenge as workers report for duty or flee the country.

And it is happening as the windfall from soaring energy prices—Russia's main economic strength—appears to have peaked. Russia's federal government budget was in deficit in August because of diminished energy revenue. That was before the latest leg down in prices for oil and before Moscow shut most of its remaining natural-gas flows to Europe.

"Mobilization is another serious hit on the Russian economy, especially because of the



A Russian serviceman on Wednesday addressed reservists in Volzhsky, in the Volgograd region.

increased uncertainty," said Maxim Mironov, professor of finance at Madrid's IE Business School. "And it happens when oil and gas revenues are beginning to dry up."

Wars are often won by the side that has the economic wherewithal to support fighting over the long haul. Ukraine's economy has been battered, but receives a gusher of aid from the West to stay afloat.

Western sanctions staggered Russian commerce, but Moscow succeeded in stabilizing the economy thanks to a jump in energy prices. The ruble, which plunged at the start of the war, rose sharply against the dollar and infla-

tion moderated. The Russian government and independent economists now predict a shallower recession this year than previously assumed.

While there is no evidence of an imminent economic collapse, business owners and investors inside the country reacted with dread to the news of the mobilization. Activists and analysts said Mr. Putin's order opens the door to a much larger draft. Russia's stock market, limited mostly to domestic investors, tumbled after the draft announcement.

"It's really impossible to count," said Mihail Markin, head of the business development department at Moscow-

based logistics company Major Cargo Service. "If it's five people in a 1,000-person company that's one thing, but what if it's half?"

Before the draft, official data showed the government veered into a big budget deficit in August. It reported the budget surplus for the year narrowed to 137 billion rubles, or \$2.3 billion, for the first eight months of the year, from about 481 billion rubles in July.

The government has come up with several measures to plug the gap, including raising taxes on the energy industry. It issued government bonds this month for the first time since February and promised to run a deficit

next year. The bonds will have to be financed by local savers. Foreign investors, who owned 20% of government bonds before the war, are barred from the market. Moscow is shut out of foreign debt markets.

Russia's economic problems are partly a boomerang effect of the country's own policies. High energy prices caused by the war in Ukraine initially created huge revenue for Russia. Around 45% of Russia's total federal budget revenue came from oil and gas in the first seven months of the year, according to the Institute of International Finance.

But high energy prices have put a brake on global growth and led to a widespread slowdown in demand for oil. Benchmark Brent crude has fallen by almost a third from its June high to trade at less than \$85 a barrel.

Factoring in the discount of about \$20 for Russian crude, Moscow is already selling its oil below the price needed to balance the budget, estimated at \$69 a barrel in 2021 by S&P Global Commodity Insights. The strong ruble complicates matters for the Kremlin by reducing the value of oil exports when the proceeds are converted into Russia's currency.

Exports of oil have fallen as well as the price in recent weeks, analysts and ship-tracking firms say.



WORLD NEWS

Bank of England to Buy Bonds

Continued from Page One lower. The pound swung wildly against the dollar, falling more than 1% before recovering ground. The pound closed up 1.5% Wednesday at \$1.0891.

The BOE said that in the days since the government's tax announcement, U.K. asset prices have suffered a significant decline that could weaken the country's financial system and economy if left unchecked.

"Were dysfunction in this market to continue or worsen, there would be a material risk to U.K. financial stability," it said. "This would lead to an unwarranted tightening of financing conditions and a reduction of the flow of credit to the real economy."

The BOE said the purchases, which are set to run through mid-October, were strictly time limited and are "intended to tackle a specific problem in the long-dated government bond market."

The intervention reflected deep concerns that the bond-market selloff was spiraling into a systemic crisis that threatens to hammer an already struggling U.K. economy. The moves echoed the aggressive actions taken by central banks in previous financial crises, including during the Covid-19 market panic and the 2008-09 global financial crisis.

The rescue of the bond market required the BOE to essentially reverse direction on its broader policy, at least over the short term. It would postpone the sale of government bonds under a program of quantitative tightening that was intended to help bring surging inflation under control. The program was agreed to by policy makers earlier this month and was due to begin next week, but it has been



The Bank of England's bond purchases are set to run through mid-October.

delayed until Oct. 31.

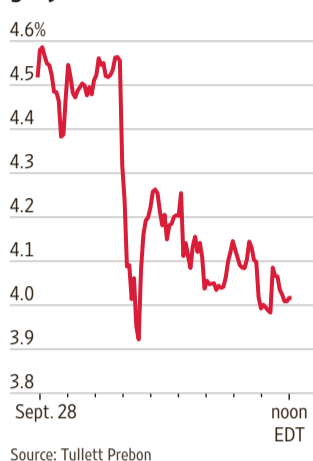
The sudden change by the central bank highlights the challenges facing the U.K.'s financial markets after the government's tax-cut plans unveiled last week spooked investors, sparking a steep sell-off in the pound and roiling debt markets. The turbulence is a big early test for the government of new Prime Minister Liz Truss, which has worked to reassure markets since last week's announcement.

The government's unexpectedly large borrowing plan put it at odds with the central bank, which has been trying to tame inflation through higher interest rates. As recently as Tuesday, Bank of England Chief Economist Huw Pill told investors that the central bank would press ahead with its bond sales.

"The move smacks of a bit of panic and also of frustration that the government appears to be digging in its heels, reluctant to perform a political U-turn," said Susannah Streeter, an investment analyst at money manager Hargreaves Lansdown. "Instead, the Bank of England has been forced to pursue a monetary U-turn, an abrupt change of policy."

In a separate statement, the U.K.'s treasury said it would cover any losses the central

Benchmark 10-year U.K. gilt yield



Source: Tullett Prebon

bank faces as a result of its purchase and later sale of bonds.

The U.K.'s financial troubles have become a global concern. The International Monetary Fund late Tuesday made a rare public warning against the U.K.'s spending plans. Ratings firm Moody's Investors Service said the plan was a negative for the country's standing with creditors.

Several banks in the U.K. have suspended or curtailed new mortgages in recent days, unable to adjust to the whipsawing changes in bond yields, which set a benchmark for lending through the economy.

The decline in value of U.K. government bonds, meant to be among the safest assets around, spread pain among investors such as insurance companies and pension funds.

Accelerating the bond-market selloff appeared to be financial derivatives contracts tied to interest-rate moves used by pension funds.

Ben Gold, head of investment at pensions consultants XPS, estimated that U.K. pension funds have received margin calls for at least £1 billion, about \$1.1 billion, since last week's budget announcement.

Pension funds have been forced to sell assets to post collateral with the funds that manage their exposure to rate moves, known as liability-driven investment funds. Roughly £1.5 trillion in assets were held in LDIs in 2020, according to trade body the Investment Association.

Typically, pension funds have several days to come up with cash once their LDI manager asks for collateral. Now, pension managers are being given hours.

"Because things have moved so fast in the past few days, a number of managers are writing to funds and saying we can't wait two weeks, we need it today," Mr. Gold said.

U.K. Market Woes Threaten Political, Economic Crisis

The U.K. continued to try to stave off a financial and economic crisis on Wednesday as the country's central bank carried out emergency buying of government bonds to stabilize a spiraling debt market, adding pressure on the government of new Prime Minister Liz Truss.

By Max Colchester, Paul Hannon and Chelsey Dulaney

The central bank's surprise move to spend 1 billion pounds buying U.K. government debt spurred a rally in the bond market, and helped the embattled pound gain slightly against the U.S. dollar, though it was still down against the euro. But the intervention underscores the risks that continuing market turbulence poses to the U.K. financial system and economy.

Analysts warned that market pressure would likely continue over concerns about government plans to make sweeping tax cuts and spending hikes at a time of high inflation.

The contest is shaping up as a battle of wills between the financial markets and the government, which has so far refused to back down on its stimulus plan, which included a cut in payroll taxes and an abolition of a 45% tax on those earning over £150,000 a year.

Each passing day of turbulence raises the chances of a broader financial crisis and damage to the real economy itself. A hit to the pound in the days after the government announced its plan on Friday has eroded the value of assets across the U.K., stoked inflation by making imports more expensive, and will almost certainly lead to far higher interest rates, suffocating growth further.

The sudden crisis threatens to overwhelm two relatively untested politicians who have

taken the helm of the world's sixth-biggest economy, Ms. Truss and her chancellor, Kwasi Kwarteng. Both took power three weeks ago after Ms. Truss won a Conservative Party contest.

In recent days Mr. Kwarteng has tried to reassure the market by holding daily meetings with Bank of England Governor Andrew Bailey. Ms. Truss hasn't commented publicly on the market troubles.

U.K. government officials have cast the turmoil as the result of global issues rather than their spending plans.

The Bank of England's intervention on Wednesday came after a furious selloff in U.K. government debt in recent days began rippling through financial markets, affecting pension funds and insurers who hold financial derivatives tied to U.K. debt.

The Bank of England said it planned a series of auctions that could see as much as £65 billion in bonds purchased.

On Wednesday Mr. Kwarteng met with bankers to discuss regulatory revision and showed no appetite to tweak policy, said a person familiar with the meeting. But many in the Tory party, which has long marketed itself as the party of economic prudence, are shellshocked by the showdown between the government and the investment community. There is speculation that Ms. Truss could be booted out of power by her own party before the country next holds a general election, widely expected to be in 2024.

A poll out this week from YouGov showed the opposition Labour Party with its biggest ever recorded lead. The Conservatives were on track to win just 28% of votes. Voters don't like the package that will, in the short term, make richer people richer, said Chris Curtis, head of political polling at Opinium.

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## WORLD NEWS

# Harris Criticizes 'Disturbing' Moves by China

By TARINI PARTI

TOKYO—Vice President Kamala Harris, speaking aboard a naval destroyer in Japan, called out China for what she called disturbing behavior and said the U.S. would deepen unofficial ties with Taiwan.

Ms. Harris's speech followed a series of meetings with allies in which she sought to reassure them of Washington's security commitments amid escalating tensions with China and North Korea, which fired ballistic missiles a few hours after the speech.

"China has flexed its military and economic might to coerce and intimidate its neighbors. And we have witnessed disturbing behavior in the East China Sea and in the

South China Sea, and most recently, provocations across the Taiwan Strait," Ms. Harris told sailors on the USS Howard at Yokosuka naval base outside Tokyo on Wednesday.

She said she expected Beijing to continue the aggressive moves that it began in August when House Speaker Nancy Pelosi visited Taiwan.

Ms. Harris also criticized Pyongyang for launching a short-range ballistic missile off its east coast ahead of her visit. She blamed China and North Korea for increasingly challenging international rules and norms, listing their actions alongside those of Russia in its war against Ukraine.

North Korea's missile launch on Sunday was timed with the arrival of a nuclear-



Vice President Kamala Harris addressed sailors on the USS Howard at Yokosuka naval base outside Tokyo on Wednesday.

powered U.S. aircraft carrier in the South Korean port city of Busan for joint naval drills with South Korea.

Late Wednesday afternoon, North Korea launched two short-range ballistic missiles off its east coast, officials in Tokyo and Seoul said.

The vice president is scheduled to tour on Thursday the demilitarized zone that sepa-

rates the Koreans—the first visit by a top-level U.S. official to the zone under the Biden administration.

Ms. Harris's four-day trip to Asia, her second to the region following a trip last year to Singapore and Vietnam, was built around the state funeral of former Japanese Prime Minister Shinzo Abe in Tokyo and includes a stop in Seoul. It

comes days after President Biden's remarks that the U.S. military would defend Taiwan in case of an attack from Beijing further angered China.

Military tensions over Taiwan, a democratically governed island claimed by China but not controlled by it, have been at their highest level in more than two decades after Mrs. Pelosi (D., Calif.) visited.

Asked about Ms. Harris's Asia visit on Tuesday, Chinese Foreign Ministry spokesman Wang Wenbin said the U.S. should "state its opposition to all 'Taiwan independence' separatist activities with absolute clarity." He mentioned Mrs. Pelosi's Taiwan visit and said, "What the U.S. side has done seriously violates China's sovereignty and territorial integrity."

## Treasuries Stage Rally

Continued from Page One that spilled across borders.

Those moves, however, reversed overnight when the BOE released a statement saying it would "carry out temporary purchases" of longer-term U.K. bonds "to restore orderly market conditions." The central bank also delayed plans to sell U.K. bonds that it had accumulated earlier in the pandemic.

U.K. bonds led Wednesday's rally. But there were also large declines in U.S. Treasury yields, reflecting what investors and analysts described as relief on Wall Street that at least one cause of recent selling was be-

ing addressed.

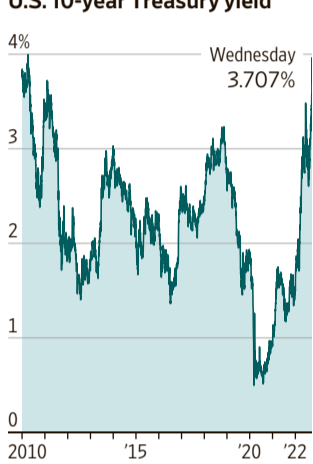
In the current environment, "anybody with a forceful move that supports financial price stability helps all markets to some extent," said Jim Vogel, interest-rates strategist at FHN Financial.

In recent months, rising Treasury yields have ratcheted up borrowing costs for households, businesses and the government and have slammed the stock market, slashing corporate valuations and sending the Dow Jones industrials into a bear market this week. New stock offerings have ground to a standstill, highly indebted companies face a tough fundraising landscape and mortgage costs have jumped, causing a slowdown in housing.

Through Tuesday, the 10-year U.S. yield had climbed nearly 2.5 percentage points this year, the largest increase over that period since 1981.

Other assets got a boost from

U.S. 10-year Treasury yield



Source: Ryan ALM, Tradeweb ICE Close

the drop in bond yields on Wednesday, as the prices of stocks and commodities climbed.

It remained far from clear whether the rally in bonds was sustainable. In recent days, analysts on Wall Street have sometimes struggled to under-

stand exactly why yields were rising so much, and the same was true for their reversal on Wednesday.

Among the eye-catching developments: While yield declines in the U.K. were led by longer-term bonds, in the U.S. market they were just as large among shorter-term Treasuries, the yields of which are typically dictated by the near-term outlook for interest rates set by the Fed.

Reacting to that move, some investors and analysts said it was reasonable to wonder if the Fed might slow its pace of interest-rate increases after considering their possible role in the recent market volatility.

Others, though, dismissed that thinking, arguing that the Fed would continue to raise rates at exactly the pace it felt it needed to bring down inflation absent a much more serious breakdown in U.S. trading conditions.

For that reason, "relief [for U.S. bond prices] is likely to be temporary," Roberto Perli and Benson Durham of Piper Sandler wrote in a note to clients Wednesday.

One point of agreement is that the Fed's actions have consequences beyond the U.S. economy.

By moving earlier and faster to raise interest rates than many other central banks, the Fed has helped strengthen the dollar against other currencies. That in turn has put extra pressure on other central banks to raise rates quickly, so that their currencies don't continue to weaken in a way that further stokes inflation.

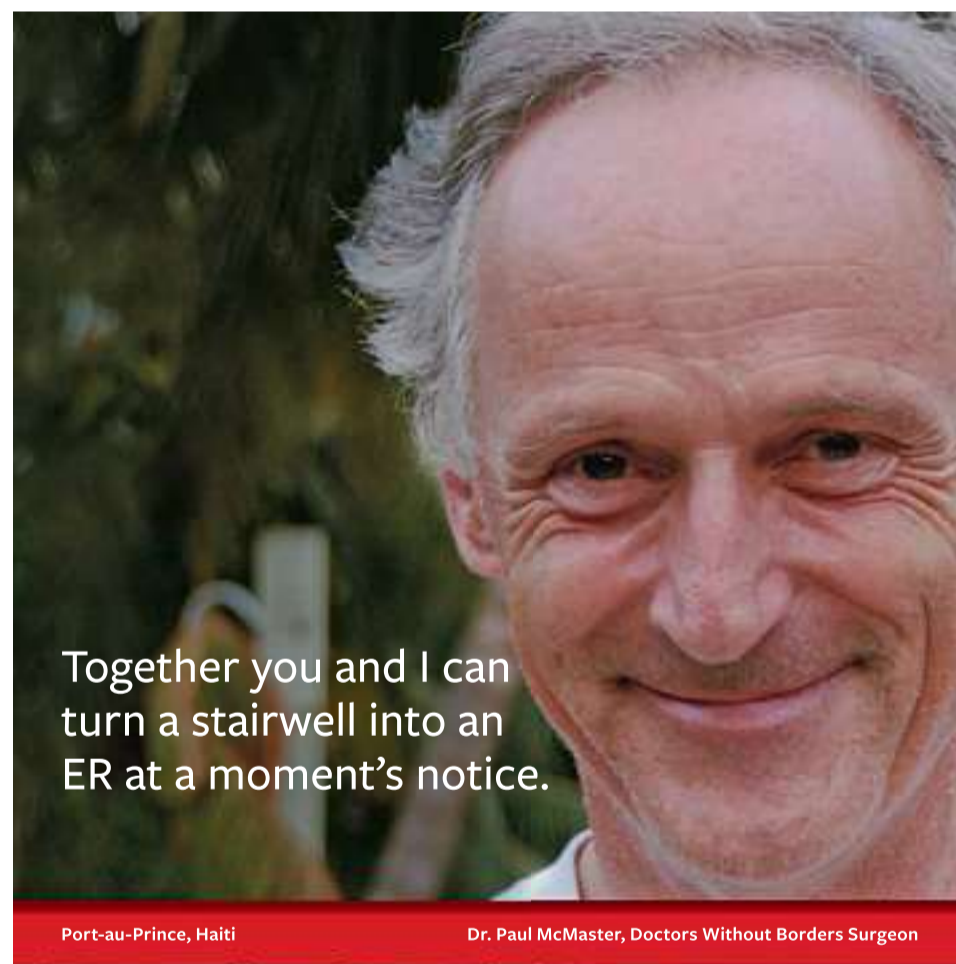
Recent moves by global central banks to aggressively lift rates have contributed to Treasury selling, analysts said, as rising yields abroad give investors more buying options.

Treasury yields are largely determined by investors' expect-

tations for what overnight interest rates set by the Fed will be over the life of a bond. They in turn set a floor on borrowing costs throughout the economy.

Heading into this year, many economists and Fed officials thought that rising inflation would fade by itself or with only mild intervention from the central bank. Wall Street analysts had typically guessed the Fed would raise interest rates by less than a percentage point in 2022.

Instead, Fed Chairman Jerome Powell has led the central bank through its most aggressive series of rate rises in decades. After raising rates by a quarter of a percentage point in March and half a percentage point in May, the Fed lifted them by three-quarters of a percentage point at its June meeting. Then it repeated that step twice more, bringing the benchmark fed-funds rate to a range of 3% to 3.25%.



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## FROM PAGE ONE

# Ukrainians Exhume Bodies

Continued from Page One

When that mass burial site was uncovered by Ukrainian authorities on Sept. 15, it was unclear who most of the victims were and how they died. Since then, a picture has emerged from residents of a town subject to escalating torture and killings as Ukrainian forces closed in this summer.

Mr. Boroviy, a lanky and soft-spoken 55-year-old, said he buried so many bodies in Izyum that he ran out of wood to make new coffins and wrapped some of them in blankets. On separate occasions, Russian soldiers ordered him to collect two bodies from wooded areas, where he suspects they were dumped after being tortured.

He buried five more bodies with ropes still tied around their necks, suggesting they had been executed or died by suicide. Other bodies, collected near a bridge over the river and on roads leading out of the town, he said, carried bullet wounds indicating to him they had been shot as they fled.

Exhumation of the mass burial site was completed on Friday, revealing that most of the 436 bodies had signs of violent death including gunshot wounds, broken limbs, bound hands and amputated genitalia, Kharkiv regional governor Oleg Sinegubov said last week.

At least three other burial sites have been found in other liberated cities of Kharkiv, the area encompassing Izyum, according to Mr. Sinegubov.

The signs of violence found in Izyum recall some of the war's grisliest killings in Bucha and other towns and villages around Kyiv this spring. Those killings occurred as Russian forces attacking the capital were halted and pummeled by Ukrainian defenders.

Ukrainian President Volodymyr Zelensky on Sept. 16 accused Russia of repeating in Izyum what it did in Bucha, where more than 450 bodies were recovered. "We have just begun to learn the full truth about what was happening in the Kharkiv region," he said.

The Kremlin hasn't commented on Mr. Zelensky's allegations. Leonid Slutsky, head of the Russian parliament's international affairs committee, has characterized his comments as lies. The Kremlin didn't respond to a request for comment for this article.

In Izyum, which is known as a strawberry-growing hub and had a prewar population of some 46,000, the violence swelled over a lengthy occupation as Ukrainian forces closed in, residents say.

Russian invasion forces seized Izyum in late March and turned it into a hub for its efforts to seize the eastern Donetsk and Luhansk regions. Moscow moved troops and armored vehicles into the town as it struck south, seeking to encircle Ukrainian troops to the east.

## Wooden crosses

Russia's violent capture of Izyum, when it bombarded the town with artillery and airstrikes, killed dozens of civilians, many of whom were left on the street or buried in courtyards and public parks. Mr. Boroviy said volunteers



Above, workers carry newly exhumed bodies at the mass burial site in Izyum, Ukraine, on Sept. 19. More than 400 bodies were found; below, Vitaliy Boroviy, municipal funeral director, said he buried so many bodies in Izyum that he ran out of wood to make new coffins and wrapped some of them in blankets.

helped him dig them up and carry them across the river to the gravesite, over a footbridge, the only one remaining after the rest were blown up.

The gravesite, just off the main road into Izyum from the north, abuts a formal cemetery named Shakespeare. Hundreds of small mounds of the forest's sandy soil are marked with wooden crosses bearing numbers and in some cases names and dates of birth and death. All around are trenches dug by the Russians and abandoned ahead of the Ukrainian advance.

Mr. Boroviy, who previously worked at a local school as a night watchman, has been helping bury Izyum's dead for two decades through a company that sells coffins and grave-stones. One of his customers, the municipal funeral service, hired him after another employee struggled to keep track of bodies piling up under Russian occupation. He became its director in May when the previous director left town.

Mr. Boroviy said he wrote down where the bodies were taken from and tried to identify them, but that wasn't always possible.

Decaying corpses were pulled from the rubble of buildings destroyed in aerial attacks during the Russian takeover, including more than 50 people who had huddled in an underground shelter and an unidentified Ukrainian sharpshooter, according to the funeral services director and residents who lived in a building that collapsed. Later, others killed during the Russian occupation were moved quickly to the morgue rather than left to rot in the streets. Many of these



bodies ended up in the mass burial site.

One day, a Russian soldier showed Mr. Boroviy a freshly covered pit at the gravesite and told him: "Seventeen of your soldiers are here." He made a wooden cross to mark the spot. Ukrainian investigators who exhumed the site this month said many of the soldiers' bodies showed traces of torture.

The Russians, who had dug trenches and posted tanks in the forest nearby, forbid burial ceremonies. Sometimes, Mr. Boroviy said, he unloaded bodies there but was forced by shelling to return a day or two later to bury them.

He estimated the death rate in Izyum during Russia's occupation was four times as high as usual, even after more than half the population had fled.

As the Ukrainians halted the Russian advance earlier this summer, Izyum became a target for Ukrainian artillery, includ-

ing high-tech rocket launchers supplied by the U.S., which hammered Russian positions to lay the ground for a rapid offensive this month.

In one strike in late June, Ukrainian forces hit Russian military headquarters at a school in Izyum, killing 17 Russian service members, including a colonel and two majors, wounding more than 20 and destroying many vehicles, Ukrainian soldiers have said, citing their own intelligence.

Russian troops suspected residents of covertly aiding the advancing forces, according to interviews with more than a dozen locals. Soldiers, along with a police force from eastern areas of Ukraine that Russia cleaved from Kyiv's control in 2014, targeted men with even tangential ties to the Ukrainian military or security forces. They detained people for keeping photos or maps on their phones deemed suspicious.

Residents said they stayed out of public sight whenever possible to avoid abuses.

As the Ukrainian military closed in on Izyum last month, Mr. Boroviy said he faced mounting threats from jumpy Russian soldiers who believed the movements required by his job were ideal cover for an enemy scout.

Soldiers asked him why he was often going to the edge of town and working in the forest and said they suspected him of coordinating artillery and mortar attacks. He said they thrust their rifle muzzles into his chest and shot the ground between his feet.

Ihor Klymenko, head of Ukraine's national police, said this month that six chambers used for torture were found in Izyum and a site in nearby Balakliya. They contained evidence that people were kept in overcrowded cells and tortured with electric shocks.

Prominent newspaper columnist Maxim Maximov was detained at one of those sites, accused by his captors of spying for Ukraine, he said in an interview.

On Sept. 3, he said, men wearing the uniform of Russian military police and balaclavas covering their faces pulled up to his home in a white Russian-made jeep. They took him to Izyum's central police station, where he was held in near total darkness in a dingy concrete cell below ground and interrogated about alleged contacts with the Ukrainian security service. In a windowless shooting range in the basement of the police station, Mr. Maximov said he was blindfolded and sustained hearing loss in his

left ear from severe beatings. He said his tormentors suffocated him with a gas mask and connected wires from a military field telephone to metal cuffs binding his hands and feet, shocking him with electricity that would knock him off his chair.

With him in the cell were four other men, including two former soldiers who had served in Ukrainian forces that sought to reclaim eastern territories from Russian troops and their local allies in 2014.

One of them, Serhiy Kostomarov, said the Russian-installed Ukrainian police took him to the station on Aug. 9 after finding his military papers and medals during a home search.

For two days, he said, they beat his backside so badly that he couldn't sit, shocked his legs with electricity and placed a plastic bag over his head while beating him in the chest to make him gasp for air. Then they left him in the cell for a week before resuming interrogations and beatings.

## 'Run away'

On Sept. 9, the eve of the Ukrainian seizure of Izyum, the pro-Russian separatists guarding the prisoners turned visibly nervous. They threatened to toss grenades into the cells in the event of a Russian retreat, said Mr. Maximov.

By dawn, the Ukrainian guards had changed into civilian clothes and opened the cells' heavy iron doors. "Run away," Mr. Maximov recalled them telling the prisoners, warning that the Russians would come and kill them.

He and Mr. Kostomarov said they ran out of the police station with others to find the streets of Izyum abandoned and checkpoints unmanned. The Russians had imposed a three-day curfew and then fled, locals said. By midday, the Ukrainians were back in control of the town.

At the mass gravesite last week, body bags were lined up on the ground as locals trickled into a white tent to give testimony to police investigators about how their loved ones had died. Mr. Boroviy suspects more graves have yet to be found, containing bodies that the Russians disposed of themselves. "Families come to us and ask where the body is, but we have no bodies," he said.

—Artem Bondar  
contributed to this article.



Columnist Maxim Maximov shows marks on his wrists. He said he was shocked with electricity.



# Psychic Has Vision For Soccer

Continued from Page One

attack. The Uri in question is Uri Geller, the psychic propelled to fame in the 1970s for bending spoons with what he said was the power of his mind—and, since mid-August, the North Berwick team's chairman.

Several years ago, he bought a small rocky island lying off the town's coast called the Lamb. The place is uninhabited, a wildlife reserve no larger than a soccer field and home to colonies of puffins, guillemots and other seabirds. Mr. Geller says he was drawn to it partly for his belief it might hold relics buried by a pharaoh's daughter 3,500

years ago. He paid £30,000 for it when it came up for sale, though excavations are prohibited.

Now Mr. Geller is turning the Lamb into his own micronation, adding to a galaxy of imaginary countries, from old oil rigs to assorted backyards or bedrooms, jousting for international recognition.

He charges \$1 a head for citizenship, with the proceeds going to a charity, Save a Child's Heart. He designed a flag, based on a design he thought up with Salvador Dali in the 1970s. He adopted an anthem and has drawn up a constitution professing peace and love for all mankind and extraterrestrials, too. Several celebrities have signed up, including singer Peter Andre and writer and TV personality Stephen Fry.

But what Mr. Geller really wants is a soccer team—and he will use his powers if it will help rack up a few wins.

North Berwick Amateurs captain Jack Fish looked up

Mr. Geller's email after the mother of a couple of the players read about his plans in the local paper, the East Lothian Courier. Mr. Fish fired off a proposal, thinking it could bring the team some publicity, like when the actors Ryan Reynolds and Rob McElhenney bought the Welsh team Wrexham AFC two years ago.

North Berwick was local, it was already a functioning team, and because it was amateur, it wouldn't cost much. "He replied within 10 minutes," Mr. Fish said. "It was on."

The players weren't too sure what would happen next. Nor were they sure who Mr. Geller was exactly.

"He's not our demographic, really. We'd just hear stories about a madman who bought the island," said player-coach Hamish Law.

Their parents quickly filled them in on how Mr. Geller regularly appeared on television and baffled audiences by bending spoons. Intelligence

agencies and scientists tried to determine the precise source of his powers, which appeared to include extrasensory perception, or ESP, and a flair for publicity. Documents from the Central Intelligence Agency show Mr. Geller convinced some agents that "he has demonstrated his paranormal perceptual ability in a convincing and unambiguous manner."

But in Scotland, Mr. Geller, now 75, is best known for a stunt in which he claims to have used his telekinetic powers to nudge the ball just as Scottish player Gary McAllister was taking a penalty kick against England in the 1996 European Championships. The ball went rocketing over the crossbar and England won the game. Mr. Geller was deluged with hate mail from north of the border.

"I did something highly unethical," he said from his home in Tel Aviv, and has been trying to make amends ever since.

Backing the North Berwick soccer team, now called the Lambies, could go a long way toward that. The team is a good fit for Mr. Geller's belief that anything is possible if you put your mind to it. The players mostly are young men who grew up in and around the town but had begun to drift away to jobs and new lives in places such as Edinburgh and Glasgow.

"During the Covid lockdowns we'd get together on Zoom when we were a bit lonely and we'd talk about how we used to play football when we were kids," Mr. Law said. "So when it was over we decided to form a team and start competing."

If any of their players picks up a yellow card or a red for a sending off, the team pays the fine as a donation to a Scottish mental health charity. As chairman, Mr. Geller is helping with some administrative costs, which could help place the team on firmer footing and enable younger players to

break through the ranks.

In the future, he hopes the team will play against those of other micronations or in the Island Games, an annual tournament involving teams from places such as Greenland, the Faroe Islands and Gotland, in Sweden. Perhaps it could play in the World Cup one day, he muses.

For now, the Lambies appear to be benefiting from Mr. Geller's other interventions, though he promises he isn't doing anything to adversely affect opposing teams this time.

In the match against Mill AFC in Falkirk, he quickly responded to Mr. Brownlee's plea for a supernatural assist.

"Ok, will try all the way from the Holly land," Mr. Geller responded on WhatsApp.

"They just scored. Thanks very much for that—keep them coming!" a spectator wrote back.

"Wow!!! It's working!" Mr. Geller said.



# PERSONAL JOURNAL.



FROM TOP: SHUTTERSTOCK / MICHAELSCHEIDT; SUSAN WALSH/ASSOCIATED PRESS

have to sign a waiver saying you know what you're getting into. Ditto on budget-airline websites. Spirit Airlines has online tutorials on its fees.

And as annoying and unnecessary as I find seat fees, which have exploded in recent years, some airlines do a decent job of laying out the prices you pay to select a seat. Others do it too late in the booking process.

**The DOT says it needs stricter disclosure rules because there is still too much traveler confusion.**

Could airlines without standardized baggage fees make it easier for travelers to find the fee for their flight? Absolutely. I've cursed at Allegiant, whose bag fees vary by route, for all the steps involved in calculating how much to charge for my luggage. And I've gone mad trying to decipher Spirit's bag fee chart, where prices depend on when you pay the fee, among other factors.

Expedia does a nice job of displaying baggage fees in flight search results, but the website lists only a range of prices per type of bag in cases where they vary by route. Passengers on a Chicago to Orlando, Fla., flight on Frontier Airlines, for example, will pay between \$60 and \$112 round trip. Travelers don't find out specific bag prices until they pay for the bag on Frontier's website after they complete their Expedia booking. By then it's too late for comparison shopping.

The DOT says it needs stricter disclosure rules than it implemented in 2012 because there is still too much traveler confusion and frustration around bag fees, seat fees and change and cancellation fees.

William McGee is senior fellow for aviation at the American Economic Liberties Project, a non-profit that advocates for strict antitrust enforcement. He praises the department for resurrecting the proposed rules. But he says he expects the drawn-out federal rule-making process means any improvements for travelers are a long way off, possibly years.

There is a 60-day public-comment period before the rules take effect. Airlines and travel companies would then have six months to implement any changes.

Mr. McGee's biggest concern, though, is what happens after any new rules are put in place.

Mr. Buttigieg has repeatedly criticized airlines' service shortfalls. Yet the department has fined few airlines and travel companies despite a jump in passenger complaints during the pandemic. (The DOT says there is pending enforcement action against 10 airlines for refund issues that date to 2020. It has provided no timetable or specifics.)

"If the department doesn't have the appetite to enforce them, then it's really an exercise in futility," Mr. McGee says.

## A New Bid to Clarify Airline Fees

A just-released White House plan aims for cost transparency, but a similar effort in 2014 stalled



**CARRY ON**  
DAWN  
GILBERTSON

The White House on Monday proposed a major fix to the often maddening maze of airline fees. Fliers shouldn't expect relief anytime soon, if ever.

The government wants airlines and online travel agencies to display, in detail, fees for bags, ticket changes and cancellations and certain seats when they first flash a ticket's price. Today, ticket buyers are regularly warned of fees but at varying times, with specifics hard to find.

"All of that should be extremely clear," Transportation Secretary Pete Buttigieg said in a Monday interview with MSNBC. "You shouldn't have to click on some link to a different webpage that has a bunch of fine print."

President Biden also pitched the proposal as a game-changer, especially at a time when inflation is high.

"You should know the full cost of your ticket when you're comparison shopping," Mr. Biden told reporters on Monday.

History suggests travelers shouldn't get their hopes up. The approval process is lengthy and cumbersome, and a similar proposal in 2014 went nowhere, in part because of stringent opposition from airlines.

The DOT proposed better dis-

closure of carry-on and checked-bag fees and advance-seat assignments in a package of consumer-protection measures in 2014 under President Barack Obama. Then, as they did this week, officials touted the need to give travelers more transparency when booking a ticket.

Major airlines howled in opposition, blasting the fee proposals as a costly, unnecessary move that would complicate airfare shopping for the flying public.

Back then, American Airlines said the DOT was overstepping its bounds with its "wish list of costly mandates" and said regulators had provided no evidence of specific financial harm to travelers from the existing fee disclosures. Budget carrier Allegiant argued that there was "simply no need" for the DOT to further regulate airline websites.

The rule-making process dragged on until 2017, when the DOT, under new Trump administration priorities, withdrew the proposal.

When the DOT announced this very similar proposal on Monday,



President Biden discussed making airlines show all fees connected to ticket prices at a meeting of the White House Competition Council on Monday.

things that were previously free is in passengers' best interest because they pay only for what they want. (Who doesn't want to know where they're sitting in advance?)

These fees may have taken off in the U.S. during an economic crisis in 2008, but they have turned into an annual airline gold rush. U.S. air-

lines withheld comment, for now deferring to their trade association, Airlines for America. A spokeswoman for the group said its member airlines, which include American, Delta, United and Southwest, already offer transparency to consumers from "first search to touchdown."

If airlines feel they are already doing what the DOT is proposing, Mr. Buttigieg said, "this will be no skin off their back."

I'm no airline apologist. Fees can be a real headache for some fliers, like parents or guardians unable to sit with their children without paying.

And I have never bought the arguments that charging for bags, seat assignments and other

lines collected \$5.3 billion in baggage fees in 2021, according to the Bureau of Transportation Statistics, and nearly \$700 million in ticket change and cancellation fees. The latter fees declined in recent years given relaxed Covid-19 policies and will likely keep falling as airlines have largely eliminated ticket change fees on most tickets.

But the airlines have a point: Most fees aren't hidden today and have become familiar to most passengers in the past 14 years. Consider the lowly basic-economy ticket, those no-frills options major airlines added to better compete with budget airlines.

Try to book one of the restricted tickets and you practically

## Amazon Prioritizes Practical Gadgets



**PERSONAL TECHNOLOGY**  
NICOLE  
NGUYEN

Amazon's fall hardware event is often where it unveils oddball products such as the Alexa microwave and sticky-note printer. This year, the e-commerce giant stuck mainly to more practical devices: a large Kindle e-reader with note-taking capabilities, a sleep-tracking bedside alarm clock and Echo speakers that can boost your Wi-Fi network.

Amazon's strategy has typically been to use its device announcements to do market research about a product's viability. A year ago, the company announced a home robot named Astro that it has yet to make widely available to all consumers. The same goes for a flying indoor security camera unveiled two years ago.

While Wednesday's event was focused on hardware, Amazon's underlying proposition is its software. The new gadgets nudge customers toward the company's digital offerings—e-books, health and wellness content, streaming video and more.

**Kindle Scribe: a tablet for reading and writing**

The Kindle, until now, has had a singular purpose: display digital books and periodicals purchased through

Amazon. The Kindle Scribe adds writing capabilities. It's a leap in functionality and price. While standard Kindles start at \$100, the Scribe will start at \$340 when it becomes available this year.

Over the years, Amazon has added lighting for improved contrast and nighttime reading, Bluetooth connectivity for audiobooks and, more recently, water-resistance. The Scribe includes all of that, in addition to a larger 10.2-inch display, an included pen, a new notebook app and the ability to take notes within Kindle content.

There are two stylus options: a basic pen that magnetically attaches to the side of the Scribe, and a premium pen that also includes a dedicated eraser and a programmable action button.

You can add sticky notes to specific pages in e-books and annotate imported documents. The notebook app includes a to-do list and lined paper template, and any notebooks created on the Scribe will be backed up to Amazon's cloud storage.

Many tablets have compatible styluses and offer drawing capabilities. But their tablets have power-hungry color displays that are harder to see outdoors. The Scribe has three-week battery life for note taking (up to 12 weeks if you use it only to read) and its colorless display is glare-free in direct sunlight.



Amazon focused on expanded products and functionality at its fall hardware event.

I'm looking forward to seeing how the Scribe compares to e-ink tablet competitors. The ReMarkable 2 has a fantastic handwriting experience, but doesn't support Kindle books. Onyx's Boox can run the Kindle Android app, but I had to jump through hoops to install it.

**Halo Rise: a wake-up light that tracks your sleep**

Amazon introduced Halo, a wrist-based health tracker, in 2020. Its latest Halo device isn't a wearable, but a \$140 sleep tracker/alarm clock. The Halo Rise, available this year, is designed for nightstands. The device has a digital clock face and a semicircle of lights that can gradually increase in intensity before your alarm goes off.

The Rise has a low-power radar sensor that measures body movements. (Google's Nest Hub also uses

radar to detect sleep patterns.) Halo Rise begins recording sleep movements only when the environment is dark and you lie down to sleep.

The existing Halo app can show your time asleep, differences between light and deep sleep and an overall sleep score. Temperature and humidity sensors tell you if the room is too humid or hot for comfortable sleeping. If you enable the Rise to work with Echo speakers, you can ask Alexa how you slept and get a brief spoken report.

**Echo Updates: Eero and auto integration**

Amazon executives have said the company is focused on technologies that affect the real world, such as ambient computing and artificial intelligence. The company's Alexa virtual assistant continues to rule over Amazon's priorities.

The new Echo Dot (\$50) and Echo Dot with Clock (\$60) have improved audio quality and a temperature sensor.

The digital clock version also has a more interactive screen. But more notably, the smart speakers can now act as mesh Wi-Fi points, extending coverage of Amazon's Eero routers by up to 1,000 square feet. Amazon will bring that Echo-Eero functionality to last year's fourth-generation Echo and Echo Dot as well.

The company announced a second-generation Echo Auto (\$55), a small device that

mounts to a car dashboard and adds Alexa capabilities while driving.

Since the first one didn't live up to its potential, we'll reserve judgment until we can try this one ourselves.

**New features for Fire TV**

The Fire TV experience is coming to last year's large Echo Show 15 smart frame as a software update. Translation: You can now stream content from other major services such as Paramount+ on the wall-mounted display. You still can't do this on smaller Echo Show devices.

There's a new Alexa Voice Remote Pro (\$35), which will be sold separately for Fire TV streaming devices. It has a backlit keypad and a remote-finder feature. You can now ask Alexa to locate the remote—a feature that alone makes it worth it.

—Sebastian Herrera contributed to this article.

THE WALL STREET JOURNAL. AMAZON (S); ISTOCK



## PERSONAL JOURNAL.



ON THE  
CLOCK  
CALLUM  
BORCHERS

IT CAN FEEL LIKE you're getting away with it.

You've dialed down the intensity at work, passing on late nights and extra assignments with seemingly no negative consequences. In fact, your boss appears to respect your new boundaries and has lightened your workload.

Careful. Your "quiet quitting" can lead to your "quiet firing"—and eventually your *actual* firing. And it's already happening at some companies, human-resources specialists say.

"If all of a sudden you find you're not invited to the meetings you used to be, or being offered the projects, that's an indication that management is not viewing you as well as they used to," says Victor Assad, a former HR director at **Medtronic PLC** and **Honeywell International Inc.** who is now a consultant.

Much like quiet quitting, the trendy term for reducing effort, quiet firing refers to minimizing an employee's significance. Companies have always had subtle ways to nudge people out the door. Tactics include sidelining them by cutting responsibilities or denying promotions and raises to make someone miserable enough to leave—what the gang in legal calls a "constructive discharge" and some of us know as managing out.

The difference now is the scale. Many companies are renewing their focus on what employees put out at the same time that a lot of workers are recalibrating what they put in.

Gallup reports the ratio of engaged to actively disengaged workers is at the lowest level in a decade and that half of the U.S. workforce is allegedly quiet quitting—that is, doing only what's in their job descriptions and no more. For much of the past two years, executives have largely put up with this. In a tight labor market, a warm body is better than no body.

Plus, companies want to be seen as sensitive to employees

## Employers Strike Back At 'Quitters'

Workers who coast risk 'quiet firing'—and eventual layoffs—at the hands of bosses who have 'productivity paranoia'



who seek balanced work and personal lives, says Paul Lesser, who launched a talent-advisory firm last year after a long career in human resources at Fidelity Investments. Events like the pandemic and police killing of George Floyd prompted many to re-evaluate their priorities, he says, and it would have been bad business and worse optics for management to demand a greater focus on work during the most acute periods.

With more businesses expecting a recession, "every company has associates that have been poor performers or haven't been as productive," Mr. Lesser says. "In the marketplace we have right now, it's good corporate hygiene to be looking at them."

Managers at all levels should

form lists of employees to let go if better or harder-working talent becomes available, says Jay McDonald, an executive coach who sits on the board of several Atlanta-area companies.

"A leader should always have that list, at least in their head," he says.

So, are you on the boss's list? It's hard to know, especially now, when some managers are insisting that they really, truly don't mind workers not giving 150%.

Some changes, like being asked to do less, could simply indicate that your supervisor takes limits seriously and understands that every team needs role players in addition to all-stars. Or your days might be numbered.

Bosses are at risk, too, says

Ash Wendt, president of Cowen Partners Executive Search. He says some businesses that held off on leadership changes during the pandemic have hired his firm to discreetly hunt for upgrades.

These searches to replace executives who will soon get a shove toward the exit are called "confidential backfills." Last year, they were 15% of Cowen's business; this year, they're 30%, he adds. They can amount to quiet firings because the incumbents may be neutralized for months before they're ousted.

The top complaint about these leaders: "Companies are saying they've noticed a drop-off in an executive's productivity or they're not holding people accountable like they once did," Mr. Wendt says.

Workers, unsure where they stand and whether they're doing enough, are seeking help with job-related anxieties, says Anisha Patel-Dunn, chief medical officer of LifeStance Health, which provides mental-health services in 32 states.

She cautions against overanalyzing every decision—being left off a project doesn't necessarily reflect diminished status with the boss.

Still, an uncertain economy and broadscale office returns in many industries put hybrid and remote workers on especially high alert for signs of being managed out.

A large-scale survey by Microsoft published this month revealed a wide gap between employees' assessments of their own remote productivity and managers' perceptions of how much gets done away from the office. (Some 87% of the rank and file say they're just as effective at home, but 80% of bosses disagree.) Microsoft CEO Satya Nadella scolded supervisors for "productivity paranoia" and assumptions that people aren't working hard at home, but the study's findings underscore why certain workers fear falling out of favor.

Some firms, including Goldman Sachs and Meta, have reinstated performance reviews to help identify and cull underachievers, after suspending that practice during the pandemic.

One-third of midsize-to-large businesses have adopted employee-surveillance systems since 2020, according to Gartner, joining another third that already used such tools.

If people who are coasting haven't been dismissed yet, that could be because the boss is storing a layer of fat that can easily be trimmed when it's time to downsize, says Leslie Tarnacki, senior vice president of global human resources at WorkForce Software.

"We're kidding ourselves if we don't think we're headed toward a recession, and managers do like to have that cushion if they see that cuts may be coming down the road," she says. "They may have employees that are considered mediocre, but keeping them around for now makes having to deal with those cuts a little bit easier."

AARON DURALL FOR THE WALL STREET JOURNAL

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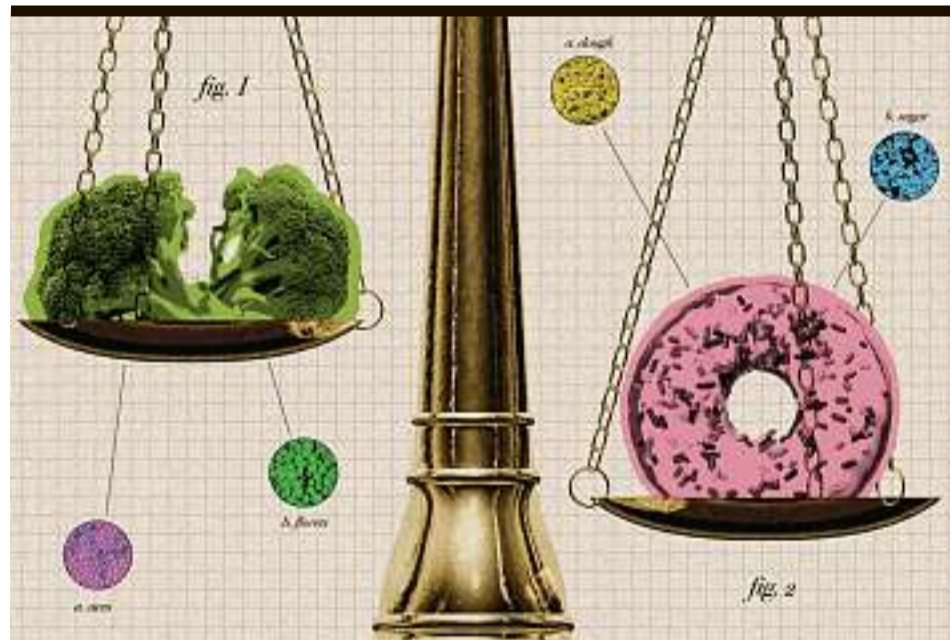
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## Science Offers Ways to Eat Better

Many strategies don't work, but some surprising ones do

BY ANDREA PETERSEN

**W**e know what we should eat. Trouble is, most of us have a hard time sticking to it.

Researchers are racing to understand what pushes people to make healthier food choices. They are finding that broad resolutions to "eat better" are less effective than setting a couple of smaller rules, that eating with other people is helpful and that grocery shopping online can be better than going to the store.

The issue is urgent: The number of Americans who are overweight or obese is rising. Nearly three-quarters of U.S. adults ages 20 and older are overweight or obese, according to 2017-2018 figures from the Centers for Disease Control and Prevention, and some surveys have found that obesity rates rose further during the pandemic.

Whether you're trying to overhaul your diet, resist the peanut-butter cups in the checkout aisle or maintain the good habits you already have, research suggests some ways to make healthy eating easier.

**Set one or two specific rules and stick to them.** People are more likely to act on a plan if it consists of simple steps, psychology re-

search has found. Having one broad goal—such as, "I'm going to eat better"—generally isn't effective.

Pick one or two specific eating rules and stick to them.

**People looking to lose weight who shop online buy fewer high-fat foods.**

Restricting yourself in multiple ways makes it harder to stick with good intentions, says Christina A. Roberto, associate professor of health policy at the University of Pennsylvania's Perelman School of Medicine.

**Make a grocery list and shop online.**

Making a shopping list of healthful foods can encourage you to avoid impulse buys at the store, says Deborah F. Tate, professor at the Nutrition Research Institute at the University of North Carolina.

Shopping for groceries online may be even more effective, since unhealthy items aren't right in front of you. Research has found that people tend to make better food choices farther in advance of eating, Dr. Roberto says.

People looking to lose weight who shop online buy fewer high-fat foods and fewer items overall compared with those who shop in person, according to a 2007 study in the International Journal of Behavioral Nutrition and Physical Activity.

**Good sleeping begets good eating.**

Not sleeping enough (generally less than 6½ hours a night) is linked to weight gain, scientific studies have found.

When we're awake longer, we have more time to eat. And there are biological changes that occur when we don't sleep enough that can lead to overeating.

**Don't eat alone.**

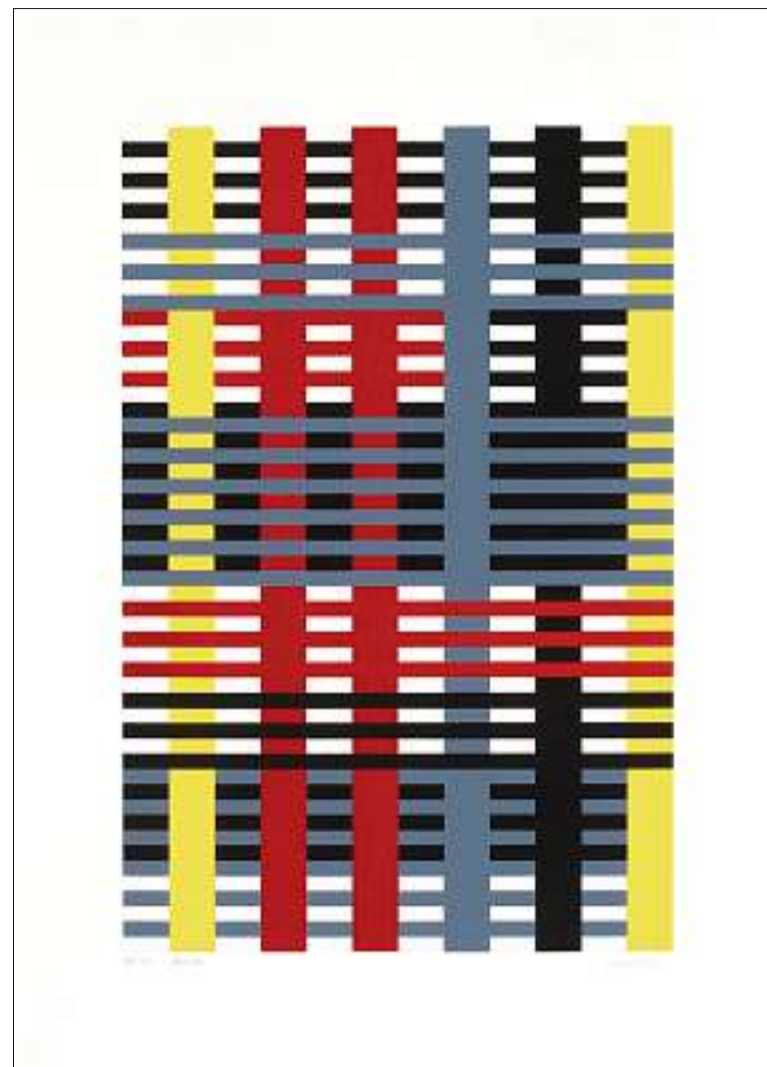
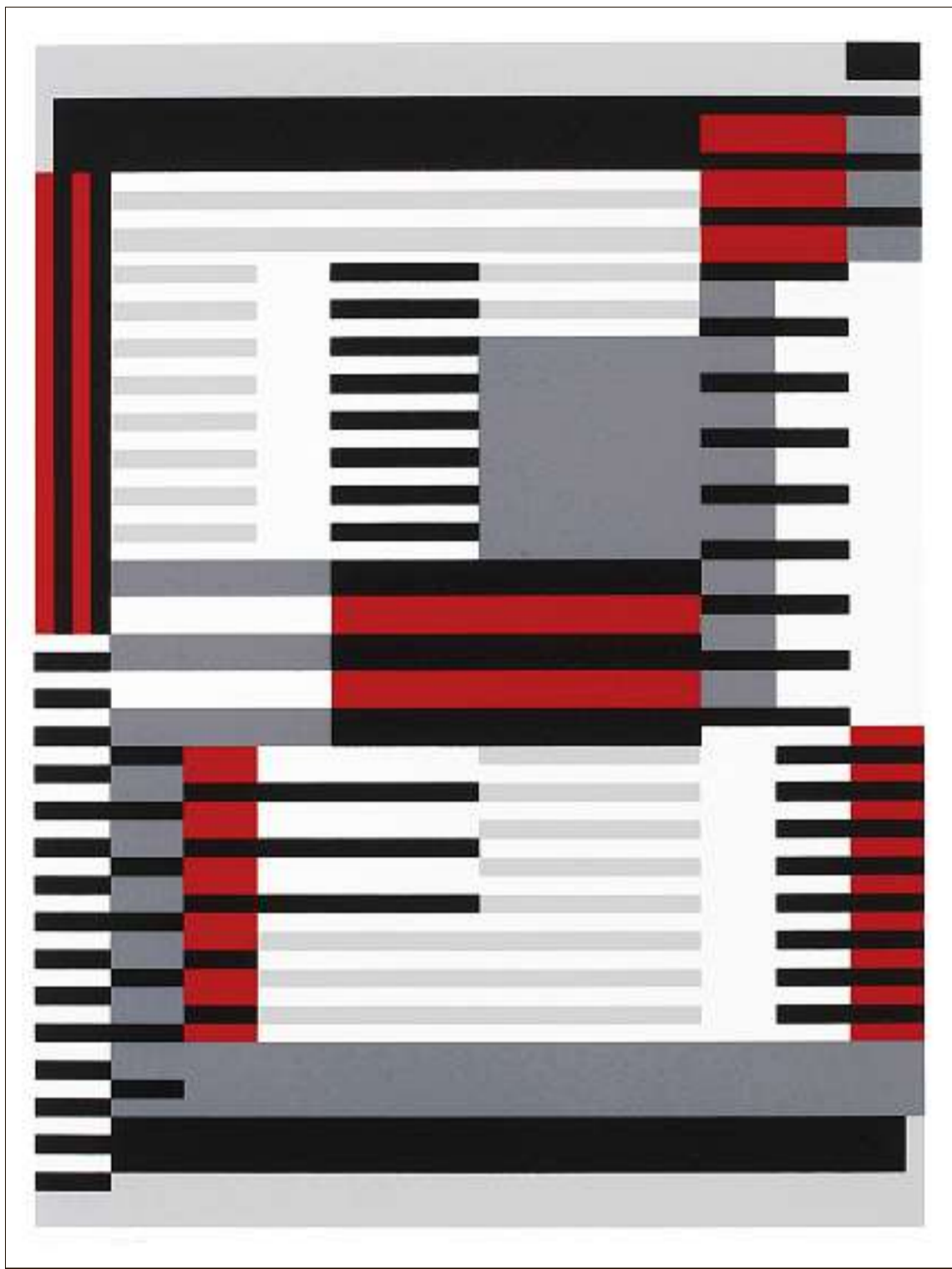
When we eat with family and friends we tend to make more well-rounded meals with vegetables, proteins and other components, says Barbara J. Mayfield, a registered dietitian in Delphi, Ind. We also tend to eat more slowly, and often mindfully, with others, she says, making us better able to notice when we are full.

Eating with others who are also committed to healthy eating can help us achieve our goals, says Rebecca Seguin-Fowler, associate director of the Institute for Advancing Health Through Agriculture at Texas A&M University.

DAISY KOPPIKS FOR THE WALL STREET JOURNAL; ISTOCK(7)



## ARTS IN REVIEW



Clockwise from center: Anni Albers in 1960; Albers's 'Smyrna-Knüpftteppich'; one of her studies for an unexecuted wall hanging; two installation views of the exhibition at the Syracuse University Art Museum; and Albers's 'Orchestra III' wall hanging for AT&T Building (1984)

## ART REVIEW

# Anni Albers: Abstraction With Weft

Exploring how a master weaver became a master abstractionist

By LANCE ESPLUND

**Y**ou might not be familiar with the stunning, innovative, abstract weavings of Anni Albers (1899-1994), the Berlin-born textile artist, printmaker, designer and Bauhaus and Black Mountain College professor. But you've probably heard of her husband, Josef Albers (1888-1976), whom Anni (then Annelise Fleischmann) met while they were both Bauhaus students.

Josef, the prominent Bauhaus master, influential color theorist and Black Mountain College and Yale University professor, is celebrated for his "Homage to the Square" series of abstract paintings and for his book "Interaction of Color." Nothing against Josef, but to my eye his pictures close down at times into the tasteful, color theory exercises that they are, whereas Anni's abstract textiles, what she called "pictorial weavings," continually open. Unassuming, energetic and tactile, they reveal layered, polyphonic complexities of color, texture, pattern and rhythm—living threads, working out their own fates.

Anni, a minimalist before Minimalism, was appreciated early on. She enjoyed a one-person show at New York's Museum of Modern Art in 1949 (MoMA's first exhibition devoted to a textile artist). Today, however, she isn't the household name she deserves to be. Frequently paired with Josef, Anni unwittingly shoulders the subordinated role of craftsperson. In reality, she's immeasurably responsible for the 20th-century revival of fiber arts.

"Anni Albers: Work With Materials," a beautiful, diverse, well-paced retrospective at the Syracuse University Art Museum, sets out to re-establish her position as a major modern artist. Curated and impeccably installed by Fritz Horstman, "Work With Materials" refers to Albers's 1937 essay of the same title and to her practice of honoring the qualities and laws inherent in a given material. It com-

prises more than 100 of her drawings, prints, designs, textile samples, fabrics, weavings and rugs from the collection of the Josef and Anni Albers Foundation, where Mr. Horstman is education director.

Weaving and its relegation to second-tier women's work have long histories in Western culture—which has been traditionally dominated by architecture, painting and sculpture. The Bauhaus was progressive (women could enroll). And Anni, trained as a painter, sought to enter the stained-glass workshop (taught by Josef). But like most women, she was consigned to study weaving—a Bauhaus workshop she eventually ran, but a medium she herself initially dismissed as a "sissy craft." However, working under Bauhaus master Paul Klee—who headed the weaving workshop's design, form theory and color theory curriculum—she quickly warmed to the loom. Klee taught that the grid's dynamic, interwoven energies of warp and weft were essential to all pictorial structures. Anni, a master weaver, became a master abstractionist.

Gorgeous from the start, "Work With Materials" opens with "Connections" (1983), a set



**The often overshadowed German textile artist receives the recognition she deserves.**

of nine easel-scale screenprints, startlingly varied in style, in which Albers re-explored earlier works she created from the 1920s to the '80s. "Untitled" is muscular, spirited, elastic. It resembles

a meandering white thread repeatedly snaking around itself on a bold black ground. "Study for Nylon Rug" is lyrical, jovial, suggesting ribbon candy. "Orchestra III"—childlike, a jumble of red, yellow and blue confetti—darts like a school of fish. And "Smyrna-Knüpftteppich," comprising hard-edged red, gray, black and white rectangles, reinterprets the design for a large rug Albers originally conceived as a Bauhaus student. Produced posthumously, it hangs nearby.

Albers reimagined and merged elements of world art—Native American baskets and blankets; African weavings and wood carvings; Islamic ornamentation; Greek pottery; Coptic, medieval, Andean and pre-Columbian textiles—with Modernist abstraction. She reinvigorated weaving with mystery, universal structures and a playfulness that culminated in what she called "a quite barbaric beauty." Albers wove not only with linen, jute, cotton, raffia and hemp, but revived the use of metallic threads and incorporated unconventional materials including synthetics and cellophane—creating modern abstractions that conjure fantastical chain mail, primitive, ritualistic objects, imperial fabrics and religious vestments.

In 1944, Albers designed soft, glittery, rough-hewn drapery fabric—in copper, cellophane and chenille—for Philip Johnson. In the 1970s and early '80s, she created translucent, wispy machine-embroidered cotton and acid-etched polyester fabrics—in

white, pewter-gray and shiny silver—that are as light and delicate as they are vibrant. Also in the 1970s, she embossed zinc-plate geometric patterns on silkscreen and metal laminate in works that suggest gleaming ancient Aztec and Egyptian goldwork. And, in the 1990s she embossed similar geometries on heavy white paper, like footprints in snow.

Working with these lively, infinitely varied geometric patterns (in weaving, gouache, pencil and black-and-white or colored prints), Albers orchestrated interlocking triangles, checkerboards and rectangles into vibrating mazes. Some, such as "Triangulated Intaglio II" (1976), are as sturdy and dense as brick walls. Others, including "Triangulated Intaglio IV" (1976), have a wormy, creepy-crawly vibe. The screenprint "Camino Real" (1967-69), a design for a wall hanging at Mexico City's Camino Real hotel, is an immensely complex, free-form arrangement of tiny shimmering pink and crimson triangles that appear to blush, shiver and breathe.

"Work With Materials," a bountiful introduction to the breadth of Albers's experimental genius, suffers only from its modest scale. (Studies, prints and small textile samples outnumber major weavings.) The show should be twice as large, further revealing how Albers, expanding the possibilities of thread as a living medium, elevated the applied arts back to their rightful place as high art.

**Anni Albers: Work With Materials**  
Syracuse University Art Museum, through Dec. 11

*Mr. Esplund, the author of "The Art of Looking: How to Read Modern and Contemporary Art" (Basic Books), writes about art for the Journal.*





# SPORTS

## Aaron Judge Hits 61st Home Run

The New York Yankees slugger tied the American League record held by Roger Maris since 1961

By TIM BROWN

New York Yankees slugger Aaron Judge on Wednesday night hit his 61st home run of the season, tying the American League and Yankees records, both held by Roger Maris since 1961.

Judge smacked a seventh-inning pitch off of Toronto Blue Jays pitcher Tim Mayza in Toronto over the left-field fence to become the second Yankee to surpass 60 home runs in a season. The other was Maris. Babe Ruth hit a career-best 60 home runs (in a 155-game season) in 1927. Wednesday was the Yankees' 155th game.

With Maris's son—Maris died of cancer in 1985, seven years before Judge was born—and Judge's mother in attendance at Rogers Centre, Judge chased perhaps the most cherished of Yankees records.

At the end of a week-long homerless drought that lasted 34 plate appearances, Judge turned on a full-count sinker from Mayza and galloped from the batter's box. The ball caromed off a facade and into the Blue Jays' bullpen. Yankees teammates massed in front of the dugout and awaited his arrival. Judge's mother, Patty, turned and hugged Maris's son, Roger Jr.

Between second and third base, the typically stoic Judge smiled and pointed to his mom. The Yankees clinched their first AL East title in three years Tuesday night and the home run for Judge, their well-liked de facto captain, further lightened the day-after mood.

Later, as the seventh inning continued to unfold, Judge stood with his hands on his hips in the dugout, clearly pleased his moment had come. Teammate Giancarlo Stanton caught his eye and smiled, acknowledging the season his friend had, the home run he had just hit and the 60 that had come before it. Judge smiled back.

Judge is the fifth player in major league history to hit at least 61. In the National League, Barry Bonds, who holds the major league record, hit 73 in 2001. Mark McGwire hit 70 in 1998 and 65 the following season. Sammy Sosa surpassed 61 home runs three times from 1998 to 2001. Those players' marks stand, though many argue they are tainted by the trio's connection to baseball's so-called steroid era.

In a season in which home runs have otherwise declined across the league, Judge, 30, is routing the field. Nearest to Judge is Philadelphia's Kyle Schwarber with 42 in the National League and Houston's Yordan Alvarez and Los Angeles' Mike Trout with 37 in the AL, entering Wednesday's play.



New York Yankees slugger Aaron Judge, above, smacked a seventh-inning pitch off of Toronto Blue Jays pitcher Tim Mayza on Wednesday night for his 61st home run of the season, to tie Roger Maris's AL record. Judge is the fifth player in major league history to hit at least 61 home runs in a single season.



Eligible for free agency in the fall, Judge rejected a seven-year, \$230.5 million contract offer by the Yankees in early April. Risking a down season that might distress his value on that market, Judge instead went into the final weeks of the season as the AL leader in runs, RBIs, walks (and intentional walks), on-base percentage, slug-

ging percentage, total bases, WAR and home runs. He is a favorite in the AL MVP race, along with Los Angeles Angels pitcher and designated hitter Shohei Ohtani. Ohtani's Angels are again also-rans, while Judge has kept the Yankees afloat in the AL East.

Judge has routinely deflected praise for his personal statistics,

recently telling reporters, "When we're winning and in first place, that's always fun. It's been a fun year. The numbers will take care of themselves."

Judge's season has once again revived debate about the legitimacy of the home run feats of Bonds, McGwire and Sosa, given their connection to the steroid era. Maris's 61 home runs stood as the major league record before McGwire and Sosa blew past it. Three years later, Bonds set the new record, initiating discussion even at the time over whether Maris should still be recognized as the record holder.

Steroid allegations against Bonds appeared in former U.S. Sen. George J. Mitchell's 2007 report regarding performance enhancing drugs in baseball.

Bonds has said that he used creams or substances provided by his trainer but that he didn't know they contained steroids. In January, Bonds, whose 762 career home runs is the major league record, fell short of being elected into the Hall of Fame. It was his final time on the ballot.

In 2010, nine years after he retired, McGwire said he used steroids for most of his 16-year career. Sosa reportedly tested

positive for a performance-enhancing drug in 2003, the year Major League Baseball implemented what was supposed to be anonymous testing. Sosa has cast doubt on the legitimacy of those tests.

Judge's transcendent season has been an antidote to that debate.

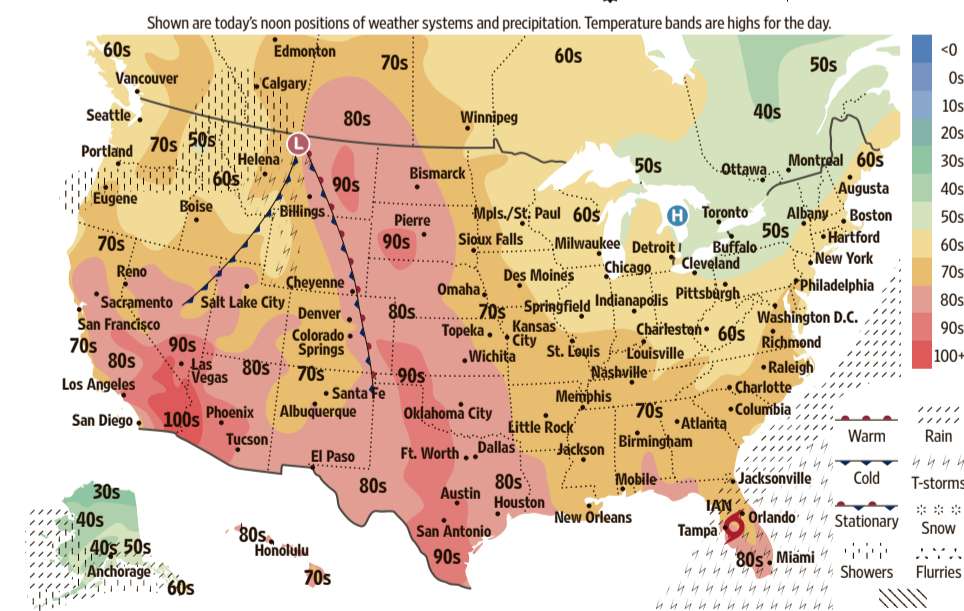
The 6-foot-7, 280-pound Judge led the AL in home runs once before, in 2017, when he was Rookie of the Year and finished second to Houston's Jose Altuve in MVP balloting. He hit 39 last year and has 219 for his career. He ranks third in career at-bats per home run, behind McGwire and Ruth, at 12.

Judge also threatened to become the first Triple Crown winner, leading a league in batting, home runs and RBI. Well ahead in home runs, he also led the AL in RBI and entered Wednesday night's game ahead in batting.

When Judge reached the All Star break with 33 home runs, then hit nine more before July was over, his at-bats became must-see moments. In August and into early September, when the Yankees were 10-20 and giving away eight games in the AL East, Judge hit 10 home runs. In 10 games from Sept. 3 to Sept. 13, he hit six more. The Yankees needed nearly every one of them.

### Weather

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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	52	45	sh	50	41	c
Atlanta	74	58	s	71	61	c
Austin	90	52	s	87	51	s
Baltimore	70	50	s	68	56	pc
Boise	70	48	pc	73	47	s
Boston	64	49	s	61	50	s
Burlington	55	38	pc	61	43	s
Charlotte	72	55	pc	62	58	r
Chicago	65	48	s	68	50	s
Cleveland	59	43	pc	65	49	s
Dallas	86	59	s	83	57	s
Denver	84	55	pc	78	51	t
Detroit	64	45	s	69	48	s
Honolulu	88	75	s	87	74	s
Houston	85	56	s	84	55	s
Indianapolis	68	46	s	71	51	s
Kansas City	73	49	s	76	51	s
Las Vegas	96	74	s	96	73	s
Little Rock	77	50	s	80	62	s
Los Angeles	90	64	s	82	53	s
Miami	87	75	t	88	74	c
Milwaukee	60	48	pc	66	51	s
Minneapolis	67	51	s	75	52	pc
Nashville	74	49	s	78	55	pc
New Orleans	79	62	s	81	63	s
New York City	67	52	pc	67	53	pc
Oklahoma City	84	55	s	83	54	s

### International

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Amsterdam	59	46	sh	62	52	pc
Athens	83	67	pc	85	70	pc
Baghdad	102	70	pc	105	72	s
Bangkok	86	77	t	87	77	t
Beijing	89	61	s	89	62	pc
Berlin	57	43	pc	61	45	c
Brussels	59	43	pc	61	51	pc
Buenos Aires	61	56	c	64	57	s
Dubai	98	82	s	99	83	s
Dublin	59	50	pc	64	46	r
Edinburgh	58	48	c	59	47	r

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Frankfurt	57	45	pc	60	44	pc
Geneva	54	44	r	55	45	c
Havana	88	70	t	88	68	t
Hong Kong	89	82	t	88	80	pc
Istanbul	80	66	s	81	68	s
Jakarta	93	77	pc	93	79	sh
Jerusalem	85	64	s	89	65	s
Johannesburg	81	52	s	83	56	s
London	60	48	r	62	51	r
Madrid	67	45	pc	71	47	pc
Manila	85	77	sh	88	77	t
Melbourne	64	48	pc	66	46	pc
Mexico City	72	50	pc	74	49	pc
Milan	69	56	sh	64	48	sh
Moscow	55	45	pc	57	53	c
Mumbai	86	78	pc	86	77	t
Paris	60	46	pc	65	55	pc
Rio de Janeiro	70	66	t	72	67	r
Riyadh	98	69	s	96	69	s
Rome	72	63	t	73	60	r
San Juan	87	75	t	87	76	t
Seoul	80	58	s	82	59	s
Shanghai	80	71	r	84	75	sh
Singapore	87	78	sh	87	77	c
Sydney	67	57	sh	66	55	r
Taipei City	92	76	s	92	76	s
Tokyo	74	66	r	80	66	c
Toronto	58	42	s	62	47	s
Vancouver	64	52	pc	64	54	pc
Warsaw	56	41	pc	54	48	c
Zurich	53	44	r	55	40	c

### The WSJ Daily Crossword | Edited by Mike Shenk

### CONTINUING EDUCATION |

By Paul Steinberg & Karen Steinberg

- |  |  |   |
|--|--|---|
| <b>Across</b>                          | 23 Bunch of bills  | 41 Emmy nominee Issa  |
| 1 "Kama Sutra" focus                   | 24 Royal role in a Bollywood movie   | 42 Needle point?  |
| 4 Where to roast a pig                 | 26 Universal life force  | 43 Area behind the stumps, in cricket                           |
| 8 Well beyond tipsy                    | 27 *Spiral seashells   | 44 *Attorney general Garland                                    |
| 14 Exist                               | 29 "The Amazing Race" ailer  | 47 Believer's suffix  |
| 15 Wear a hole in the carpet           | 32 Permission  | 48 Fly catcher  |
| 16 Interstate speed limit in Montana   | 34 Anthem contraction  | 49 Dec. hrs. in Duluth  |
| 17 *More legible, say                  | 35 Topic of some bargaining  | 52 Go downhill  |
| 19 Take turns                          | 36 Post-college goals, e.g., or a hint to what the starred answers are progressively "awarded" | 54 Like some legal arguments                                    |
| 20 Twin who sold his birthright        | 40 Many a TikTok devotee   | 58 Having talked too much, say                                  |
| 21 Mount Carmel National Park location |  | 60 *Sans-serif font used in Absolut, Best Buy and Supreme logos |

- |  |   |
|--|---|
| 62 Fall                                  | 22 Needed kneading, maybe                             |
| 63 Miner discoveries                     | 25 Service call                                       |
| 64 Cacao container                       | 27 Cried uncle  |
| 65 Vulcan, e.g.                          | 28 Python user  |
| 66 Tesla, for one                        | 29 Court aide   |
| 67 Setting of the sun                    | 30 Chard cousin                                       |
| <b>Down</b>                              | 31 It takes panes                                     |
| 1 Matching                               | 32 Stuck in traffic, maybe                            |
| 2 Big periods                            | 33 Idyllic spot                                       |
| 3 Warrior killed fighting a samurai army | 35 Test figure  |
| 4 Hydrotherapy site                      | 37 Roll shape   |
| 5 Oxidation effect                       | 38 Seed covering                                      |
| 6 Traps during winter                    | 39 Minuscule pest                                     |
| 7 Okla. or Dak., once                    | 44 Spouse's question after a business trip, perhaps   |
| 8 Arrival announcement                   | 45 "Yeah, right!"                                     |
| 9 Pungent sauces                         | 46 It keeps you cool                                  |
| 10 Friday, on old TV: Abbr.              | 49 Bloke  |
| 11 Relations and tensions can do this    | 50 2020 film that won the Best Animated Feature Oscar |
| 12 Singer James                          | 51 Casual farewell                                    |
| 13 Not natural                           | 53 Night light sources                                |
| 18 Old seven-seat Volkswagen model       | 55 50 Cent frenzy                                     |
|  | 56 In a piecey  |
|  | 57 Tramp's love                                       |
|  | 59 Diamond score                                      |
|  | 61 Port letters                                       |

### Previous Puzzle's Solution

► Solve this puzzle online and discuss it at [WSJ.com/Puzzles](https://www.wsj.com/puzzles).







## OPINION

## REVIEW &amp; OUTLOOK

## The Banker and Bailey Circus

The Bank of England's decision Wednesday to buy British bonds is being portrayed as a rebuke to new Prime Minister Liz Truss's economic program, and BOE Governor Andrew Bailey may have meant it to be. The intervention calmed bond and equity markets, at least for now, though at the cost of showing again that central bankers are easily spooked into rescue mode.

Investors are cheering their success in coaxing the Bank of England back into the market to underwrite bond prices. On Monday the BOE issued a statement saying it would evaluate market movements "at its next scheduled meeting," which is in November. Two days later it had forgotten all that and said it would "carry out temporary purchases" of longer-term gilts "to restore orderly market conditions."

The cause of the market ructions is supposedly the Truss government's proposals for new tax cuts and spending to ease the burden of rising energy prices. That's a convenient scapegoat for Mr. Bailey and other central bankers, but that isn't the half of it.

Markets began heading south last week when the Federal Reserve lifted rates by 75 basis points again and signaled that more increases are coming to fight inflation. Mr. Bailey's BOE followed by raising its target rate only 50 basis points.

The different central bank moves widened the disparity in monetary tightening that has pushed the dollar to new heights against nearly all of the world's currencies. The Chinese yuan fell Wednesday to its lowest rate to the dollar, 7.2 per buck, since 2008. The euro is now below parity with the greenback.

Central bankers have given up on monetary policy coordination, so investors are betting on (and contributing to) rapid exchange-rate shifts as they play the policy margins. This uncertainty is damaging to investment and trade flows, and it also contributes to disorderly market moves that catch some investors naked on the beach. Ditto for sharp moves in bond prices, as the 10-year British gilt popped above 4.5%. On Sept. 22 it was 3.3%.

Amid this turmoil, markets understandably loved the BOE's intervention, and the scuttlebutt is that the central bank moved in part because big British pension funds and financial in-

stitutions were caught on the wrong side of these rapid shifts in market prices. We can't judge without knowing the details.

### Britain's financial turmoil is part of the inevitable monetary correction.

But there's no doubt that the BOE's intervention now has the bank working at cross purposes with its monetary mission. The BOE's Monetary Policy Committee wants to tighten policy to break inflation. At its last meeting it said it would be selling down its quantitative-easing bond portfolio. But the BOE's Financial Policy Committee is now buying bonds to ease financial conditions. This can't help the BOE's credibility as it navigates the fraught path away from the historic monetary mistakes that have produced our current inflation.

This is one of the reasons that sneering at Ms. Truss and the Brits from the American cheap seats is a mistake. There but for the relative strength of the dollar go we. For all the fretting about British debt, the U.K.'s total debt to GDP ratio (86%) is lower than America's (127.5%) and its interest expense as a share of GDP is lower. The saving U.S. grace is the dollar's status as a global reserve currency.

\* \* \*

The larger story here goes back to the blunders by the Fed and other central banks in letting policy run amok, and then dismissing the signs of emerging inflation as "transitory." Too many investors began to believe the Fed's advertising and thought money would be risk-free forever. They made bets that made sense at near-zero interest rates but that look a lot uglier when fed funds are heading to 4% and maybe 5% or higher.

The big surprise so far during this great monetary correction has been the lack of a big financial casualty. There's been no Orange County (1994), no Long-Term Capital Management (1998), and no Fannie Mae (2008). But then again, maybe the British pound and bond panic is a sign of what is coming.

One policy response would be for the big central banks to start coordinating again to reduce uncertainty and volatility. The Fed could also reopen dollar swap lines to help other economies with liquidity as the greenback keeps rising. The hard truth is that correcting for the inflation blunder was always going to be painful, and that is what the banker and Bailey circus is telling us.

## Biden's Alzheimer's Lapse

President Biden on Tuesday claimed credit for a modest decline in Medicare premiums, but he forgot to mention the reason: His Administration is rationing a novel Alzheimer's drug.

"This year, the American people won, and Big Pharma lost," the President said in a speech in which he accused Republicans of seeking to gut entitlements and flogged Medicare drug price controls that Democrats are using to pay for \$369 billion in new climate spending. But Democrats are the party slashing Medicare via cost rationing.

He continued: "This morning, we got more even good news about lowering costs. The Department of Health and Human Services announced that the premium for Part B will, in fact, decrease this [upcoming] year," adding that "for years, that fee has gone up. Now, for the first time in more than a decade, it's going to go down."

Mr. Biden wants Americans to believe that drug price controls are reducing premiums. But here's the deal: His Administration increased

Part B premiums by 14.5% this year and blamed the increase on expected high demand for Biogen's Alzheimer's drug Aduhelm, which the Food and Drug Administration approved last summer.

But his Administration this spring restricted access to the drug because of its high price (originally \$56,000) and messy trial data. Only patients who enroll in a randomized controlled trial can receive the drug, the first time the government has limited Medicare drug coverage in this way.

As a result, seniors by and large haven't been able to take advantage of Aduhelm and have therefore overpaid for their Medicare Part B premiums this year. HHS is now doing a correction and reducing premiums by 3%. But the standard monthly Medicare premium next year will still be \$16 higher than in 2021.

The Democratic Medicare price controls will result in fewer innovative treatments. Biogen on Tuesday announced promising trial results for another Alzheimer's drug. Let's hope the Biden Administration doesn't ration that too.

### He takes credit for savings caused by not paying for a new drug.

## Merrick Garland and a Michigan Mother

The National School Boards Association has apologized for its infamous letter to President Biden last September suggesting "threats" and "acts of violence" at raucous public school board meetings "could be the equivalent to a form of domestic terrorism." But Attorney General Merrick Garland's memo to the FBI to investigate parents still stands.

And if you want to understand why parents are still upset, look no further than what happened to a Michigan mother who complained to the Chippewa Valley school board.

Sandra Hernden's son Conor has special needs, and since the Covid pandemic she's been complaining that the board's policies—from closures to virtual learning—led to her son's GPA dropping to 1.5 from 3.5. Board members responded to her criticism by reporting her first to her then-employer, the Harper Woods police department, and then to the Department of Justice.

Now she is suing. On Thursday Ms. Hernden plans to file a federal lawsuit with the help of the Mackinac Center Legal Foundation, seeking an apology and an assurance this overreaction won't happen again. "I don't want any parent to endure what my family has endured," she says. Lest anyone accuse her of being in it for the money, she is seeking \$1 in damages.

School board trustee Elizabeth Pyden complained to Ms. Hernden's employer about her emails. "I do not believe that you would like anyone expressing this level of anger, disre-

spect and veiled racism in your community," she wrote. Though her email states she is not asking Ms. Hernden's boss "to take any adverse action," the question is: then why write it?

Some of Ms. Hernden's remarks were over the top, such as likening the board's mask policies to Nazi Germany. But Ms. Hernden was frustrated that the board seemed deaf to Conor's problems.

More disturbing is how school board president Frank Bednard reacted. He alerted his fellow board members that he'd forwarded to DOJ an email from Ms. Hernden along with a complaint about her and Mothers of Liberty (an apparent reference to the conservative Moms for Liberty, which Ms. Hernden had joined). It's notable that Mr. Bednard's email was dated Oct. 5, 2021. That's the day after Mr. Garland's memo directing the FBI to investigate complaints of threats to school officials.

Maybe Ms. Hernden was angry. But so far as we can find, she didn't threaten anyone with violence, and the First Amendment protects even angry and intemperate speech. We sent Mr. Bednard an email asking what Ms. Hernden did that merited attention by federal law enforcement, but he didn't respond.

Courts will now have a chance to vindicate the First Amendment right of parents to criticize school policies without fear of retribution. Meantime, Ms. Hernden is running for the L'Anse Creuse school board in the district where Conor now attends school and is showing improvement.

## LETTERS TO THE EDITOR

## Trump Family Lawsuit Flunks Banking Basics

Regarding your editorial "Letitia James vs. the Trump Family" (Sept. 23): I wouldn't mind seeing former President Donald Trump handed his comeuppance, but this lawsuit simply makes no sense. Why is Letitia James, New York's attorney general, suing? Because private bankers and insurers have been duped?

Any loan or insurance contract has plenty of third-party review. No bank makes a real-estate loan worth millions of dollars based on a valuation stated by a borrower. You may be friends with your bankers, but if they lost money because of your financial misrepresentations, they would come after you in a second. They wouldn't need an attorney general's help. This borders on frivolous.

BOBBY FREEMAN  
Miami Beach, Fla.

This lawsuit ignores that no one suffered damages and displays Ms. James's ignorance of basic bank underwriting practices. No bank makes a loan relying on collateral as the first way out. That's the last thing a bank wants, as it isn't in the business of asset liquidation. Banks look to future cash flow for repayment.

Every borrower submits overly optimistic cash-flow projections and every lender cuts them back based on likely macroeconomic and industry-specific scenarios. The bank won't make the loan if that downside scenario projects a likely default, and it prices that loan to reflect the level of risk informed by the bank's projections.

STEPHEN R.S. MARTIN  
Cave Creek, Ariz.

Mr. Martin was a managing director at First Chicago Bank for 23 years.

Ms. James's suit reflects a personal vendetta against the Trump family and its company. If she has a case, and she may, she should take a page from U.S. Attorney General Merrick Garland's playbook and stick to the law and the facts, while avoiding unnecessary sarcasm. Her "art of the steal" comment probably plays well politically, but it has no legal significance. That said, Mr. Trump's behavior makes a mockery of what other business owners must do: fairly report the value of their assets. He needs to toe the line, just like the rest of us.

DAVID WEDEEN  
Dover, Mass.

When I was a lending officer for a major regional bank, all real-estate loans required official appraisals as well as substantial cash-flow projections and permanent take-out commitments. I can't imagine a New York financial institution not securing this information before advancing funds to Mr. Trump or one of his business ventures.

Mr. Trump may have included some ridiculous value for a piece of property on his loan application, but it is the lending institution's duty to establish a market value before advancing funds. I also question who the damaged parties are in this charge. If the banks were repaid in accord with the terms of the loan agreements, then it is their duty to seek the recovery of their funds in a court of law.

As Mr. Trump says so often, "this is a witch hunt." Un this case, he is right.

AL MONTGOMERY  
Germantown, Tenn.

## The Birth-Control Pill Changed Catholicism

In "Counterfeit Catholicism, Left and Right" Houses of Worship, Sept. 23), Andrea Picciotti-Bayer notes the disarray among public Catholics. Some reject Catholic teaching and actively champion its defeat in the public square. Others argue for a Catholic state while scaremongering about a triumphant secular agenda.

Perhaps a third way might be Vatican II's challenge for all Catholics to seek a "holiness of life," centered on orthodox belief, sacramental grace and love of God and neighbor.

TOM JODZIEWICZ  
Irving, Texas

"Counterfeit Catholics" should have been called "Cafeteria Catholics." That's what we who choose

which Vatican doctrines to follow call ourselves. This began in the early 1960s with the birth-control pill. The pill's inventor, a Catholic, was stunned that the church banned it. Many lay Catholics accepted it; my Catholic obstetrician prescribed mine.

In time, there were fewer large families attending Catholic Masses, and fewer children in general. Sermons against birth control disappeared. We didn't know then that some priests were dishonoring their vows of celibacy. We learned in Catholic schools that one's conscience is the ultimate guide, and we believe we're better equipped for that task than the clergy.

CAROL DECHANT  
Sarasota, Fla.

## Rising Prices Require Larger SNAP Benefits

"Food Prices Are Getting to People" (Personal Journal, Sept. 20) humanizes the challenges millions of Americans face when trying to feed themselves and their families. Unfortunately, unless we start to prioritize long-term, federal-level solutions like expansion of the Supplemental Nutrition Assistance Program, stories like these will become more common.

SNAP benefits aren't covering infla-

## Even in High School, You're Never Too Old for Story Time

Regarding Meghan Cox Gurdon's "Reading Aloud Can Remedy Covid Learning Loss" (op-ed, Sept. 17): As a retired educator who taught middle-school language arts and high-school reading, I can attest that reading engaging and complex novels aloud to students of any age has several benefits. Reading stories above students' reading level allows them to hear the rhythm and flow of a story while absorbing new vocabulary.

An added benefit of reading aloud is that it provides a quiet time when everyone could pause, sit back and listen. I enjoyed this time as much as my students did. Even many of my high-school students admitted they liked read-aloud time. Some would stop me in the hall the following year to tell me that they missed story time. You are never too young or too old to have a good story read to you.

KAREN WALKER  
Athens, Ga.

## Forgive Parental Loans, Too

Regarding your editorial "No Student Loan Borrower Left Behind" (Sept. 21): In 2012, I loaned \$20,000 to my children to pay off student debt. Would the senators please add that \$20,000 to the plan to forgive parental loans? And my home mortgage is a pretty pesky monthly obligation. Please forgive that, too.

DALE HENN  
St. Louis

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

## What Constitutional Norms?

I have great respect for Alan Dershowitz and am disappointed that he used the expression "constitutional norms" in his otherwise excellent article "Why I Joined Lindell's Legal Team" (op-ed, Sept. 23).

This expression has become popular in recent years, but it has no specific meaning. Mr. Dershowitz accuses former President Trump of violating "constitutional norms." At another point he refers to President Biden's "unconstitutional efforts." Is there a difference? If so, what is it?

STEPHEN HELFER  
Cambridge, Mass.

## Pepper ... And Salt

THE WALL STREET JOURNAL



"Four out of five doctors recommend you ask your financial adviser if this drug is right for you."



## OPINION

# Stop Me Before I Spend Again

By Jay Starkman

Congress and the Biden administration are on a spending frenzy. President Biden's unprecedented attempt to forgive student loans by "executive action" could cost as much as \$1 trillion. Three new laws—the Infrastructure Investment and Jobs Act of 2021 and the Consolidated Appropriations Act and the Inflation Reduction Act of 2022—provide for massive spending on infrastructure. The laws devote billions of dollars to purely local projects, including half the \$6.3 billion cost of adding 1½ miles to New York City's Second Avenue subway.

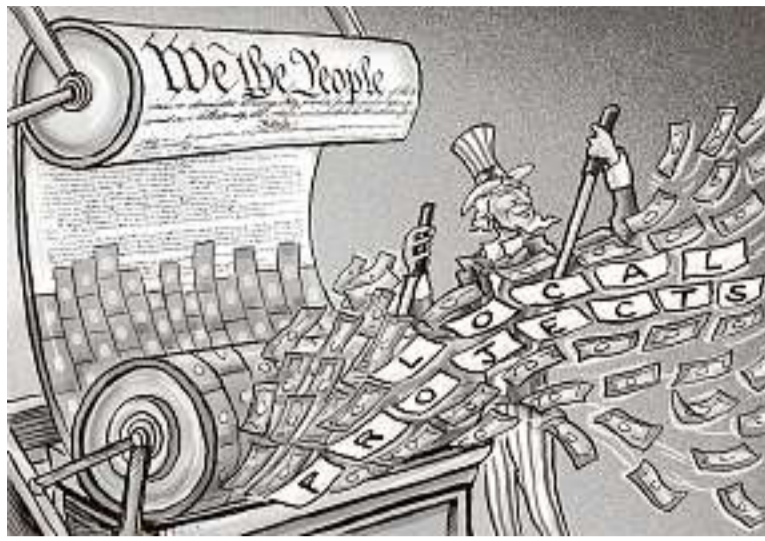
Such spending once would have been considered unconstitutional. The Constitution authorizes federal spending for "common defense" and "general welfare"—first in the preamble and later in the clause setting out Congress's power to tax. Before the New Deal, "general welfare" was limited to internal improvements, often linked to defense or territorial

**Congress has tried for a century to impose fiscal responsibility on itself. Every effort has failed.**

expansion. A later example is the interstate highway system, built during the Cold War and known as the Dwight D. Eisenhower National System of Interstate and Defense Highways. Mile-long stretches can double as emergency landing strips for military aircraft, and many military bases are located nearby.

The Founding Fathers opposed unlimited spending. James Madison, who wrote the first draft of the Constitution, interpreted "general welfare" in Federalist No. 41 and elsewhere as spending sufficient for defense and a limited government.

Alexander Hamilton, the first Treasury secretary, believed that



"general welfare" in the Constitution's clause on Congress's power to tax gave the government authority over almost anything that could be defined as such. Yet even Hamilton wrote, in his 1791 "Report on Manufactures," that such spending must be "general and not local."

In 1833, Justice Joseph Story published a three-volume treatise, "Commentaries on the Constitution of the United States," in which he dismissed Madison's strenuous objections. Story accepted Hamilton's interpretation that "general welfare" was a separate power rather than a limitation on Congress's taxing power. His opinion was largely ignored for 100 years.

Challenges to government spending are difficult, in part because potential plaintiffs must prove they have standing. In the early years of the republic, few tax-financed internal improvement projects passed Congress and avoided a presidential veto, largely because there was a consensus around Madison's view of the limits on the spending power. Even when such projects did pass, there was no legal challenge. Only the few people directly concerned and benefiting had standing—meaning they were directly affected by the outcome and could file lawsuits—and they didn't sue.

The Erie Canal, which opened in 1825, had to be built using state taxes because it was considered a New York project, despite benefiting several states. Land grants were used to promote railroad construction, given mid-19th century doubts that federal tax revenue could be used for this purpose.

In *U.S. v. Butler* (1936), the Supreme Court ruled that the New Deal's Agricultural Adjustment Act, which aimed to subsidize hard-hit farmers through a tax on food processors, was unconstitutional. The court held that the act didn't regulate transactions in interstate or foreign commerce, and Congress couldn't regulate "local" commerce.

The decision endorsed Hamilton's interpretation and Story's commentary that "general welfare" was a separate power on par with taxation, not a limit on taxation. It was the first Supreme Court decision interpreting the General Welfare Clause. The following year, the high court cited *Butler* in *Steward v. Davis* and *Helvering v. Davis*. These upheld using payroll taxes to fund unemployment insurance and Social Security.

In the 1960s, President Lyndon Johnson and his Great Society campaign ushered in decades of government spending on state and local

programs. Despite Supreme Court challenges, no social spending program thus far has been overturned. Permanent massive deficit spending has been embraced by both Democratic and Republican Congresses and administrations.

Congress has made many unsuccessful attempts to impose fiscal responsibility, beginning with the Budget and Accounting Act of 1921, which established the General Accounting Office (now the Government Accountability Office). Other efforts include President Nixon's impoundment of congressionally appropriated funds; creating House and Senate Budget Committees and the Congressional Budget Office in 1974; numerous balanced budget acts including five-year and 10-year budget resolutions; the presidential line-item veto; and presidential signing statements.

Though concurring with the majority in ruling the line item veto unconstitutional, Justice Anthony Kennedy lamented, "A nation cannot plunder its own treasury without putting its Constitution and its survival in peril."

The best hope for reining in overspending lies with the Supreme Court. Fortunately, it gave itself an opening to revisit the limits of "general welfare" when Justice Benjamin Cardozo wrote in the 1937 Social Security decision, "discretion belongs to Congress, unless the choice is clearly wrong."

The court may have an opportunity to act by granting standing to a broader public—perhaps represented by one or more state attorneys general—when Mr. Biden's student-debt forgiveness is litigated. The justices may be able to define "clearly wrong," and save the nation by forcing restrictions on the scope of "general welfare" spending.

*Mr. Starkman is a certified public accountant in Atlanta and author of "The Sex of a Hippopotamus: A Unique History of Taxes and Accounting."*

# You Can't Eat Without Natural Gas

By Heidi Heitkamp

The United Nations World Food Program has called 2022 a "year of unprecedented hunger." It claims that as many as 828 million people around the world go to bed hungry every day and 50 million are "teetering on the edge of famine." The WFP expects the rate of global hunger to rise even further because of economic and inflationary pressures, including a fertilizer crisis caused by natural-gas supply shortages.

The U.S. can again serve as the beacon of light for a suffering world by putting aside political games and investing in natural-gas infrastructure to strengthen global security and help solve world hunger.

Most don't realize the vital role natural gas plays in food security. It serves as the core ingredient in the production of ammonia, as well as the power source to produce fertilizer during manufacturing. In fact, 70% of the cost of nitrogen fertilizers is attributable to the cost of natural gas.

**The U.S. has the world's largest proven reserves, but a lack of infrastructure is hindering production.**

Russia's invasion of Ukraine and Vladimir Putin's decision to cut off pipelines supplying Europe have caused natural-gas prices to skyrocket. In August, European natural-gas prices were nearly 10 times what they were in the summer of 2021. Approximately three quarters of fertilizer production capacity in Europe is now so expensive to operate it has been taken offline, pushing fertilizer prices up more than 80%. They could go even higher, forcing difficult decisions onto governments and regulators. Most will choose heating homes over making fertilizer every time.

Often left out of discussions about energy is that fertilizer costs have driven much of the 18% increase in food prices in the past year. Wealthy nations can absorb the shock of higher prices. Poor countries can't. And when farmers can't afford fertilizer, crop yield is reduced. According to Politico, the U.N.'s Global Crisis Response Group found more than 60 countries are now struggling to afford food imports.

Cindy McCain, U.S. ambassador to the U.N. food program, said the food crisis triggered by Russia's invasion "is forcing us to take from the hungry to feed the starving," predicting a famine that will kill millions in impoverished nations. These humanitarian crises could be politically destabilizing, and it is in the U.S. national interest to act swiftly. President Biden must answer the call.

While the U.S. will continue to provide increased food aid, that is a short-term fix. The U.S. possesses the world's largest proven natural-gas reserves. We have the ability to produce it quickly and can move it abroad to protect our allies without burdening U.S. customers with higher costs.

The only thing that holds us back is the lack of domestic infrastructure to get that energy where it's needed. Too many industry projects are stymied by years of government permitting delays, political spin and misinformation, and a regulatory environment that makes energy affordability, global energy security and climate-change mitigation even harder to achieve. Leaving such politicking behind will benefit everyone.

More natural-gas exports can stabilize allied democracies and protect citizens from a looming winter season where energy shortages are a real risk. They can reduce costs and provide the essential feed stock for repowering fertilizer plants to increase output and better secure global food supplies. And natural gas can aid in the fight against climate change by providing a low-carbon alternative to nations that currently rely on coal. The U.S. has driven its carbon emissions to 30-year lows using natural gas.

We live in a complicated world, and now isn't the time for short-sighted political thinking about energy. Natural gas is the best choice for a foundational energy supply that increases global security, helps the world meet its climate targets faster, and mitigates the looming global food crisis. My hope is that my former colleagues in Washington recognize the role the U.S. can play, sooner rather than later. We can't afford to wait.

*Ms. Heitkamp, a Democrat, served as a U.S. senator from North Dakota, 2013-19. She is a leadership council co-chairman for Natural Allies for a Clean Energy Future.*

# South Korea Can Play a Vital Role in the Indo-Pacific

By John Bolton

Taiwan may be Asia's most imminent flashpoint, but the threats facing South Korea are no less perilous. North Korea's nuclear and ballistic-missile programs continue advancing amid constant rumors of another nuclear test, which would be North Korea's seventh. Particularly significant for South Korea's emerging strategy in response is the growing realization that threats across the Indo-Pacific aren't discrete and unrelated but ultimately emanate from one actor: China.

In Seoul, speculation about Pyongyang's next nuclear detonation centers on the days just before America's elections. The Chinese Communist Party's 20th Congress, expected to enshrine Xi Jinping as China's most powerful leader since Mao Zedong, begins on Oct. 16. Kim Jong Un won't risk spoiling the Chinese congress during its session, but the ensuing weeks will offer a dramatic opportunity to flaunt his nuclear capabilities. Mr. Kim's recent announcement of his first-strike nuclear policy, together with blunt warnings he won't negotiate away the nuclear program, publicly codifies North Korea's longstanding nuclear doctrine.

Seoul has always understandably concentrated on Pyongyang's threat. Now, however, it sees Beijing's belligerence toward Taiwan, interference in South Pacific island states, and critical support for North Korea as interrelated parts of an overall Chinese Indo-Pacific strategy. This assessment points to what should be obvious: Beijing is ultimately responsible for Pyongyang's nuclear threat. For too long, the U.S. has allowed the Chinese government to pretend (through the Six-Party Talks, for example) that it is genuinely committed to finding a solution on nuclear proliferation. This fantasy is increasingly difficult to sustain, since North Korea never threatens China. Instead it threatens

South Korea, Japan and America. More-comprehensive policies countering China's Indo-Pacific threats, previously seen as unconnected, are slowly developing. President Biden enhanced the profile of the Quad (Japan, India, Australia and the U.S.) and approved the Aukus partnership to provide Australia nuclear-powered submarines. He

**With China eyeing Taiwan and North Korea testing nuclear weapons, it's time the Quad became a Quint.**

also met with South Korea's President Yoon Suk-yeol and Japan's Prime Minister Fumio Kishida, a potential step to "trilateralize" Washington's ties with Seoul and Tokyo. Nonetheless, the administration's overall China policy remains fragmentary and opaque, if it exists at all.

Significant U.S.-South Korea military exercises (canceled by Donald Trump as an unreturned favor to Kim Jong Un) are resuming, with the USS Ronald Reagan carrier-strike group arriving in Pusan for joint maneuvers. The Reagan's deployment (the first carrier visit since 2018) sends Pyongyang a strategic signal, but it is unaccompanied by any evidence the White House is prepared to jettison the failed 30-year diplomatic minuet with North Korea. Repeated administration offers to engage the North have elicited no interest.

Mr. Yoon is working to improve relations with Japan, meeting informally with Mr. Kishida last week in New York, and their foreign ministers discussed problems blocking closer linkages. Improving ties with Japan is only a first step toward broader South Korean involvement in East Asia, but it is a critical one. Japanese opinion views a potential Chinese attack on Taiwan as tantamount

to an attack on Japan, a view Seoul doesn't share. Beijing's menacing stance toward Taiwan, however, is inexorably bringing South Korean leaders a fuller understanding of China's many interrelated efforts to control its periphery. Greater cooperation between Taiwan and South Korea is critical to thwarting China's ambitions.

The Quad should become a "Quint" by making South Korea a full member. Seoul's perspective and capabilities would measurably enhance the grouping's potential to address Beijing's use of North Korea as a surrogate, its threats in the South China Sea and to Taiwan, and its aggressive behavior in the South Pacific. Moreover, Seoul-Tokyo engagement in a Quint context could more easily encourage bilateral patterns of cooperation than if the two were limited to stewing in contentious bilateral issues.

A Quint would demonstrate broader resolve in the face of China's attempts to keep the U.S. and its allies off balance through divide-and-conquer tactics. South

Korean participation in wider regional structures would help eliminate strategic ambiguity about Taiwan's defense in the event of a Chinese attack. Biden staffers have apparently rebuffed suggestions to make South Korea part of the Quad. If so, this mistake needs prompt reversal.

The tempo of Indo-Pacific challenges is increasing, with threat levels rising. But as the U.S. confronts critical tactical decisions, such as how to arm Taiwan effectively to deter Chinese belligerence, it must be careful not to ignore larger strategic issues. South Korea and its new president are ready for regional defense cooperation beyond the existing hub-and-spoke bilateral alliance with the U.S. All the concerned countries in the Indo-Pacific would benefit. Let's not miss this opportunity.

*Mr. Bolton is author of "The Room Where It Happened: A White House Memoir." He served as the president's national security adviser, 2018-19, and ambassador to the United Nations, 2005-06.*

# Arizona School-Choice Opponents Admit Defeat

By Corey DeAngelis

Arizona Gov. Doug Ducey signed into law the nation's most expansive school-choice program in July. All families will be able to spend their children's state-funded education dollars—about \$7,000 a student each year—on any approved education expenses, including private-school tuition and fees, tutoring and instructional materials.

Parents of more than 10,000 students rushed to apply for the program after the state opened applications last month. But defenders of the status quo had other plans.

Arizona has a procedure called the veto referendum. If opponents of a new law collect enough signatures within 90 days of its enactment, the secretary of state can stop the law and put it on the next general-election ballot—in this case, in November 2024. The signature requirement is 118,823, or 5% of turnout in the most recent gubernatorial election.

An antichoice group, Save Our Schools Arizona, said last week it had turned in 141,714 signatures. Secretary of State Katie Hobbs—a school-choice foe and the Democratic nominee for governor—halted the processing of school-choice scholarship applications and started verifying the petitions.

It looked like a significant setback for school choice until school-choice supporters acquired all the petition sheets from the Secretary of State's

Office using public-records requests. Although Save Our Schools claimed to have submitted 10,200 sheets of signatures, the Secretary of State's Office said on Monday that only 8,175 sheets were turned in. By counting the number of signatures on a random sample of 100 of those sheets, I estimated the total number at 92,623. The Goldwater Institute hand-counted all signatures and found 88,866.

Save Our Schools admitted defeat Monday after this information came to light. Its executive director, Beth Lewis, told reporters she thinks the attempt to block school choice "will end up short." The group released a statement explaining that its initial "counts were necessarily estimates."

Opponents of educational freedom failed to stop Arizona's school-choice wave. Save Our Schools should have been able to gather the signatures, but a grass-roots group of parents—Decline to Sign, led by Christine Accurso, a mom whose children benefit from Arizona's private-school choice program—gave voters the facts.

Now it's up to Ms. Hobbs to unfreeze the program. She has 20 business days to do so, and her education platform promises "to oppose the universal expansion of school vouchers," but dragging her feet would be politically unwise, not to mention wrong.

*Mr. DeAngelis is a senior fellow at the American Federation for Children.*

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## WORLD NEWS

## Meta Faulted on Hate-Speech Study

BY NEWLEY PURNELL

Executives at **Meta Platforms Inc.** privately told rights groups that security concerns prevented them from releasing details of its investigation into hate speech on its services in India, according to audio recordings heard by The Wall Street Journal.

Meta, the parent company of Facebook, in July released a four-page summary of a human-rights impact assessment on India, its biggest market by users, where it has faced accusations of failing to adequately police hate speech against religious minorities. The India summary was part of the company's first global human-rights report. The 83-page global report offers detailed findings of some previous investigations; it included only general descriptions of its India assessment, which disappointed some rights advocates.

"This is not the report that the human-rights team at Meta wanted to publish, we wanted

to be able to publish more," Iain Levine, a Meta senior human-rights adviser, said during private online briefings with rights groups in late July after the summary was released, according to the recordings.

"A decision was made at the highest levels of the company based upon both internal and external advice that it was not possible to do so for security reasons," he said.

The company said at the time of the report's release that it wouldn't publish the full India assessment. It also said United Nations guidelines for companies reporting on human-rights issues caution against releasing details that could imperil stakeholders, a term that generally refers to people such as staff and external researchers involved in the reporting process.

Representatives from the rights groups contended in their meeting with Meta executives that the company wasn't being transparent in its human-rights efforts, that it appeared not to take the undertaking se-

riously and that the groups had participated in good faith only to see Meta bury the findings, according to the recordings.

The fact that Meta isn't releasing the full assessment is "a slap in my face and my people's face who have endured so much hate speech on this platform," said a person in the

## Facebook's parent cited security fears for limiting details on usage in India.

briefing who identified herself as an Indian Muslim researcher, according to the recordings. "We want a release of this report—now," she said.

Mr. Levine and Miranda Sissons, Meta's human-rights director, said they understood those complaints and wished they had been able to release more details, according to the

recordings.

The executives said during the briefings that the effort represented an important first step in Meta addressing human-rights concerns. They said the summary was written after consulting the guidance on human-rights impact assessments for digital companies from the Danish Institute for Human Rights.

"This is the beginning of a reporting process where I think no activist, no human-rights defender of any kind would ever think that any of the work any company, or probably any entity, that is done is good enough and this team would agree," Ms. Sissons said in one briefing, the recordings show.

Mr. Levine, who worked for more than three decades for global human-rights groups before joining Meta in 2020, told attendees of the briefings that 120 people at Meta reviewed the report, and that it was approved by president of global affairs Nick Clegg and

chief legal officer Jennifer Newstead.

A Meta spokesman declined to comment.

Meta has for years faced criticism from rights groups and has been probed by authorities regarding the presence of hate speech on its platforms in India, where more than 300 million people use Facebook and more than 400 million are on its WhatsApp messaging service.

Meta has said it invests significantly in technology to find hate speech across languages in India.

In 2020, Meta's safety team concluded that a Hindu nationalist organization in India supported violence against minorities and likely qualified as an organization that should be banned from Facebook, the Journal reported that year. Facebook didn't remove the group following internal security-team warnings that doing so might endanger both its business prospects and staff in India.

## World Bank Chief Warns on Emerging Nations

BY YUKA HAYASHI

WASHINGTON—The head of the World Bank warned Wednesday that developing nations face an extremely challenging near-term outlook, as the sharp slowdown in global growth raises the risks of a prolonged recession.

Speaking at Stanford University, David Malpass said the challenges for the developing world are shaped by higher food, fertilizer and energy prices caused by the war in Ukraine as well as rising interest rates, currency depreciation and capital outflows, which could result in a shortage of funds needed to support people's lives and economic activities.

"The human consequence of these overlapping crises is catastrophic," he said.

The World Bank and the International Monetary Fund plan to host meetings next month in Washington to discuss the global economic slowdown and related issues. Finance officials and central bankers from around the world are preparing to gather amid high inflation, rising interest rates, increasing market turbulence and the effects of Russia's invasion of Ukraine.

While wealthier economies including the European Union and China are experiencing sharp deterioration in their growth prospects, Mr. Malpass said, developing countries confront additional risks. Policies adopted by advanced economies to address inflation and economic slowdown could result in insufficient capital left for poorer nations and their development.

"If current fiscal and monetary policies become the new normal, it implies heavy absorption of global capital by advanced governments, prolonging the under investment in developing countries and hampering future growth," he said.

Mr. Malpass said underinvestment in the developing world started after the 2008 global financial crisis, with a shift in monetary policies of advanced economies toward zero interest rates and massive bond purchases.

Those easy policies in the U.S., Europe and Japan have guided capital to wealthy corporations and people in advanced economies, fueling their asset prices.

Meanwhile, investments in developing countries stagnated, he said.

"A pressing danger for the developing world is that the sharp slowdown in global growth deepens into global recession," he said.

## Iranian Protesters Aim to End Headscarf Law

BY BENOIT FAUCON AND MICHAEL AMON

The protests that have erupted across Iran in the past two weeks are rooted in anger at the country's morality police, an unpopular vestige of the 1979 revolution that represents a weak point for the government, according to protesters and human-rights advocates.

The death of 22-year-old Mahsa Amini on Sept. 16, while in the custody of the morality police has touched a nerve among many Iranians, who have had their own humiliating experiences with officers tasked with enforcing the country's strict Islamic codes for clothing and behavior. Among those protesting are conservative women and men, joining throngs of young secular people who say the enforcement of rules around hijab, or headscarves, for women is often capricious.

Iran requires women to dress modestly, to wear no heavy makeup and, above all, to don a hijab. They are forbidden from riding bicycles and motorcycles, among other acts. Such rules often are customary though not mandatory in many Muslim countries.

Advocates of the rules have called them Iran's "last stand" on strict Islamic morality, with polls showing that a growing majority of the country is secular and opposed to the mandatory hijab. Swaths of Iran are fervent adherents to a conservative strain of Shiite Islam, and some men independently enforce the hijab laws on the streets. Even clerics seen as moderate back the hijab laws.

President Ebrahim Raisi, a conservative cleric elected last year, made enforcing the hijab laws a priority. In August, his government unveiled stricter



Iranian women are on the front line of demonstrations against the nation's morality police for violently enforcing dress and behavior codes.

hijab laws, and U.S. officials and human-rights organizations that monitor Iran said they saw an uptick in arrests this summer for violations.

Even before the most recent protests, the rules drove unrest and caused some women to flee the country.

Shima Babaei was 14 years old when she walked out of a movie theater in central Tehran, and a vice-squad officer grabbed her by the hand and tried to shove her into a car. Ms. Babaei said her father struggled with the officer, who said she wasn't properly covered up, as all women and girls in Iran must do from puberty. A crowd gathered, she said. Outnumbered, the officers let her go.

"I never forgot that memory," said Ms. Babaei, now 28, who lives in Belgium after

leaving Iran following an arrest in 2018 over protests against the mandatory hijab.

Under Iran's laws, a woman not wearing the hijab can be jailed for 10 days to two months, fined and lashed.

"Growing up in Iran, it's impossible to know someone, a young woman who has not been arrested because of allegedly wearing her hijab improperly," said Yeganeh Rezaian, an Iranian journalist and researcher with the Committee to Protect Journalists, at an Atlantic Council discussion Tuesday.

In incremental moves during the past decade, women have pushed back, with the help of male relatives and supporters. In recent months, it became common in Tehran to see women on motorcycles wearing tight jeans and no headscarf.

The anger of women is palpable in the most recent demonstrations. They are cutting their hair on the streets, burning their headscarves and confronting authorities. "Woman! Life! Freedom!" is a familiar chant.

The authorities have responded fiercely to the protests. More than 40 protesters have been killed, over 500 injured and more than 1,000 arrested in a crackdown that has shut down the internet for much of the country.

Tehran also has responded with repeated bombardment of Kurdish areas in northern Iraq after publicly blaming Iranian Kurdish separatist groups based in Iraq for fomenting unrest in Iran. On Wednesday, the strikes resumed with more intensity as Iran's Islamic Revolutionary Guard Corps attacked Iranian

Kurdish camps and bases near Erbil and other northern Iraqi cities. The attacks killed at least 13 people, including at least one pregnant woman, and left 58 more injured, according to Iraq's Kurdistan Regional Government.

Saeid Dehghan, an Iranian human-rights lawyer who has represented women arrested by the morality police, said Iranian Islamic law on the hijab is vague, using terms like "forbidden acts" and "Shariah veil" that "give wide discretion to police officers to be abusive to the public."

"We grew up with horrible experiences," said one Iranian woman, a 52-year-old doctor who supports the protests. "We don't want to live like this. We don't want forced hijab."

—David S. Cloud contributed to this article.

## WORLD WATCH

## PAKISTAN

## Chinese Minorities Were Possible Target

Police in the southern city of Karachi are investigating if the attacker who opened fire at a well-known dental clinic, killing one person and injuring two others, was targeting members of the city's Chinese community.

Pakistan has seen a series of attacks on Chinese nationals in recent years as their presence grew alongside Beijing's investment program in its close ally.

The police described the three victims as dual Pakistani and Chinese citizens.

A gunman posing as a patient entered the clinic and shot the three of them, escaping the scene on the back of a waiting motorbike outside, police said. The non-ethnic Chinese people present in the clinic weren't targeted, police said.

The country's interior minister, Rana Sanaullah, described it as an attack on "Chinese people" and ordered that security of all Chinese present in Pakistan be tightened.

A previously unknown separatist group, calling itself the Sind-hudesh Peoples Army, claimed responsibility for the attack. The statement warned Beijing to stop what it called "exploitative" projects and said that "our attacks in future will be worse."

—Saeed Shah

## NORTH KOREA

## Covid-Vaccination Campaign Begins

North Korea has begun a mass Covid-19 vaccination campaign in its border areas, according to South Korea's spy agency, becoming one of the world's final countries to embark on such a national rollout.

North Korea and Eritrea, in east Africa, were the only remaining countries that hadn't started widespread vaccination distribution, the World Health Organization has said.

After rejecting millions of doses from other countries last year, North Korea admitted to its first nationwide Covid-19 outbreak in May and declared victory in August.

Then, earlier this month, leader Kim Jong Un said Covid-19 vaccines would be distributed starting in November.

During a Wednesday briefing to South Korean lawmakers, Seoul's spy agency said North Korea had begun distributing vaccines, though it didn't specify in which border areas. The lawmakers who were briefed didn't say where the vaccines had come from or when they were first distributed. Repeated lockdowns suggest North Korea hasn't eradicated the virus, the spy agency told lawmakers.

—Dasl Yoon



Police gather outside a dental clinic in Karachi, Pakistan, after a Chinese-Pakistani man working in the clinic was fatally shot by a gunman posing as a patient. Police said it was a targeted killing.

## Pyongyang Tests Two Ballistic Missiles

North Korea launched two short-range ballistic missiles off its east coast on Wednesday, Seoul officials said, its second weapons test in recent days.

The missiles were fired from the Sunan area on the outskirts of Pyongyang, according to Seoul's military. They hit estimated altitudes of roughly 30

miles, with one traveling about 186 miles and the other about 217 miles before splashing into the waters between Korea and Japan, Tokyo's Defense Ministry said.

The test came a day before Vice President Kamala Harris was scheduled to travel to South Korea, with plans to visit Korea's Demilitarized Zone.

The Kim Jong Un regime had most recently launched a ballistic missile on Sunday, ending a

hiatus of nearly four months. Pyongyang began the year on a historic weapons-testing spree, then quieted over the summer as the country battled its first Covid-19 outbreak. In recent weeks, Mr. Kim has declared victory over the virus and relaxed restrictions.

In all, North Korea has conducted nearly 20 rounds of weapons tests in 2022, already a record.

—Timothy W. Martin

## SPAIN

## Singer Shakira Faces Trial in Tax Case

A judge in Spain ordered singer Shakira to face trial on charges of tax fraud related to income she made from 2012 to 2014. Shakira, whose full name is Shakira Isabel Mebarak Ripoll, faces six counts of tax fraud, according to the court in Esplugues de Llobregat, a city near Barcelona. A date for the trial hasn't been set.

Spanish prosecutors said the Colombian pop star had owed €14.5 million, or about \$13.9 million, for 2012 through 2014. Shakira lived in Spain for the majority of that three-year period, and was obligated to pay taxes in the country, they said. Prosecutors are seeking a prison sentence of a little over eight years and a fine of €23.7 million.

The pop star, whose hits include "Hips Don't Lie" and "Waka Waka," has denied the allegations and has said her official residence at the time was in the Bahamas. In an interview with Elle magazine published this month, Shakira said she had paid everything that was owed. "So as of today, I owe zero to them," she said.

Prosecutors said Shakira repaid the back taxes in November and December 2018 and paid interest of €2.7 million in March 2019.

—Joseph Pisani



# BUSINESS & FINANCE

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## S&P, Dow End 6-Day Losing Streak

By ANNA HIRTENSTEIN AND JUSTIN BAER

Stocks swung higher on Wednesday after several days of punishing losses for the S&P 500 and Dow Jones Industrial Average.

The S&P 500 jumped 71.75 points, or 2%, to 3719.04 as bond yields tumbled, leaving stocks looking more attractive to investors. The Dow Jones Industrial Average rose 548.75 points, or 1.9%, to 29683.74. Both indexes had fallen for six straight days as of Tuesday, and earlier this week the Dow joined the S&P 500 in a bear market.

The Nasdaq Composite rose 222.13, or 2.1%, to 11051.64.

Bond yields swiveled after the Bank of England said it would begin buying U.K. government bonds to stabilize markets. In the U.S., the yield on the benchmark 10-year Treasury note briefly climbed above 4% for the first time in more than a decade, only to quickly slide back down. By the end of the day, the 10-year yield registered its steepest one-day drop since March 2009.

Stocks this year have come under increasing pressure as investors focus on soaring inflation and central banks' efforts to fight it with higher interest rates.

The Federal Reserve last week raised rates for the fifth time this year.

More signs are pointing to slowing economic growth, including, by one measure, the first monthly decline in house prices in years.

In recent days, investors have turned their attention to the U.K. The British government last week unveiled the country's biggest tax cuts in decades. The news spooked investors and sent the yield on the 10-year sovereign bond soaring earlier this week.

The situation lifted interest rates elsewhere, including the

U.S. And as rates climbed, investors had more places to put their money for returns and stocks looked more expensive.

On Wednesday, though, bond yields came back to earth after the Bank of England said it would buy U.K. government bonds with long maturities "on whatever scale is necessary." That helped drive Wednesday's rise in U.S. stocks, said David Lefkowitz, head of U.S. equities for UBS's global wealth management business.

"For the last several trading days, the pressure on U.S. stocks has been a reflection of some of the turmoil in the

fixed-income market," Mr. Lefkowitz said. "As that turmoil settles down, we're seeing a better tone for equities."

The yield on the benchmark 10-year Treasury note fell to 3.707% from 3.963% on Tuesday, a massive move in bond-market terms. Yields drop when bond prices rise.

"There's fear that the whole system collapses and demand is not able to withstand this amount of rate hikes," said Agnes Belaisch, a chief strategist at Barings Investment Institute. "There are pieces of evidence out there that could be signs of recession." *Please turn to page B11*

## Cineplex Floats Proposal For Regal Merger

Canadian movie theater chain Cineplex Inc. has approached lenders to its bankrupt rival Cineworld Group PLC about reviving a potential merger with the U.K. company's Regal Entertainment Group franchise, according to people familiar with the matter.

By Alexander Saeedy, Alexander Gladstone and Andrew Scurria

Cineplex has started early talks with Cineworld's lenders about taking over the company's U.S.-based Regal movie theater chain and handing them debt and stock backed by the merged business in return, these people said.

Cineplex would need to garner broad-based lender backing for the merger and Cineworld hasn't signaled support for merging its crown-jewel Regal chain with Cineplex in a bankruptcy deal, these people said. Cineworld doesn't have a clear path out of chapter 11 yet, but it has the right to make its own restructuring offer to creditors before other alternatives can be proposed.

Cineworld, which bought Regal for around \$4 billion in debt and around \$2.3 billion in stock in 2017, filed for bankruptcy this month with about \$5 billion in debt. Its lenders are keeping it afloat through the chapter 11 process and have a significant say in the company's postbankruptcy future.

Cineworld and Cineplex declined to comment.

A tie-up between Cineplex and Cineworld has been in the offing before, but on starkly different terms. Cineworld agreed to acquire Cineplex in 2019 for roughly \$3 billion until the spread of Covid-19 led Cineworld, the world's second-largest cinema operator behind AMC Entertainment Holdings Inc., to walk away from the deal.

Cineplex, advised by investment bank Moelis & Co., is now looking to build support for a new merger structure, this time as the acquirer, according to people familiar with the matter. It would need support from the company's top lenders, a majority of whom will have to approve a

*Please turn to page B2*

## Tyson Overhauls Brass as Sales Slow

By PATRICK THOMAS

Tyson Foods Inc. is overhauling its executive ranks as the largest U.S. meat supplier's costs rise and some sales slow, pressuring the company's bottom line after two years of soaring margins.

The Arkansas company this week shifted executives into new roles heading finance, commercial operations and prepared foods, including appointing John R. Tyson, the 32-year-old great-grandson of the company's founder, as chief financial officer.

The moves followed the departure of Tyson's head of packaged foods and the recent termination of its head of international business. Donnie King, Tyson's chief executive, said the new executive appointments draw on the broad expertise of Tyson's existing management team.

The company, which slaughters and processes around 37 million chickens and hundreds of thousands of hogs and cattle each week, is grappling with higher costs across its business and falling sales volumes, as some consumers pull back from buying more expensive cuts of meat. Tyson's net income for its most recent quarter was flat compared with a year earlier, and its sales increased to \$13.5 billion, though volumes declined 2%.

Tyson shares were flat on Wednesday and have declined more than 21% this year.

A Tyson spokesman said the company believes its organizational changes are aligned with its strategy and reflect the strength of its management team. "While we're on the right track, we have additional opportunities to operate" *Please turn to page B6*



A farmer covers his cotton module in Ellis County, Texas. A poor U.S. cotton crop due to dry weather could affect overall supplies.

## Cotton Prices Fall as Demand Slips

By KIRK MALTAIS

Cotton prices have dropped back to Earth, with concern about slow demand overshadowing a potentially poor harvest while the dollar surges to 20-year highs.

Futures have shed 25% since late last month, effectively eliminating gains fueled by a U.S. Department of Agriculture forecast that more than 40% of U.S. acres planted with cotton this year wouldn't be harvested because of drought.

The drop brings prices closer to their typical levels, with the most actively traded futures ending Wednesday at 88 cents a pound, down more than 40% from their peak in May, which was the highest price in more than a decade.

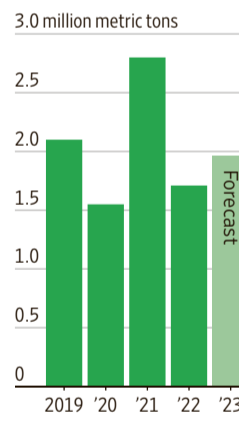
Cotton futures price, weekly\*



\*Continuous contract †August to July Sources: FactSet (futures); USDA (imports)

Cotton prices had been trending higher during the Covid-19 pandemic, surging past \$1 a pound a year ago af-

China's cotton imports



ter restrictions on cotton produced in China's Xinjiang region out of concern that forced labor is used to harvest

it. Cotton prices have exceeded \$1 a pound only three times since the late 1950s.

Much of the recent selling pressure comes from the struggles of clothing manufacturers, many of which are forecasting a decline in demand.

The online retailer ASOS recently warned that its profit would be at the low end of its full-year forecasts.

Fast-fashion Primark warned of lower profits ahead, citing high energy costs and a strong U.S. dollar.

Lifted by interest-rate increases from the Federal Reserve, the dollar has soared, increasing the cost of U.S.-grown cotton for overseas mills.

*Please turn to page B11*

## Saudi Fund Discloses Russian Asset Deals

By RORY JONES

DUBAI—Saudi Arabia offered a first look inside the performance of its \$600 billion sovereign-wealth fund, disclosing a return that was in line with the broader market and revealing that it invested \$2 billion in Russian assets before the war in Ukraine.

The Public Investment Fund has hired banks to possibly raise billions of dollars in a debut bond sale, according to a prospectus it shared with potential investors this week. The cash would be invested in renewables and other green projects, PIF said, for the first time shining a light on the finances of the once-secretive fund.

Citigroup Inc. and JPMorgan Chase & Co. are among the banks involved, according to the prospectus. The size of the debt sale is unclear but is expected to be billions of dollars based on the expected green investments.

PIF previously said that the fund, founded in 1971, made a return of 3% annually in the years before Prince Moham-

ammed bin Salman took control of the fund to drive his national transformation program. The total return on the S&P 500 index over that same period is roughly 60%, while the Saudi stock market index, where the PIF has the bulk of its portfolio, is up 52%, according to FactSet.

In those five years, PIF has become one of the world's most prominent state investors, pouring \$45 billion into SoftBank Group Corp.'s Vision Fund and buying stakes in Uber Technologies Inc. and electric-vehicle maker Lucid Group Inc. The Vision Fund is the Saudi vehicle's biggest investment and made an average annual return of 8% as of the end of last year, according to the prospectus, underperforming other technology investments. Lucid is the fund's standout bet, up 128% a year as of the end of last year, the prospectus said.

PIF previously said that the fund, founded in 1971, made a return of 3% annually in the years before Prince Moham-

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Volkswagen says it is pricing its Porsche IPO at top end of its range. **B2**



#### BUSINESS NEWS

Kenvue will be the new name of J&J's planned home for some of its famous brands. **B6**

### Palantir

## The industry leader in artificial intelligence software.

RANK	COMPANY	2021 AI REVENUE
No. 1	Palantir	\$1,392M
No. 2	Microsoft	\$1,252M
No. 3	IBM	\$776M
No. 4	AWS	\$688M
No. 5	Google	\$536M

Source: IDC, Worldwide Artificial Intelligence Platforms Software Market Shares, 2021: AI Is Being Used in More Unique Ways Than Ever (2022)

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The information presented in the table above has been compiled and analyzed by IDC using their methodology described in the Worldwide Artificial Intelligence Platforms Software Market Shares, 2021: AI Is Being Used in More Unique Ways Than Ever (2022) report contained on IDC's website (www.idc.com). We have not independently verified, and make no representations as to, the accuracy or completeness of the data contained in this report.



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## Amazon Raises Hourly Pay

By Sebastian Herrera

Amazon.com Inc. is raising pay for its hourly employees as the company prepares for the holiday shopping season. The company on Wednesday said it was increasing average starting pay for its front-line warehouse employees from \$18 to more than \$19 an hour, with many employees earning between \$16 and \$26 an hour depending on their location in the U.S. Amazon said the raises represent a nearly \$1 billion investment over the next year.

Amazon's last notable pay increase came about a year ago, when it raised pay for hundreds of thousands of

workers to an average starting salary of \$18 an hour.

The raises come as Amazon is ramping up for the fourth quarter, which is the company's most important period of the year. Amazon typically staffs up as the holidays approach to deal with an onslaught of orders from customers. This year, Amazon is also preparing to host a second Prime event during the quarter. The company on Monday said its 48-hour "Prime Early Access Sale" will take place Oct. 11-12 for members of its Prime subscription program. The two-day event continues a trend of Amazon holding sales events over multiple days to maximize sales.

## VW Values Porsche At About \$73 Billion

By Ben Dummett

Volkswagen AG said Wednesday it had priced the initial public offering of Porsche AG at the top end of the targeted range, putting the IPO on track to become one of Europe's largest in more than a decade.

The pricing signaled investors' confidence that the sports-car maker can thrive even as rising interest rates and rampant inflation rattle equity markets.

The offering of preferred stock values Porsche at more than €75 billion, equivalent to about \$73 billion. That compares with a targeted valuation range of €69.7 billion and €75.2 billion, underscoring the offering's strong demand and relatively small pool of shares on offer.

The deal ranks Porsche among the top five biggest car makers measured by market value behind its parent company VW, but ahead of German rival Mercedes-Benz Group AG, which is valued at more than \$56 billion. Tesla Inc.'s valuation of more than \$886 billion leads the way followed by Japan's Toyota Motor Corp.

In a reference to Porsche's 911 sports car model, VW created 911 million Porsche shares, divided evenly between nonvoting preferred shares and ordinary shares with voting rights. It is selling 25% of Porsche preferred shares, or about 12.5% of the entire company in the IPO for €82.50 each. Investors include

Qatar Investment Authority, which is also a core VW shareholder, Norway's Norges Bank Investment Management, T. Rowe Price and ADQ, an investment arm of the Abu Dhabi government.

The stock is expected to start trading Thursday on the Frankfurt exchange.

Porsche's issue, Europe's largest since the \$10 billion offering by mining giant Glencore PLC in 2011, stands out in an otherwise moribund IPO market both across the region and in the U.S. A combination of equity volatility that makes valuing companies more challenging and the poor performance of recently listed companies has kept most IPO investors on the sidelines.

The Porsche deal is set to go ahead despite those obstacles because of the car maker's strong earnings record, bankers and investors say. It posted revenue of €33.1 billion for last year, generating a return on sales of 16% last year. That was up from 9.7% during the financial crisis in 2009. Annual car deliveries roughly tripled over that time to more than 300,000, according to the offering prospectus.

Bankers and investors have also argued that Porsche's business is relatively insulated from the growing prospect of a global recession because the buyers of its pricey vehicles are wealthy enough to absorb rising inflation and interest rates without cutting back on spending. The price of the Porsche Carrera, for example, starts at more than \$100,000.



Luxury-car makers have performed well through the pandemic.

# BUSINESS & FINANCE



Keanu Reeves in a scene from the Lions Gate film 'John Wick: Chapter 3 - Parabellum.'

## Lions Gate Weighs Spinoff Of Studio Instead of Starz

By Dean Seal

Lions Gate Entertainment Corp. is now considering a spinoff of its studio business rather than its Starz premium-cable channel, according to a securities filing.

The movie- and television-production company said Wednesday that despite volatile market conditions, it still remains on a path to separate the two segments, as its first disclosed last year.

Rather than unloading the Starz business, which it acquired for \$4.4 billion in 2016, Lions Gate said the negotiations process has pushed the

company toward the possibility of spinning off its studio side instead.

"We are continuing productive negotiations with prospective strategic and financial partners on both sides of our business," the company said, according to the securities filing.

Lions Gate said in November that recent transactions in the media space had encouraged it to explore a potential sale or spinoff.

At the time, Lions Gate indicated that the Starz business, which is known for original series including "Power" and "Outlander," would be its

spinoff target.

Lions Gate, the studio behind the John Wick and Hunger Games movie franchises, first expressed interest in splitting the channel off into its own company in 2019, in a bid to reduce the studio's debt load. The company had discussed selling Starz to CBS, now ViacomCBS Inc., earlier that year, though the talks never led to a deal.

Separately, Lions Gate said its international streaming service Starzplay has been rebranded to Lionsgate+ in 35 countries, the latest streaming service to use a plus sign added to its brand name.

## Ford Tries Two Paths to Fight Huge Verdict

By Ryan Felton

Ford Motor Co. faces an easier path reducing the \$1.7 billion in damages awarded last month in a deadly truck rollover lawsuit than winning a new trial in Georgia, law professors say.

On Monday, the Dearborn, Mich., auto maker filed new motions, challenging the jury verdict in a Georgia case that imposed hefty punitive damages on Ford for selling trucks the plaintiffs allege were unsafe.

One motion filed by Ford seeks a new trial, while the other argues for a judge to reverse the \$1.7 billion in punitive damages, a figure that lawyers in the case say is Georgia's largest in history. The auto maker said the damages aren't supported under Georgia law or the U.S. Constitution, nor are they justified because Ford was restricted in what it could present at trial.

"It's a headline-grabbing sum, but it will never come to pass," said Nora Freeman Engstrom, law professor at Stanford University.

Courts have typically held that punitive damages should be no more than nine times as high as the compensatory damages, Ms. Engstrom said, which in this case, totaled \$24 million.

The lawsuit stems from a rollover accident that occurred in 2014 involving a F-250 pickup truck that left two people dead. The suit was brought by the family of the victims, Melvin and Voncile Hill. The trial began in August and lasted about three weeks.

Attorneys for the Hill family said this week that the size of the award in this case is allowed under current law, and that Ford hasn't presented any evidence showing that the truck roofs in the question aren't defective.

"There is no state or federal statute that prohibits a punitive damages award of this size in a product liability case," said Michael Terry, an attorney for the plaintiffs.

Ford has tapped legal heavyweight Theodore Boutros as part of its team for this case. Mr. Boutros, a partner at Gibson, Dunn & Crutcher LLP, has a long record of representing companies facing large jury verdicts and class-action lawsuits. His victories include a 2011 case in which he persuaded the Supreme Court to throw out a sweeping sex-discrimination class-action against Walmart.

In the latest court filings, Ford has also contended the U.S. auto maker was unfairly precluded from defending itself against the plaintiffs' claims that the roofs on its trucks were defective as designed. The

car company says sanctions imposed by a judge, who in 2018 declared a mistrial in a first hearing of this case, prevented Ford from effectively arguing its case at trial.

The judge in the earlier trial said Ford had violated several rulings regarding the admissibility of evidence, ac-

ording to court records filed in the lawsuit. Because of this, the judge directed the jury in the next trial to deem as established that the heavy-duty trucks in question were defective, the records show.

Ford this week disputed that it violated the rulings that led to the sanctions.

## Cineplex In Talks Over Regal

Continued from page B1  
business plan before Cineplex world can exit bankruptcy.

If enough lenders band together, they can likely influence whether they take control of the company themselves or pursue a merger or sale instead.

Cineworld walked away from its prior deal to merge with the two companies by citing a material change in business for Cineplex due to choices made by its management in handling the pandemic. Cineplex sued Cineworld in a Canadian commercial court for abandoning the transaction, winning a damages award in December of 1.29 billion Canadian dollars, equivalent to about \$1 billion, based in part on the cost savings that were expected from the combined business.

Cineworld's prospects have worsened since then as the global rebound in movie-theater attendance has fallen short of expectations, pushing the company to file for chapter 11 protection this month.

The companies held talks this year about merging operations while settling the legal judgment but didn't reach an agreement, people familiar with the matter said. Cineworld has denied liability to Cineplex and hasn't paid the judgment, which ranks below the company's secured debt in bankruptcy proceedings.

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BUSINESS NEWS

# Chevron Sells Headquarters In California

By COLLIN EATON

Chevron Corp. has sold its current headquarters in California and plans to move into a nearby leased space about one-third of the size, as it continues to relocate employees to Texas.

The second-largest U.S. oil company closed the sale Wednesday of its Chevron Park campus in San Ramon, Calif., its global headquarters for two decades, to Sunset Development Co. The family-run company had originally sold the 92-acre parcel to Chevron in the early 1980s.

Sunset Chief Executive Alex Mehran Jr. said Chevron also signed a lease for nearly

greater Bay Area since the early days of its first corporate ancestor, Pacific Coast Oil Co., in 1879. It moved hundreds of employees to San Ramon in 1999 and in the early 2000s said it would become the company's headquarters.

But its presence in California has been declining for years, particularly following a reorganization that began in 2019. Some of Chevron's leaders have long wanted to move the company's headquarters to Texas, but it has held off largely because of its history in California and its assets there, such as its Richmond, Calif., refinery, said people familiar with the matter.

"Chevron will remain headquartered in California," spokesman Braden Reddall said.

The sale of Chevron's global headquarters cements its shift to house the bulk of its U.S. workforce in downtown Houston, where its employee population has grown to about 6,000, about three times the size of its headcount in San Ramon. Chevron had said this year that it would offer to cover costs for some employees to relocate to Houston.

Mr. Reddall said about 200 employees elected to move to Houston since Chevron made that offer in the summer.

Mr. Mehran, whose company has worked with Chevron for decades, said that many people have wrongly predicted for years that Chevron would move its actual headquarters to Houston, and that its most recent real-estate investment in the leased space in San Ramon shows the company intends to remain based in California.

## Chevron says current real-estate market provides opportunity to downsize.

400,000 square feet of space in a nearby office building located in Sunset's Bishop Ranch mixed-use project in San Ramon. Chevron's office space there could house about 2,000 employees after interior construction finishes in late 2023, Sunset said.

The financial terms of the sale and the lease agreement weren't disclosed. A Chevron spokesman said the current real-estate market gave the company an opportunity to downsize its office space to the size its employee base there requires.

Chevron's main offices have resided in California for more than 140 years. It has housed its main offices in the

# Lego Sales Jump but Profit Slips

By TREFOR MOSS

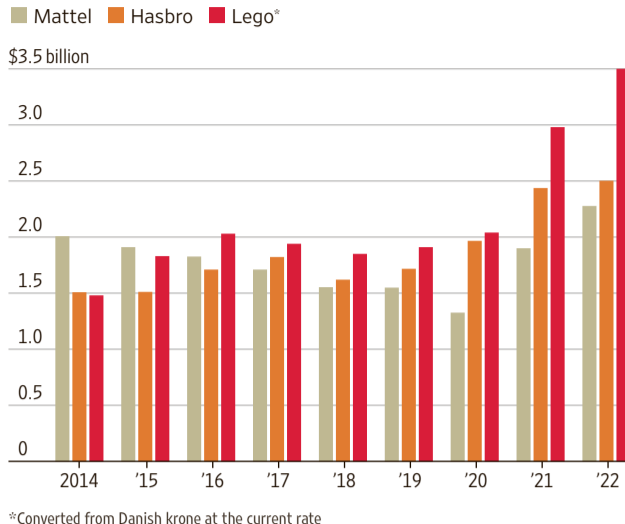
Lego AS reported a surge in sales for the first six months of 2022 and said it had won market share from rivals, building on its position as the world's largest toy maker.

The Danish maker of colorful toy bricks said Wednesday that revenue increased 17% compared with the first half of 2021 to 27 billion Danish kroner, equivalent to \$3.47 billion. It said Star Wars, Technic and Harry Potter themed sets had sold well. Net profit of 6.2 billion kroner was down slightly on the 6.3 billion kroner reported for the year-earlier period, during which Lego roughly doubled its profits.

Chief Executive Niels Christiansen said the results were strong in light of volatility in the global economy, with the war in Ukraine in particular adding to inflation in recent months. The cost of the plastic resin used to produce Lego bricks has risen significantly, as have freight costs, he said.

"So far we've been able to grow fast enough to make up

Six-month revenue for major toy makers



\*Converted from Danish kroner at the current rate  
Sources: the company (Lego); FactSet (Mattel, Hasbro)

for those increases in cost," Mr. Christiansen said, adding that productivity gains had also helped offset cost inflation.

Lego didn't raise prices during the first half of 2022, meaning revenue growth came mainly through rising consumer demand, Mr. Christiansen said. The company has,

though, subsequently increased prices for some products.

While some consumers are also likely to be affected by inflation, Mr. Christiansen said Lego had invested in expanding its product range to cover all price points. The company expects its sales momentum to continue for the rest of the

year despite the choppy state of the global economy, he said.

Lego said its growth outstripped wider toy sector growth of 1% in the January-to-June period.

Hasbro Inc., the maker of Monopoly board games and My Little Pony dolls, reported in July that its revenue had increased 1% to \$1.34 billion in the quarter ended June 26. Barbie maker Mattel Inc.'s second-quarter performance was more in line with Lego's: its sales rose 20% to \$1.24 billion in the quarter ended June 30, the company said in July.

Lego's revenue increase came despite the closure of its 81 Russian stores—roughly a 10th of its global total—in March following Russia's invasion of Ukraine.

The loss of the Russian stores was offset by the opening of 66 new stores in other markets, mainly China, during the first half of the year, Mr. Christiansen said.

Lego is investing in two new factories—one in the U.S. and one in Vietnam. Both sites are due to open by 2026.

# Burberry, in Doldrums, Taps U.K. Designer Lee

By NICK KOSTOV

U.K. fashion house Burberry Group PLC appointed Daniel Lee as its chief designer in an attempt to breathe new life into the maker of iconic trench coats.

Mr. Lee will join the company on Oct. 3, overseeing all Burberry collections, the London-based company said. Mr. Lee is expected to present his debut runway collection for the brand at London Fashion Week in February 2023. He will report to the company's new chief executive, Jonathan Akeroyd.

Born in 1986 in Bradford, England, Mr. Lee has quickly scaled the heights of the fashion

world. He previously worked at Maison Margiela, Balenciaga and Donna Karan before becoming director of ready-to-wear design at Céline, the French luxury label owned by LVMH Moët Hennessy Louis Vuitton, in 2012.

From 2018 to 2021, he served as the creative director of Bottega Veneta, where he turned the once-sleepy label into a star for luxury conglomerate Kering SA.

"I am very excited to be returning to London, a city that champions pioneering creativity and that continues to inspire me," said Mr. Lee.

Burberry's sales have largely flatlined in recent years while the luxury indus-



Daniel Lee, center, is applauded after a Bottega Veneta show.

try as a whole has boomed.

Mr. Lee's appointment also shows how Burberry aims to anchor its identity and leadership in the U.K. For years, the British company was helmed by Italians who moved the brand to a higher price point.

Mr. Lee succeeds Riccardo Tisci, who presented his final collection for the brand this

week in London. During his five-year tenure, Mr. Tisci worked to attract a younger, more diverse clientele. He introduced a new logo, which is featured on many of his designs. The brand also boosted its offering of handbags.

Mr. Akeroyd, the new CEO, succeeded Marco Gobetti, who left at the end of 2021.

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# Crypto Executive Disputes Authorities In South Korea

By ALEXANDER OSIPOVICH

The firm behind failed cryptocurrencies TerraUSD and Luna accused South Korean prosecutors of overreaching their authority, two weeks after they issued a warrant for the arrest of its chief executive, Do Kwon.

**Terraform Labs** Pte. Ltd. laid out Mr. Kwon's defense in a statement sent to The Wall Street Journal on Wednesday. A spokesman for the Singapore-based firm said in the statement that Luna wasn't legally a security, which would mean it isn't covered by South Korea's capital-markets law.

"We believe that this case has become highly politicized, and that the actions of the Korean prosecutors demonstrate unfairness and a failure to uphold basic rights guaranteed under Korean law," the spokesman said.

The price of Luna plunged more than 99% over a few days in May. Together with the collapse of its sister cryptocurrency TerraUSD, the crash erased some \$40 billion of value from digital-currency markets and wiped out the savings of thousands of investors.

Earlier this month, the Seoul Southern District Prosecutors' Office said it obtained an arrest warrant for Mr. Kwon, who had been living in Singapore after the crash. A few days later, police in Singapore said he was no longer in the city-state. Since then his whereabouts have been unclear.

Still, Mr. Kwon has said on Twitter that he is not "on the run" and "making zero effort to hide"—a claim echoed by Terraform Labs. The firm's spokesman declined to provide Mr. Kwon's location.

"Do Kwon's location has been a private matter for months due to ongoing physical security risks to him and his family," the firm's spokes-

man said, adding there had been attempted break-ins to his residences in both South Korea and Singapore.

The Seoul prosecutors' office has previously described Mr. Kwon as "clearly being on the run." Earlier this week it said it had obtained a so-called red notice for Mr. Kwon from global policing body Interpol, effectively putting law-enforcement agencies worldwide on the lookout for him.

Mr. Kwon faces charges of violating South Korea's capital market law, according to the country's Yonhap News Agency. But Terraform Labs argued the law would apply to Luna only if it were a security. If it isn't a security, then Mr. Kwon and his firm didn't do anything illegal, the Terraform Labs spokesman said.

Terraform Labs' argument that Luna isn't a security stems from the murky regulatory status of cryptocurrencies, which many countries have struggled with, including the U.S.

Officials, such as Treasury Secretary Janet Yellen, have cited the collapse of TerraUSD as evidence for the need for stronger crypto regulation.

The Terraform Labs spokesman suggested that South Korean prosecutors had expanded the definition of a security in response to public pressure over the collapse of Luna, which has since been renamed "Luna Classic" as Mr. Kwon has sought to launch a new version of the cryptocurrency.

"We believe, as do most in industry, that Luna Classic is not, and has never been, a security, despite any changes in interpretation that Korean financial officials may have recently adopted," Terraform Labs' spokesman said.

Representatives of the Seoul Southern District Prosecutors' Office couldn't be reached for comment.



The online casino operator, a joint venture between MGM Resorts International and Entain, was sued in New Jersey.

# Gambler Claims BetMGM Site Had Glitches, Fueled Addiction

By KATHERINE SAYRE

A New York man who said he has a gambling addiction has accused online casino operator BetMGM of plying him with free bets to keep him from reporting game glitches to regulators, according to a lawsuit filed Wednesday.

Sam A. Antar alleged that BetMGM's online blackjack and other games repeatedly disconnected from BetMGM's servers, often while he had favorable hands, which wiped out potential winnings. His winnings at times weren't available to him until he deposited more money into his account, further fueling his compulsive gambling that included more than \$29 million in bets in nine months, the lawsuit said.

Mr. Antar complained about the games' problems to account managers and corporate executives, and in response he received free betting credits known as bonuses to continue

gambling, according to the suit. Mr. Antar was told by an account manager that the company was compiling similar complaints from other BetMGM customers, the suit said.

The lawsuit was filed in New Jersey Superior Court. BetMGM is a joint venture between Las Vegas-based **MGM Resorts International** and British gambling firm **Entain PLC**. The lawsuit accused BetMGM, MGM Resorts, Entain and the Borgata casino in Atlantic City, N.J., of consumer fraud, racketeering and gross negligence, among other civil claims. BetMGM also operates a Borgata-branded online casino app in New Jersey.

A BetMGM spokeswoman declined to comment. A spokesman for MGM Resorts referred a request for comment to BetMGM. An Entain spokesman didn't comment.

Mr. Antar said in the suit that when he gambled while in New Jersey, he experienced thousands of disconnections

that occurred every 15 to 30 minutes between May 2019 and January 2020. During this time, he made more than 100,000 online bets, including multiple-day binges at all hours, as well as more than 30 visits to the Borgata, the suit said.

BetMGM didn't fix the problems because the games were profitable, the lawsuit alleged. Instead, Mr. Antar was given bonuses that at one point amounted to more than \$30,000 a month, according to the suit.

In 2019, Mr. Antar was accused by New Jersey prosecutors and by the Securities and Exchange Commission of defrauding friends and family in an investment scheme that allegedly helped fuel his gambling. He pleaded guilty to second-degree theft by deception. In 2013, Mr. Antar was sentenced to 21 months in federal prison for taking \$225,000 in a fraudulent investment scheme and spending the money in part on gambling.

New Jersey is one of six states that have legalized online casino games, such as blackjack and slots. The spread of online casinos in the U.S. has been slower than sports betting, which has been legalized in 36 states and the District of Columbia. Last year, gambling companies in New Jersey took in nearly \$1.4 billion from online casinos, compared with about \$816 million from sports betting, according to New Jersey gambling regulators.

According to the lawsuit, Mr. Antar received a standard message when games he was playing were interrupted, according to the suit: "DISCONNECTED—you have been disconnected from the server. Please refresh the game to continue. If the problem persists, please contact the operator."

Mr. Antar made dozens of complaints to VIP account managers and corporate executives about the online games, but the problems weren't addressed, according to the suit.

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## BUSINESS NEWS

# J&J to Rebrand Products Company

By PETER LOFTUS  
AND KATHRYN HARDISON

Johnson & Johnson said Kenvue will be the new name for the planned stand-alone company that will house some of the most famous brands in consumer health, including Band-Aid bandages and Tylenol medicines.

The new name, which J&J said has components signifying knowledge and sight, is a milestone in the healthcare giant's plan to separate its consumer-health business from its prescription-drug and medical-devices units in 2023.

J&J said the product brands won't be changing, though packaging would be updated to include the Kenvue name and logo. J&J has yet to disclose additional details, including what form the separation will take and the location of the new company's headquarters.

"Unveiling the Kenvue brand is a defining moment for our stakeholders and an important part of the planned separation," said Thibaut Mongon, the head of J&J's consumer unit who has been designated the CEO of Kenvue. Johnson & Johnson, based



Kenvue will be the name of the company that owns current J&J consumer brands, including Band-Aids and Johnson's baby powder.

in New Brunswick, N.J., will continue to be the name of the company housing the drug and device businesses.

J&J is pursuing the consumer-health separation, which it announced last year, because it says the businesses, their customers and markets have diverged so much in recent years, including during the pandemic.

Products that will be part of Kenvue generated \$14.6 billion in revenue in 2021, nearly 16% of total J&J sales. In addition to Band-Aid and Tylenol, they include Listerine mouthwash,

Johnson's baby powder and Neutrogena skin products.

Sales of the consumer products have been growing more slowly than J&J's larger pharmaceutical business. They face challenges from lower-cost store brands, as well as heightened scrutiny of product ingredients and safety by consumers.

J&J recently decided to end global sales of its baby powder, which contains talc, switching instead to cornstarch, after the company was hit with thousands of lawsuits alleging talc powder caused cancer in users. J&J has de-

nied those allegations and said its talc powders are safe.

The separation of the consumer business with a new name carries some risk, because the medicine-cabinet mainstays will no longer be linked to such a well-established corporate brand as J&J.

Pronounced ken-view, the new name is a mashup of "ken"—an English word for knowledge primarily used in Scotland—and "vue," a reference to sight. "With rich knowledge of human needs and deep consumer insights, Kenvue will deliver meaningful, personal health solutions," J&J said as it disclosed the name.

A team at J&J worked with a creative naming agency to develop and screen thousands of names before landing on Kenvue, the company said. The company wanted to ensure the name was easy to pronounce in several languages, and could be trademarked in more than 100 countries.

The new logo has the word Kenvue in white lettering against a green backdrop. It also features a stylized letter "K" incorporating what looks like a sideways heart.

The name Kenvue has some

limitations because it isn't immediately clear how to pronounce "vue," said Phil Davis, president of branding consulting firm Tungsten Branding, in Brevard, N.C., which wasn't involved in coming up with the name. He said it has a more corporate feel than a warmer, more positive-sounding consumer brand.

Yet Mr. Davis said J&J's consumer business will have the resources and know-how to overcome any shortcomings with marketing and messaging. Also, he said it is more important to have strong consumer-product brands than a strong corporate brand.

"It's going to sit in the background a little bit," Mr. Davis said of Kenvue.

The Kenvue moniker harks back to other names for corporate spinoffs that were created by combining parts of words, either real or made up. The snacking purveyor Mondelez International Inc. brought together "monde," derived from the Latin word for world, and "delez," which it said was a fanciful expression of "delicious," to create that new name a decade ago when the company split from Kraft Foods.

## Marketing Chiefs See Rise in Total Pay

By MEGAN GRAHAM

Compensation for chief marketing officers at growth-stage digitally focused companies rose faster in the past year than for other executive roles, according to data from executive-search and consulting firm Eastward Partners Inc.

Eastward Partners compiled compensation data on more than 1,000 U.S.-based chief marketing officers at digitally focused firms with between 100 and 499 employees. Eastward Partners characterized the firms as largely growth-stage companies, or companies in the digital space that have taken external private equity or venture-capital funding. The compensation data examines median total compensation, which includes base salary and bonus.

Within those companies, CMOs' median total compensation in August was 9.64% higher than a year earlier. That was a sharper rise than seen for other roles, such as CEOs, whose compensation grew 7.45%, or CFOs, whose compensation rose 1.96%, according to Eastward data.

The median total of base salary and bonuses for CMOs at these firms was \$275,000.

Eastward Partners said CMO compensation at these companies likely benefited in part from the increase in marketing budgets in recent years.

"During the period of Covid, I think we noticed that—particularly with companies that are digitally enabled in some way—if they were not already investing into their marketing capability, it became clear pretty immediately that they had to, in order to grab and maintain market share," said Nicole Balsam, associate part-

# 9.64%

Rise in CMOs' median total compensation in August

ner and head of brand and digital at Eastward Partners.

Marketing chiefs were one of the highest priorities for some companies in their series A or series B funding rounds, and spending on marketing functions was further fueled by a then-free-flowing investment environment, Ms. Balsam said.

Many chief marketing officers are taking on more job functions, reflecting the necessity to not only shape traditional advertising such as TV commercials and billboards, but to drive business transformation, use data and artificial intelligence to reach consumers, and keep up with an ever-complicated marketing landscape.

Donovan Neale-May, executive director of the Chief Marketing Officer Council, a global network of 16,500 senior brand marketing executives, said that as the role has become more complex, it has been a larger challenge to find and keep digital marketing leaders.

"There's big gaps and holes in marketing organizations that they're trying to fill. And that's actually impacting business performance, because they can't find the savvy, smart digital marketing people to fill those gaps," Mr. Neale-May said.

That is even more true for the kinds of smaller companies showing the high growth in CMO compensation growth, said Greg Paul, co-founder and principal of independent marketing consultant R3.

"The war [for] talent has never been more so than at smaller startups, where well-funded CEOs will be open to investing more in CMOs with pedigree to help fuel growth," he said. "CMO salary growth will be more modest at mature corporations where marketing is more a cog in a wheel."

But the outlook for marketing salaries doesn't look as bright.

As the funding environment has cooled, marketing budgets could dry up for those companies that a short time ago saw piles of cash. Ad sellers from tech platforms to TV over the summer reported signs of softening ad spending.

## SK Capital Buys Generic-Drug Firm Apotex

By PAUL VIEIRA

OTTAWA—A New York private-equity firm has purchased Apotex Pharmaceutical Holdings Inc., the Canadian generic-drug maker founded by billionaire Barry Sherman, who was murdered along with his wife at his Toronto home and whose deaths are the subject of a nearly five-year investigation.

SK Capital, which focuses on investments in the pharmaceutical and chemical sectors, said in a statement it agreed to acquire the closely held Toronto company. No purchase price was disclosed. SK Capital said the transaction was subject to regulatory approval. Representatives for SK Capital and Apotex didn't re-

spond to requests for further comment.

Apotex, which says it employs over 8,000 workers and has the capacity to produce 24 billion tablets and capsules a year, faced an uncertain future following the death of Mr. Sherman, who founded the company in 1974. Apotex was known for its litigation-heavy strategy, challenging patents on brand-name drugs in the hope that a legal victory would allow it to be the first to offer a lower-price generic in the market.

Before Mr. Sherman's death, Forbes magazine had estimated the entrepreneur's net worth at \$3 billion.

Mr. Sherman, 75 years old, and his wife, Honey, 70, were found dead at their home in a



Barry Sherman, founder of Apotex Pharmaceutical, was murdered along with his wife in 2017.

wealthy enclave in north Toronto in December 2017. They died from what police said was "ligature neck compression," or a type of strangulation. Their deaths generated international headlines, and police initially suspected Mr. Sherman had strangled his wife and then hanged himself, people familiar with the matter told The Wall Street Journal in 2018. However, police later pivoted and treated the

deaths as homicides. Jonathon Sherman, the son of Barry and Honey Sherman, told the Journal the idea of a murder-suicide was "unsubstantiated and wrong-minded."

Late last year, Toronto police released a video showing a person walking in the Shermans' neighborhood on Dec. 13, 2017, the day police believe the Shermans were killed. Police said they are treating the individual as a suspect and

asked the public for help in identifying the person. Police noted the individual's gait, or how the person kicked up their right foot with every step.

"We have determined that this individual's purpose in the neighborhood is unexplained," Det.-Sgt. Brandon Price said last December, or when the video was released. He added police had interviewed 250 people as part of the Shermans' murder investigation.

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Dated: September 29, 2022. Norton Rose Fulbright US LLP, /s/ Eric Daucher, Attorneys for Lender, 1301 Avenue of the Americas, New York, NY 10019, (212) 318-3000.

## Tyson Overhauls Top Ranks

Continued from page B1  
more efficiently and improve our business results," he said.

On Tuesday, the company said Mr. Tyson, the son of its current chairman, will take over as Tyson's financial chief after having served as executive vice president of strategy and chief sustainability officer. Mr. Tyson joined the company in September 2019.

When he assumes the role on Oct. 2, Mr. Tyson will be the youngest chief financial officer serving at a company in the S&P 500 or Fortune 500, according to Crist Kolder, an executive search firm. The average age for CFOs at companies in the S&P 500 and Fortune 500 is 53.1 years for males and 52 years for females, the firm said.

Some in the meat industry and company officials have said they expect the younger Mr. Tyson to one day move into the egg-shaped head office that has been occupied by his grandfather and his father, both of whom served as chief executive and chairman. Some people who know Mr. Tyson said he would likely prefer the role of chairman to CEO.

The Tyson family's interests maintain an approximate 71% voting stake at the company, according to its latest annual filing, through their holdings of Class B stock that has 10 times the voting power of the publicly held Class A shares. Dual-class stock arrangements, which grant such "supervoting" rights to a separate class of stock not available to the general public, allow holders of a minority equity stake to control a company.

When the Covid-19 pan-



When John R. Tyson, assumes the role on Oct. 2, he will be the youngest CFO serving at an S&P 500 or Fortune 500 company.

demic began to spread in the U.S. two years ago, meatpacking companies including Tyson posted surging profit margins from processing beef, chicken and pork businesses, drawing criticisms from the White House. Short-staffed plants that couldn't process as much livestock and strong consumer demand pushed meat prices higher, while costs stayed relatively low over much of that period, meat industry executives have said.

The average age for male CFOs at S&P 500 and Fortune 500 companies is 53.1.

Profits have come under pressure in recent months as plant staffing improves, consumer demand softens and as cattle herds shrink, raising the price meatpackers pay to ranchers. The company's other business lines have also been challenged, with sales volumes of Tyson's prepared foods business falling nearly 9% in its most recent quarter, compared with a year earlier. Tyson said this week that

Noelle O'Mara, the head of its prepared-foods division, had departed the company. Last month, Tyson said in a regulatory filing that it had fired the president of its international business, Chris Langholz, a former Cargill Inc. official who joined Tyson in 2019.

Tyson said this week that Mr. Langholz will be replaced by Amy Tu, Tyson's chief legal officer, a former member of Boeing Co.'s legal team who joined Tyson in 2017. Ms. Tu will retain her legal role as she oversees Tyson's planned overseas expansion, including building six plants in Asia. Tyson separately moved Stewart Glendinning, the company's chief financial officer since 2017, to be the group president of prepared foods.

In Tyson's pork business, the company is paying more for the hogs they buy from farmers while U.S. pork companies are exporting less meat to China, the world's largest consumer of pork, pressuring profits. Profit margins for pork processors declined an estimated 70% for the month of August compared with the same month a year earlier, according to the investment firm Stephens Inc.

—Jennifer Williams-Alvarez contributed to this article.

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Footnotes:
+New 52-week high.
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dd-Indicates loss in the most recent four quarters.
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H-Does not meet continued listing standards.
IF-Late filing.
q-Temporary exemption from Nasdaq requirements.
t-NYSE bankruptcy.
v-Trading halted on primary market.
V-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.

Table of stock prices for Wednesday, Sept. 28, 2022. Columns include Stock, Sym, Close, Net Chg, and various stock symbols like ABB, ADT, AECOM, etc.

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Continued on Page B10



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Dividend Changes

Table of dividend changes for companies like Ferguson, NVT, Sociedad Quimica ADR.

KEY: A: annual; M: monthly; Q: quarterly; r: revised; SA: semiannual; S2:1: stock split and ratio; SO: spin-off.

Borrowing Benchmarks

wsj.com/market-data/bonds/benchmarks

Money Rates

September 28, 2022

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Table of money rates including Inflation, Federal funds, U.S. consumer price index, International rates, Prime rates, Policy Rates, Overnight repurchase, U.S. government rates, and Discount.

Libor

Table of Libor rates for One-month, Three-month, Six-month, One-year.

Secured Overnight Financing Rate

Table of SOFR rates for 2.98, 2.26, 2.99, 0.03.

DTCC GCF Repo Index

Table of DTCC GCF Repo Index rates for Treasury, MBS.

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 September 22, 2022. Other prime rates aren't directly comparable, lending practices vary widely by location; Discount rate is effective September 22, 2022. Secured Overnight Financing Rate is as of September 22, 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.



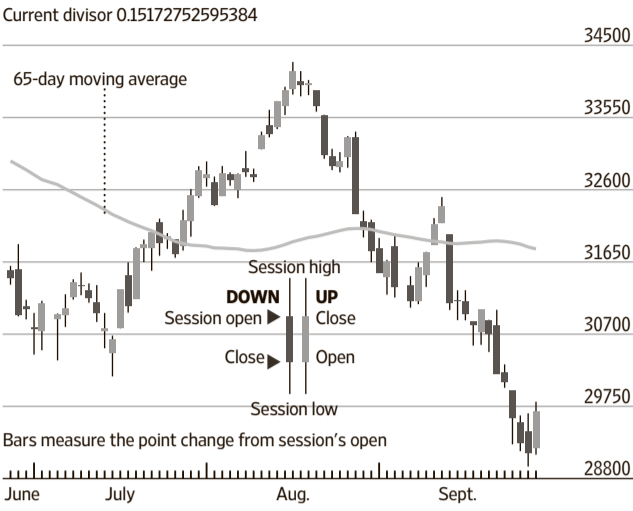
# MARKETS DIGEST

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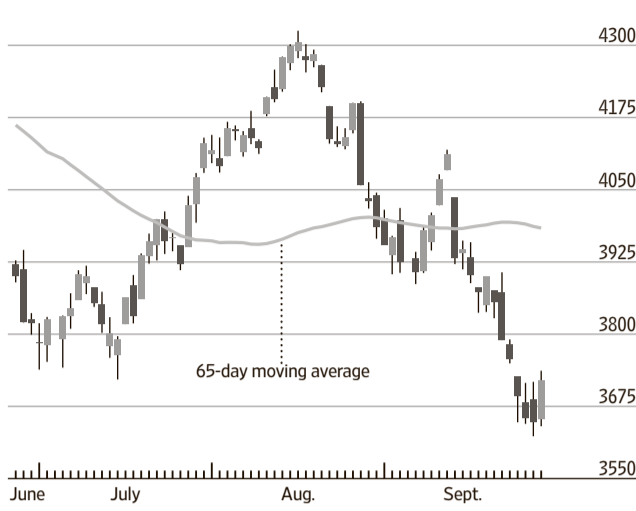
Last Year ago  
 Trailing P/E ratio 17.47 23.35  
 P/E estimate \* 15.77 18.89  
 Dividend yield 2.40 1.86  
 All-time high 36799.65, 01/04/22



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**3719.04** ▲ 71.75, or 1.97%  
 High, low, open and close for each trading day of the past three months.

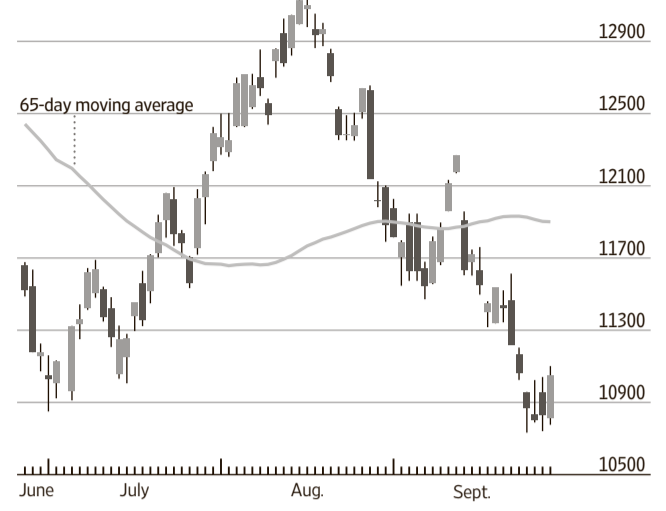
Last Year ago  
 Trailing P/E ratio \* 18.09 31.09  
 P/E estimate \* 16.42 22.04  
 Dividend yield \* 1.79 1.34  
 All-time high 4796.56, 01/03/22



### Nasdaq Composite Index

**11051.64** ▲ 222.13, or 2.05%  
 High, low, open and close for each trading day of the past three months.

Last Year ago  
 Trailing P/E ratio \*\* 23.10 35.96  
 P/E estimate \*\* 20.92 28.82  
 Dividend yield \*\* 0.99 0.68  
 All-time high: 16057.44, 11/19/21



### Major U.S. Stock-Market Indexes

	High	Low	Close	Net chg	% chg	High	Low	% chg	52-Week	% chg	YTD	3-yr. ann.
<b>Dow Jones</b>												
Industrial Average	29811.78	29114.97	<b>29683.74</b>	548.75	1.88	36799.65	29134.99	-13.7	-18.3	3.4		
Transportation Avg	12526.85	12150.17	<b>12457.13</b>	303.78	2.50	17039.38	11999.40	-12.5	-24.4	6.4		
Utility Average	950.35	933.45	<b>944.84</b>	10.61	1.14	1071.75	872.82	7.1	-3.7	2.5		
Total Stock Market	37582.17	36586.26	<b>37402.71</b>	781.48	2.13	48929.18	36621.23	-17.2	-23.1	7.3		
Barron's 400	862.06	831.78	<b>857.50</b>	25.71	3.09	1127.20	825.73	-16.1	-22.5	8.3		
<b>Nasdaq Stock Market</b>												
Nasdaq Composite	11101.50	10776.34	<b>11051.64</b>	222.13	2.05	16057.44	10646.10	-23.8	-29.4	11.7		
Nasdaq-100	11546.87	11210.81	<b>11493.83</b>	222.08	1.97	16573.34	11127.57	-22.1	-29.6	14.4		
<b>S&amp;P</b>												
500 Index	3736.74	3640.61	<b>3719.04</b>	71.75	1.97	4796.56	3647.29	-14.7	-22.0	7.9		
MidCap 400	2277.33	2211.95	<b>2265.96</b>	59.82	2.71	2910.70	2200.75	-15.5	-20.3	5.6		
SmallCap 600	1101.41	1068.43	<b>1094.79</b>	29.46	2.77	1466.02	1064.45	-19.2	-21.9	5.0		
<b>Other Indexes</b>												
Russell 2000	1725.28	1668.79	<b>1715.24</b>	52.73	3.17	2442.74	1649.84	-22.9	-23.6	4.1		
NYSE Composite	13894.65	13541.76	<b>13833.18</b>	291.42	2.15	17353.76	13541.76	-15.4	-19.4	2.2		
Value Line	509.80	494.24	<b>507.53</b>	13.29	2.69	696.40	493.79	-22.4	-24.5	-0.7		
NYSE Arca Biotech	4615.58	4424.48	<b>4595.93</b>	171.44	3.87	5815.27	4208.43	-18.7	-16.7	3.0		
NYSE Arca Pharma	759.02	738.43	<b>756.10</b>	17.68	2.39	887.27	734.70	1.8	-8.6	8.9		
KBW Bank	98.76	96.24	<b>98.17</b>	2.01	2.09	147.56	96.17	-26.0	-25.8	-0.7		
PHLX <sup>S</sup> Gold/Silver	98.29	93.67	<b>98.17</b>	6.11	6.64	167.76	91.40	-16.1	-25.9	2.5		
PHLX <sup>S</sup> Oil Service	60.27	57.36	<b>60.06</b>	3.15	5.54	88.37	49.14	5.3	13.9	-3.0		
PHLX <sup>S</sup> Semiconductor	2437.36	2369.23	<b>2427.26</b>	29.22	1.22	4039.51	2373.47	-25.6	-38.5	16.3		
Cboe Volatility	34.88	30.03	<b>30.18</b>	-2.42	-7.42	36.45	15.01	33.8	75.3	20.6		

\*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	13,329.5	370.28	-0.25	-0.07	371.17	370.10
Invesco QQQ Trust I	QQQ	5,417.0	279.70	-0.24	-0.09	296.95	279.37
iSh 1-5 Year IG Corp Bd	IGSB	4,910.4	49.46	-0.07	-0.15	49.46	49.46
Desktop Metal	DM	3,647.8	2.71	0.02	0.74	2.71	2.64
Apple	AAPL	3,599.4	149.45	-0.39	-0.26	149.98	145.91
Realty Income	O	2,952.7	60.39	0.02	0.03	60.51	60.28
ProShares UltraPro QQQ	TQQQ	2,542.7	22.25	-0.02	-0.09	22.35	22.16
Uber Technologies	UBER	2,531.5	28.05	0.01	0.04	28.13	27.93

#### Percentage gainers...

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
FTAI Infrastructure	FIP	470.0	2.84	0.38	15.45	2.84	2.43
Revolution Medicines	RVMD	85.9	21.00	1.20	6.06	21.00	19.80
Destination XL Group	DXLG	240.1	5.88	0.28	5.00	5.88	5.56
Amcor	AMCR	246.6	11.35	0.45	4.13	11.35	10.83
ZTO Express (Cayman) ADR	ZTO	51.3	26.00	0.93	3.71	26.00	25.07

#### ...And losers

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
Sunlight Financial	SUNL	58.8	2.12	-0.40	-15.87	2.52	2.06
Altus Power	AMPS	138.3	12.40	-1.83	-12.86	14.59	11.75
Paramount Group	PGRE	56.1	6.16	-0.28	-4.35	6.44	6.16
NOV	NOV	147.5	14.57	-0.64	-4.21	15.82	14.57
BioCryst Pharm	BCRX	293.1	12.40	-0.51	-3.95	13.03	12.40

### Trading Diary

#### Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	1,030,534,275	13,328,235
Adv. volume*	941,773,788	10,799,748
Decl. volume*	80,499,025	2,518,783
Issues traded	3,425	290
Advances	2,854	213
Declines	438	69
Unchanged	133	8
New highs	12	...
New lows	294	16
Closing Arms*	0.74	0.50
Block trades*	5,007	128
	Nasdaq	NYSE Arca
Total volume*	4,556,109,413	391,618,201
Adv. volume*	3,866,894,140	337,425,923
Decl. volume*	658,006,919	53,831,291
Issues traded	4,926	1,743
Advances	3,674	1,553
Declines	1,003	184
Unchanged	249	6
New highs	31	9
New lows	365	204
Closing Arms*	0.62	1.59
Block trades*	21,987	1,438

\*Primary market NYSE/NYSE Amer./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
<b>World</b>	<b>MSCI ACWI</b>	<b>565.81</b>	6.09	1.09	-25.0
	MSCI ACWI ex-USA	246.69	-1.08	-0.44	-28.4
	MSCI World	2438.78	34.90	1.45	-24.5
	MSCI Emerging Markets	875.85	-16.04	-1.80	-28.9
<b>Americas</b>	<b>MSCI AC Americas</b>	<b>1415.46</b>	27.59	1.99	-22.5
Canada	S&P/TSX Comp	18648.92	341.01	1.86	-12.1
Latin Amer.	MSCI EM Latin America	2049.08	3.93	0.19	-3.8
Brazil	BOVESPA	108451.20	74.85	0.07	3.5
Chile	S&P IPSA	3131.74	-49.37	-1.55	11.6
Mexico	S&P/BMV IPC	45442.21	436.10	0.97	-14.7
<b>EMEA</b>	<b>STOXX Europe 600</b>	<b>389.41</b>	1.17	0.30	-20.2
Eurozone	Euro STOXX	366.28	0.41	0.11	-23.5
Belgium	Bel-20	3387.62	-3.28	-0.10	-21.4
Denmark	OMX Copenhagen 20	1542.80	12.22	0.80	-17.2
France	CAC 40	5765.01	11.19	0.19	-19.4
Germany	DAX	12183.28	43.60	0.36	-23.3
Israel	Tel Aviv	1875.74	-47.15	-2.45	-5.2
Italy	FTSE MIB	20852.67	-108.71	-0.52	-23.7
Netherlands	AEX	641.09	-1.63	-0.25	-19.7
Russia	RTS Index	1074.57	21.11	2.00	-32.7
South Africa	FTSE/JSE All-Share	63808.32	-217.63	-0.34	-13.4
Spain	IBEX 35	7442.20	-3.50	-0.05	-14.6
Sweden	OMX Stockholm	707.06	7.05	1.01	-31.8
Switzerland	Swiss Market	10220.76	94.33	0.93	-20.6
Turkey	BIST 100	3198.16	-67.48	-2.07	72.2
U.K.	FTSE 100	7005.39	20.80	0.30	-5.1
U.K.	FTSE 250	17320.97	16.86	0.10	-26.2
<b>Asia-Pacific</b>	<b>MSCI AC Asia Pacific</b>	<b>139.69</b>	-2.45	-1.72	-27.7
Australia	S&P/ASX 200	6462.00	-34.16	-0.53	-13.2
China	Shanghai Composite	3045.07	-48.80	-1.58	-16.3
Hong Kong	Hang Seng	17250.88	-609.43	-3.41	-26.3
India	S&P BSE Sensex	56598.28	-509.24	-0.89	-2.8
Japan	NIKKEI 225	26173.98	-397.89	-1.50	-9.1
Singapore	Straits Times	3116.31	-49.19	-1.55	-0.2
South Korea	KOSPI	2169.29	-54.57	-2.45	-27.1
Taiwan	TAIEX	13466.07	-360.52	-2.61	-26.1
Thailand	SET	1599.23	-11.35	-0.70	-3.5

Sources: FactSet; Dow Jones Market Data

### Percentage Gainers...

Company	Symbol	Close	Net chg	% chg	Latest Session	52-Week
PepGen	PEPG	10.93	5.73	110.19	16.99	4.32
Acumen Pharmaceuticals	ABOS	9.58	4.88	103.83	15.64	3.02
Prothena	PRTA	58.00	27.07	87.52	75.00	21.06
BTRS Holdings	BTRS	9.28	3.51	60.83	11.01	3.95
Biogen	BIIB	276.61	78.82	39.85	290.76	187.16
bioAffinity Technologies	BIAF	2.92	0.80	37.74	15.55	2.02
KLX Energy Services	KLXE	6.97	1.62	30.28	13.36	2.94
TOP Ships	TOPS	3.03	0.69	29.49	33.00	2.10
Quanterix	QTRX	10.41	2.35	29.16	60.92	6.31
Heartbeam	BEAT	3.44	0.75	27.88	5.47	1.12
Blue Apron Cl A	APRN	6.21	1.20	23.95	12.76	2.27
Manitex	MNTX	5.70	1.10	23.91	8.19	4.20
AC Immune	ACIU	3.12	0.60	23.81	8.14	2.06
MorphoSys ADR	MOR	5.49	1.04	23.37	12.45	4.07
ProMIS Neurosciences	PMN	6.15	1.16	23.25	9.80	4.20

### Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session	52-Week
ProShares UltraPro QQQ	TQQQ	253,470	54.9	22.27	5.85



# COMMODITIES

wsj.com/market-data/commodities

## Futures Contracts

### Metal & Petroleum Futures

	Open	High	Low	Settle	Chg	Open interest
<b>Copper-High (CMX)</b> -25,000 lbs.; \$ per lb.						
Sept	3.3320	3.3525	3.3320	3.3820	0.0590	624
Dec	3.2940	3.3920	3.2430	3.3585	0.0750	116,564
<b>Gold (CMX)</b> -100 troy oz.; \$ per troy oz.						
Sept	1620.40	1621.80	1620.40	1660.40	33.70	1,112
Oct	1627.00	1661.50	1613.00	1660.30	33.80	31,458
Nov	1631.40	1666.20	1618.00	1665.10	34.00	91,928
Dec	1636.50	1671.60	1622.20	1670.00	33.80	377,619
Feb'23	1650.50	1684.20	1636.00	1683.00	33.70	31,935
April	1658.00	1697.40	1650.50	1696.30	33.50	6,388
<b>Palladium (NYM)</b> -50 troy oz.; \$ per troy oz.						
Sept				2150.60	73.70	1
Dec	2076.50	2173.00	2042.50	2169.10	78.70	5,854
<b>Platinum (NYM)</b> -50 troy oz.; \$ per troy oz.						
Sept				871.10	23.20	36
Jan'23	840.30	865.00	827.30	860.80	21.10	52,737
<b>Silver (CMX)</b> -5,000 troy oz.; \$ per troy oz.						
Sept	3.2545	3.4663	3.1992	3.4494	0.1895	16,209
Dec	3.1579	3.3434	3.0929	3.3372	0.1743	75,014
<b>Crude Oil, Light Sweet (NYM)</b> -1,000 bbls.; \$ per bbl.						
Nov	78.08	82.34	76.55	82.15	3.65	253,409
Dec	77.38	81.40	75.84	81.24	3.43	236,003
Jan'23	76.48	80.34	74.96	80.20	3.27	89,360
Feb	75.56	79.17	74.07	79.09	3.11	75,517
June	72.47	75.47	71.02	75.38	2.69	117,928
Dec	69.49	72.18	68.29	72.00	2.32	149,645
<b>NY Harbor ULSD (NYM)</b> -42,000 gal.; \$ per gal.						
Nov	3.2545	3.4663	3.1992	3.4494	0.1895	16,209
Dec	3.1579	3.3434	3.0929	3.3372	0.1743	75,014
<b>Gasoline-NY RB0B (NYM)</b> -42,000 gal.; \$ per gal.						
Oct	2.5006	2.5860	2.4563	2.5779	0.0848	13,370
Nov	2.3700	2.4666	2.3337	2.4617	0.0990	91,777
<b>Natural Gas (NYM)</b> -10,000 MMBtu.; \$ per MMBtu.						
Oct	6.666	6.912	6.456	6.868	0.217	1,580
Nov	6.775	7.041	6.562	6.955	0.195	164,038
Jan'23	7.226	7.452	6.676	7.370	0.213	88,667
March	6.076	6.185	5.854	6.132	0.135	72,449
April	4.954	4.987	4.818	4.902	-0.021	76,765
May	4.874	4.875	4.717	4.782	-0.034	81,552

### Agriculture Futures

	Open	High	Low	Settle	Chg	Open interest
<b>Corn (CBT)</b> -5,000 bu.; cents per bu.						
Dec	668.25	673.25	661.50	670.50	3.00	708,132
March	673.25	678.50	667.25	676.50	3.75	234,589
<b>Oats (CBT)</b> -5,000 bu.; cents per bu.						
Dec	374.75	383.50	370.25	378.00	8.00	3,193
March	375.25	381.75	375.00	381.75	7.50	525
<b>Soybeans (CBT)</b> -5,000 bu.; cents per bu.						
Nov	1409.00	1412.50	1390.75	1408.75	0.75	314,398
Jan'23	1415.00	1418.50	1397.75	1416.25	2.25	150,197
<b>Soybean Meal (CBT)</b> -100 tons; \$ per ton.						
Oct	427.00	428.40	419.40	421.80	-0.30	13,006
Dec	414.20	416.60	410.50	412.70	-0.90	193,205
<b>Soybean Oil (CBT)</b> -60,000 lbs.; cents per lb.						
Oct	66.23	66.24	64.16	65.52	-1.4	10,799
Dec	62.60	62.88	60.75	62.15	-2.4	156,638
<b>Rough Rice (CBT)</b> -2,000 cwt.; \$ per cwt.						
Nov	17.31	17.38	17.27	17.36	0.04	7,827
Jan'23	17.61	17.68	17.57	17.66	0.05	746
<b>Wheat (CBT)</b> -5,000 bu.; cents per bu.						
Dec	874.25	905.00	862.00	903.25	31.75	147,605
March	884.75	917.25	875.00	915.00	30.75	55,533
<b>Wheat (KC)</b> -5,000 bu.; cents per bu.						
Dec	946.50	977.50	935.25	976.00	32.75	86,856
March	943.50	973.75	932.50	972.00	31.50	34,606
<b>Cattle-Feeder (CME)</b> -50,000 lbs.; cents per lb.						
Sept	175.700	175.975	174.925	175.375	-0.325	1,297
Nov	176.525	176.625	175.025	175.275	-1.000	19,354
<b>Cattle-Live (CME)</b> -40,000 lbs.; cents per lb.						
Oct	144.150	144.200	142.925	143.500	-0.525	36,726
Dec	147.325	147.475	146.075	146.275	-0.625	117,783
<b>Hogs-Lean (CME)</b> -40,000 lbs.; cents per lb.						
Oct	89.050	89.775	88.275	89.375	0.675	22,737
Dec	76.570	77.250	75.325	75.825	-4.250	92,426
<b>Lumber (CME)</b> -110,000 bd. ft.; \$ per 1,000 bd. ft.						
Nov	443.70	451.00	420.10	432.80	3.50	2,216
Jan'23	460.00	468.10	443.20	450.30	3.0	337
<b>Milk (CME)</b> -200,000 lbs.; cents per lb.						
Sept	19.88	19.90	19.84	19.89	0.01	4,377
Oct	21.30	21.89	21.30	21.85	0.56	5,503
<b>Cocoa (ICE-US)</b> -10 metric tons; \$ per ton.						
Dec	2,270	2,308	2,248	2,282	-4	145,585
March	2,265	2,292	2,241	2,271	-5	74,040
<b>Coffee (ICE-US)</b> -37,500 lbs.; cents per lb.						
Dec	223.95	229.40	220.35	228.70	4.35	89,985

	Open	High	Low	Settle	Chg	Open interest
March'23	215.80	220.55	212.55	219.60	3.30	47,290
<b>Sugar-World (ICE-US)</b> -112,000 lbs.; cents per lb.						
Oct	18.23	18.48	18.10	18.29	0.10	32,901
March'23	17.60	17.82	17.43	17.71	0.12	349,085
<b>Sugar-Domestic (ICE-US)</b> -112,000 lbs.; cents per lb.						
Nov				34.49	-0.1	1,250
March'23				34.94	0.34	2,596
<b>Cotton (ICE-US)</b> -50,000 lbs.; cents per lb.						
Oct				90.44	0.40	16
Dec	88.71	89.34	85.70	88.49	0.40	107,407
<b>Orange Juice (ICE-US)</b> -15,000 lbs.; cents per lb.						
Nov	185.00	192.25	185.00	188.30	6.05	7,503
Jan'23	179.55	184.25	177.10	180.65	5.55	1,860

	Open	High	Low	Settle	Chg	Open interest
<b>Ultra Treasury Bonds (CBT)</b> -\$100,000; pts 32nds of 100%						
Dec	135-190	139-110	133-270	138-290	3-11.0	1,411,347
<b>Treasury Bonds (CBT)</b> -\$100,000; pts 32nds of 100%						
Dec	125-000	127-280	123-300	127-220	2-28.0	1,202,822
March'23	124-000	127-160	123-270	127-160	2-28.0	52
<b>Treasury Notes (CBT)</b> -\$100,000; pts 32nds of 100%						
Dec	111-005	112-300	110-190	112-275	1-31.0	3,766,480
March'23	111-075	113-050	110-275	113-020	1-31.5	286
<b>5 Yr. Treasury Notes (CBT)</b> -\$100,000; pts 32nds of 100%						
Sept	108-002	108-040	106-282	108-075	1-08.2	928
Dec	106-247	108-032	106-172	108-020	1-12.2	3,998,457
<b>2 Yr. Treasury Notes (CBT)</b> -\$200,000; pts 32nds of 100%						
Sept	103-028	103-028	103-030	103-030	13.1	286
Dec	102-165	102-300	102-146	102-290	13.9	2,028,628
<b>30 Day Federal Funds (CBT)</b> -\$5,000,000; 100-basis point						
Sept	97.4450	97.4450	97.4425	97.4425	190.151	
Oct	96.9150	96.9200	96.9100	96.9150	0.050	450,929
<b>10 Yr. Del. Int. Rate Swaps (CBT)</b> -\$100,000; pts 32nds of 100%						
Dec	90-215	91-220	90-195	91-180	1-15.5	14,085
<b>Three-Month SOFR (CME)</b> -\$1,000,000; 100-basis point						
Sept	95.5925	96.6325	95.5800	96.6000	0.250	626,950
March'23	95.5050	95.7100	95.4650	95.6450	1.550	1,057,586
<b>Eurodollar (CME)</b> -\$1,000,000; pts of 100%						
Oct	96.0150	96.0775	95.9750	96.0200	-0.075	111,134
Dec	95.3250	95.4350	95.2570	95.3300	0.250	1,571,349
March'23	95.2150	95.4100	95.1800	95.3500	1.450	1,012,862
Dec	95.3750	95.6200	95.3400	95.6000	0.2650	937,026

### Currency Futures

	Open	High	Low	Settle	Chg	Open interest
<b>Japanese Yen (CME)</b> -\$12,500,000; \$ per 100¥						
Oct	69.20	69.61	69.16	69.59	0.037	1,776
Dec	69.67	70.09	69.62	70.07	0.038	239,497
<b>Canadian Dollar (CME)</b> -CAD 100,000; \$ per CAD						
Oct	72.70	73.51	72.80	73.46	0.052	227
Dec	72.67	73.52	72.20	73.47	0.052	137,282
<b>British Pound (CME)</b> -£62,500; \$ per £						
Oct	1.0692	1.0918	1.0544	1.0905	0.166	440
Dec	1.0732	1.0919	1.0439	1.0906	0.168	278,471
<b>Swiss Franc (CME)</b> -CHF 125,000; \$ per CHF						
Oct	1.0160	1.0340	1.0111	1.0330	0.163	44,100
March'23	1.0236	1.0426	1.0211	1.0423	0.165	377
<b>Australian Dollar (CME)</b> -AUD 100,000; \$ per AUD						
Oct	0.6431	0.6533	0.6366	0.6529	0.093	396
Dec	0.6442	0.6540	0.6372	0.6535	0.092	151,438
<b>Mexican Peso (CME)</b> -MXN 500,000; \$ per MXN						
Oct	0.4908	0.4946	0.4850	0.4948	0.0050	24
Dec	0.4834	0.4897	0.4787	0.4891	0.0050	173,001
<b>Euro (CME)</b> -€125,000; \$ per €						
Oct	96.10	97.63	95.50	97.58	0.144	6,700
Dec	96.51	98.09	95.92	98.03	0.146	632,417

### Index Futures



Fast Company Shuts Website After Two Hacks Within Days

By ALYSSA LUKPAT

Fast Company, a business news organization, said it shut down its website because it was hacked twice this week and "obscene and racist" push notifications were sent to its Apple News users.

The company, which describes itself as a progressive business brand, said Wednesday that it experienced two apparently related hacks. The company said it was investigating what happened and its website would be shut down until the situation was resolved.

In the first attack, Fast Company said abhorrent language appeared on its website on Sunday afternoon. The company shut down its website for about two hours that day. Then Fast Company said its content-management system was hacked on Tuesday



The first attack was Sunday. A Fast Company event in New York.

night. Its Apple News followers received two notifications on their devices about a minute apart. "The messages are vile and are not in line with the content and ethos of Fast Company," the company said.

Apple News said on Twitter Tuesday night that it disabled

Fast Company's channel after "an incredibly offensive alert" was sent.

Apple Inc. and Fast Company didn't return requests for comment on Wednesday.

New York-based Fast Company publishes a website and a magazine about technology,

design and other topics. It had 4.9 million unique online visitors in August, according to Comscore Inc., a firm that measures internet traffic.

Fast Company apologized to its readers who saw the content before it was taken down.

"Fast Company regrets that such abhorrent language appeared on our platforms and in Apple News," the company said.

The company released its first print issue in 1995. In 2025, the Chicago-based private investor Joe Mansueto acquired the company and Inc. Magazine, a business publication, for around \$40 million.

Mansueto Ventures LLC, which publishes both Inc. Magazine and Fast Company, didn't respond to a request for comment Wednesday. Both Mansueto Ventures's and Inc. Magazine's websites were also down on Wednesday morning.

By PETER RUDEGEAR

Regions Financial Corp. agreed to pay \$191 million to settle a regulator's accusations that it charged surprise overdraft fees that harmed its customers.

A review from the Consumer Financial Protection Bureau found that, between August 2018 and July 2021, the bank charged customers overdraft fees on debit-card purchases and ATM withdrawals even though they had sufficient funds in their accounts at the time those transactions were authorized.

The CFPB said Regions employed "counterintuitive, complex transaction processing" that made it hard for consumers to understand or reasonably avoid paying fees.

Regions, based in Birmingham, Ala., will pay a \$50 million penalty to the CFPB and will refund customers around \$141 million for these so-called authorized-positive overdraft

fees.

The bank didn't admit or deny the CFPB's findings as part of the settlement.

Regions said in an email that it disagreed with the CFPB's characterizations but that it is pleased to move forward.

Under the Biden administration, the CFPB and the Office of the Comptroller of the Currency have pressed banks to cut back on overdraft charges.

Following scrutiny from regulators and politicians, banks including Bank of America Corp. and JPMorgan Chase & Co. made changes to their overdraft practices.

Black households and those with low to moderate incomes are almost twice as likely to incur overdraft fees as white households or those with higher incomes, according to a report from the Financial Health Network, a research firm partly funded by financial institutions.

New Highs and Lows

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. % CHG-Daily percentage change from the previous trading session.

Table with columns for Stock, 52-Wk % High/Low, and % CHG. Lists various stocks like AGBA, ACN, AFR, etc.

Table with columns for Stock, 52-Wk % High/Low, and % CHG. Lists various stocks like AG, AMO, APAC, etc.

Table with columns for Stock, 52-Wk % High/Low, and % CHG. Lists various stocks like ALE, ALI, ALG, etc.

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Biggest 1,000 Stocks

Continued From Page B7

Table with columns for Stock, Net Change, and % Change. Lists various stocks like Regency, REX, etc.

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Mutual Funds

Data provided by LIPPER

Top 250 mutual-funds listings for Nasdaq-published share classes by net assets.

Table with columns for Fund, Net Assets, and % Change. Lists various funds like Balanced, Global, etc.

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MARKETS

Crypto Ether Falls After 'Merge' Upgrade

Drop comes as Ethereum miners sell holdings and in wake of Fed rate move

By PAUL VIGNA

The price of the cryptocurrency ether fell 19% over the past two weeks as Ethereum miners sell their holdings in the wake of a much-hyped software upgrade dubbed "the merge."

On Tuesday evening, ether's price was \$1,324, a decline of less than 0.1% from Monday.

Markets have been falling around the world as the Federal Reserve and other central banks raise interest rates aggressively to combat rising inflation. Higher rates for safe debt usually make riskier assets less attractive to investors—and traders consider cryptocurrencies among the

riskiest.

The Dow Jones Industrial Average fell into bear-market territory on Monday. Bitcoin is down 70% from its November record high.

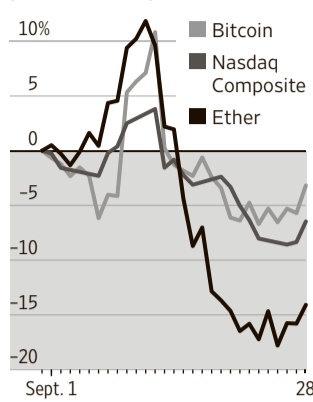
In the months leading up to the merge, traders drove the price of ether up from under \$1,000 in mid-June to almost \$2,000 by mid-August.

The Ethereum merge abandoned the network's "proof-of-work" model and the high-energy computers needed to run it, rendering the business practice of Ethereum miners obsolete.

Jeff Dorman, the chief investment officer at digital-asset investment firm Arca, said Ethereum's former miners are likely contributing to the sell-off.

"Ethereum miners just had their entire livelihoods stripped," he said, adding that what the miners are doing is cashing out what they built up

Cryptocurrency and index performance, past month

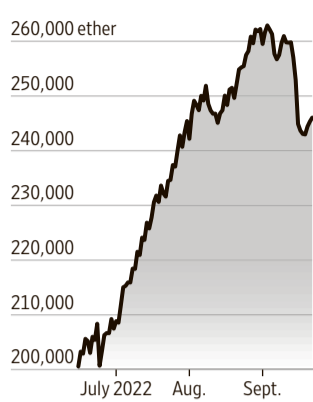


As of Sept. 22. Sources: CoinDesk (bitcoin); Kraken (ether); FactSet (Nasdaq Composite); OKLink (balances)

before the merge.

Those miners aggressively stockpiled new ether over the past few months, knowing that after the merge their entire business model would be shut down, Mr. Dorman said. Their collective holdings

Combined balances of ether of Ethereum miners\*



rose from about 200,000 ETH on June 15 to about 263,000 ETH on Sept. 3, approximately \$1.7 billion, according to data from blockchain analytics firm OKLink. That total dropped to about 242,000 ETH on Sept. 19.

Ethereum faces other issues beyond the miner sell-off. While the software upgrade went off without any major problems, it couldn't yet be determined whether it introduced any bugs. Ethereum software upgrades in 2019, 2020 and 2021 all resulted in bugs, said FRNT Financial's CEO and co-founder Stéphane Ouellette.

"The potential that the upgrade introduced vulnerabilities or bugs that may be exploited over the long term remains," he said.

Another concern, at least for ardent crypto backers, is that the new version of Ethereum is less decentralized than the old version. Crypto networks such as those for ether and bitcoin are designed so that anybody can download the software and run it and become a "node" on the network. Ethereum is the network for ether.

In bitcoin and the old version of Ethereum, these nodes expended computing power as a cost of being allowed to operate on the network and earn a reward of newly minted cryptocurrency.

Ethereum moved to a proof-of-stake model, where validators put their crypto holdings on the line to verify transactions. As a result, validators now have control over a large portion of the network.

The merge also stirred up regulatory fears. Securities and Exchange Commission Chairman Gary Gensler told reporters earlier this month after a congressional hearing that Ethereum's staking model, and the way it generates profits, could be an indication of an asset that fits the criteria of a security. If the SEC decides that Ethereum is a security, it would introduce a raft of regulations for the industry.

Rates Spur Companies to Unload Pension Liabilities

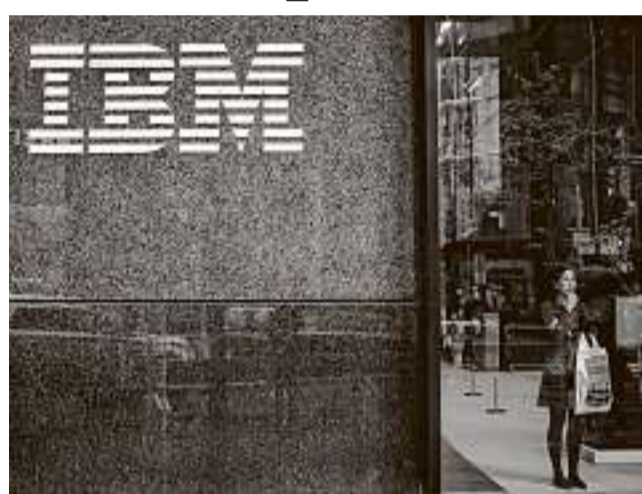
By JENNIFER WILLIAMS-ALVAREZ

Rising interest rates are boosting corporate pension plans, providing finance chiefs with an option to lighten their companies' balance sheets and transfer obligations to insurers.

The Federal Reserve has raised rates five times this year as it battles inflation, including last week when it opted for the third consecutive 0.75-point rate increase and indicated further rate action.

When rates rise, liabilities for defined-benefit plans—a type of pension plan that promises fixed amounts to participants—shrink. The liabilities are based on long-term corporate bond yields and decrease when bond yields rise. Long-term corporate bond yields rose to 4.7% at the end of August, up from 2.76% at the end of 2021 and 2.58% a year ago, according to Mercer LLC, a consulting firm.

Defined-benefit plans sponsored by S&P 1500 companies were 101% funded as of Aug. 31, up 6 percentage points from the prior-year period, according to Mercer. Discount rates are fore-



IBM is moving about 40% of its defined pensions off its books.

cast to keep climbing, which would increase funding levels even more and make it more appealing for companies to shift their obligations.

Many companies in recent years closed their defined-benefit plans to new entrants and signed them up to defined-contribution plans. Those plans don't guarantee fixed payouts, relieving companies from the pressure to generate certain re-

turns and the costs associated with managing the pensions. Companies need to have a fully funded pension plan to transfer it entirely to a third party, a process that usually takes one or two years. They can move a portion of their pension obligations, but that requires a high funding status.

Finance executives and plan sponsors are preparing to unload their plans now as funding levels are high, advisers said. "If interest rates level off or decrease, the funded status could fall pretty quickly," said Matt McDaniel, a partner at Mercer who advises companies on pension risk transfers. That could limit companies' ability to transfer their plans.

International Business Machines Corp. this month said it is moving more than 40% of its defined-pension obligations—about \$16 billion—off its books. The technology company is splitting the liabilities equally between insurers Prudential Financial Inc. and MetLife Inc. in a transaction that closed Sept. 13. The plan was funded at 112% at the end of last year and will remain more than fully funded after the transaction, the company said. IBM declined to comment further.

Companies transferred \$17.1 billion in pension risks during the first six months of the year, up from \$8.7 billion during the prior-year period, according to Aon PLC, an insurer that advises on these transfers. The volume of transactions usually picks up during the second half

of the year and volumes this year could exceed those in 2021, when companies moved \$38 billion in pension obligations to insurers, said Ari Jacobs, a senior partner at Aon. Aon is benefiting from higher rates as well, Chief Financial Of-

icer Christa Davies said on a July 29 earnings call. "Each 100 basis point increase in interest rates [...] decreases our pension unfunded liability, which decreases cash contributions to pensions," she said, adding Aon took steps to de-risk its liability. This includes freezing and closing plans, Ms. Davies said. The company declined to comment further.

Pactiv Evergreen Inc., a Lake Forest, Ill.-based packaging company, earlier this month

said it was shifting about \$660 million—roughly 40%—of its U.S. pension liabilities to two subsidiaries of insurer Athene Holding Ltd. Pittsburgh-based Alcoa Corp. in August agreed to transfer around \$1 billion in U.S. pension liabilities, its fifth transaction of this kind since 2018 to make for a total transfer of roughly \$3.3 billion in pension obligations. The companies didn't respond to requests for comment.

Defined-benefit plans typically have investment portfolios that include equities, commodities and real estate holdings. Private-equity assets also can be part of the mix, though less so than for public pensions, which are expected to take hits as the value of these investments is slumping. Recent stock market declines have hurt some defined-benefit pension plans invested in publicly traded equities, Mr. McDaniel said. Across all asset classes, estimated aggregate assets among S&P 1500 companies were \$1.79 trillion at the end of August, down from \$2.33 trillion a year ago, according to Mercer.

Alcoa agreed to transfer around \$1 billion in U.S. pension liabilities.

Saudis Disclose Assets

Continued from page B1

med revamped it from a sleepy holding company for state assets into a more dynamic investor. The fund has received cash from the Saudi central bank, which holds a chunk of

the kingdom's oil wealth, and the government also has transferred state assets.

Its biggest holdings remain in Saudi Arabia and the wider Gulf, where 69% of assets are invested. The fund is the biggest player in the Saudi economy and has created, by its count, more than 500,000 jobs and dozens of new companies since it got a fresh mandate.

Saudi Arabia's King Salman on Tuesday named Prince Mohammed bin Salman prime minister, boosting the profile of the 37-year-old day-to-day ruler of the kingdom as he tries to end years of international isolation

over the killing of journalist Jamal Khashoggi.

In its prospectus, PIF, whose chairman is Prince Mohammed, said it signed agreements with Russia's sovereign-wealth fund in the years up to 2017 to invest up to \$10 billion in joint projects, deploying \$2 billion in the infrastructure, manufacturing, logistics and retail sectors, as at June this year.

The Saudi fund said proceeds from a green bond sale wouldn't be used to invest in its Russia program. "In light of the ongoing Russia-Ukraine conflict and the imposition of international sanctions on" the

Russian fund.

Persian Gulf sovereign-wealth funds have suffered some of the worst losses from falling asset prices in Russia since the invasion of Ukraine. Like PIF, Abu Dhabi's Mubadala Investment Co. and the Qatar Investment Authority were some of the most active funds in Russia and are among the most exposed to Russia's financial isolation.

Green bonds are supposed to finance environment-friendly projects and PIF said it plans to invest more than \$10 billion in eligible deals by 2026.

The prospectus noted PIF's investment in domestic projects, such as Neom, a futuristic megadevelopment that hopes to house more than nine million people by 2045. The most eye-catching of the developments at Neom is a plan to build a skyscraper 75 miles long, earlier reported in July by The Wall Street Journal.

A spokesman for PIF said only the top five international investments are detailed in the prospectus.

As of the end of June this year, PIF has assets under management of \$606 billion and \$21 billion in gross debt.

AUCTION RESULTS

Here are the results of Wednesday'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 ONE-YEAR, 10-MONTH FRNS.

Table with 2 columns: Applications, Accepted bids, etc. for SEVEN-YEAR NOTES.



Apple shares slipped \$1.92, or 1.3%, to \$149.84 on a report that the company is dropping plans to boost iPhone production.

Stocks Move Higher

Continued from page B1

Global crude-oil benchmark Brent gained \$3.05, or 3.5%, to \$89.32 a barrel.

Biogen surged 40%, to \$276.61 after the company said its experimental Alzheimer's drug significantly slowed the disease's progression in a large study. Its part-

ner in the study, Japanese pharmaceutical company Eisai, rose 17% in Tokyo.

Apple slipped \$1.92, or 1.3%, to \$149.84 after Bloomberg reported that the company is dropping plans to boost iPhone production.

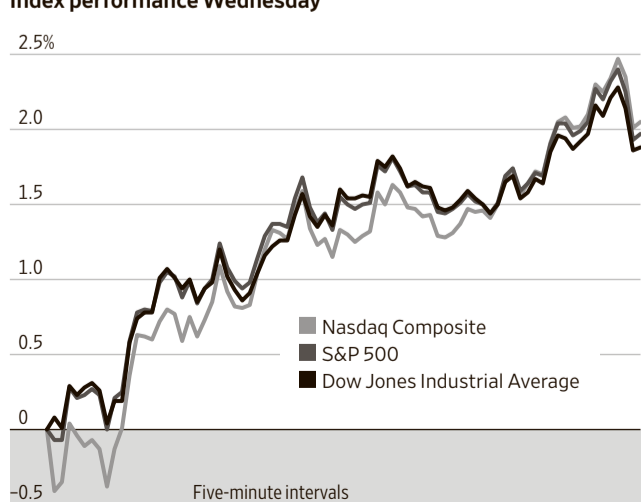
The Stoxx Europe 600 rose 0.3%. Early Thursday, Japan's Nikkei was up 0.25%, Hong Kong's Hang Seng Index was up 1.2% and South Korea's KOSPI was up 1.1%. S&P 500 futures fell 0.2%.

Watch a Video



Scan this code for a video on what it takes to turn around a bear market.

Index performance Wednesday



Source: FactSet

Cotton Prices Decline

Continued from page B1

Other central banks around the world are lifting rates, moves analysts expect will slow growth and eventually hurt consumer demand for clothing and other cotton goods. Those worries are similar to those that have hit stocks in recent months.

"With the increase in interest rates and general recessionary fears, inflation, etc.—the thought is there will be more spent on food, fuel, necessary items for living as opposed to clothing, furniture, etc.," said Donna Hughes, a risk consultant with StoneX Group.

China, one of the world's largest cotton consumers, is reporting decreased imports of cotton and growing inventories left unsold.

Citing Chinese customs data, the industry publication Cotlook said in its most recent monthly outlook that China imported 1.7 million metric tons of raw cotton in the marketing year that ended in July. That is down more than 60% from the same period last year. Additionally, commercial

stocks of unsold cotton are at an all-time high for this time of year, says Cotlook, with more than 3 million metric tons of cotton accumulated.

Supply issues are still looming, which could quickly turn cotton prices around.

The U.S. cotton crop has been hard-hit by dry weather over the growing season.

Data from the U.S. Drought Monitor showed much of the south central region of the country to be in extreme or exceptional drought throughout the summer.

In Pakistan, severe flooding in key production regions, including Sindh and southern Punjab, is expected to reduce production by more than 1 million 480-pound bales in

China, a large cotton consumer, is reporting decreased imports.

the current marketing year, according to a recent USDA report.

While these supply issues are seen as supporting cotton prices in the long term, traders still expect flagging consumer demand.

"There are just a whole host of demand problems that have offset really bullish supply-side issues," said John Payne, a trader with HedgePoint Global Markets.