

WSJ

THE WALL STREET JOURNAL WEEKEND

The Two Faces of China's Surveillance State

REVIEW



DOW JONES | News Corp ***** SATURDAY/SUNDAY, SEPTEMBER 3 - 4, 2022 ~ VOL. CCLXXX NO. 55 WSJ.com ★★★★★ \$6.00

What's News

World-Wide

Russia indefinitely suspended natural-gas flows to Europe via a key pipeline hours after the G-7 agreed to an oil price cap for Russian crude—two opposing blows in an economic war running parallel to the military conflict in Ukraine. **A1, A7**

◆ **The College Football Playoff** will expand from the current four teams to 12 by no later than the 2026 football season. **A1**

◆ **The VA will provide** abortions services to veterans in cases of health dangers, rape and incest, even in states where the procedure is outlawed. **A3**

◆ **The IRS** inadvertently posted confidential information of about 120,000 individuals before removing the data from its website. **A3**

◆ **The U.S. Army** said its personnel installed the wrong parts on some Chinook helicopters, prompting it to ground the entire fleet. **A3**

◆ **Top secret** and other classified documents at Mar-a-Lago were kept in boxes that also held news clippings, clothing and gifts, according to a more detailed list of items the FBI seized from Trump's Florida home. **A4**

Business & Finance

◆ **The tight U.S. labor** market loosened in August as employers hired fewer workers, more people sought work and wages rose at a slower pace. The jobless rate rose to 3.7% from a half-century low of 3.5% in July. **A1, A6**

◆ **The strong employment** figures keep the Fed on track to raise interest rates this month to combat inflation. **A6**

◆ **CVS is in advanced** talks to acquire home-healthcare company Signify for about \$8 billion, according to people familiar with the matter. **B1**

◆ **Shell is laying** groundwork to replace CEO Ben van Beurden as he prepares to step down after nine years. **B1**

◆ **A late-summer selloff** accelerated in a volatile session with the S&P 500 and Dow each falling 1.1% and the Nasdaq losing 1.3%. **B1**

◆ **The sharp slowdown** in China's growth is prompting many experts to reconsider when China will surpass the U.S. as the world's largest economy—or even if it ever will. **A8**

◆ **Chobani said** it is withdrawing the yogurt maker's previously delayed IPO. **B11**

NOONAN

Boris Looms, Trumplike, Over British Politics **A13**

NOTICE TO READERS

WSJ.com and WSJ mobile apps will publish throughout the weekend. The print edition won't appear Monday, Labor Day, but a daily edition will be available in WSJ iPad and Android apps.

CONTENTS Opinion... A11-13 Books... C7-12 Sports... A14 Business News... B3 Style & Fashion D2-3 Eating & Drinking D4-5 Travel... D9-10 Heard on Street... B12 U.S. News... A2-6 Markets... B11 Weather... A14 Obituaries... A9 World News... A7-9



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

Hot Hiring Shows Signs of Cooling

Payroll rise of 315,000 marks a pullback from July as labor-force participation increases

By SARAH CHANEY CAMBON AND DAVID HARRISON

The tight U.S. labor market loosened some in August as employers hired fewer workers, more people sought work and wages rose at a slower pace. Employers added 315,000

jobs last month, down from the prior month's revised 526,000 jobs, the Labor Department said on Friday, with new jobs spread across the economy. The deceleration marked a pullback from robust gains that characterized much of the past two years. Still, job growth remained well above the prepandemic trend.

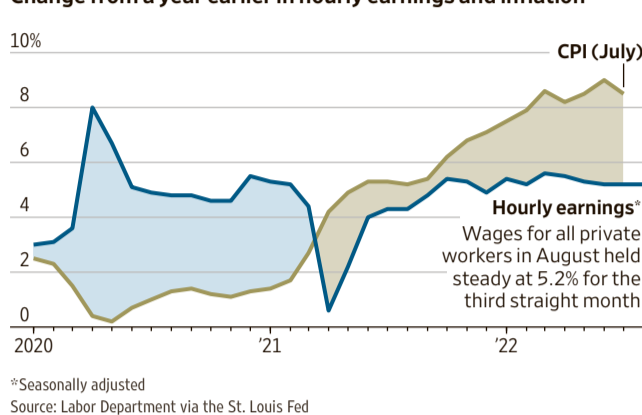
"The labor market is still very strong," said Rhea Thomas, senior economist at Wilmington Trust, adding the August report "shows an initial step towards some cooling

of what has been a very tight labor market."

The jobless rate rose to 3.7% in August from a half-century low of 3.5% the prior month. The increase in the unemployment rate reflected more workers entering the labor force. The share of adults

- ◆ Employer data keep Fed on track... A6
◆ Wage growth eases as more seek work... A6
◆ Heard on the Street: Job market fights the Fed... B12

Change from a year earlier in hourly earnings and inflation



Serena Williams Bids Farewell in Final Grand Slam Match



BIG HIT: Serena Williams, the 23-time major singles champion, bowed out of her tennis career with a three-set loss to Ajla Tomljanovic of Australia on Friday night at Arthur Ashe Stadium in the third round of the U.S. Open. **A14**

Russia Halts Flow From Gas Pipeline

By GEORGI KANTCHEV AND ANDREW DUEHREN

Russia indefinitely suspended natural-gas flows to Europe via a key pipeline hours after the Group of Seven agreed to an oil price cap for Russian crude—two opposing blows exchanged between Moscow and the West in an economic war running parallel to the military conflict in Ukraine.

Kremlin-controlled energy company Gazprom PJSC said late Friday it would suspend supplies of gas to Germany via the Nord Stream natural-gas pipeline until further notice, raising the pressure on Europe as governments race to avoid energy shortages this winter.

Gazprom said it had found a technical fault during maintenance of the pipeline, which connects Russia with Germany under the Baltic Sea. The company said the pipeline would remain shut down until the issue is fixed, without giving any timeline.

The pipeline was due to resume work early Saturday after three-day maintenance. Before the maintenance, the pipeline was operating at 20% of its capacity.

Russia first began throttling supplies via Nord Stream in June, saying that needed maintenance was being prevented by Western sanctions imposed following Russia's invasion of Ukraine. The notion was dismissed by European officials as an excuse for Russian President Vladimir Putin's regime to use its gas exports to punish Europe for its support of Ukraine.

Please turn to page A7

- ◆ G-7 will cap the price of Russian oil... A7
◆ Kyiv says Moscow hindering access to nuclear plant... A7

College Football Playoff to Expand to 12 Teams

By LAINE HIGGINS AND RACHEL BACHMAN

The College Football Playoff will expand from the current four teams to 12 by no later than the 2026 football season, the event's governing body decided Friday, the latest bid to maximize the rapidly escalating financial value of the sport's marquee games.

The move was approved unanimously by the College Football Playoff Board of Managers, which is composed of 11 presidents and chancellors from the top conferences in Division I plus Notre Dame. It continues a frenzied summer of off-the-field moves in college sports that has included a massive new TV deal for the Big Ten Conference, which also successfully lured UCLA and Southern California away from the Pac-12.

"I'm very pleased we were able to get this accomplished," said Mississippi State president Mark Keenum, who chairs the CFP's board of managers. "More teams, more participation and more excitement are good for our fans, alumni, and student-athletes."

Expanding the playoff to decide a national champion is also a way to add more games, and bring in more money, to the benefit of the top conferences.

The playoff's management committee—the 10 conference Please turn to page A2

Jackson Water Crisis Puts U.S. Cities on Alert

Utilities say they are struggling to keep up aging infrastructure

By RACHEL WOLFE

America has a drinking water problem. The 2.2 million miles of pipes that carry water into homes, businesses and public places are breaking. Many of the roughly 145,000 public water systems' treatment facilities that make water safe to drink are decaying. And a growing number of the pumps and pipelines that funnel water from reservoirs and rivers are failing.

Every two minutes, there's a new crack somewhere in the country's buried water pipe system, according to the American Society of Civil Engineers. Wastewater treatment

plants constructed around the Clean Water Act's passage in 1972 are at the end of their 20- to 50-year lifespans, according to the Environmental Protection Agency. About 14% of treated water is lost to leaks, with some water systems reporting losses of more than 60%, the EPA says.

The water crisis that erupted in Jackson, Miss., this past week was years in the making, officials say. Aging and inadequate infrastructure had left the city's water system faltering. Residents have long contended with disruptions in service and frequent boil-water notices, including one that had al-

Please turn to page A10

Bands Improve With Bags Of Fiberglass Engineers' tricks coax better music from giant arenas

By CHRIS KORNELIS

Drew Thornton noticed something surprising about the arena that the New York Islanders hockey team now calls home—Billie Eilish sounded great inside.

It could have been the wide, thin bags filled with fiberglass tucked against the ceiling of the new digs, UBS Arena, which opened last year. Or the panels pockmarked with holes strategically placed to capture Please turn to page A10

EXCHANGE



BACK TO WORK The boss is getting serious about the return to the office **B1**

Rates Alter Calculus Of Buying vs. Renting

By BEN EISEN AND NICOLE FRIEDMAN

Home buyers are feeling the pinch of rising costs more than renters.

The median monthly mortgage payment was almost one-and-a-half times as much as the median monthly asking rent in the second quarter, the largest differential in records going back to 2009, according to data tracked by the Mortgage Bankers Association, an industry trade group.

Home prices and rents have both risen briskly over the past year-and-a-half. But the rising relative cost of buying is largely the result of additional interest buyers are paying when they lock in mortgages at the highest rates in years.

The average 30-year fixed mortgage rate rose to 5.66% this past week, nearly double what it was a year earlier, according to a Freddie Mac survey. The shift is a shock for many buyers because low interest rates in the past few years had ushered in a period of greater affordability and brought many first-time buyers into the market.

In the fourth quarter of 2020, median mortgage payments and asking rents were basically equal at just under \$1,200. Since then, rents have risen 10% to \$1,314 in June, according to Census Bureau data, while mortgage payments have risen 58% to \$1,893, according to MBA mortgage application data. The ratio between the Please turn to page A6

U.S. NEWS

THE NUMBERS | By Josh Zumbrun

Suspect Data Cloud Russia's Economic Hit



In the early weeks of Russia's invasion of Ukraine, the U.S. and European allies rolled out wave upon wave of economic sanctions.

As part of Moscow's response, the Russian Federal State Statistics Service (known as Rosstat) and other government agencies halted publication of many economic statistics. Regular reports on imports and exports, debt, monthly oil production, banking, airline and airport passenger volumes, and so on, simply disappeared.

But then, as the war dragged on, something strange happened. Media coverage noted Russia's economy was holding up much better than expected. Key pieces of evidence included Russia's gross domestic product dropping only 4% in the second quarter from a year earlier, and its unemployment rate hitting a record low of 3.9%.

The source for that data: Rosstat, the agency that just six months ago blacked out its economy to hinder the ability of Washington and Brussels to tell how well sanctions were working.

"The quality of the data is falling off a cliff," says Robin Brooks, chief economist at the Institute of International Finance, a Washington-based global association of financial firms.

The skepticism that greets Russia's claims of military successes or the supposed Nazi ties of the Ukrainian government led by President Vo-

lodymyr Zelensky, who is Jewish, is largely absent when it comes to its economic figures.

In the run-up to the war, much of the West was "largely hoodwinked by [Russian President Vladimir] Putin until it was too late," said Steven Tian, research director of the Chief Executive Leadership Institute (CELI) at Yale University's School of Management. "Now the economic community, the media, is similarly hoodwinked by trusting Rosstat data despite all the warning signs that maybe we shouldn't."

They are taking economic data at face value, in part, because it is there, Mr. Tian said: "All the quantitative modelers, all they want are time series to be able to put into their models."

Despite canceling much of the underlying data, Rosstat still produces headline figures for GDP and the unemployment rate. You can plug those numbers into Excel and produce a chart that shows the current economic contraction isn't as bad as during the global financial crisis in 2008.

Elina Ribakova, deputy chief economist at the IIF and an expert on Russia's economy, says that isn't a coincidence. For years, Mr. Putin has been talking about "Fortress Russia," his slogan for an economy that can withstand international sanctions. "To show they are contracting more than in 2008 would be acknowledging defeat," she says.

Economic data in the Soviet Union was highly suspect.



A soft-drink production line at a plant in Chernogolovka in the Moscow region this summer.

Mikhail Gorbachev, its last leader who died this week, revealed in 1989 that the Soviet Union had wildly concealed the extent of its military spending: It was four times as much as officially reported. Many top Soviet planners didn't know the real situation. "For the first time, we know ourselves what we are spending," an aide to Mr. Gorbachev told journalists at the time.

The quality of economic data improved as Russia moved to a market economy and began integrating with the West. Some economic institutions, such as the central bank, gained a reputation for technocratic competence and independence, even as Mr. Putin tightened his grip over the machinery of the state.

Still, Rosstat has faced questions about its indepen-

dence and integrity, even before this year. In 2017, Mr. Putin had placed the statistics agency under the purview of his Economic Ministry, and questions became more common about the quality of its data. There are other reasons to doubt the few statistics that still come out, beyond the discontinuation of data economists cross-check to assess the performance of an economy.

Russia has a well-known system of "hidden unemployment." Labor laws make it generally difficult to lay off employees, but during downturns companies can send workers on mandatory unpaid "vacations," which preserve their status as employed though they are neither working nor receiving income. The numbers aren't small: An estimate for

2015 said the unemployment rate that year would have been about 2.5 percentage points higher if the hidden unemployed were included.

In a July paper, Jeffrey Sonnenfeld, the founder of Yale's CELI, Mr. Tian and colleagues argued that contrary to Russian government data, the exodus of Western businesses and sanctions are devastating Russia's economy.

They tally over 1,000 companies, with revenue exceeding 40% of Russia's GDP, that have exited, representing the reversal of most foreign investment since the fall of the Soviet Union.

Some of those businesses have reopened under Russian owners. For example, former McDonald's stores are now called "Vkusno & tochka," which means "Tasty & that's it," and sell very familiar

burgers and chicken nuggets. So the hit to GDP wouldn't be 40%, but it is almost certainly more than 4%.

CELI estimates 500 of those companies have completely ceased operation, with as much as 12% of Russia's workforce thrown out of their jobs by the withdrawals. Some of the displaced workers have likely found new jobs, many in Soviet-style make-work programs. "It's not to say unemployment is 12%, but it's much more than 4%," Mr. Tian said.

One economic sector that has clearly performed better than the West expected is energy. Oil exports have fallen far less than expected, while soaring oil prices have brought in a gusher of revenue.

Even here, though, there may be less than meets the eye. Russia's benchmark oil, known as Urals, typically trades within a dollar or two per barrel of Western crude benchmarks Brent and West Texas Intermediate. That discount has increased significantly this year, with Russian oil selling for \$30 less per barrel at times. Russia consequently hasn't reaped all the benefits of higher prices. But again, it can be hard to know exactly because Russia's Energy Ministry suspended publication of detailed production and export data.

Ms. Ribakova of the IIF said "the big picture is they're seeing a big contraction...and they're unlikely to see recovery after this, no matter what you do with the numbers."

Football Playoff To Expand

Continued from Page One commissioners and the athletic director at Notre Dame, who operate the playoff—will assess the possibility of beginning the expanded playoff in either the 2024 or 2025 regular season, according to Friday's announcement.

That could require changes to the College Football Playoff's current 12-year broadcast deal with ESPN, which expires after the 2025-26 academic year.

In a statement, ESPN said "We're supportive of our partners at the College Football Playoff and today's vote by the Board of Managers to expand to 12 teams."

The new format creates two ways to get into the 12-team field. Six spots will be reserved for the highest-ranked of the 10 conference champions, meaning that the so-called Power 5 conferences—the Atlantic Coast Conference, Big Ten, Big 12, Pac-12 and Southeastern Conference—won't be guaranteed spots in the playoff. The remaining six at-large spots are for the highest-ranked teams that did not win their leagues.

The four highest-ranked conference champions will be seeded Nos. 1 through 4, and each will receive a first-round bye. The other eight teams will play in the first round, with the higher seeds hosting the lower seeds—either on campus or at other sites designated by the higher-seeded team. That could result in something many college football purists have clamored for as more and more top games are held in NFL stadiums: on-campus playoff contests.

The four quarterfinal games and two playoff semifinal games would be played in ex-



The University of Georgia's football team celebrated its national championship early this year in Indianapolis.

isting bowl games, such as the Rose Bowl and Sugar Bowl, on a rotating basis. The national championship game will continue to be played at a neutral site.

Increasing the field before 2026 would require the College Football Playoff's management committee to quickly hammer out the details, something that has proved tricky. The commissioners spent months bickering over the logistics of an expanded postseason and ultimately failed to expand the playoff.

"There is work to be done to make this format a reality, but I am pleased we are all moving in the same direction with a common purpose," said SEC commissioner Greg Sankey in a statement on Friday.

Whatever happens, one thing is certain: A larger College Football Playoff will inject even more cash into college football. The Big Ten—which just announced a \$7.5 billion television deal—and the SEC

have recently lured new, big-name members to their conferences based on their ability to collect more money from broadcasters for TV rights. The universities of Texas and Oklahoma are set to join the SEC in the summer of 2025.

Playoff expansion is one way for leagues with smaller

A larger College Football Playoff will inject even more cash into the sport.

television deals to shore up revenue. The Pac-12 Conference, which recently learned it would lose USC and UCLA to the Big Ten, said in a statement Friday: "We look forward to working with our fellow conferences to finalize the important elements of an expanded CFP in order to launch

as soon as practicable."

A 12-team race for the championship adds eight games to the tournament for a total of 11 in the playoff—all of which ESPN, or another broadcaster in the future, would pay to air. The additional cash would go to the College Football Playoff, which in turn distributes shares of the revenue to the member conferences and Notre Dame. If the extra playoff games materialize before the end of the current contract, ESPN has the first right of refusal to televise them.

For almost as long as college football has existed, there have been debates and disagreements over how to anoint a champion. National titles were traditionally awarded via multiple year-end polls of coaches, sportswriters and broadcasters, which sometimes led to several teams claiming titles for the same year.

That changed with the creation of the Bowl Champion-

ship Series in 1998, but fans still squabbled over which two teams should play in the title game. The debate became particularly thorny in seasons like 2010, when there were more undefeated teams left standing at the end of the regular season than spots in the BCS championship. Auburn beat Texas Christian was left out despite its second undefeated season in a row.

Those conflicts are a big reason why the sport adopted a four-team format under a new name, the College Football Playoff, for the 2014 season. Yet debate continued about whether worthy teams were left out even as semifinal matchups frequently yielded lopsided games.

The College Football Playoff board has seriously considered expansion since 2019, when the Management Committee assembled a four-person working group to explore possible formats. The group ultimately

settled on a 12-team model and proposed their findings for public feedback in June 2021. Disagreements about several issues—including where games should be played and the role of traditional New Year's Day bowls—proved difficult to iron out and early expansion was set aside in February.

"Even though the outcome did not lead to a recommendation for an early expansion before the end of the current 12-year contract, the discussions have been helpful and informative," said College Football Playoff executive director Bill Hancock in a statement at the time. "I am sure they will serve as a useful guide...as we determine what the Playoff will look like beginning in the 2026-2027 season."

The failure to expand earlier meant leaving millions of dollars in broadcast revenue on the table. That frustrated the presidents and chancellors on the Board of Managers, who this week took matters into their own hands by approving a model that is essentially identical to the working group's initial proposal from 15 months ago.

"It's time to make a decision," Mr. Keenum said. "We needed to give them [the commissioners] a definitive 'This is where we think college football needs to head to determine our champion.'"

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

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

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

Postmaster: Send address changes to The Wall Street Journal, 200 Burnett Rd., Chicago, IL 60602.

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

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

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

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

WSJ back issues and framed pages:
wsjshop.com

Our newspapers are 100% sourced from sustainably certified mills.

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

CORRECTIONS & AMPLIFICATIONS

Kevin Ortner is the president of Appreciate, a rental-property manager and online marketplace. A Page One article on Monday about small investors who are out-of-state landlords incorrectly said he is chief executive.

Fourth-grade math scores

on the 2022 National Assessment of Educational Progress showed the first statistically significant decline since the math portion of the test began in 1973. A U.S. News article on Thursday about the test scores incorrectly said the 2022 math scores showed the first decline since 1971. Also, the federal

government has provided \$190 billion in stimulus funds to schools during the Covid pandemic. In some editions Thursday, the article incorrectly said the Biden administration provided that sum.

China's home sales fell in July and August, according to a

real-estate data provider. In some editions Thursday, a World News article about August economic data for Chinese factory activity and home sales referred to July in one instance when describing August's home sales.

Roughly 55% of workers who cast valid votes from an

Amazon.com Inc. facility named JFK8 in Staten Island, N.Y., voted earlier this year to establish the company's first union in the U.S. A Business News article on Friday about a recommendation from the National Labor Relations Board incorrectly said it was more than 57% of eligible voters.

U.S. NEWS

VA Will Provide Limited Abortion Services

BY BEN KESLING

The Department of Veterans Affairs, for the first time in its history, will provide abortion services and counseling to veterans in cases of health dangers, rape and incest, including at federal facilities in states that have outlawed the procedure.

The department, whose healthcare reach spans the country and U.S. territories, announced the policy in an interim final rule Friday that it said allows for immediate implementation of the new policy.

"Pregnant veterans and VA beneficiaries deserve to have access to world-class reproductive care when they need it most," VA secretary Denis McDonough said.

"That's what our nation owes them, and that's what we at VA will deliver."

The policy is the latest signal that the Biden administration is aiming to challenge states that have banned or heavily restricted abortion since the Supreme Court's decision in June that overruled Roe v. Wade and ended the constitutional right to the procedure.

The VA said that if clinicians face legal action in states where abortion has been outlawed, the Justice Department will step in.

"If it ever becomes necessary, VA will work with DOJ to ensure the full strength of the federal government is available to defend eligible VA employees," a VA spokesman said.

The move drew criticism from the GOP.

"This proposal is contrary to longstanding, settled law and a complete administrative overreach," said Rep. Mike Bost of Illinois, the top Republican on the House Committee on Veterans' Affairs. I "am already working to put a stop to it."

Rep. Mark Takano (D., Calif.), the chairman of the House committee, said the new policy puts the VA "on par with all other federal healthcare programs." When the VA last considered

The policy signals a challenge to states that have banned the procedure.

the issue in-depth in the late 1990s, it declined to provide abortion services at its facilities, knowing that veterans and beneficiaries had legal access to abortions in their communities, the department said.

The VA serves about 300,000 women of childbearing age, said a spokesman, the fastest-growing demographic the department serves. It didn't have an estimate of the number of women who might seek abortion services said.

"VA is taking this action because it has determined that providing access to abortion-related medical services is needed to protect the lives and health of veterans," the department said.

About a dozen states have banned many or most abortions following the Supreme Court's decision.

Some federal agencies face restrictions on using government funds to pay for abortions, under a policy known as the Hyde Amendment. Since 1994 the amendment has included exceptions for rape, incest and the health of the woman, the VA said. And the department isn't subject to the Hyde restrictions in any event, it said.

Since the Supreme Court decision, the Biden administration has focused on seeking abortion access for women facing threats to their health, or who were victims of rape or incest.

The Justice Department last month sued Idaho to challenge the scope of its near total ban on abortion, arguing the state measure violated a federal law that required hospitals and doctors accepting Medicare to provide emergency treatments, which can sometimes include abortion. A federal judge issued an initial ruling that sided with the department and blocked the state from enforcing its ban in emergency circumstances.

Labor Day Travel Is Poised to Soar

Domestic bookings are up 22% from a year ago; recent drop in gasoline prices is help for some

BY ALLISON PRANG

More Americans are expected to travel over the Labor Day weekend compared with a year ago, capping a busy summer for many travelers increasingly on the move again despite surging inflation and ongoing disruptions in air travel.

Bookings for domestic travel, which includes everything from air travel, cars, cruises, hotels and tours, are up 22% for the holiday weekend versus a year ago, according to AAA. Internationally, those bookings have more than doubled from Labor Day weekend in 2021.

Many Americans are looking to get away for the last long weekend of the summer—even as many air travelers have experienced lost luggage, delays and flight cancellations. More people have also been feeling the effects of rising costs, as the prices of airfares and car rentals have increased in recent months.

Still, the desire to travel remains high. Delta Air Lines Inc. and United Airlines Holdings Inc. said they were ex-



Travelers packed Moynihan Train Hall in Penn Station in New York City as the holiday started.

pecting more air travelers over the Labor Day weekend than a year ago.

Airlines have been facing a shortage of labor and equipment and have had a hard time ramping up capacity again to meet demand. Airline experts recommend booking nonstop flights and getting to airports early to avoid travel headaches.

Searches for hotels over the Labor Day weekend rose 19% compared with a year ago, according to data from travel website Priceline. Flight searches were up 15%.

"We're certainly seeing a healthy travel environment that exceeds last year," said Brett Keller, chief executive of Priceline, a subsidiary of Booking Holdings Inc.

By some measures, more people want to travel this weekend than before the pandemic.

Searches for VRBO vacation homes for stays over the holiday weekend have jumped nearly 25% compared with 2019, according to Expedia Group.

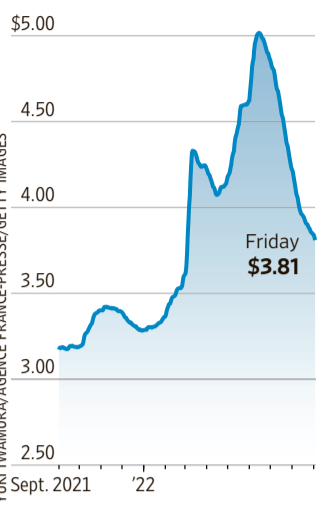
For those getting away by car, the recent drop in gas prices from record highs should also be helpful, he said.

Gas prices soared earlier this year, with the national average surpassing \$5 a gallon in June, but have fallen in recent weeks. The average price for regular unleaded gasoline was \$3.81 a gallon on Thursday, according to AAA.

"Any relief in pressure there will help consumers get out on the roads and travel," Mr. Keller said.

Dominique Lessing, a 28-year-old film archivist in Pittsburgh, was planning to drive to Scranton, Pa., over the long Labor Day weekend. The roughly five-hour road trip

National average price for regular gasoline



Source: AAA

would mark the first time she has traveled over a Labor Day weekend during the pandemic.

She planned to leave early Friday morning to get a head start ahead of the busy travel weekend, she said. She hasn't traveled much in the pandemic, she said, but is going home to visit her family and is planning a future trip to Palm Springs, Calif., with a friend.

"Because everything is opening up, I'm able to go there and feel [a] little more at ease," she said of the California trip she is planning.

IRS Says It Exposed Some Taxpayer Data

BY RICHARD RUBIN

WASHINGTON—The Internal Revenue Service inadvertently posted what is normally confidential information involving about 120,000 individuals before discovering the error and removing the data from its website, officials said.

The data are from Form

990-T, which is often required for people with individual retirement accounts who earn certain types of business income within those retirement plans. That typically includes people whose IRAs are invested in master limited partnerships, real estate or other assets that generate income, not those whose IRAs are

solely invested in securities.

The disclosures included names, contact information and financial information about income within those IRAs. It didn't include Social Security numbers, full individual income information or other data that could affect a taxpayer's credit, the Treasury Department determined, ac-

ording to a letter that the administration is sending to key members of Congress.

Like most individual tax filings to the IRS, those forms are supposed to be confidential. But charities with so-called unrelated business income are also required to file Form 990-T, and those filings are supposed to be open to the

public.

The IRS and Treasury Department blamed a human coding error that occurred last year when Form 990-T began to be electronically filed. The nonpublic data was mistakenly included with the public data, and all of it was available for searching and downloading on the agency's website.

Maintenance Error Led to Helicopter Grounding

BY ANDREW TANGEL AND GORDON LUBOLD

The U.S. Army said its maintenance personnel installed the wrong parts on some of its Chinook helicopters, prompting military officials to ground the entire fleet of the battlefield workhorse due to a risk of engine fires.

A rash of recent incidents involving Chinooks led to the Aug. 30 grounding of the aircraft, which is used by both regular and special forces troops, said people familiar with the matter. The Army has more than 400 of the Vietnam-era, tandem-rotor helicopters.

At least some of the incidents involved the Army's

MH-47 Chinooks that are used by Army special forces units, people familiar with the matter said. Those feature larger fuel tanks, inflight-refueling and advanced sensors needed for special operations.

The Army experienced at least seven incidents of fuel leaks, four of which involved engine fires, according to one of these people. A spate of these incidents within a two-week period drew increased attention leading up to the grounding, this person said.

The Army said the engine incidents resulted in no injuries, and the parts in question, types of seals known as O-rings, weren't faulty, just not the ones that were supposed to be in-

stalled. The Army has taken steps to correct the maintenance error and inspect helicopters suspected of having the incorrect O-rings, said Cynthia Smith, a spokeswoman for the Army.

"Due to a cataloging error, an O-ring that did not meet the heat specifications required for the application was assigned an incorrect part number and subsequently installed on some Chinook helicopters," Ms. Smith said in a statement. "This error has been corrected."

As of Friday, the entire fleet remained grounded, Army officials said. But earlier this week, the service had issued a directive allowing a two-star general or above to authorize

a temporary exception to the grounding for some Chinooks to fly if necessary. Army officials declined to say how many of the aircraft, if any, had flown under the exception.

Ms. Smith, the Army spokeswoman, said military personnel were evaluating the quantity of incorrect O-rings installed on the Chinook fleet.

The Pentagon's contractor management agency said it halted taking Chinook deliveries from Boeing Co., which manufactures helicopters in the Philadelphia area. Honeywell International Inc. produces its engines.

The Defense Contract Management Agency said this week that the Chinook prob-

lems don't appear to be related to the helicopters' production and that it was working with Boeing to ensure the Army's safety directives and any associated updates will be followed.

Boeing declined to comment, referring questions to the Army. Boeing delivered nine new Chinooks in the first half of the year and four refurbished and overhauled ones. The aerospace company doesn't detail which customers received the helicopters.

Honeywell declined to comment, but the company has said it was working with the Army to investigate the matter, and that it didn't make the O-rings in question.



NASA plans to use the Space Launch System rocket to blast the Orion spacecraft toward a lunar orbit.

NASA Readies Moon-Rocket Launch

BY MICAH MAIDENBERG

NASA is pushing ahead with a second attempt at launching its massive moon rocket Saturday afternoon, after scrutinizing technical problems that emerged during the initial try earlier in the week.

Liftoff could begin as soon as 2:17 p.m. Eastern time Saturday, when a two-hour window opens for the flight, the agency has said. Weather conditions are expected to be 60% favorable for launch as that period begins, officials said Friday.

On the Artemis I mission, the National Aeronautics and Space Administration plans to

use the Space Launch System rocket to blast the Orion spacecraft—without anyone on board—toward a lunar orbit. NASA plans to fly Orion back to Earth after a few weeks, with its crew capsule testing a heat shield upon re-entry. The flight is designed to stress test those vehicles and set the stage for future operations with astronauts on board Orion.

NASA called off a launch attempt that began Monday morning, after engineers decided they needed more time to review a procedure that aims to cool down the four engines on the main part of the SLS vehicle.

To cool the engines to around minus 420 degrees Fahrenheit, the agency flowed ultracold liquid hydrogen into them, but one engine wasn't getting as cold as the others, NASA officials said.

On Thursday, officials said a temperature sensor delivered faulty data and that the engines were receiving ultracold liquid hydrogen in sufficient quantities.

Watch a Video



Scan this code for a video on NASA's plans to return to the moon.

Advertisement for Paul Morelli, featuring a portrait of a woman and contact information: PAULMORELLI.COM, NYC: 895 MADISON (72nd & MADISON), PHIL: 1118 WALNUT STREET, 212.585.4200

U.S. NEWS

Court Releases Details of Seized Items

Classified material was commingled with press clippings, gifts at Mar-a-Lago home

WASHINGTON—Top secret and other classified documents at Mar-a-Lago were kept in boxes that also held newspaper and magazine clippings,

By *Sadie Gurman, Aruna Viswanatha and Alex Leary*

clothing and gifts, according to a more detailed list, made public Friday, of items FBI agents seized in their search of former President Donald Trump's home last month.

Agents took around 33 boxes, containing more than 100 classified documents, prosecutors have said. Seven of the boxes or containers were located in Mr. Trump's office and the rest in a storage room at the private club, according to the inventory.

Prosecutors had previously made public a shorter list that showed agents had recovered sets of classified documents and other items, including the executive grant of clemency for Mr. Trump's ally Roger Stone and information about the president of France, but the new inventory details how many items and of what type were found in each box.

In one of the boxes found in Mr. Trump's office, 99 newspaper and magazine clips dated from 2017 and 2018 were held alongside seven documents marked as top secret, 15 documents marked as secret, 43 empty folders marked as classified, and 28 empty folders labeled "Return to Staff Secretary/Military Aide," among other items, the receipt shows.

Another five empty folders with classified banners were found in the storage room, according to the list. It couldn't be determined whether the files originally held in any folders marked classified were found elsewhere in the search or have been otherwise accounted for.

U.S. District Judge Aileen Cannon ordered the more detailed inventory unsealed Thursday after Mr. Trump's team had asked for it and the Justice Department said it was prepared to make it public.

The inventory appears to illustrate the haphazard organization of the files Mr. Trump took with him to his Florida resort during his chaotic exit from the White House. A lawyer for Mr. Trump, speaking at a hearing before Judge Cannon on Thursday, likened the dispute over the material to one involving overdue library books.

The list also underscores what Justice Department officials have described as con-



Lawyers for former President Trump were surrounded by members of the media Thursday in Florida.

cerns that the highly sensitive information, including some derived from clandestine human-intelligence sources, was commingled with other items and insecurely stored. The list doesn't describe the subjects of any of the classified or other documents.

One box removed from the storage room held 68 press clippings dated between 2015 and 2017, with an article of clothing or gift, one book, and two U.S. government documents or photographs without classification markings, according to the list. Another con-

tained 30 press clippings along with 21 documents marked as secret and another 11 marked as confidential, the list said.

Several of the boxes agents seized also contained reams of government documents that weren't classified, according to the inventory. One contained 357 such documents or photos, alongside two marked as classified, and two dozen media clips from 2020, it said. Two other boxes held a total of 1,036 government records that weren't classified, it said.

Prosecutors have said they are investigating potential vio-

lations of both the Espionage Act, which governs classified information, and a presidential records law requiring that White House records go to the National Archives.

A spokesman for Mr. Trump, Taylor Budowich, wrote on Twitter: "The new 'detailed' inventory list only further proves that this unprecedented and unnecessary raid of President Trump's home was not some surgical, confined search and retrieval that the Biden administration claims, it was a SMASH AND GRAB."

Mr. Trump and his team

have said the material was shipped to Mar-a-Lago at the end of his presidency following frantic last-minute packing. In the final months of his term until he left office on Jan. 20, 2021, Mr. Trump was largely preoccupied with overturning his November 2020 election loss.

"These were things that were haphazardly being kept and were taken haphazardly," said Mr. Trump's former Attorney General William Barr, who left office in December 2020. "Once you're investigating, and you go in and execute a search warrant, you're entitled to take not only the government records but things from the same containers where you found the documents that will show the context in which they were held."

The former president has since said he declassified the material before he left office, but there is no documentation of that.

In a separate filing dated Aug. 30 but also unsealed Friday, prosecutors said investigators had reviewed all of the seized materials separate from those set aside as potentially protected by attorney-client privilege.

Investigators will use the materials as they "take further investigative steps, such as through additional witness interviews and grand jury practice," the filing said.

GOP Mounts Rescue Effort in Pennsylvania

Republicans are preparing a rescue effort for their mid-term-election candidates for governor and Senate in Pennsylvania, who trail in public

By *Kris Maher in Pittsburgh and Aaron Zitner in Washington*

opinion surveys and are prompting concerns that GOP prospects are fading in the closely divided state.

Both Doug Mastriano, a state senator and the Republican nominee for governor, and Mehmet Oz, the celebrity surgeon who is the party's Senate nominee, lag behind their Democratic opponents by more than 7 percentage points in a state that President Biden won by 1.2 points in 2020, the Fivethirtyeight.com aggregate of polls shows.

Now, the GOP candidates are getting some backup. A political-action committee with ties to Senate Minority Leader Mitch McConnell (R., Ky.) has reserved more than \$29 million in ads to support Mr. Oz, the ad-tracking firm AdImpact finds. The expected ads will likely present the first sustained attack of the campaign cycle against Mr. Oz's Democratic opponent, Lt. Gov. John Fetterman.

On Saturday, former President Donald Trump will hold a rally to support Messrs. Mastriano and Oz in Wilkes-Barre Township. The rally could boost attention to Mr. Mastriano, who has drawn sustained negative publicity for his false assertions that the 2020 election was stolen and for having attended the Jan. 6, 2021, rally at the Capitol that became a riot. Mr. Mastriano hasn't run a single TV ad since the primary season ended, according to AdImpact. By contrast, his Democratic opponent, Attorney General Josh Shapiro, has spent about \$14 million on TV ads since the primary.

Republicans hope that inflation and tepid views of Mr. Biden's job performance will



Doug Mastriano, left, and Mehmet Oz, the GOP nominees for governor and senator, respectively, both trail Democratic rivals in polls.



help them retake the Pennsylvania governor's office, which Democrats now hold, and retain the seat of retiring GOP Sen. Pat Toomey.

Mr. Biden plans to visit Pittsburgh for the Labor Day parade with Mr. Shapiro and other Democrats on Monday.

People in both parties say that the Senate and governor races remain competitive. "I think the Oz campaign is in a solid position right now," said Elizabeth Preate Havey, secretary of the state's Republican Party in an email, adding that "Pennsylvanians are just starting to learn" about Mr. Fetterman's policy positions.

Larry Ceisler, a Democrat and public-affairs consultant in Philadelphia, said elections in the state tend to be close. "Doug Mastriano is the nominee of a major political party in the commonwealth of Pennsylvania, and thus he always has a chance to win," he said.

In a mid-August Franklin & Marshall poll, 57% of voters held an unfavorable view of Mr. Oz, compared with 27% who viewed him favorably. Mr. Mastriano drew unfavorable ratings from 49% of voters,

while 28% held favorable views. Their Democratic opponents were viewed more positively than negatively.

For Mr. Oz, the challenge results in large part from millions of dollars in negative campaign ads run against him during the Republican primary, some of which used clips from his long television

Donald Trump will hold a rally Saturday to support Messrs. Mastriano and Oz.

career to suggest that he had come only lately to his conservative positions on abortion, gun rights and other issues.

"My biggest challenge as a county chairman is convincing my conservative Republicans that Dr. Oz has our values," said Arnie McClure, chairman of the Republican Party in Huntington County.

A spokeswoman for Mr. Oz's campaign said he has been campaigning every day and that voters are responding

positively to his positions on crime, inflation and schools.

Mr. Fetterman has faced his own challenge—conveying to voters that he is physically up to the job, as the lieutenant governor continues to recover from a stroke he suffered 3½ months ago. On Tuesday, Mr. Fetterman backed out of a debate scheduled to be held in Pittsburgh next week.

"The job of a senator involves a lot of advocacy and persuasion—you are persuading your fellow senators to vote for policies to benefit the commonwealth and the country," said Jeff Bartos, a co-chairman of the Oz campaign. "Voters want to see how the person interviewing for the job will conduct themselves."

Mr. Fetterman has said he would debate Mr. Oz under the right conditions but that he is focusing on his recovery.

In the case of Mr. Mastriano, some Republicans say his policy positions, including banning abortion without exception at about six weeks when a fetal heartbeat is detected, have turned off moderate voters in places like the Philadelphia suburbs.

Mr. Mastriano's campaign

More Funds Are Sought For Covid-19, Foreign Aid

By *Natalie Andrews*

WASHINGTON—The White House is asking Congress for \$47.1 billion in emergency funding for Covid-19 and monkeypox and to back Ukraine in its war with Russia, as well as spending for natural disasters, according to administration officials.

Congress must vote on a spending bill by the end of September to avoid a partial government shutdown. Lawmakers are expected to use a stopgap funding measure that will maintain funding levels for the short term.

The White House is asking Congress to add the emergency funding on top of that, with about \$22.4 billion for Covid-19 vaccines, testing programs, clinical trials and research; \$4.5 billion to bolster efforts to fight monkeypox; and \$6.5 billion to help areas of the country prepare for and recover from natural disasters.

The administration is also asking for \$13.7 billion to continue supporting Ukraine in its war against Russia. The money would go to military and intelligence support, to help Kyiv continue operating its government, and to supply uranium to fuel U.S. nuclear reactors in the chance of a potential decrease in Russian supplies.

The emergency funds wouldn't be paid for with new or shifted revenue, and would be new money that hasn't been previously appropriated.

Senate Republican leadership didn't immediately respond to a request to comment about the White House's request for emergency funding. Spending bills require 60 votes, and in the 50-50 Senate at least 10 Republicans would need to back any bill that contained the administration's request.

In May, Congress passed a nearly \$40 billion military and economic aid package to help Ukraine, and lawmakers said they would expect further funding needs as the war continued.

Lawmakers have been unable to agree on a coronavirus funding package for months, with Republicans saying any additional funding must be paid for.

The White House is asking for \$4.5 billion to help people recover from floods in Kentucky, as well as disasters in California, Texas and Louisiana. The agency is also looking to use the funds to address anticipated wildfires, droughts, floods and extreme heat.

U.S. WATCH

WHITE HOUSE

John Podesta Picked For Climate Post

President Biden picked John Podesta, a longtime Democratic operative and environmental advocate, to oversee the implementation of the climate-related provisions in the climate, health-care and tax legislation Mr. Biden signed into law last month.

Gina McCarthy, Mr. Biden's top domestic climate adviser, said Friday that she plans to leave her post this month, in a long-expected move that comes just weeks after Congress passed the White House's cli-

mate agenda. Ali Zaidi, Ms. McCarthy's deputy, will replace her as national climate adviser, according to the White House.

Mr. Podesta is the founder of the Center for American Progress, a left-leaning think tank, and was chairman of Hillary Clinton's 2016 presidential campaign. He will serve as Mr. Biden's senior adviser for clean energy innovation and implementation, the White House said.

In addition to overseeing the nearly \$370 billion in climate and clean energy spending in the legislation, Mr. Podesta will lead Mr. Biden's National Climate Task Force.

—Andrew Restuccia

TEXAS

Eight Migrants Found Dead in River

At least eight migrants were found dead in the Rio Grande after dozens attempted a hazardous crossing near Eagle Pass, Texas, officials said Friday.

U.S. Customs and Border Protection and Mexican officials made the discovery Thursday while responding to a large group of people crossing the river following days of heavy rains that had resulted in particularly swift currents. U.S. officials recovered six bodies, while Mexican teams recovered two

others, according to the CBP.

The agency said U.S. crews rescued 37 others from the river and detained 16 more, while Mexican officials took 39 migrants into custody. Officials on both sides of the border continue searching for any possible victims, the CBP said. The Border Patrol's Del Rio sector, which includes Eagle Pass, is fast becoming the busiest corridor for illegal crossings.

In June, 53 migrants were found dead or dying in a tractor-trailer on a back road in San Antonio in the deadliest tragedy to claim the lives of migrants smuggled across the border from Mexico.

—Associated Press

HEALTH

Jane Fonda Reveals Cancer Diagnosis

Oscar-winning actress Jane Fonda said she was diagnosed with non-Hodgkin lymphoma and is undergoing chemotherapy treatments. The 84-year-old shared the announcement Friday on Instagram. Ms. Fonda, who has won an Oscar for best actress for "Kluge" and "Coming Home," said she was also lucky because she has health insurance and access to the best doctors and treatments. She said she would undergo chemotherapy for six months.

—Talal Ansari

U.S. NEWS

Employer Data Keep Fed on Track

By NICK TIMIRAO

The latest strong employment figures keep the Federal Reserve on track to raise interest rates by either 0.5 or 0.75 percentage point at its meeting this month to combat high inflation.

Employers added 315,000 jobs in August and have added a monthly average of 381,000 positions over the past six months, the Labor Department said Friday. The unemployment rate increased—by 0.2 percentage point to 3.7%—because more Americans looked for jobs in August than in July.

Monthly wage growth eased last month to its slowest pace in six months. Average hourly earnings for private-sector workers rose 0.3%, or an annualized rate of 3.8%, in August from July and 5.2% from a year earlier.

The labor-force participation rate rose in August, and a more moderate pace of wage growth could damp concerns about an overheating labor market that pushes up prices. But earlier labor-market figures, including a widely watched report on wage growth during the second quarter, showed wages were continuing to increase at a brisk pace that requires a sharper slowdown to reduce inflation to the Fed's 2% target.

Friday's report isn't likely to significantly change Fed officials' views about how much to raise the fed-funds rate at their Sept. 20-21 policy meeting. A handful of them have indicated they would prefer to lift it by 0.5 percentage point, though they have left the door open to backing a 0.75-point increase. At least one official,



From left, New York Fed President John Williams, Fed Vice Chairwoman Lael Brainard and Fed Chairman Jerome Powell at the central bank's symposium in Jackson Hole, Wyo., last week.

St. Louis Fed President James Bullard, has said he would favor a third consecutive 0.75-point rate rise.

An August inflation report, due on Sept. 13, along with other data on spending and economic activity could further influence the debate over how much to raise rates this month. Officials have said they want to see evidence that price pressures and economic growth are cooling before they slow their pace of rate rises, but they have signaled they also are paying attention to how their previous increases this year are affecting the economy.

The Fed has raised rates four times this year, its fastest clip since the early 1990s, when it began using the fed-funds rate as its primary tool.

The decision over how much to raise rates this month

is likely to come down to how quickly Fed Chairman Jerome Powell wants to get rates high enough to further slow economic activity.

One of Mr. Powell's top policy-making lieutenants, New York Fed President John Williams, said Tuesday in an interview that slowing inflation is likely to require lifting the fed-funds rate above 3.5% and holding it at that level through next year.

"We always have the opportunity at the following meeting to adjust the policy actions as well," said Mr. Williams. "So it's not like you make one decision once and for all, but you really think about the path of policy."

In a speech last week, Mr. Powell underscored the central bank's resolve to reduce inflation, even if it weakens the job market.

Mr. Powell is set to speak on the economic outlook during a moderated discussion Thursday at the Cato Institute. Fed Vice Chairwoman Lael Brainard is set to speak at a banking conference in New York on Wednesday.

In his interview, Mr. Williams pointed to crosscurrents in recent readings of economic activity. Consumer spending and overall output have been weaker than expected and inflation decelerated in July, "but I think the real news here has been the labor market has been very strong despite some slowing growth in the first half of the year," he said.

After the employment report was released Friday, traders in interest-rate futures markets continued to see better than even odds that the Fed will raise rates by 0.75 percentage point.

Wage Growth Eases As More Seek Work

By AUSTEN HUFFORD

Monthly wage growth for U.S. workers slowed in August to its slowest pace in half a year as more people sought work and hiring lost some steam.

Average hourly earnings for private-sector workers rose by 10 cents, or 0.3%, to \$32.36 in August from July, the Labor Department reported Friday.

The number of people in the labor force—defined as those holding or seeking jobs—reached its highest level since U.S. records began in 1948 at a seasonally adjusted 164.7 million last month, up 0.5% from July. The share of adults working or seeking a job rose to 62.4% in August from 62.1% in July.

Brad Hershbein, an economist at the W.E. Upjohn Institute for Employment Research, said high inflation is eating into the wage gains workers have seen over the past two years. "The labor market will eventually cool. It may be cooling already," he said. "At best, wages after inflation are holding even."

Wages rose a bit more quickly in August from July for employees of service providers—which include retailing, travel, financial activities, health and education—than those of makers of goods such as houses, trucks and clothing.

Of the Labor Department's broad industry categories, the information sector—which includes book publishers, movie makers and data processors—saw the strongest monthly growth in average hourly earnings in August, at 1.2%.

Employees of businesses in the category of leisure and hos-

pitality—which includes hotels, restaurants and theaters—saw their average earnings rise 0.5% to \$20.30 an hour as Americans vacationed and dined out in August. Their pay rates have grown 21% since the end of 2019, before the Covid-19 pandemic hit the U.S. economy; that compares with the 14% increase seen for all private workers.

Employers in leisure and hospitality have struggled with widespread staffing shortages for months, and reported that they had 1.5 million open positions in July, the latest month available, according to the Labor Department.

The financial activities sector—which includes bankers, and real-estate agents—posted 0.5% growth.

One area of weak wage

Average hourly earnings for private-sector workers rose by 10 cents.

growth in services was retailing, where hourly pay grew 0.1% in August from July. That comes as several major retailers have said they have a glut of unsold goods, prompting widespread discounting.

Manufacturing wages plateaued, remaining the same in August as in July.

On an annual basis, average hourly wages rose 5.2% in August from a year before, a rapid pace. But prices for many goods and services remained much higher this summer than last.

Hiring Slowed In August

Continued from Page One

working or seeking a job rose to 62.4% in August from 62.1% in July, as participation among women ages 25 to 54 jumped to the highest level since 2000.

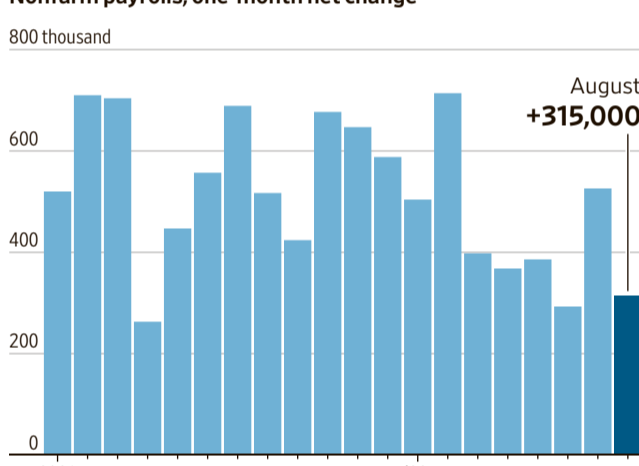
The rise in labor-force participation—along with other signs such as lower average weekly hours worked—suggested employers are finding it easier to hire. That could help ease wage pressures in the coming months. The Federal Reserve is closely watching the health of the labor market and wages trends, an important factor in the outlook for inflation.

Average hourly earnings rose 5.2% in August from a year earlier, in line with the previous month and down from a recent peak of 5.6% in March. Wages rose 0.3% in August from a month earlier, down from July's increase.

The figures keep the Fed on track to raise interest rates by either 0.5 or 0.75 percentage point at its meeting later this month to combat high inflation.

Stocks turned lower Friday

Nonfarm payrolls, one-month net change



Note: Seasonally adjusted. July and August data are preliminary.
Source: Labor Department

after an initial surge following the release of the August jobs figures, and Treasury yields fell. The S&P 500 and Dow Jones Industrial Average each finished Friday down 1.1%. The Nasdaq Composite dropped 1.3% and is down for six straight sessions, its first such stretch since 2019.

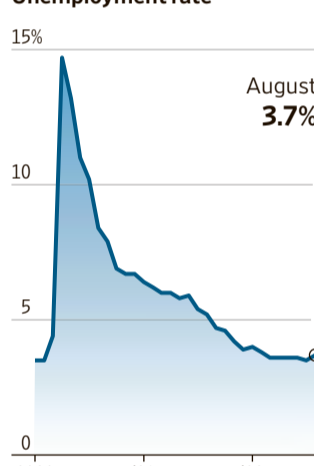
"In all, the data suggest labor market conditions are beginning to slow more markedly, which we expect will contribute to weaker economic growth over the coming years," said Michael Pearce, senior U.S. economist at Capital Economics.

Some signs point to an economy that is rapidly cooling under the weight of high

inflation. The Fed is raising interest rates to slow the economy and curb price increases. Some major employers, including Ford Motor Co., Snap Inc., T-Mobile US Inc. and Wayfair Inc., have announced job cuts in the past few weeks. Gross domestic product shrank in both the first and second quarters of the year, according to the Commerce Department.

This year's tight labor market followed steep pandemic-driven job cuts in early 2020 that left the U.S. economy with about 22 million fewer jobs. As employers clawed those jobs back, payrolls grew by a monthly average of about 800,000. Now that payrolls are slightly above their prepan-

Unemployment rate



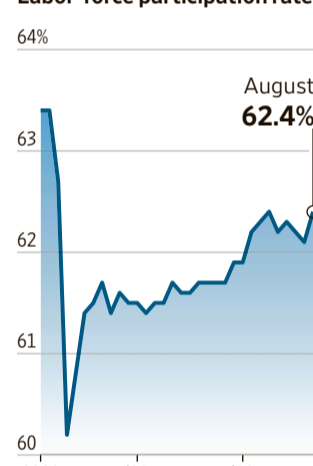
dem peak, rehiring is set to fade as a source of job growth in many sectors, according to economists.

Leisure and hospitality might be an exception. The industry—which includes restaurants, bars and hotels—was particularly hard hit by shutdowns earlier in the pandemic and continues to recoup jobs lost in early 2020.

Unemployment rates rose last month across racial groups and ethnicities, with particularly large increases among Black and Hispanic workers. Fewer Black adults were working or seeking a job in August.

Job growth remains historically strong as the labor mar-

Labor-force participation rate



graduates, Stephen Hendrix, 20, started working while in college as an apprentice for a firm manufacturing furniture-door hinges and drawer slides. The company paid him for the hours he worked and those he spent in class.

By the time he graduated with an associate degree, he was making \$18 an hour. After graduation, his pay jumped to \$23 an hour.

"I was honestly kind of surprised," he said. Now Mr. Hendrix is saving up to buy land on which to build a house.

The job market could weaken in the coming months, as the Fed tries to tame inflation that is running near a four-decade high. Fed officials have raised their benchmark interest rate by 0.75 percentage point at each of their past two meetings.

Higher interest rates are intended to make it more expensive for people and businesses to borrow and spend money, which could lead to slower economic growth and an easing of price pressures.

Fed Chairman Jerome Powell warned in late August that the Fed's moves would hurt the labor market and the overall economy.

"While higher interest rates, slower growth, and softer labor market conditions will bring down inflation, they will also bring some pain to households and businesses," he said.

Rates Alter Buy-Rent Calculus

Continued from Page One

two stood at 1.44.

"The ratio is a great indicator for households deciding 'should we rent or should we go ahead and buy?'" said Edward Seiler, a housing economist at the MBA.

By some measures, housing is the least affordable in decades because the rise in rates has collided with a jump in home prices.

With inflation hitting all facets of daily life, the higher costs of buying are encouraging some prospective buyers to bite the bullet and keep renting, even if their landlords are asking for more money.

Melissa Siani and her family went under contract earlier this year to buy a newly built home in Forney, Texas, but the completion date was delayed several months past when they needed to relocate



Sales of existing homes have been falling for months.

from Alabama. They backed out of the purchase and opted to rent instead.

While their rent is more than they expected to pay, it is still less than their mortgage payments would have been, Mrs. Siani said.

"The combination of the prices of houses plus the interest rates—it's making it harder to afford," she said of buying a home.

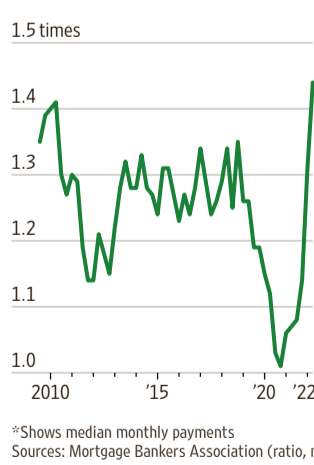
Her family expects to stay in Texas for about three years. "I'm hoping the market calms down a little bit for our

next move," she said.

The decline in affordability is pressuring the housing market. Some 16% of buyers in contract to purchase a home in July backed out, according to a Redfin analysis. Home price growth slowed in June and existing-home sales have been falling for months.

"Clients that I've worked with might have been able to afford a more expensive home at the lower interest rates," said Heather Kruayai, a Redfin real-estate agent in Jacksonville, Fla. "Because inter-

Ratio of mortgage payment to asking rent*



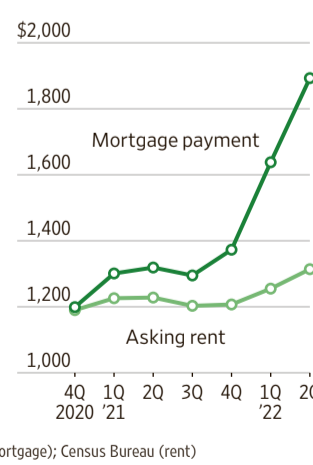
*Shows median monthly payments
Sources: Mortgage Bankers Association (ratio, mortgage); Census Bureau (rent)

est rates have gone up, they're priced out of the home they wanted."

Alec and Ashley Xenakis went back to renting, at least temporarily, when they moved to Tucson, Ariz., in August. They sold their home in the Denver area but found that buying a similarly priced house would cost over a thousand dollars more a month because interest rates had risen so much since they got their sub-3% mortgage last year.

So they signed a nine-

Median monthly payments



in July, according to the MBA, and it may continue to fall if home prices and mortgage rates moderate.

Moreover, the median mortgage cost for buyers in the 25th percentile, a proxy for first-time buyers who typically purchase cheaper homes, is still below the median asking rent, despite rising along with the rest of the market.

Many Americans are still in a good position to buy, even if they have to reduce their budgets to compensate for higher mortgage costs. Consumers built up savings over the course of the pandemic and received pay bumps because the hot labor market gave workers more power to demand them.

They may reason that the higher costs of buying are justified, in part because mortgage payments are typically locked in for many years to come, while rents increase over time, Mr. Seiler said.

"People have started to come to acceptance with rates," said Sam Pollard, senior loan officer at Intercoastal Mortgage LLC in Potomac, Md. "It's no longer a struggle or fight with folks."

WORLD NEWS

G-7 Will Cap the Price of Russian Oil

Rich nations aim to leverage control over financing and insurance of global shipping

By ANDREW DUEHREN

The Group of Seven wealthy nations rolled out a plan to cap the price of Russian oil on global markets, committing to a novel sanctions design aimed at limiting Russia's revenue from oil sales as its invasion of Ukraine grinds on.

The finance ministers of the G-7 said they would move to ban the insurance and financing of shipments of Russian oil and petroleum products unless they are sold under a set price cap.

With the plan, the U.S. and its allies are hoping to leverage

their control over the financing and insurance of global shipping to force Russia to comply with the cap or face the possibility of being unable to ship its oil. More than 90% of the world's ships are insured through a London-based association of insurers, according to Bruegel, a Brussels-based think tank.

The announcement didn't mention several key details, including the level at which the price cap would be set. The G-7 ministers said they would consult with international partners about where to set the cap, with the possibility of changing the level over time.

The ultimate design would include three price caps, with one set for Russian crude and two sets for Russian petroleum products, said a senior Treasury official.

The plan seeks to resolve a dilemma that has so far confounded Western attempts to penalize Russia for its invasion of Ukraine: How to cut off Moscow's revenue without reducing global oil supply and raising prices. Inflation is already running at the highest levels in decades, posing a major economic and political problem for governments across the West.

"This price cap is one of the most powerful tools we have to fight inflation and protect workers and businesses in the United States and globally from future price spikes caused by global disruptions," said Treasury Secretary Janet Yellen.

The price cap would soften the European Union's plan for a total ban on insuring and financing shipments of Russian oil, which is set to go into effect

on Dec. 5 for crude and Feb. 5 for refined products. Ms. Yellen has warned for months that the EU's ban could take large volumes of Russian oil off global markets, driving up prices and causing a global recession.

G-7 officials are aiming to put the cap in place before Dec. 5.

At the center of the plan is the assumption that Russia would choose to sell its oil at a reduced price rather than risk selling far less oil, possibly damaging its long-term production capacity. Russian officials repeatedly have said they would refuse to sell oil under the cap, which U.S. officials believe is a bluff.

Kremlin spokesman Dmitry Peskov said Friday that Russia would respond to the price cap by selling its oil "in alter-

native directions to those countries that operate under market conditions."

Russia has shown a willingness to throttle access to energy during the war. Moscow has sharply reduced gas shipments to Europe, citing technical issues and sanctions. European officials say the Kremlin is using gas as a weapon. European nations are racing to fill up gas stores to avoid a shortage this winter.

European Commission President Ursula von der Leyen said Friday that the EU could seek to introduce a separate price cap that would target natural gas.

Another central challenge in the oil-price cap plan is convincing other countries to agree to subscribe to the U.S.-led sanctions against Russia.

Many Western countries have themselves banned the import of Russian oil, meaning the price-cap effort would rely on other buyers of Russian oil to comply with the plan.

India and China are two major buyers of Russian oil that are unlikely to formally join the effort, and officials are hoping to convince other buyers to sign on. U.S. officials have said even a small coalition would help drive down the price of Russian oil. "Russia may try and find alternative ways to move their [oil] but those ways are all going to be far more expensive than the tried and true ways that the vast majority of global seaborne oil is sold," said Deputy Treasury Secretary Wally Adeyemo.

—Kim Mackrael
contributed to this article.

Kyiv Accuses Moscow of Hindering Access to Nuclear Plant

By IAN LOVETT
AND EVAN GERSHKOVICH

Ukrainian officials are accusing Russia of obstructing the International Atomic Energy Agency mission to inspect the Zaporizhzhia nuclear plant, which investigators visited on Thursday for the first time since the war began.

Ukraine's state nuclear-energy company Energoatom wrote on the Telegram social-media platform Friday that Russian forces, who have occupied the nuclear plant since the early days of the war, blocked foreign journalists from observing the visit, limited the workers at the plant who could speak to investigators and jammed internet in the nearby town of Enerhodar to prevent transmission of photos and videos from the facility.

"Russia did a lot of cynical things to deceive the mission," Ukrainian President Volodymyr Zelensky said, in a video posted online Thursday night. "The key thing that should happen is the demilitarization of the territory of the plant.

This is exactly the goal of the Ukrainian and international efforts. And it is bad that we have not yet heard the appropriate calls from the IAEA."

A Russian-installed official in Zaporizhzhia, Vladimir Rogov, said Friday that representatives from the United Nations atomic agency weren't obstructed during their visit. "Members of the IAEA mission got access to everything they wanted," he told Russian state news agency TASS.

Russian Defense Minister Sergei Shoigu said Friday that Russia's Defense Ministry hopes the visit would produce an objective review, according to Russian state news agencies. He added that Moscow is doing everything to ensure the plant's safe operation.

The director-general of the IAEA, Rafael Grossi, said in a news conference late Thursday that the agency wasn't manipulated and would retain a presence at the plant, with six inspectors staying at the site in the short term and two more remaining as a perma-



U.N. inspectors visited the Russian-controlled Zaporizhzhia nuclear power plant on Thursday.

nent mission. He cautioned that the plant's physical integrity is still in serious danger.

"Physical integrity is a big red," Mr. Grossi told reporters at Vienna International Airport,

pointing to a color-coded summary of the status of the plant. "There is a lot of fighting in the region...the military activity and operations are increasing and this worries me a lot."

Mr. Grossi added that he would brief the U.N. Security Council on Tuesday and would produce a full report for the agency's board of governor's. Earlier Friday, Russian state

media reported that 13 IAEA representatives remained at the plant. Energoatom said Thursday that only five members of the team were still there.

"They of course are now fully studying the whole situation regarding the safe support of the nuclear power plant's operations," said Alexander Volga, the Russian-installed head of Enerhodar, according to Russian state news agencies.

Russian media also accused Ukraine of shelling the plant during the IAEA visit. The British Ministry of Defense said Friday that heavy fighting was continuing in the area around the plant, but didn't try to assess which side was responsible for the shelling.

Beginning in August, Russia stationed armored vehicles and other military equipment on the grounds of the plant. Each side has accused the other of shelling the facility in the weeks since. Last week, the plant was briefly cut off entirely from the electric grid, following explosions and fire near the facility.

Kremlin Halts Flow Of Pipeline

Continued from Page One

A complete shutdown of Nord Stream will compel European governments to accelerate their push to become independent of Russian gas ahead of the winter months and could force them to ration energy—a move that would hurt industrial companies and tip the continent's already fragile economy into a recession.

"By further reducing gas deliveries, Russia is tightening the screws on the EU," said Janis Kluge, an expert on Russia at the German Institute for International and Security Affairs. "Europe will now have to take its efforts up a notch to conserve more gas."

At the same time, the move deprives Moscow of its most potent economic leverage on the continent and could remove any remaining misgivings in European capitals about raising sanctions on Moscow for fear of retribution.

"Until it is repaired, gas transport via Nord Stream is completely stopped," Gazprom said Friday.

Moscow and the West have been engaged in an economic war since Russia invaded Ukraine in February. Western democracies have inflicted economic and financial sanctions on Russia, and Moscow has tried to choke unfriendly countries' access to its natural gas, which Europe uses for heating and electricity production.

ArcelorMittal SA, one of the world's largest steelmakers, was the latest industrial giant to say it is reducing European production capacity amid the energy crisis. The company said Friday it will close two of its plants in Germany amid soaring electricity costs.

Steelmaking is particularly energy intensive, alongside other industries like fertilizer and chemical production and glass making.

G-7 countries said on Friday they would impose a cap on the price of Russian oil. The mechanism would force buyers



Nordstream is main route for Russian gas to reach Germany.

seeking to insure their shipment via insurers located in a G-7 or European Union country to observe the price limit on their purchases. The cap, whose level will be set at a future meeting, originated in a U.S. initiative and has been under discussion for months. Russia has said countries imposing a cap wouldn't receive any Russian oil. Sales of oil make up a far bigger share of Russian state revenues than sales of natural gas.

Hours before Gazprom's Nord Stream announcement, German Finance Minister Christian Lindner praised the

'By further reducing gas deliveries, Russia is tightening the screws on the EU.'

G-7 decision, saying "Russia is generating big profits from the export of commodities such as oil, which is something we must push back on vigorously."

The cap, he added, would help combat inflation in the EU.

Russia would have enough capacity via other gas pipelines to Europe to compensate for the Nord Stream shortfall. However, flows via these other routes declined following the start of the war in Ukraine.

Ukraine halted one gas-transit route in May, blaming interference by Russian forces. Deliveries through another, called Yamal, which traditionally transported gas from Russia to Europe, have stopped this year due to sanctions im-

posed by Russia on the Polish part-owner.

Germany's economy minister, Robert Habeck, said this week that the country can't count on Nord Stream during the winter.

In reaction to the Nord Stream closure, a spokeswoman for the ministry said on Friday that Germany was far better prepared than a few months ago.

"We have already seen Russia's unreliability in the past few weeks, and accordingly we have unwaveringly and consistently pursued our measures to strengthen our independence from Russian energy imports," the spokeswoman said.

Klaus Müller, head of Germany's energy regulator, said the country would need to boost gas imports from other suppliers, continue to fill up gas stores and cut gas consumption.

European officials had expected that the Kremlin would use gas flows to keep markets and governments on edge and erode support for Ukraine among Western voters.

Gazprom's shutting down of Nord Stream "under fallacious pretenses is another confirmation of its unreliability as a supplier," European Commission spokesman Eric Mamer wrote on Twitter.

Natural-gas prices have broken records in recent weeks amid the energy crunch, though they have also dropped sharply in the past days, with some analysts crediting the speed at which Europeans have been filling up their gas storage facilities through the summer.

—Bojan Pancevski
contributed to this article.

**THE COLOR OF PERFECTION
COLOMBIAN EMERALD BRACELET**

Ideal color. Important origin. Completely natural.

Incredibly rare untreated Colombian Muzo mine emeralds and pure white diamonds combine in this stunning bracelet. The emeralds, totaling over 25.00 carats, display the perfect vivid green hue. Colombian emeralds are the most desirable in the world for their incomparable depth of color, and the most important of these gems originate from the famed Muzo mine. Each of the 13 perfectly matched emeralds in this bracelet holds a certificate from the AGL and SSEF stating that they are 100% untreated with exceptional clarity. These gems are set in platinum with 13 pure white diamonds totaling nearly 25.00 carats, all GIA-certified as colorless and VVS1-VS1 clarity. 7" length. #31-5878

Scan to view a video of this bracelet

M.S. Rau
FINE ART • ANTIQUES • JEWELS

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

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

WORLD NEWS

Leaving Their War-Zone Homes Can Be Difficult

Most people who are evacuated from eastern Ukraine have no money and nowhere to go

By MATTHEW LUXMOORE

BAKHMUT, Ukraine—The evacuation van idled outside a housing block in this eastern city, as artillery barrages rang out from Russian army positions less than 2 miles away.

In her apartment on the fourth floor, 81-year-old Maria Voronitskaya scrambled to get dressed and pack as the windows shook. "I'm giving you two minutes!" shouted Serhiy Rozhok, a volunteer whose Vostok SOS organization pulls residents out of embattled towns in Ukraine's east.

Ms. Voronitskaya stuffed clothes and documents into two plastic bags and struggled down the stairs to the van. Antonina Antonova, her 59-year-old neighbor, watched from the courtyard, her shoulders hunched. She said she was staying in the hope the violence abates, because she had no

money saved and no relatives offering shelter elsewhere. "The evacuation train will spit me out onto the platform in Dnipro or Lviv, and then what?" she said, referring to two Ukrainian cities where refugees are accommodated. "I will live in the basement if I have to, because I have nowhere else to go."

The women's contrasting choices show the wrenching dilemma faced by residents of cities in eastern Ukraine.

The Russian army is attempting to advance behind withering artillery bombardments. A lack of gas and water portends a severe winter for those who remain. The government in Kyiv issued a decree on mandatory evacuation in August.

Many are taking up the offer, and groups such as Vostok SOS are facilitating their departure. The nonprofit's call center in western Ukraine fields requests from relatives of people stuck in front-line cities, whose addresses are then relayed to volunteers like Mr. Rozhok.

He sets off in a silver Renault van each morning with Oleksandr Zyoma, another volunteer, hanging flak jackets over each door to protect against shrapnel. He picks up evacuees and takes them to Pokrovsk, on the edge of the Donetsk region, where he puts them on a free train to Dnipro, Kyiv and farther west.

But across the war-torn region, which Russia has pledged to capture, many residents are choosing to stay, hoping the fighting stops and



With the help of Serhiy Rozhok, right, and Oleksandr Zyoma, Maria Voronitskaya leaves her apartment in Bakhmut, eastern Ukraine.

often scoffing at a payout promised to evacuees that is equivalent to about \$50.

Aleksei Yukov, another volunteer who has helped evacuate people, said he recently visited a front-line town where he tried in vain to persuade a woman with four children to leave. They later died in shelling, he said.

"People say they have nowhere to go. Yes, this is a problem," he said. "But for many the fear of being homeless outweighs the fear of death."

Mr. Zyoma, Mr. Rozhok's partner at Vostok SOS, said 80% of the people their team picks up have no set destination and no relatives or friends to go to. They accept help to

evacuate only when the situation becomes unbearable.

With cell connections down across swaths of eastern Ukraine, people sometimes are unaware how close their home is to the fighting. As the Vostok SOS van neared Bakhmut, a helicopter swooped nearby, dropping rockets on a strategic position overlooking the road. "Sometimes we show people a map and say, 'Look, the Russians are just 2 miles away,'" Mr. Zyoma said.

In towns across the Donetsk region, 60% of which is now occupied by Russian forces, it is predominantly the poor, the elderly and the infirm who remain. Bakhmut is one such

town, right on the front lines as Russian forces seek to break through.

The streets navigated by the Vostok SOS van on the morning Ms. Voronitskaya was evacuated were deserted. The windows of government buildings, residential blocks and churches were boarded up. A downtown grocery store offered slim pickings.

Ms. Voronitskaya had spurned one ticket out. Her husband died five years ago, and she lived with her daughter Olha and 18-year-old granddaughter, Viktoria. The two women left Bakhmut in early April after failing to convince Ms. Voronitskaya to join them.

"I should have left a long time ago," she said. "I didn't think it would get so bad."

Ms. Voronitskaya said only seven people remained in her seven-story building in Bakhmut. One neighbor slept on the sixth-floor landing, flanked by concrete walls. Others spent nights in the basement. Some who remain say they will stick it out no matter what.

Oleksandr Belij, a 72-year-old welder living on the first floor, spends his days drinking tea and feeding the pigeons that land on his windowsill each morning.

"My parents and grandparents are buried here," he said. "Where should I go?"

Pentagon Aims to Speed Arms Sales

By GORDON LUBOLD AND VIVIAN SALAMA

WASHINGTON—The Pentagon has launched a wide-ranging push to speed up sales of U.S. arms to foreign allies in an effort to better compete with China and refill the arsenals of friendly nations that have given military gear to Ukraine.

The Pentagon last month created a task force of senior officials to examine longstanding inefficiencies in U.S. sales of billions of dollars of weaponry to foreign countries. The so-called tiger team will look at ways for the Defense Department to streamline parts of the program, according to a senior defense official, with the aim of putting coveted American drones, guns, helicopters, tanks and other weaponry into partners' and allies' hands faster, officials said.

Increasing tensions with China and Russia's invasion of Ukraine have brought urgency to the review, which began within the Pentagon about a month ago, officials said.

The Pentagon executes much of the foreign arms-sales program but it is overseen by the State Department, which uses the \$45 billion in annual weapons sales as a foreign-policy tool to spread American influence. Congress ultimately approves all foreign military sales.

Deputy Secretary of Defense Kathleen Hicks last month signed a memo creating the group, which is co-chaired by



Ammunition, weapons and equipment were prepared for shipment to Ukraine in January at Dover Air Force Base in Delaware.

U.S. Eyes \$1 Billion Boost for Taiwan

The U.S. is aiming to bolster Taiwan's defenses with more than \$1 billion in new weapons and military logistics amid rising tensions with China after House Speaker Nancy Pelosi's visit to Taipei. The pending sale of as many as 60 Harpoon antiship missiles

and 100 Sidewinder missiles for warplanes was approved by the State Department and shared with Congress Friday, the department said. The U.S. has also approved \$665 million in logistics support contracts for Taiwan's surveillance radar, a State Department spokesman said. The package is expected to be the largest military sale to Taiwan during the Biden administration. —William Mauldin and Charles Hutzler

Sasha Baker, the deputy undersecretary of defense for policy, and Bill LaPlante, undersecretary of defense for acquisition and sustainment. Other Pentagon officials including representatives of each of the services are also part of the team.

U.S. officials who work with countries on initial requests for new drones could be trained to help the countries draft those letters better, removing roadblocks that pop up because the initial request was too broad or triggered

other security concerns, the defense official said.

"It's about the mechanical steps in the process," said a senior defense official. "How can we do a better job of bringing inefficiencies out of the system that will apply to all of the countries that we work with?"

Additionally, with certain systems, the Pentagon approves contracts only once a year, so orders that miss that deadline are held until the next cycle, the officials said. The State Department is providing input to the Pentagon-driven assessment.

The foreign-military sales program has long been seen as risk-averse and sluggish. Concerns about selling a piece of sensitive technology can slow a sale for years. Officials can scrutinize a country's military to see if it has competent troops to operate the equipment and safeguards to keep it secure.

That slow pace can leave some countries unsure if the U.S. really wants them as partners and risks sending countries with whom the U.S. wants to stay close elsewhere to shop for arms.

Former Secretary of the Navy Richard Spencer said he welcomed the Pentagon review but warned the Pentagon often applies Band-Aids instead of conducting an overhaul.

"The building has to get agility," he said. "We are sclerotic, we are arthritic, we have to get over it."

Argentines Rally After Assassination Attempt

By SILVINA FRYDLEWSKY AND KEJAL VYAS

BUENOS AIRES—Thousands of Argentines rallied in the capital and soccer matches were canceled Friday in a show of support for Vice President Cristina Kirchner, a day after a man thrust a gun at her face and pulled the trigger in what authorities said was a failed assassination attempt.

Fernando Andrés Sabag Montiel, a 35-year-old Brazilian man residing in Argentina, was arrested and declined to make a statement to a judge as he was formally charged with attempted aggravated homicide Friday night. The weapon didn't discharge and Mrs. Kirchner wasn't hurt.



Cristina Kirchner, 69, was the target of a failed assassination.

Federal police said they found boxes of ammunition with 100 9mm bullets in the suspect's apartment. Authorities didn't provide a motive for the attempted attack.

Some government officials asserted the attack was the product of constant public criticism against Mrs. Kirchner, who is the defendant in a corruption trial that she says is politically motivated on charges she denies. Mrs. Kirchner, a 69-year-old former president, has lost popularity amid the graft allegations. A July poll by Giacobbe & Associates found 22% of Argentines approved of Mrs. Kirchner while 70% disapproved.

In a show of solidarity, loyalists of the ruling leftist party gathered at Buenos Aires' Plaza de Mayo public square and a crowd waved Argentine flags outside Mrs. Kirchner's apartment.

President Alberto Fernández declared Friday a national holiday and condemned the attack in a televised address, calling it "the most serious act since the return of democracy."

Some critics accused the government of using the incident to garner sympathy for Mrs. Kirchner. "Instead of seriously investigating a grave act, they're accusing the opposition and the press and decreeing a holiday to mobilize supporters," a spokeswoman for the center-right party, Republic Proposal, said on Twitter.

Some Economists Rethink When, if Ever, China Will Pass U.S. in GDP

By STELLA YIFAN XIE

HONG KONG—The sharp slowdown in China's growth in the past year is prompting many experts to reconsider when China will surpass the U.S. as the world's largest economy—or even if it ever will.

Until recently, many economists assumed China's gross domestic product measured in U.S. dollars would surpass that of the U.S. by the end of the decade, capping what many consider to be the most extraordinary economic ascent ever.

But the outlook for China's economy has darkened this year, as Beijing-led policies—including its zero tolerance for Covid-19 and efforts to rein in real-estate speculation—have sapped growth. As economists pare back their forecasts for 2022, they have become more worried about China's longer term prospects, with unfavorable demographics and high debt levels potentially

weighing on any rebound.

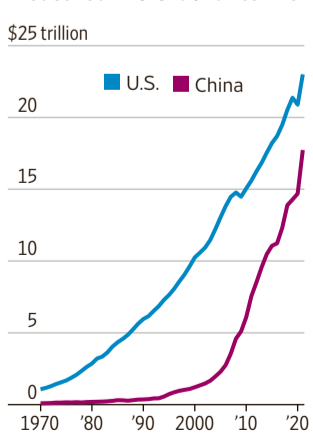
In one of the most recent revisions, the Centre for Economics and Business Research, a U.K. think tank, predicted China will pass the U.S. as the world's biggest economy two years later than it previously expected when it last made a forecast in 2020. It now thinks it will happen in 2030.

The Japan Center for Economic Research in Tokyo has said it thinks the passing of the baton won't happen until 2033, four years later than its previous forecast.

Other economists question whether China will ever claim the top spot.

Former U.S. Treasury Secretary Lawrence Summers said China's aging population and Beijing's increasing tendency to intervene in corporate affairs, along with other challenges, have led him to substantially lower his expectations for Chinese growth. He sees parallels between

Gross domestic product measured in U.S. dollar terms



Note: Data as of July 20, 2022. Source: World Bank

forecasts of China's rise and earlier prognostications that Japan or Russia would overtake the U.S.—predictions that look ridiculous today, he said.

"I think there is a real possibility that something similar would happen with respect to

China," said Mr. Summers, now a Harvard University professor.

Researchers debate how meaningful GDP rankings are, and question whether much will change if China does overtake the U.S. The depth and openness of the U.S. economy mean the U.S. will still have outside influence. The dollar is expected to remain the world's reserve currency for years to come.

Size alone doesn't reflect the quality of growth, said Leland Miller, chief executive officer of China Beige Book, a research firm. Living standards in the U.S., measured by per capita gross domestic product, are five times greater than in China, and the gap is unlikely to close soon.

Still, a change in the ranking would be a propaganda win for Beijing as it seeks to show the world—and its own population—that China's stated model is superior to Western liberal democracy, and that the U.S. is declining both polit-

ically and economically. Over time, it could lead to more-substantive changes as more countries reorient their economies to serve Chinese markets.

"If China slows down substantially in its growth, it impacts China's capacity to project power," said Mr. Summers.

How the two countries stack up economically matters to Chinese leaders: After the U.S. economy grew faster than China's during the last quarter of 2021, Chinese President Xi Jinping told officials to ensure the country's growth outpaces the U.S.'s this year, the Journal previously reported.

Economic fortunes can reverse quickly. In 2020, when China bounced back faster than the U.S. did from initial Covid-19 outbreaks, it looked like China's economy might surpass the U.S. sooner than expected.

Some economists appear less perturbed by near-term threats to China's growth. Justin Yifu Lin, a former chief

economist at the World Bank who has long been bullish on China's potential, argues its larger population means the country's economy will wind up twice as big as the U.S.'s eventually. At a forum in Beijing in May, he predicted that process would continue despite the country's latest slowdown.

Nevertheless, economic problems keep piling up in China, in part because of policy choices Beijing has made to contain Covid-19 and rein in debt. An index tracking consumer confidence plunged to its lowest level in decades in spring this year.

Measured by purchasing power, which takes into account differing costs of goods and services across countries, China overtook the U.S.'s economy in 2016, according to the World Bank. Measured in U.S. dollar terms, however, China's GDP was 77% of the size of the U.S.'s in 2021, up from 13% in 2001, data from the World Bank shows.

OBITUARIES

KAZUO INAMORI
1932 — 2022

Kyocera Chief Wrote Management Books

For Kazuo Inamori, a company wasn't just a place to work and earn a salary. It was more like a family, and managers were responsible for their teams' spiritual health and happiness, he thought.

His name wasn't widely known in the West, but in Japanese and Chinese business circles, he was revered as a practical philosopher and apostle of Asian-style management. His books sold millions of copies in the two countries.

Mr. Inamori died of old age at his home in Kyoto on Aug. 24 at age 90. His death was announced by the company he founded, Kyocera Corp., which makes printers, solar-power generating systems and tiny electronic parts found in devices around the world.

Mr. Inamori also helped create a powerful competitor to Japan's longstanding telephone monopoly, and was pulled back to the front lines in 2010 to lead Japan Airlines Co. after a bankruptcy filing.

Mr. Inamori was born on Jan. 30, 1932, the second of seven children of a printer in Kagoshima city on the southern island of Kyushu.

He worked his way through the local university and in 1955 got a job at a ceramics maker in Kyoto, Japan's ancient capital and a center of ceramics manufacturing.

In 1959, he set out on his own, starting Kyoto Ceramic Co., later trimmed to Kyocera. Mr. Inamori picked the name because he thought the word Kyoto would be internationally recognized.

—Chieko Tsuneko

JOHN BOLL
1929 — 2022

Entrepreneur Built Mobile-Home Chain

John Boll, who started his career as a digger of sewer ditches, relaunched himself in the mid-1960s as a highly successful developer of mobile-home parks. One of his goals was to escape the "trailer trash" stigma and prove that such developments could be comfortable and stylish.

The size of his ambition was clear from the name he chose for his company: Chateau Estates.

In what Mr. Boll dubbed five-star communities, residents weren't allowed to let weeds grow or to perch old cars on cinder blocks. He provided clubhouses, swimming pools and sometimes fitness centers.

Through organic growth, acquisitions and mergers, the company, renamed Chateau Communities

Inc., spread to more than 200 locations in 36 states in the early 2000s. It was the largest mobile-home-park company in the U.S.

Once he could no longer visit all of the parks, Mr. Boll found it harder to ensure quality. He grew tired of pressure to hit quarterly earnings targets. In 2003, he sold Chateau to Hometown America LLC, owned by the Washington state pension fund, for about \$1 billion, plus \$1.2 billion in assumed debt and preferred stock.

Mr. Boll then spent more time on philanthropy, including gifts to Christian, educational and cultural causes. He shuttled between homes at Key Largo, Fla., Grosse Pointe Shores, Mich., and Beaver Creek, Colo. He died Aug. 24 at age 93.

—James R. Hagerty

ELIZABETH BAILEY
1938 — 2022

Economist Helped Free Airlines From Red Tape

By JAMES R. HAGERTY

When Elizabeth Bailey was appointed in 1977 as the first woman to serve on the Civil Aeronautics Board, or CAB, she saw her job as freeing the airline industry "from the tentacles of restrictive government regulation."

During a confirmation hearing, Sen. Ted Stevens of Alaska asked Dr. Bailey, a Republican with a Ph.D. in economics, whether she had "enough steel" for the task.

"I hope so," she said. "I'm tougher than I look."

The Airline Deregulation Act of 1978, approved by Congress with strong bipartisan support, led to abolition of the CAB at the end of 1984 and freed airlines to set fares without government permission. During her six years on the board, Dr. Bailey proved one of the most ardent advocates for swift deregulation, a process that reduced fares, increased choice and doomed inefficient airlines.

One of her favorite causes was banning smoking on flights. During her term on the CAB, an Eastern Airlines flight attendant once informed her it was too late to reserve a place in the nonsmoking section. Dr. Bailey noted that the rules at that time required airlines to provide a smoke-free seat to anyone who sought one. An argument erupted, and Dr. Bailey was called a "witch," among other things, the New York Times reported. The airline's chairman, Frank Borman, later visited her office to apologize.

Dr. Bailey died Aug. 19 at her home in Reston, Va. She was 83 and had Parkinson's disease.

At various points in her career, she headed the economic-research team at Bell Laboratories, was dean of Carnegie Mellon University's business school and taught economics at the University of Pennsylvania's Wharton School.



She served as a director of major companies including CSX Corp. and Honeywell Inc. For much of her career, she was a single mother raising a special-needs child.

Elizabeth Ellery Raymond, known as Betsy, was born Nov. 26, 1938, in New York. She was the second of five daughters born to history professors. Her father, Irving W. Raymond, was a moderate Republican and her mother, Henrietta Dana Raymond, a liberal Democrat. Dinner-table conversations about politics were lively and frequent, said Marion Bestani, her youngest sister.

After graduating from Radcliffe College in 1960 with an economics degree, she worked for Bell Labs as a computer programmer. Bell Labs, the research arm of American Telephone & Telegraph Co., paid for her to study mathematics at Stevens Institute of Technology, where she earned a master's degree. One summer, she accepted an offer to join a group studying regulatory issues at Bell Labs. She gave a presentation on regulatory distortions to a panel of economic advisers to AT&T, including William Baumol and Alfred Kahn.

Dr. Baumol helped her gain admission to Princeton as a doctoral candidate in economics. She delved into business-competition issues and received her Ph.D. in 1972.

Dr. Kahn, later chairman of the CAB, became her mentor and ally at the agency, where she rose to vice chairman. In 1981, while participating in tense negotiations over an aviation treaty with Japan, Dr. Bailey broke the ice by dancing the hula with members of the Japanese delegation, the Honolulu Star-Bulletin reported.

When she became a dean at Carnegie Mellon in 1983, she pushed for all students to use personal computers and for a program combining engineering and graduate studies in business. After seven years at Carnegie Mellon, she moved to Wharton as a way to return to teaching.

Though she mastered abstruse economic concepts, Dr. Bailey had trouble differentiating between left and right when driving her car. In one case, according to family lore, this confusion resulted in her turning onto a bridge that diverted her into another state.

Her marriage to James Lawrence Bailey ended in divorce. She is survived by four sisters, a son and two grandchildren. Another son, James L. Bailey Jr., died in 2018.

Her dignity survived the usual slights against ambitious women. As the newly promoted economic-research chief at Bell Labs, she was invited to a meeting of department heads. "There was perhaps one other woman in the room," she said in an interview with the American Economic Association. "A male executive director approached me to say I should be sitting in the back...as he assumed my role was as a note-taker for the meeting."

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

WORLD NEWS

Compromise Lies Behind Singapore's New LGBT Rights

By FELIZ SOLOMON

SINGAPORE—Growing up in a conservative Christian neighborhood in Singapore, Brenda Eng and Pearlyn Tam never imagined they would lead the life they do today. The lesbian couple share a home, run a business and raise a daughter, and are an accepted fixture of their community.

An announcement last week showed how much the city-state has changed, though it came with a trade-off. Prime Minister Lee Hsien Loong said the government will repeal a law that criminalizes sex between men, which isn't enforced but that rights advocates say stigmatizes homosexuality. At the same time, he said the government would move to safeguard its definition of marriage as between a man and a woman.

The ruling party, which has won majority support for six decades, struck the compromise to manage shifting attitudes in a society that remains deeply divided over the issue of LGBT rights.

During the past two decades, a gay community flourished here despite the law. But as homosexuality became more accepted and visible, opposition also grew. Conservative

religious groups feared changes like those in much of the West, where same-sex marriage has become a goal post of the gay-rights movement.

In a speech announcing the repeal, Mr. Lee said it would bring the law in line with prevailing social mores. "I believe this is the right thing to do, and something that most Singaporeans will now accept," he said—but added that it was as far as he believed most Singaporeans were willing to go.

Religious groups that wanted to keep the law acquiesced to the compromise, but some said it doesn't do enough to stave off further changes.

While neither side was fully satisfied, they didn't react strongly. The compromise calls for amending the constitution to give parliament sole authority to define marriage—leaving the door open to further change but preventing activists on either side from seeking to impose it through the courts.

Across Asia, governments are grappling with global shifts in attitude about LGBT rights. Some countries in the region still criminalize homosexuality and few have antidiscrimination laws that expressly protect LGBT people. Same-sex marriage isn't legal anywhere



Brenda Eng, right, and Pearlyn Tam with their daughter, Velda, say they are accepted in their community.

except Taiwan and two tiny British territories.

Singapore's solution put same-sex marriage at the center of debate, though it has never been the focus of the country's LGBT rights movement. Activists say they are more concerned with social-welfare policies and discrimination in public housing, workplaces and schools. They say media controls—such as a film

and broadcast rating system that censors content deemed to promote homosexuality—restrict exposure to LGBT issues and reinforce social stigma.

But people like Ms. Eng and Ms. Tam found ways to fit in Singapore's society. They met as teenagers, having had virtually no outside exposure to homosexuality, and went on their first date two days later.

Their middle-class Christian

families didn't like the relationship, but thought it was a phase. As that stretch stretched over years, they accepted it. To sidestep potential discrimination in the workplace, the couple forged their own unconventional path, becoming certified balloon artists and starting their own company.

Much of the pushback against expanding LGBT rights in Singapore is framed around

protecting families. The country's laws are based on the idea that families come from marriages, legally defined as being between a man and a woman.

A range of religious associations including Christians, Muslims and Hindus have opposed expanding LGBT rights. The National Council of Churches in Singapore, one of its largest church groups, said that allowing same-sex couples to marry would be inconsistent with the Christian scriptural definition of the family.

Polls suggest Singaporeans are divided on the issue, though attitudes appear to be shifting, especially among the young. A recent poll by Asia-based data firm Blackbox Research found that while 55% of all Singaporean respondents don't support same-sex marriage, more than half of those under 35 years old do.

Ms. Eng and Ms. Tam aren't pushing for legal changes, but for more acceptance. Their daughter, Velda, was born in 2020. Since then they have used their Instagram account to raise the visibility of same-sex couples and parenthood. "People fear the unknown," Ms. Eng said. "The more interactions people have with us, the more they realize we're just a normal couple."

WORLD WATCH

IRAN

U.S. Drones Returned But Cameras Missing

Iran returned two captured U.S. maritime drones on Friday after being confronted by U.S. destroyers, but the unmanned vessels were missing their cameras, a U.S. official said.

It wasn't clear if the Iranians kept the cameras, the official added, or if they fell off when the Iranians hauled the drones out of the Red Sea and later put them back in the water.

U.S. officials have said that the cameras, radars and other equipment on the drones are commercially available and aren't classified technology.

But retaining the cameras and inspecting the drones up close could give Iran a better idea of the system's capabilities.

The U.S. Navy has been deploying a network of advanced aerial and maritime sensors in the region, known as Task Force 59, which is designed to use artificial intelligence to monitor Iran's activities at sea and potential threats.

The episode began Thursday afternoon when an Iranian navy ship seized two of the unmanned vessels that were operating in international waters.

The capture marks the second time that Iran has sought to seize unmanned U.S. maritime craft following an attempt on Tuesday.

—Michael R. Gordon

MYANMAR

Ex-U.K. Ambassador Is Given Prison Term

A court in junta-controlled Myanmar sentenced a former British ambassador and her husband to one year in prison each for violating immigration law, as the military regime continues to defy international pressure since seizing power in a coup last year. Vicky Bowman, a citizen of the U.K. who lives in the Southeast Asian country, was convicted of residing at an address—of a property owned by her husband—that was different from the one registered on her official documents, according to the junta. Her husband, Htein

Lin, a Myanmar national, was convicted of abetting her. The couple was arrested Aug. 24.

Thousands of people have been detained since last year's Feb. 1 coup that ended the country's decades-long transition to democracy.

Ms. Bowman served as the U.K.'s ambassador to Myanmar from 2002 to 2006. Since 2013, she has been the director of the Myanmar Center for Responsible Business, a nonprofit initiative that advises investors on human-rights issues in the country. She is a fluent Burmese speaker.

Her husband is an artist who became known internationally for works he produced secretly while he was a political prisoner under a former military regime.

—Feliz Solomon

GERMANY

ArcelorMittal Will Close 2 Steel Plants

ArcelorMittal SA, one of the world's largest steelmakers, said it plans to close two of its plants in Germany amid soaring electricity costs.

Steelmakers have also been hit by efforts to reduce emissions and by lower metals prices, as slowing global growth impacts order books. Luxembourg-based ArcelorMittal said separately on Thursday that it will close a blast furnace in Spain amid low demand.

On Friday, it said the company will close a blast furnace in Bremen, Germany, in the coun-

try's north, and a plant that produces wire rod in Hamburg.

"The high costs for gas and electricity are putting a heavy strain on our competitiveness," said Reiner Blaschek, chief executive of ArcelorMittal's German business.

The cost of gas has leapt in Germany and around Europe as Russia throttles back supply. Russia shut down its main artery for natural gas to Europe, citing maintenance, on Wednesday. Gas flows are expected to resume over the weekend, but Russia has throttled back its overall sales to Europe dramatically. Western governments have accused the Kremlin of weaponizing energy.

—Alistair MacDonald

FROM PAGE ONE

Jackson Has Cities On Alert

Continued from Page One
ready been in effect for more than a month due to warnings the water could contain bacteria, viruses or parasites. Republican Gov. Tate Reeves says it could take three or four months, and billions of dollars, to repair the system.

Other water utilities across the U.S. say that they are struggling with the cost of upkeep of their own systems, and sometimes choosing between short-term patches and costlier long-term solutions. Some say their cities could be next to see a water crisis.

Half of the 1,600 miles of water main that distribute water across New Orleans are more than 80 years old, exceeding their expected service life, says Ghassan Korban, executive director of the Sewerage and Water Board. The majority of the board's financial resources go to emergency repairs rather than replacements, he says. "And a repaired pipe is still an old pipe that could break again the next day," he adds.

Vulnerable

In Santa Cruz, Calif., a single pipe runs from the storage reservoir to the treatment plant, without a backup system, leaving the city vulnerable if the pipe breaks. Many of its water systems need overhauls, says Rosemary Menard, the city's water director.

On top of aging pipes and pumps, she says, the utility is dealing with big storms, inflation, supply-chain delays and labor shortages. She received a note this summer from the contractor behind a 14-mile, \$20 million pipeline replacement project that the price of the pipe material had gone up 12%. The material accounts for about a quarter of the project's total cost.

"The reality is, we are headed for a train wreck if we don't figure out a way to break the paradigm we're in," Ms. Menard says.

Water-main breaks, boil-water advisories and treatment-plant failures are all becoming

'We're at a place where we can't push off these projects any longer.'

more common as the water infrastructure ages. The median age of the oldest part of those systems in 2020 was 113 years, and the average age of pipe is 40 years, according to the Association of Metropolitan Water Agencies, a lobbying group in Washington, D.C., that represents close to 200 public drinking water utilities.

More than 19,000 people in the Southside neighborhood of Jacksonville, Fla., were told to boil their water this week after an E. coli sample was collected from wells near a treatment plant. Two weeks ago, more



Above, a water main break caused damage in Philadelphia in June. Below, a water main break flooded Interstate 5 in San Diego last year.



than 130,000 people north of Detroit were placed under a multiday advisory following a break in the water main that distributes drinking water to the region. Earlier in August, residents of Newark, N.J., went without running water, geysers erupted in the street and a sinkhole swallowed a car after a 140-year-old, 72-inch pipe snapped.

Unlike bridges, roads and subway lines, clean drinking water isn't primarily funded by taxes. More than 90% of the average utility's revenues come directly from constituents' water bills.

Those bills are soaring along with the costs to fix problems. Homeowners' water and wastewater maintenance bills across the country are up an average of 46.6% over the past 10 years, according to the Labor Department. This outpaces the average 29.3% increase for all items the Labor Department measures. The bills are on track to keep climbing, say the heads of associations representing the country's biggest water utilities.

President Biden's infrastructure bill allots \$55 billion to expand access to clean drinking water. That's a fraction of the more than trillion-dollar need identified by the American Water Works Association.

In Jackson, Democratic

Mayor Chokwe Antar Lumumba said at a press conference Monday that recent flooding had inundated the city's main treatment plant, leaving the capital with little to no water—and sometimes raw reservoir water—flowing through the pipes.

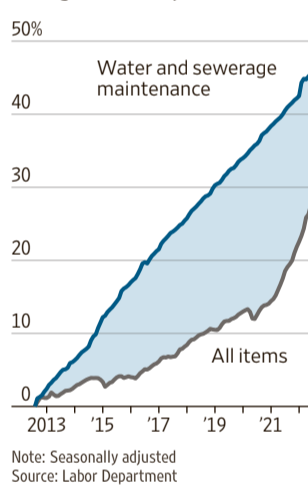
Miqueria Thompson, a single mother to four young children in Jackson, says she has had enough of paying \$135 water bills every month and wondering where the money goes. Now, without enough water to cook with, she says she doesn't know how she will afford to keep buying meals out. She hasn't been able to properly bathe her kids in the 90-plus degree heat. "There are not enough baby wipes in the world," she says.

As soon as Ms. Thompson is able, she says, she wants to leave the city where she has lived all her life. Her sights are set on Texas, where a freeze in early 2021 left almost half the state's population without water.

"This problem in Jackson has been going on for decades," Tracy Mehan, executive director for government affairs at the American Water Works Association, says. "It does illustrate the need to really be paying attention to the basics."

Almost 200 miles south of Jackson, dozens of active wa-

Price of water and wastewater bills, change since July 2012



moving to New Orleans in spring 2021. The couple says the board ignored their repeated pleas to investigate their roughly \$600 monthly bills for almost nine months.

In November, Mr. Strickland, a 44-year-old golf course superintendent, discovered water pooling at the bottom of their driveway. He realized the city had charged them for a water-main leak that had been sending thousands of gallons of water straight down the storm drain. Six billion gallons of treated water are lost through leaks each day in the U.S., according to the American Society of Civil Engineers—enough to fill over 9,000 swimming pools.

The water board sent out a crew to fix the leak in January 2022, leaving a crater in the driveway that remains today. It still holds the Stricklands responsible for thousands of dollars in past bills. The water board says it is investigating the situation.

Raising rates

Mr. Korban estimates a typical water bill for a family of four runs between \$100 and \$150 with fixed fees and sanitation charges. The water board hasn't raised rates since 2020, when an eight-year series of 10% annual rate increases ended. Mr. Korban says they might have to raise rates again in the near future.

The cost of a typical repair has skyrocketed in recent months, he says, when contractors can be found at all. Often, the water board will put out a request for proposals and receive no bids, he says. He attributes this to construction companies not wanting to gamble on prices for materials going up between issuing a quote and finishing a job.

"I am worried," Mr. Korban says. "I have to be."

Denver has largely kept up with necessary repairs and replacements to its water system, but there are still big expenses to tackle. A water-board initiative aims to replace the estimated 64,000 to 84,000 customer-owned

Tricks Coax Music From Big Arenas

Continued from Page One
loud noise. Or the sound-absorbent "bass trap" built above the broadcast booth, or maybe the upholstered seats.

"I was just really shocked at the low end," says Mr. Thornton, the front-of-house engineer who runs sound for Ms. Eilish, the pop star, who played the UBS Arena in February. "I just remember thinking: Man, this literally was effortless to get that clean, deep, hip-hop low end."

It was once unthinkable that an audio engineer like Mr. Thornton would have nice things to say about the acoustics in a room that can hold 19,000 people. Bands, promoters and fans have complained of poor sound quality in large venues since before the Beatles played Shea Stadium.

But sound engineers, architects and executives have developed different ways to

cope, ranging from industrial-strength drapes to testing a venue with recordings of the artist Seal.

Jack Wrightson, a consultant who has worked on acoustics in large venues including UBS for more than 35 years, says a big problem is the way sound creates an echo when it reflects off flat, vertical surfaces across from the stage. Arenas and stadiums are full of such obstacles, from jumbo screens and walls to stairs, poles and luxury suites.

Mr. Wrightson says arenas can combat echo in existing venues with drapery pleated to maximize absorbency. Seattle's new Climate Pledge Arena—home to sports groups including the Seattle Storm women's basketball team—retained the historic roof of what was most recently known as KeyArena, which is held up by a concrete post that has caused some acoustic problems. The venue addressed it by strategically hanging drapes around it.

Drapes are best placed where fans won't destroy them,

Mr. Wrightson says, and those within arm's reach must be durable. "You don't want concert people going crazy and setting fire to it."

To make music in arenas palatable, front-of-house engineers like Mr. Thornton also have to deal with temperature and humidity swings—and with fans yelling louder than the sound system.

Michelle Sabolchick Pettinato has been running sound for the Pittsburgh band Ghost Hounds lately. She says her arsenal of tricks includes playing the same few songs over the sound system at every venue before concerts to get a feel for how the room sounds. She plays Seal's "Bring It On," she says, to listen for the way the song's "low-frequency energy" translates in the room.

Because Ms. Eilish is a quiet vocalist, Mr. Thornton says, he has to make constant realtime adjustments to keep outside sounds from getting into the vocal mix, such as when she gets close to her fans. "I will always have these screeching girls just losing their minds,



Drew Thornton runs sound for a Billie Eilish show in June, left. The artist, right, performs at UBS Arena in February.



yelling directly into the microphone," he says. "And they are exponentially louder at that moment than Billie."

Sean "Sully" Sullivan, who is running front-of-house sound on Rage Against the Machine's current tour, says he has to talk to some vocalists about holding the microphone closer to their mouths so the mic doesn't pick up amplified noise.

Sound engineers have to contend with how the music is going to sound outside the arena, too, with many concerts streaming over the internet.

Artists aren't above showing their sound engineers You-

lead pipes that carry water from the city's main lines into houses. At about \$10,000 a line, the project will cost approximately \$681 million over the next 15 years. The utility's operating budget for 2022 is \$213.6 million.

The project comes on top of the largest planned development phase in the utility's history, which includes a new \$520 million water treatment plant, \$531 million reservoir enlargement and \$200 million redevelopment of the 35-acre central campus. Denver Water CEO Jim Lochhead says Denver Water will look to raise rates and boost revenue 5% next year.

As head of a Western water utility, Mr. Lochhead is also vigilant about the risk of drought. Water restrictions, he says, reduce revenue and add capital costs for education and efforts to promote water-conserving appliances.

"I am worried. I think it's a challenge we're all going to be facing together, particularly in the West," Mr. Lochhead says.

In Santa Cruz, water shortages and aging infrastructure are challenging the utility's ability to serve the 100,000 residents that depend on it, says Ms. Menard, the city's water director.

The pipeline that siphons water from the San Lorenzo River to the water-treatment plant suffered five substantial breaks that caused service disruption in the winter of 2017. Chunks of concrete are crumbling away from the plant, built in 1960.

She says of the situation in Jackson, "a different version of the same problem could be any one of us tomorrow."

Ms. Menard says the city used to get gradual rain between November and April, but now, with a warming climate, often gets two or three big storms a year. The less frequent, larger storms make it harder to filter soil and pollutants out of the city's source water, rendering it unusable for days at a time.

The average water bill for a family of four in the city is about \$80 today, up from under \$50 in 2014. By 2030, bills will be about \$150, after a series of rate increases approved by the city in part to help rehabilitate and upgrade a water treatment facility.

To keep down his water bills, Benjamin Strook installed a turf front yard a few years ago and switched to low-flow shower heads. The bill for his family of four is about \$200, up from about \$66, adjusted for inflation, when he moved to the city in 2002. He says his real-estate company loses employees every month who are moving away due to the city's ever-increasing cost of living.

"You're never at peace because the cost of living just keeps getting more and more exorbitant," says Mr. Strook, 43.

Santa Cruz will need other water-system overhauls estimated to cost \$650 million, and local funding alone won't cover it, Ms. Menard says. She also can't imagine an alternative, having seen from Jackson and elsewhere what the worst-case scenario looks like. "We're at a place where we can't push off these projects any longer, because that would mean no water for anybody," she says.

—Cameron McWhirter
contributed to this article.



Hear, hear

MATTY VOGEL

ANGELA GRANFORD/UBS ARENA

OPINION

When Connoisseurs Yield to Commissars

By Eric Gibson

If you think of art museums at all, you probably imagine them as places that are filled with beautiful things, that put on high-profile so-called blockbuster exhibitions, and that throw glitzy—sometimes tacky—parties.

They are all that, but they're much more. Those beautiful things are our collective cultural patrimony, symbolizing who we are and where we came from. They are, too, transmitters of cultural values. If you've been appalled at the destruction of cultural heritage by the invading Russians in Ukraine, similar depredations by the Taliban and Islamic State, or the eco-radicals gluing themselves to paintings in Europe's museums this summer, chances are your understanding of the beauty and importance of what has been threatened or lost was formed by a visit to an art museum.

Woke ideologues are taking over American art museums. The result is as ugly as you'd expect.

Those exhibitions are engines of scholarship, opportunities to advance our knowledge of a particular subject. They are the primary means by which the public has learned the history of art. So it's no exaggeration to say that art museums have played a role in the intellectual and cultural life of the nation on par with that of colleges and universities.

Like higher education, art museums face a crisis of purpose. They are now widely seen as shameful relics of the era of Western colonialism, whose proper social role is to advance a progressive agenda. The doctrine of art for art's sake, the idea that aesthetic values alone should guide their operations, is increasingly taking a back seat to political ideology. As a result, they are undergoing the greatest transformation since the 1960s, when the art museum as we know it—popular, populist and a must-see destination—came into existence.

The art museum is a creation of the Enlightenment, born of the desire to understand the world through the collection, classification and display of its specimens and artifacts. They were built with the belief that cultural treasures belong not to the elites but to all citizens and should be available for everyone's edification and enjoyment. America's first museum boom occurred between the Civil War and World War II. Those institutions are triumphs of nationhood and democratic culture. The former, because museums grew out of the belief that this country could never be taken seriously on the world stage unless it had art museums to equal those in Europe. The latter because, particularly since the 1960s, they have brought the greatest quantity of the greatest artworks to the

greatest number of people.

In their early days, art museums were disorganized and often contained works of dubious quality—sometimes outright fakes. Starting in the early 20th century, a process of professionalization began, at the center of which was connoisseurship. Aspiring curators trained by closely studying individual works of art—their appearance, style, physical makeup and history. They acquired a discriminating eye that allowed them to determine a work's authenticity, authorship, artistic quality and historical significance. Harvard once offered a graduate course in connoisseurship that produced some of the country's greatest museum directors, among them Alfred H. Barr Jr., founding director of the Museum of Modern Art.

You can see connoisseurship in action on "Antiques Roadshow." But in too many museums, connoisseurs have been replaced by commissars—ideologues for whom aesthetics is less important than ensuring we view art through progressive lenses. This tendency had long existed, but in recent years the "great awakening" made it dominant.

The nature and extent of this transformation can be measured by comparing statements by two directors of the same institution 15 years apart. In 2005, Philippe de Montebello, then the head of New York's Metropolitan Museum of Art, wrote an op-ed for the Journal titled "Why Should We Care?" His answer: "Works of art, embodying and expressing with graphic force the deepest aspirations of a time and place, are direct, primary evidence for the study and understanding of mankind." Fast forward to 2020, when the current director, Max Hollein, told the New York Times: "There is no doubt that the Met and its development is also connected with a logic of what is defined as white supremacy."

The politicization of art museums is so pervasive that there is hardly an institution or aspect of museum practice exempt from it. It's now commonplace for labels accompanying portraits as disparate as those from colonial America and 18th-century France to include information about the sitter's connection to slavery, no matter how tenuous.

Last year Boston's Isabella Stewart Gardner Museum put on an exhibition of mythological paintings by the great Renaissance painter Titian built around one in its collection titled "The Rape of Europa." It shows Jupiter, who has turned himself into a bull, abducting Europa, who is sprawled across his back and holding on for dear life.

This was the first time in some 500 years that this group of paintings, commissioned as a series, had been seen together, and the



DAVID GOTHARD

Gardner's is considered the greatest Renaissance painting in America. Yet the museum turned the exhibition into a #MeToo moment. It commissioned contemporary artists to create works and scholars to write commentary that would, as it said, "engage with questions of gender, power and sexual violence" that are "as relevant today as they were in the Renaissance." It even created a support page on its website for anyone "triggered" by the exhibition.

Last fall the Baltimore Museum of Art staged a major exhibition of work by Henri Matisse, among the greatest of all modern artists. One of his recurring themes is the "odalisque"—a female studio model costumed, sometimes quite minimally, in Middle Eastern garb and posed in a setting intended to evoke a harem. In the wall texts the museum made sure visitors understood that this made Matisse both a sexist and a colonialist.

The commissars don't hesitate to bite the hand that feeds their institutions. In 2020 the Met commemorated its 150th anniversary with an exhibition celebrating its many treasures and the donors who'd helped the museum acquire them. Of the latter, two of the biggest were department store owner Benjamin Altman (1840-1913) and sugar magnate H.O. Havemeyer (1840-1907). After outlining their contributions to the museum, the wall texts informed visitors that the fortunes that had made these generous acts possible had been built on, respectively, "intolerable" and "harsh" labor conditions.

One of the notable features of this revolution is that it is coming from within as well as without. Exhibit A is the remarkable article penned for the British magazine Apollo in 2018 by Kaywin Feldman, now director of the National Gallery of Art. At the time, she was running the Minneapolis

Institute of Arts, and her article included a list of her museum's eight core values. At the top was "gender equality." The list continued in a similar vein until finally getting around to "essentialness of the arts" at No. 8. The director of one of the country's leading art museums placed art at the bottom of her list of institutional core values.

Outside the walls this agenda is being advanced by professional bodies such as the American Association of Museums, the media and the big foundations, which are so committed to progressivism that no museum can hope to get a grant unless it toes their line. In 2019 Darren Walker, president of the Ford Foundation, wrote an op-ed for the New York Times titled "Museums Need to Step Into the Future," in which he described them as "contested spaces" where on one side you have "trustees who benefit from a distorted economic system that protects and promotes inequality" and on the other "people whom the system excludes and exploits." Two months after it ran, Mr. Walker was voted onto the board of the National Gallery.

To reprise Mr. de Montebello's question, why should we care? Because the tax dollars that support these institutions are intended for heritage preservation and disinterested scholarly inquiry, not political tub thumping. And because the public is being cheated out of an experience only museums can provide.

What happens when we look at a work of art? There's no one answer to that question, but an almost universal response is wonder. Take a familiar example: Michelangelo's statue of David in Florence. Standing in front of it, you don't need any art background to understand that you're looking at something that started life as a large boulder; that it was fashioned into one of the world's

greatest masterpieces using the most rudimentary technology, a hammer and a chisel; and that this was accomplished by someone who didn't own an iPhone or attend an Ivy League university.

You are astonished. How did Michelangelo create something of such visionary conception, breathtaking beauty and surpassing technical accomplishment? How could any mortal have done so?

At that moment you are placed in an altered relationship with the past, your own time and, hopefully, your sense of yourself. You realize that high-functioning, supremely talented people walked the Earth before you did. And you begin to wonder whether, your comfortable assumptions notwithstanding, the present era really does represent the pinnacle of human achievement. You might even feel a little humbled.

At the same time, the idea that you're staring at a rock quickly falls away as you are pulled out of your everyday world and into the imaginative universe Michelangelo has created. What's over there that's caught David's eye? Why is his brow furrowed? How is it that he appears simultaneously both tense and relaxed? On and on. It's a unique and wonderful experience, one only art can deliver.

The new ideological approach upends all that. Art's richness and complexity is reduced to a few crude slogans. Works of art, springboards to the great epochs of the past, are turned into fields on which to fight the battles of the present. The past itself, revered since the Renaissance as a source of inspiration and a standard of excellence, is portrayed as fatally, even irredeemably flawed. Driving all this are the commissars, who have arrogated to themselves the status of superior beings, entitled to pass summary judgment on artists, art, its institutions and supporters. There is no humility, only moral vanity.

On Sept. 13, 2001, the Met reopened two days after the attack on the World Trade Center. The next day the New York Times reported that by 4 p.m., 8,270 visitors had passed through its doors, "more than normal for this time of year." Those people didn't come to be lectured about colonialism, gender equality and the rest. They came to connect with beauty, the creative imagination and our common humanity. We need to insist that our art museums revert to that aspirational, Enlightenment-derived mission. Otherwise something precious and irreplaceable will be lost.

Mr. Gibson is the Journal's Arts in Review editor. This is adapted from a talk he gave at the Bohemian Grove Club in July.

How Teachers Are Secretly Taught Critical Race Theory



CROSS COUNTRY
By Nicole Ault and Megan Keller

demonstrates that public-school teachers are being trained in the deeply divisive racial ideology—and defensive administrators are playing semantic games to allay parental concerns.

In 2018 the Tredeffrin-Easttown School District near Philadelphia signed a contract with Pacific Educational Group, a California-based consulting firm. According to the school district's website, the partnership's purpose was "to enhance the policies and practices around racial equity." The district assured parents in an on-line update last summer that no "course, curriculum or program" in the district "teaches Critical Race Theory."

Benjamin Auslander didn't buy it. The parent of a high schooler in the district, he wanted to see the materials used to train teachers. Mr. Auslander, 54, made a formal document request but was denied. Officials told him the materials couldn't be shared because they were protected by Pacific Educational Group's copyright. His only option was to inspect them in person—no copies or photos al-

lowed. "What are you trying to hide?" he asked school board members at a meeting in December.

Mr. Auslander accepted the district's offer and in February went to inspect the documents in person. When he tried to record voice memos on his phone about what he was reading a district official called it a copyright violation. According to a subsequent complaint filed by Mr. Auslander in federal court, the official threatened him "with civil and criminal liability" if he kept recording. The official then ended the meeting.

A Pennsylvania father's determined effort to find out what's being taught to his kids' instructors.

In April, Mr. Auslander sued the district. His argument? The First Amendment protects his right to access information about officials' public activities and issues of public debate without retaliation. Pacific Educational Group declined to defend its copyright claim, and in June the judge in the case vacated a confidentiality order on the training materials.

Our examination of those materials indicates that Tredeffrin-Easttown staff are being trained in critical race theory.

Documents emailed from 2019 to 2021 by Pacific Educational Group to district administrators in advance of

various training seminars cite critical race theory explicitly. A rubric dated Feb. 4, 2020, encourages participants to "Deconstruct the Presence and role of Whiteness" in their lives. A March 17, 2020, presentation lists "aspects and assumptions of white culture" in the U.S. Some are negative, such as "win at all costs," "wealth = worth," "don't show emotion," and in reference to food, "bland is best." Others are seemingly universal principles such as "cause-and-effect relationships," "objective, rational, linear thinking," and "plan for future."

That presentation also spells out the "5 tenets of critical race theory" to "better understand the critical intersection of race and schooling." One tenet is the "permanence of racism," or the idea that "racism is endemic to all our institutions, systems and structures" in the U.S. Another is "whiteness as property." The "critique of liberalism" tenet argues that "colorblindness," "neutrality of the law" and the "myth of meritocracy" must be "deconstructed."

These tenets aren't presented as abstract notions for faculty to consider, but ideas they're meant to apply. School staff's ability to use "critical race theory . . . to inform racial equity leadership and analysis of school policies, practices and procedures" is considered a sign of the successful "internalization and application" of Pacific Educational Group's framework. And a chart includes "Critical Race Theory" as a step toward "Equity/Anti-Racism School Transformation Action Planning." A

Feb. 3, 2021, seminar is even titled "Using Critical Race Theory to Transform Leadership and District."

Brian Elias, an attorney representing the school district, told us via email that these materials "were for District leadership team training only." He insisted that materials "were not designed to train for classroom teaching" but merely to help district leaders understand "what Critical Race Theory is." He added that "none of the training designed for core classroom teachers included a discussion of critical race theory."

Does that mean no Tredeffrin-Easttown teachers attended Pacific Educational Group training that discussed critical race theory? Mr. Elias refused to say.

Information on the district's website seems to show that they did. A 2020 update on the district's racial equity work declares that five to eight teachers from each "building" in the district would attend Site Equity Leadership Team, or E-Team, training. The material quoted above was marked to be included in E-Team training.

Perhaps districts like Tredeffrin-Easttown think they can shoo parents away by making a distinction between teacher training and curriculum. But what is the point of teacher training if not to inform teachers on how they should teach?

Teacher training is "where a lot of bad things actually happen," says Nicole Nelly, president of Parents Defending Education, a nonprofit advocacy group. She says the group's tip line hears often from frustrated

teachers forced to endure training in woke concepts. Records requests and whistleblowers have uncovered staff training, including in Loudoun County, Va., and Rhode Island, that push "antiracism" ideology.

Tredeffrin-Easttown is far from the only district contracting with teacher-training organizations like Pacific Educational Group. Lawmakers in some states are pushing—with little success—to require schools to post their classroom and teacher-training materials online. Wisconsin Gov. Tony Evers vetoed a transparency bill in December. A former teacher and principal, Mr. Evers was Wisconsin's elected superintendent of public instruction for a decade.

Mr. Auslander is still fighting in court to prove that the Tredeffrin-Easttown school district violated his rights by denying him access to the documents and allegedly threatening him with liability if he recorded what he saw. The district maintains that its actions were justified because of the copyright asserted by Pacific Educational Group at the time. If Mr. Auslander gets a favorable ruling, it may help protect Pennsylvania parents from similar stonewalling by educators. If Tredeffrin-Easttown continues to make a dubious distinction between teacher training and classroom instruction, more parents may start to wonder exactly what it is the district is trying to hide.

Ms. Ault is an assistant editorial page writer at the Journal. Ms. Keller is an assistant editorial features editor at the Journal.

OPINION

REVIEW & OUTLOOK

Joe Biden Holds a Trump Rally

It's been obvious for years that while Democrats claim to fear and loathe Donald Trump, they really can't live without him. They need him around, they want him around, because they think he's their ticket to remain in power.

Any doubt about that proposition vanished with President Biden's Thursday night speech that had a single political purpose: Elevating Mr. Trump to the center of the fall campaign. Forget all the high-minded talk about saving democracy, which is hardly in danger in a midterm election in which Mr. Trump isn't even on the ballot. Democrats want to pretend the former President is on the ballot to campaign against as the great Democratic foil.

The strategy is especially helpful for Mr. Biden, whose main (and perhaps only) utility to Democrats is as the man who defeated Mr. Trump. Without Mr. Trump to kick around, the unpopular 79-year-old President will likely be nudged, or perhaps elbowed, aside by younger Democrats in 2024. But if Mr. Trump runs again, Mr. Biden has a *raison d'être*. As our columnist Holman Jenkins has argued, the two men are political co-dependents.

That's why Mr. Biden has so pointedly goaded Mr. Trump and his followers with the "MAGA Republican" label. His escalating rhetoric is intended to smear the GOP as under Mr. Trump's sway and "semi-fascist." If voters believe the stakes in November are the future of democracy, the autumn debate will shift from inflation, rising crime and woke ideology. More Democrats might vote, and the party might hold Congress.

All of this is deeply cynical and divisive. It contradicts Mr. Biden's pledge, during the 2020 campaign and in his inaugural address, that he would unite the country. He repeated that claim of "unity" on Thursday but by now it is a throw-away line.

His strategy is to out-Trump Trump by polarizing the electorate around the former President because he thinks a majority will come his way. Even as we write this, his own party is running ads in New Hampshire to support the most MAGA Republican in the GOP Senate primary. A group allied with Senate GOP leader Mitch McConnell is supporting the other main GOP candidate.

In his broadside, Mr. Biden is maligning half the country and the 70 million Americans who voted for Mr. Trump. He includes a line that "not every Republican, not even the majority of Republicans" are MAGA, but that too is a to-

ken gesture. He quickly moves on to say that "there is no question that the Republican Party today is dominated, driven, and intimidated by Donald Trump and the MAGA Republicans and that is a threat to this country."

Yet the people who really saved American democracy after the 2020 election and on Jan. 6 were Republicans:

- governors, secretaries of state and legislators who resisted Mr. Trump's demand to change slates of electors to the Electoral College;

- judges appointed by Mr. Trump who followed the evidence and the law in assessing claims of election fraud;

- lawyers at the White House and Justice Department who refuted the claims of Mr. Trump's clown-show legal team of Rudy Giuliani and Sidney Powell;

- and above all Mike Pence, the Vice President who followed the Constitution in rejecting Mr. Trump's private and public pressure to stop the counting of electoral votes that certified Mr. Biden as the victor.

If Mr. Biden believed his saving democracy rhetoric, he'd include those Republicans as heroes of the cause. But he won't because his democracy line is a political gambit. He has to smear most Republicans as would-be fascists to make swing voters believe none of them can be trusted with power.

* * *

It's possible this will work for Democrats in November, especially if Mr. Trump keeps taking Mr. Biden's bait. Mr. Trump did precisely that on Thursday night with a typically ad hominem rant in response to the speech, which is exactly what Democrats want.

But we wonder if the voters will be as gullible. They've been able to observe over the 20 months of the Biden Presidency that Democrats have their own authoritarian temptations and have acted on them when they can.

Mr. Biden forgives half-a-trillion dollars in student debt without the assent of Congress. White House aides collude with tech platforms to silence dissenting voices on Covid. His regulators stretch the law beyond previous understanding to impose more control over the private economy. And that's before they get the votes to break the Senate filibuster, add new U.S. states, override 50 state voting laws, and pack the Supreme Court.

Mr. Biden has become his foe's polarizing mirror image. It is exactly what he promised as a candidate he wouldn't do.

human error was the cause, with an internal coder accidentally posting private records alongside public corporate records.

Recent history suggests accountability will come slowly, if ever. More than a year after untold numbers of tax filings somehow made it into the hands of the progressive site ProPublica, the agency has told Congress nothing about what happened, making corrective action impossible.

Democrats recently handed the IRS \$80 billion in new funding in full knowledge of these shortcomings. Not to fix them, mind you. The legislation spends \$4.8 billion on modernization but nearly 10 times as much on its top priority: enforcement. If the agency wants to sell the public on its newfound effectiveness, it ought to focus on its own errors as much as on taxpayers'.

fast-food employers. Restaurants with collective-bargaining agreements that pay 30% more than the state minimum wage are exempt from most of the council's orders, so owners would have an incentive to surrender to the union to avoid more costly regulation and potential lawsuits by the state Labor Commissioner.

Restaurants will almost certainly be forced to raise prices to the extent they can to cover higher labor costs. But most fast-food customers aren't wealthy, so some restaurants may reduce worker hours or lay off employees. Those in lower-income areas may close. A University of California, Riverside study found that the state minimum-wage hike last decade had a much larger negative impact on restaurants in low-income areas where restaurants couldn't easily pass on the costs to customers.

"Even during this time of historic prices, we have resisted price increases on our customers because we know they can't afford it," says Jesse Lara, an El Pollo Loco franchisee in southern California. If the fast-food bill "becomes law, small businesses like mine will face no choice but to raise prices to stay afloat or be forced to shut our doors."

The economic damage will extend beyond fast food since other businesses such as hotels, retail and food delivery services compete with restaurants for workers. Their extra labor costs will also be passed onto consumers.

Gov. Gavin Newsom is expected to sign the bill, which he hopes will build his progressive brand for a presidential run in 2024. He shouldn't be surprised if more businesses close or leave the Golden State.

The President has become his foe's mirror polarizing image.

LETTERS TO THE EDITOR

There Is a Better Way for College Education

I worked until I was 80 to ensure that my four grandchildren go to college and come out without any debt. Now President Biden's student-loan gift ("A Half-Trillion-Dollar Executive Coup," Review & Outlook, Aug. 25) will encourage colleges to continue raising tuition while relieving students of their responsibility to pay the loans they voluntarily took out.

Unless the Republicans nominate Donald Trump or an extreme conspiracist, this blue-leaning unaffiliated voter will be turning red.

DAVID SHACK
Farmington, Conn.

I graduated Columbia College, class of 1958. My tuition was about \$500. After a scholarship, the net outlay for my parents was \$200. I received a superior liberal-arts education without indoctrination or student loans.

The U.S. Department of Education was created in 1980, and there has arguably been a diminution in the quality of education since then. You can chart the extraordinary increase in tuition to the proliferation of student loans. Solution: Disband the Education Department and return loans to the private sector.

FRED EHRMAN
New York

In "Campus Wokeness Harms America Globally" (Global View, Aug. 30), Walter Russell Mead asks, "Is instructing future global elites in the importance of stifling dissent really the mission Americans want our universities to embrace?" No, and not only because it places us at a competitive disadvantage. Academic illiberalism has entered the mainstream and now informs the decisions of political, corporate and cultural leaders, threatening our "experiment in democratic self-governance."

That experiment must not be allowed to fail. UATX, commonly known as the University of Austin, aspires to revitalize U.S. higher education as a steward of tradition and an engine of innovation. This is a winning proposition, as the demand for real education now far exceeds the supply. We are building an institution committed to freedom of inquiry, freedom of conscience and civil discourse. We advocate self-discipline, personal responsibility, informed citizenship and responsible leadership. We hope and expect that academic entrepreneurs will join us in the exciting work of rescuing higher education.

PROF. JACOB HOWLAND
Austin, Texas

Mr. Howland directs the Intellectual Foundations Program at UATX.

Adults Once Knew When Not to Listen to Kids

I thank God I was born in the 1940s and not recently ("Academy of Pediatrics Responds on Trans Care," Letters, Aug. 22). Although I was a girl, I was tall and good at sports, and wanted only to play with the boys. I still remember the screaming fit that rewarded my mother for offering me an underskirt with a *frill* on it. At age 10, if I had been given the chance to change into a boy, I wouldn't have hesitated one second.

Then puberty happened. Around age 13, boys looked interesting in ways other than as wrestling opponents. I grew my hair and decided there was a lot to be said for being a girl.

It is not only my life that has been saved because people were too smart to listen to me when I was a child. If today's criminal stupidity had existed then, my two beautiful, accomplished daughters and four wonderful grandchildren wouldn't exist.

CHRISTINE MEIER
Stuart, Fla.

I am encouraged by the American Academy of Pediatrics' statement in its letter that gender-affirming care "doesn't push medical treatments or surgery; for the vast majority of children, it recommends the opposite." Unfortunately, this is not the experience of families of gender-distressed children.

Genspect represents thousands of parents of gender-questioning children and young people around the world. We are not aware of *any* cases in the U.S. or Canada in which children seeking "gender-affirming care" were not given the option of puberty blockers or cross-sex hormones.

The AAP should recognize this fundamental point: There is no consensus and no evidence base on which to confidently declare what is "medically appropriate" for gender transitioning of children.

STELLA O'MALLEY
Executive Director, Genspect
Dublin

Another Week, Another Leak at the IRS

"Speedy" isn't the first word we associate with the Internal Revenue Service, but the agency hardly wasted a minute in showing why it shouldn't be trusted with tens of billions of dollars in new funding. Once again it has managed to fail its most basic mandate: Keep taxpayer information private.

The IRS told the press Friday that it had inadvertently published confidential information on its website, with details from about 120,000 filers. "Disclosures included names, contact information and financial information," the Journal reported.

The error affected taxpayers who filed 990-Ts, which individual retirement account holders use to report certain taxable business income. The data was apparently public for months until the mistake was spotted. The agency believes

The newly supercharged agency can't protect taxpayer info.

California's Union Whopper

California is a leading exporter of progressive policy and businesses. So it's worth paying attention to a bill heading to the Governor's desk that would let the government fix fast-food worker wages and micromanage restaurants. Sayonara, McDonald's dollar menu.

The bill passed by the Democratic Legislature this week creates a 10-member council appointed by the Governor and state legislative leaders with nearly carte blanche authority to fix wages, benefits and working conditions at most fast-food restaurants. This is a recipe for higher restaurant prices and lower business and job growth.

The state's \$15 an hour minimum wage is already among the highest in the U.S., but the council could raise it as high as \$22 next year and an additional 3.5% every year after that. It could also require that employers provide paid vacation or "protest days" off as some tech companies do. A bill establishing a 32-hour work week stalled in the Legislature this year, but the council could impose one for fast-food workers. Its orders would take effect without even a rubber stamp by the Legislature. Democrats have delegated sweeping powers to avoid political accountability.

Democrats pretend they're not char-broiling small businesses since only restaurants that are part of chains with 100 or more establishments nationwide are covered by the law. But this includes some 16,753 franchise locations in the state run by 5,820 franchisees—that is, small businesses.

The Service Employees International Union championed the bill because it will help extort

Sacramento finds a new way to put small business out of business.

Regulation Debate Misses the Point of Crypto

In "Why Warren and Sanders Object to Crypto Rules" (op-ed, Aug. 24), Brian Brooks and Charles Calomiris correctly acknowledge that crypto developers are trying to build a financial system in which users have more control. But then they advocate a government-controlled financial system, such as Sens. Elizabeth Warren and Bernie Sanders have done. The difference is that this time it would be run

SALT-Cap Repeal Is Pushed For the Few, Not the Many

In urging repeal of the \$10,000 cap on the deduction for state and local taxes (SALT), Rep. Tom Suozzi writes, "For 100 years, Americans relied on this deduction" (Letters, Aug. 22). That may have been true for some Americans, but not for most.

The first income tax enacted after the 1913 ratification of the 16th Amendment, like the taxes enacted during the Civil War and in 1894, affected only a small slice of the population, well under 10%. For most Americans—not subject to the tax at all—a deduction was valueless, not something to rely on.

The income tax now reaches many more of us, but the SALT deduction today benefits only those who itemize deductions—always a minority of taxpayers. The rest of us can't rely on the SALT deduction. The dramatic increase in the standard deduction in 2018, part of the same legislation that imposed the SALT cap, further reduced the number of itemizers. And that number would have gone down (although not by as much) even if no SALT cap had been imposed.

EM. PROF. ERIK M. JENSEN
Case Western Reserve University
Cleveland

by the Office of the Comptroller of the Currency instead of the Postal Service or Federal Reserve.

Regulators must remember that our bank regulatory framework isn't a universal solution. Not all crypto companies should be classified as banks. Not all crypto users need banks to send money. And not all crypto users want to do business with banks. People want more financial options because they don't like the current ones. That's why crypto was invented.

How might we reinforce a user-controlled financial system? Start with a few market-based solutions, such as private market insurance, bankruptcy-remote entities for stablecoin reserves, privacy layers for blockchain payments and accreditation bodies that regularly audit code for security flaws.

AGNES GAMBILL WEST
Mercatus Center, George Mason U.
Arlington, Va.

Carbon Tax? Make the Case

Holman Jenkins again beats the drum for a carbon tax ("The Pro-Biden Media's False Narrative About Green Subsidies," Business World, Aug. 27). But he doesn't provide details for his panacea; no framework for a "revenue neutral" scheme and no path to implement his world-wide tax and "concerted forced march to replace coal with nuclear." Desirable goals? Certainly. But attainable? Details, please.

JACK R. EKSTROM
Golden, Colo.

Pepper ... And Salt

THE WALL STREET JOURNAL



History Takes a Wrong Turn

Regarding Elliot Kaufman's op-ed "Popular Historians Are No Longer Alone in Being Lured by Politics" (Aug. 30): The "presentism" of subjectivity in historical writing has unfortunately gone from being an impediment to an imperative.

ROBERT BLOHM
Fort Erie, Ontario

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

OPINION

Boris Looms, Trumplike, Over British Politics



DECLARATIONS
By Peggy Noonan

London
I am not sentimental about the special relationship between the U.S. and Britain but fully support it. Nations have to look out for their own interests, but in a dangerous world you keep old friends close. We came from them: The Magna Carta flowed into our Declaration, the English and Scottish Enlightenments helped form our Founders. We are English-speaking peoples, democratic ones that fought side by side through the turbulent 20th century. Margaret Thatcher once said in conversation that she saw part of England's role as stopping bad ideas on the Continent from jumping across the ocean to us. Perhaps part of our job, in our better years—Silicon Valley 40 years ago, say—was to inspire with an anarchic energy.

A divided party, a nation beset by an air of crisis. Americans may find the situation familiar.

So it matters that Britain will have a new prime minister Monday, when the votes of Conservative Party members are announced. The Tory leadership race commenced in July and the winner will almost surely be Foreign Secretary Liz Truss over former Chancellor of the Exchequer Rishi Sunak.

London was bustling when I was there mid-August, full of tourists, restaurants humming, yet every conversation reflected a rising sense of alarm about the future. Inflation had just gone over 10%, huge hikes

in household heating bills were forecast due to Vladimir Putin's energy war on Europe, the National Health Service seemed to be teetering on some new kind of collapse. Everyone seemed to be braced for something.

In America every political conversation quickly devolves into "Trump," and in London it goes quickly to "Boris." And how with his gifts, with his cleverness and best-in-a-generation political talent, the prime minister still couldn't get himself in order and handle the scandals that surrounded him, that he made.

Boris Johnson loomed over the Tory race and in looming muted it. Ballots came in low and slow. People couldn't make up their minds. Conservatives far from London were roiled: They knew Mr. Johnson had to leave but didn't like it that he's gone. He unified the party just three years ago, now it's all split up again. Neither candidate to replace him seemed his size.

When Mr. Johnson became prime minister I thought I was witnessing the beginning of an era. It turned out to be a moment. As I watched Mr. Sunak and Ms. Truss I thought whoever wins, this is the beginning of a moment, not an era.

Mr. Sunak, 42, in Parliament seven years, is thoughtful, accomplished, knows policy and takes it seriously. He has a clear and cultivated mind. He is unjustly accused of having betrayed Mr. Johnson by resigning from his cabinet. But Mr. Johnson did in Mr. Johnson. Ms. Truss, 47, in Parliament 12 years, and having held similarly impressive posts, is more politically agile, even a bit shape-shifty. A member of Parliament who has taken



MARTIN KOZLOWSKI

no public stand on the race saw that as a virtue. "You don't quite know what she will do, which makes her interesting and perhaps a better fit for the moment." In Ms. Truss's unpredictability there may be creativity. In Mr. Sunak's steadiness people see more of the same.

There are policy differences—she would cut taxes to ignite things; he, worried about inflation, would forgo early cuts to get it under control. When the race was called, Mr. Sunak made a mistake in calling Ms. Truss's tax cuts "fantasy economics." It had echoes of 1980, when George H.W. Bush called Ronald Reagan's economic plan "voodoo economics." From that moment Ms. Truss was cast as the Reagan figure, and embraced the comparison.

It seemed to me Charles Moore, Margaret Thatcher's biographer, had it best, in July, in the Telegraph, about why Ms. Truss would win. "Almost all people who do, or might ever, vote Conservative have experienced nothing whatever to encourage

them since Covid-19 began." Their taxes are up, savings down, "wokery has insulted their culture." While I was there the head of recruitment for the Royal Air Force stepped down over race and gender directives.

Mr. Sunak read the Conservatives of Parliament right but Ms. Truss read those on the ground right, and the latter will decide. I think she saw the almost poignant desire of regular Conservatives simply to feel like conservatives again: *Reduce taxes, make the government less overbearing, stop the liquid wokeness that keeps rising—you plug the hole here and it comes in there. Can't we have a few victories that we actually recognize as conservative?*

The week she pulled ahead I met Ms. Truss at her campaign offices on Lord North Street. I told her I am a famously bad interviewer because I am embarrassed to ask people questions and put them on the spot, which made us laugh, and we did questions at the start and then off the record. Naturally off the record was the most interesting part. But it was immediately apparent that while Mr. Sunak was out asking for votes, Ms. Truss was planning a government.

Conservatives, she said, must be more confident in their positions. "Profit is a good thing." "Don't allow the left to have the high moral ground." She sloughs off criticism she's imitating Thatcher. "I admire Margaret Thatcher, I admire Ronald Reagan. I admire Robert Peel." She defended against charges her policies just play to the base. "I think being popular is a good thing. It's extraordinary people can say that's somehow bad."

I said it was my sense that she had to fight for everything she had, not in a class sense—she is from a middle-class family of the political left—but some other way. She considered this. "I'm not claiming I was in any way disadvantaged." But yes, "I have always wanted to be in control of my own future. And I want that for others. But I fought hard for my beliefs."

At a meet-the-candidates event later that evening, Mr. Sunak was greeted with enthusiasm. He is vibrantly eager when he takes a podium, like a Christmas puppy just out of the box. Ms. Truss, who spoke after, was all business, standing with feet apart on a small riser, hands on hips. She enjoyed mixing with the crowd.

The best moment I saw on the hustings came later that evening when, in Q-and-A with an audience, Mr. Sunak, the son of Indian immigrants, was asked about being the ethnic minority in the race. There was a reference to Benjamin Disraeli, the 19th-century prime minister, who was Jewish. "I can tell you this," Mr. Sunak said: "Whoever is announced the winner in September it is going to either be the third woman prime minister in British history or the second ethnic minority. Who produced these people? The Conservative Party."

Mr. Johnson at this time, while London was bracing, was off on a series of vacations. But returning to Britain last week for a goodbye tour he refused to rule out the idea of launching a comeback.

The next two years will be hellacious for his successor. How will he or she survive inflation, fuel prices, the NHS, a weakening pound, the constant air of crisis? And with a split party?

Mr. Johnson will be a parliamentary backbencher, one who knows his gifts, who resents his fall and those who pushed him. Simmering, highly quotable, wanting what's rightly his . . .

Does this remind you of anyone?

The Americans Who Never Went Back to Work After the Pandemic

By Nicholas Eberstadt

The latest monthly jobs numbers underscore a troubling paradox about the state of work in America. Despite recession worries, job growth seems strong, employment levels are finally above pre-pandemic highs, and unemployment rates continue to skirt 50-year lows.

But that is only part of the picture. An extraordinary "flight from work" is also under way. Inadvertently exacerbated by the largess of the Covid-19 emergency measures, that flight is spreading to parts of the U.S. workforce that didn't suffer from it before the pandemic.

With pre-Covid rates of participation, almost three million more people would be in the labor force today.

We now face an unprecedented peacetime labor shortage, with employers practically begging for workers, while vast numbers of grown men and women sit on the sidelines of the economy—even though job applicants have more bargaining power in the "Great Resignation" than at any time in recent memory. Never has work been so readily available in modern America; never have so many been uninterested in taking it.

Since Labor Day 2021, unfilled nonfarm positions have averaged over 11 million a month. For every unemployed person in the U.S. today, there are nearly two open jobs, and the labor shortage affects every region of the country. Major sectors are now wide open to applicants without any great skills, apart from the ability to show up to work, regularly and on time, drug-free.

Why the bizarre imbalance between the demand for work and the supply of it? One critical piece of the puzzle was the policy response to the pandemic.

In 2020-21, Washington pulled out all the monetary and fiscal stops to

avoid an economic collapse. Those extraordinary interventions may have forestalled world-wide depression. But they also created disincentives for work as never before.

PadDED by transfer payments, disposable income in America spiked in 2020 and 2021, reaching previously unattained heights despite the economic crisis. And after the initial steep but temporary plunge in consumer spending from the Covid shock, the stimulus-funded rebound pushed consumer demand well above its pre-Covid trend line.

Americans actually had more money in their pockets during pandemic emergency years than they cared to spend—even their savings rates doubled. In 2020 and 2021, a windfall of more than \$2.5 trillion in extra savings was bestowed by Washington on private households through borrowed public funds. That nest egg could supplement earnings—or substitute for them.

Before the pandemic, as my study "Men Without Work" details, work rates for men of prime working age (25 to 54) had already collapsed to late-Depression-era levels, driven down mainly by a half-century-long "flight from work." For each jobless prime-age man looking for work, another four were neither working nor looking by 2019.

But the current manpower shortage highlights the new face of the flight from work in modern America. With pre-Covid rates of workforce participation, almost three million more men and women would be in our labor force today. Prime-age men account for only a small share of this shortfall: Half or more of the gap is owing to men and women 55 and older no longer working. Strangely, workforce participation rates for the 55-plus group remain lower now than in summer 2020, before the advent of Covid mRNA vaccines. Why?

Many appear to have gone into a sort of premature retirement, thanks in part to pandemic policy "wealth effects." Covid-era subventions, for example, transformed the financial profile of America, nearly doubling the net worth for the bottom half of

American households. In effect, those 64 million households reaped an average of about \$25,000 from this Covid-policy lottery.

Just before Covid, almost nine million homes headed by men and women 55 to 69—more than 1 in 5—had less than \$25,000 in savings. Covid-era windfalls generated by pandemic policies may have played a role in the withdrawal of many older men and women from the workforce—for now.

For America's workforce today, the question is: Shock or shift? Will we witness a gradual return to earlier patterns of work—or have longer-term norms and attitudes been affected by the pandemic, too?

Self-reported time-use surveys may offer preliminary hints. "Men Without Work" paints a grim portrait of unworking prime-age men:

CO2 Fight Dies (Again) in Zaporizhzhia



BUSINESS WORLD
By Holman W. Jenkins, Jr.

standard while admitting that the science didn't support it.

Why bring this scientific embarrassment up now? Because if the question were revisited a year later, reason might actually prevail. The climate crowd has begun rethinking its opposition to nuclear power. At the same time, depressingly, such a revolution could be urgently needed if events at the Zaporizhzhia nuclear plant in Ukraine poison the burgeoning pro-nuclear mood.

In a little-noticed fact, coal plants are estimated to emit 5,000 tons of uranium and 15,000 tons of thorium a year, about 100 times the amount of radiation that escapes into the environment from the world's 440 nuclear reactors. If coal plants were made to follow the same rules as nuclear plants or even hospital radiation labs, we'd have no coal plants. The rules deliberately exaggerate the health risks from low-level radiation while requiring certain facilities (but not others) to spare no expense in reducing exposures to the lowest "reasonably achievable" level.

One consequence, after the contained meltdown of three Japanese reactors in 2011 caused by a large earthquake and tsunami, no deaths from radiation exposure were recorded or expected, and yet a minimum of 32 deaths and as many as 2,000 were attributed to the forced evacuation of 150,000 people against an exposure risk equivalent to half a

checked out from civil society; largely disengaged from family care and housework; sitting before screens as if that were a full-time job—habits that heighten the risk of "deaths of despair."

There are uncomfortable echoes of the "men without work" syndrome in some of the Covid-era time-use readings among other population groups. Men 55 to 64 who were neither working nor looking for work ("not in labor force," or NILF) were kings of the screen, clocking in a self-reported 2,400 hours during 2020—possibly a new record in the inactivity olympics. Prime-age women who are both work-free and child-free exhibit similar traits—especially those neither employed nor in education or training (called NEETs by economists). In 2020 they reportedly devoted even less time to household chores, taking

care of other household members or getting out of the house than prime male labor-force dropouts—and allocated almost 11.5 hours a day to "personal time" (mainly sleep), more than any other group.

The signs that growing numbers of citizens are ambivalent about working shouldn't be ignored. Success through work, no matter one's station, is a key to self-esteem, independence and belonging. A can-do, pro-work ethos has served our nation well. America's future will depend in no small part on how—and whether—her people choose to work. And that question stands only to grow in importance as our society ages.

Mr. Eberstadt holds a chair at the American Enterprise Institute. He is author of "Men Without Work: Post-Pandemic Edition," forthcoming Sept. 19.

If government followed the science it would be ready to chuck established practice when better information came along. Not the U.S. Nuclear Regulatory Commission, which one year ago upheld a 70-year-old nuclear risk

CT scan. Even more absurd, the underlying risk standard that produced this result not only was known to lack scientific backing, it increasingly appears to have been the product of scientific fraud in the 1940s.

But it's not facetious to say political agencies aren't going to be caught relaxing a nuclear safety standard as long the first thing Americans think of is the three-eyed fish from "The Simpsons." "The problem with nuclear is actually quite simple," the U.S.-based Energy Intelligence Group acutely puts it. "People are afraid of it and this is justified by nearly everything they have heard about it since they were born."

The consequences of nuclear accidents are bad, but not as bad as the public has been told.

All this might, but won't, shed light on the Zaporizhzhia nuclear plant in Ukraine. The reactors are well contained and shielded, the Russians want the power, not to create a nuclear cloud that might blow back over Russia. Vladimir Putin wants to play on Europe's nuclear fears.

Put all that aside. In a not far-fetched worst case, all six reactors could melt down and one or more containments could fail; nearby spent fuel could catch fire and burn.

The disaster could be as bad as Chernobyl, a power plant so badly designed that it produced an uncontained meltdown without any outside assistance.

But it's also worth noting that the thousands of cancer deaths expected from Chernobyl based on low-level radiation risk haven't materialized,

including lung cancer and leukemia deaths.

The recognized death toll consists of 60 (mostly firefighters) from acute radiation exposure, plus a likely 50 or so from preventable and usually curable thyroid cancer among millions who were exposed as children to radioactive iodine-131. (Against a repeat, Ukrainian officials have been handing out preventative iodine tablets, but nothing similar has been reported in Russia or Belarus.)

A disaster of historic proportions is already engulfing Ukraine, thanks to the war. An uncontained, Chernobyl-like meltdown would be a catastrophe piled on catastrophe. It would remind us, as nobody needed reminding, that nuclear power plants are sensitive, high-risk industrial installations. But then the U.S. government tells us that U.S. power plants, in normal peacetime operation, kill nearly 3,000 people annually with fine-particle pollution. The estimate is contentious but almost certainly more die in coal-mining accidents every year, especially in China, than the proven deaths from all nuclear accidents combined.

In all likelihood, nuclear power will grow in coming decades but not enough to assuage climate fears. Understandably, in the event of an accident, if thousands of neighbors know they might be forcibly displaced against the risk of a CT scan, the number of plants that can surmount local opposition will be limited.

Events seem to have conspired against us. If there were any chance of reducing long-term CO2 emissions, nuclear was the key. But a risk standard that once seemed exemplary, erring on the side of caution even if lacking in scientific rigor, has proved itself to be a source of risk. I hear a few saying "follow the science" but it will take many more to turn around Western politics on nuclear power.

THE WALL STREET JOURNAL.

PUBLISHED SINCE 1889 BY DOW JONES & COMPANY

Rupert Murdoch
Executive Chairman, News Corp

Matt Murray
Editor in Chief

Karen Miller Pensiero, Managing Editor
Jason Anders, Deputy Editor in Chief
Neal Lipschutz, Deputy Editor in Chief

Thorold Barkzer, Europe; Elena Cherney, Coverage;
Andrew Dowell, Asia; Brent Jones, Culture,
Training & Outreach; Alex Martin, Print &
Writing; Michael W. Miller, Features & Weekend;
Emma Moody, Standards; Shazna Nessa, Visuals;
Matthew Rose, Enterprise; Michael Siconolfi,
Investigations

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

Robert Thomson
Chief Executive Officer, News Corp

Almar Latour
Chief Executive Officer and Publisher

DOW JONES MANAGEMENT:

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

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

SPORTS

By JOSHUA ROBINSON

The Serena Williams farewell, originally expected to take a matter of hours and one awkward match, wound up lasting almost a week.

In the space of five manic days in Queens, she went from too old to compete and too hobbled to keep up to suddenly wondering how far she could go at the U.S. Open. Approaching her 41st birthday, she seemed to be turning back the clock.

But under the lights of Arthur Ashe Stadium on Friday night, the Serena revival party turned back into her curtain call. A crowd that had packed Arthur Ashe Stadium expecting her to win instead witnessed the strange sight of Williams coughing up her chance. She served for the first set, nearly lost the second and fell apart in the third, 5-7, 7-6(4), 1-6.

The player who finally nudged her out of the tournament and into likely retirement on Friday was Ajla Tomljanovic, the 29-year-old Croatian-Australian who became Williams's 322nd different opponent in 27 years—and possibly the last.

Each of her final points had been miniature dramas of all-or-nothing forehands and pained expressions, as she vowed to go down swinging. One point at a time, Williams was wringing just a little more from her career. The three-hour match ended and tennis's Serena Era drew to a close when Williams drove her last forehand into the net. U.S. Open organizers responded by blasting Tina Turner's "Simply the Best" into the stadium.

"These are happy tears," Williams said on court after thanking her family. "It's been a fun ride."

Asked if she would reconsider retirement, she added, "I don't think so, but you never know."

The irony is that Williams had, improbably, made it far enough in this tournament for Friday's loss to feel galling. She had battled through the first two rounds and appeared to be improving as she went, relying on her serve and covering the court more comfortably. The mood at the U.S. Open was shifting around her. And perhaps for the first time this year, she entered a match looking like a clear favorite.

After losing in the first round at Wimbledon and stumbling through the hardcourt calendar, Williams said she had no regrets about coming back to play this season after a year away from competition. All she wanted was one last run at the major that started it all.

This U.S. Open is where she had first proven herself as the real thing. In 1999, at just 18, she stormed through the tournament to win the first of what would be 23 Grand Slam titles, the most of any man or woman in the Open Era. Her dreams of a 24th remained remote when she stepped onto the court in a black sparkly jacket, even if bookmakers were shortening her odds all the time.

Tomljanovic, ranked No. 46, reminded the tennis world why Williams should have remained a long shot. A consistent hitter and able returner, she took advantage of Williams's suddenly erratic serve and



Serena Williams reacts during her three-set loss to Ajla Tomljanovic.

Serena Williams Loses at U.S. Open As She Heads for Retirement

The 23-time major champion bowed out of her tennis career with a three-set loss to Ajla Tomljanovic

moved her around well. More importantly, she weathered Williams's most intense spell of pressure, late in the first set.

With the score at 5-3, 30-30 in Williams's favor, Tomljanovic fought back to win four straight games and take the first set. Then in the second, her comeback was even more dramatic: Tomljanovic climbed out of a 4-0 hole to force a tiebreak.

Williams couldn't sustain the old brilliance anymore, but she could occasionally find it when she needed it most. And an ace at 4-4 opened the door for Williams to take the second set.

Still, the efforts had cost her—particularly a 23-point, 16-minute game (which she lost). By the third set, Williams was piling up unforced errors and running out of gas.

The signs of her inconsistency had been there in the first two rounds, too. Facing No. 80 Danka Kovinic in her opener, Williams leaned on some timely serving when the rest of her game seemed to escape her. She also drew strength from the crowd in her second match to steady herself and take down No. 2 seed Anett Kontaveit in round two.

"I expected for her to be more aggressive," Kovinic said.

Williams had already been showered in tributes after her first two matches, but when the time came

for her to exit the stage on Friday, she left knowing that she defined an entire age of tennis. Having grown up playing on the run-down concrete courts of Compton, Calif., alongside her sister Venus and under the strict tutelage of their parents, she has been a professional in four different decades.

The Williams sisters started out as the precocious teens with beads in their hair, on a mission to change their predominantly white sport.

There is only one Serena. But the sport she leaves behind has been shaped by her game.

And soon they were towering over Grand Slams. Venus tasted success first, and Serena was close behind.

"I wouldn't be Serena if there wasn't Venus," she said on Friday.

He became so omnipresent at the turn of the century that in six of Serena Williams's first seven major finals, from 2001 to 2003, her opponent was Venus. From there, Serena took charge of the sibling rivalry—and tennis history, too. In a career that saw several waves of trophies, the peak came during the

five seasons from 2012 to 2016 when she won nine Grand Slam titles, including four in a row across two calendar years, a feat that became known as the Serena Slam. Back then, she seemed a sure bet to set an untouchable record for major titles.

In practice, however, the Serena Era ended some time before Wednesday night. She hasn't won a Grand Slam tournament since the 2017 Australian Open, which she managed to breeze through while secretly two months pregnant with her daughter Olympia. Williams returned from childbirth to reach two more finals in 2018 and another two in 2019, only to lose all of them in straight sets.

That run of defeats left her deeply frustrated in the pursuit of Margaret Court's all-time mark of 24 major titles, which had once seemed so firmly within her reach.

But the older Williams got—and the more her body began to falter—the less she could count on her steely mentality alone to carry her through the two weeks of a Grand Slam. Since 2020, she has been eliminated in the first round of majors (three times) more often than she has reached the semifinals (twice).

"I know that a lot of people are excited about and look forward to retiring, and I really wish I felt that

way," Williams wrote in her retirement announcement in Vogue in August. "There is no happiness in this topic for me."

That announcement unleashed a tide of assessments of what Williams meant to the game. Summing up her career before her final twirl through Flushing Meadows—from the many triumphs and the players she inspired, to the comebacks and the occasional meltdowns—became an impossible task.

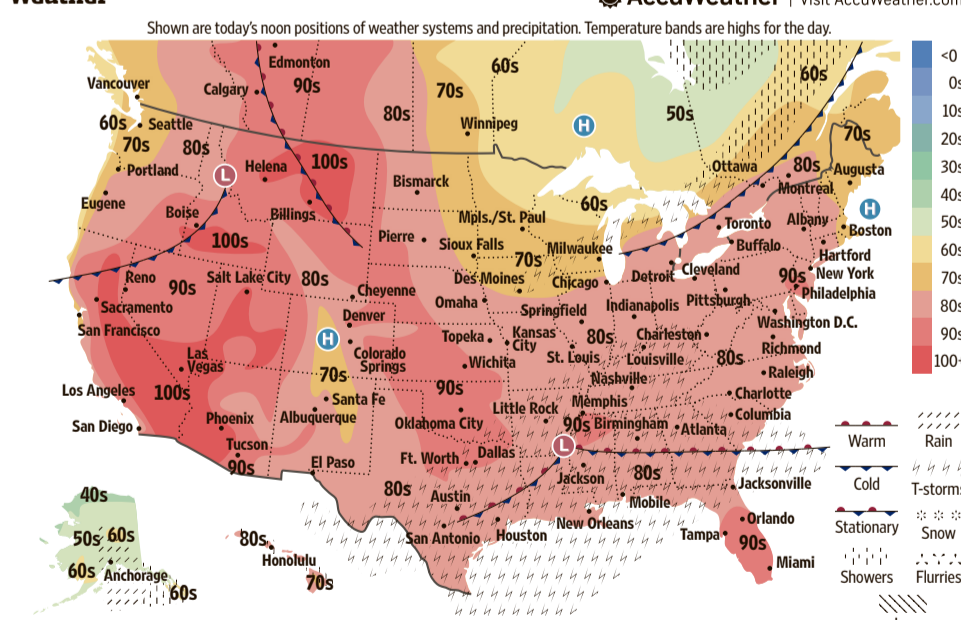
"I think that her legacy is really wide to the point where you can't even describe it in words," said Naomi Osaka, who defeated Williams in the final of the 2018 U.S. Open. "I just think she's the biggest thing that will ever be in the sport."

Clearly, there is only one Serena Williams. But the tennis she leaves behind has been irrevocably shaped by her game, which looked unlike anyone else's other than her sister's when the pair emerged.

More than any one shot or her style on the court, though, the traits players remember most are her unrelenting drive, her ability to intimidate opponents, and the sheer span of her successes.

"I still feel like I'm just a kid who's watching," world No. 1 Iga Swiatek said last week. "I watched her my whole life. Basically she was everywhere, because she always won."

Weather



Forecasts and graphics provided by AccuWeather, Inc. ©2022

U.S. Forecasts

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

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Anchorage	56	50	c	58	50	s
Atlanta	83	72	t	82	70	t
Austin	84	69	t	86	70	t
Baltimore	90	69	pc	90	70	pc
Boise	99	64	pc	97	64	s
Boston	76	63	pc	83	65	t
Burlington	83	64	s	86	60	c
Charlotte	89	70	t	86	68	t
Chicago	84	66	t	78	64	pc
Cleveland	85	68	s	79	66	t
Dallas	90	73	t	92	73	t
Denver	90	61	s	93	64	s
Detroit	88	68	t	78	65	sh
Honolulu	88	76	pc	88	77	s
Houston	85	72	t	81	72	t
Indianapolis	84	68	s	80	67	s
Kansas City	86	64	c	83	66	s
Las Vegas	108	85	s	107	86	s
Little Rock	86	71	t	87	71	t
Los Angeles	99	77	t	102	75	t
Miami	92	81	t	92	79	s
Milwaukee	77	64	t	72	64	t
Minneapolis	75	54	s	74	56	s
Nashville	84	71	t	81	70	t
New Orleans	86	76	t	84	76	t
New York City	83	71	s	86	70	t
Oklahoma City	90	67	pc	89	66	pc

International

Today Tomorrow

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Amsterdam	78	61	c	78	62	pc
Athens	86	73	s	88	73	pc
Baghdad	117	82	pc	117	85	pc
Bangkok	92	79	t	92	79	t
Beijing	82	62	c	85	64	pc
Berlin	72	57	pc	75	57	pc
Brussels	76	59	t	82	62	pc
Buenos Aires	61	50	s	66	51	s
Dubai	107	87	pc	106	87	pc
Dublin	59	53	r	67	55	r
Edinburgh	69	58	sh	66	57	r

International

Today Tomorrow

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Frankfurt	72	60	c	81	60	pc
Geneva	76	57	t	79	58	pc
Havana	89	72	t	90	72	t
Hong Kong	93	82	c	93	82	pc
Istanbul	82	71	t	78	69	pc
Jakarta	93	76	t	92	76	c
Jerusalem	90	68	s	89	67	c
Johannesburg	77	52	s	76	54	s
London	75	62	t	72	63	c
Madrid	85	59	pc	86	57	c
Manila	85	80	t	87	79	t
Melbourne	58	45	pc	58	43	pc
Mexico City	72	57	sh	70	57	r
Milan	76	62	r	81	66	pc
Moscow	60	40	pc	60	40	pc
Mumbai	88	81	t	87	80	t
Paris	76	58	t	83	63	pc
Rio de Janeiro	78	66	pc	69	65	sh
Riyadh	109	83	pc	109	81	pc
Rome	84	70	t	81	67	t
San Juan	88	79	c	89	78	sh
Seoul	85	70	pc	78	72	r
Shanghai	84	78	sh	86	78	r
Singapore	87	79	t	87	80	pc
Sydney	59	53	r	62	51	sh
Taipei City	85	79	r	87	79	r
Tokyo	82	74	c	83	76	pc
Toronto	86	64	t	69	62	t
Vancouver	72	59	pc	70	58	pc
Warsaw	71	50	pc	71	51	pc
Zurich	75	54	t	78	55	pc

Chelsea Spends Big in Transfer Market

By JOSHUA ROBINSON

THE EXIT OF RUSSIAN oligarch Roman Abramovich as Chelsea owner last spring was supposed to mean that one of Europe's freest spending clubs was finally turning off the faucet.

But this is the English Premier League: club ownership can't change. Expensive habits don't.

Under its new American owner Todd Boehly, who also appointed himself interim sporting director, Chelsea closed out the transfer window on Thursday night with the highest bill of a record-breaking summer in English soccer. Its \$310 million outlay on new players, including forward Raheem Sterling from Manchester City and defender Wesley Fofana from Leicester City, led a \$2.2 billion spree across a league that has decided the effects of a global pandemic are fully behind it.

"This is how the market was for us—maybe we weren't in the perfect position to find the right price," Chelsea manager Thomas Tuchel said on Friday. "The new owners stepped in and didn't sleep at it."

Boehly, who bought the club alongside Clearlake Capital Group, had been intent on making a statement in his first transfer window with Chelsea.

Sterling, a proven Premier League star who has scored



Raheem Sterling moved from Manchester City to Chelsea.

109 goals in 320 appearances for Liverpool and Man City, became the first marquee signing. But early-season results injected some unexpected urgency. After five games, the club sits in 10th place with just seven points. The latest setback was a 2-1 defeat at Southampton on Tuesday.

Tuchel refused to single out Chelsea's forward line as the problem, but it was clear that something was going wrong up top. The club's six goals in five games simply can't keep pace with the teams it's supposed to compete with for the title. Manchester City has already scored 19 times. Liverpool, despite a couple of early hiccups, has banged in 15 goals.

So on Thursday, as the remains of the transfer window ticked away, Chelsea made a

late, somewhat baffling move for a 33-year-old striker, Pierre-Emerick Aubameyang. This time last year, Aubameyang was still the captain of Arsenal. But a string of disciplinary breaches saw him stripped of the armband and fall out with manager Mikel Arteta, who relegated him to the bench. Barcelona then agreed to take on his enormous salary in January, before agreeing to sell him to Chelsea for a reported \$13 million this week.

"I have some unfinished business with the Premier League," Aubameyang said.

The 20 Premier League clubs shelled out a combined \$2.2 billion, almost three times the amount spent by the next biggest shopper in Europe, Italy's Serie A, according to Deloitte.



Stag-gering
The stock market's surprising inflation fighters **B6**

EXCHANGE

Worthy Tactic
Getting more from your charitable bequests **B6**



BUSINESS | FINANCE | TECHNOLOGY | MANAGEMENT

THE WALL STREET JOURNAL.

Saturday/Sunday, September 3 - 4, 2022 | **B1**

DJIA 31318.44 ▼ 337.98 1.1% NASDAQ 11630.86 ▼ 1.3% STOXX 600 415.97 ▲ 2.0% 10-YR. TREAS. ▲ 20/32, yield 3.190% OIL \$86.87 ▲ \$0.26 GOLD \$1,709.80 ▲ \$13.20 EURO \$0.9957 YEN 140.20

Back to Work* Or Else**



* We really mean it this time.
** Please don't force our hand.

ANDREA UCINI

Labor Day marks the line in the corporate sand. Many company leaders say the end-of-summer holiday represents the best chance to finally lean on workers to return to the office this year. After months of encouraging white-collar employees to return, or attempting to coax them back with free pizza, warm cookies and catered lunches, many executives now say they feel emboldened to take a tougher stance. No longer can workers merely come to the office if they so choose; this fall, executives say, attendance is expected and the office resisters will be put on notice. Employers including Apple Inc., Prudential Financial Inc. and BMO Financial Group plan broader September returns at their U.S. offices. Some companies, such as Ally Financial Inc., have sent notes in recent weeks reminding workers to come into the office consistently. Goldman Sachs Group Inc. said it was lifting all vaccination and other require-

By **CHIP CUTLER**
AND **KATHERINE BINDLEY**

ments to enter most of its offices after Labor Day, eliminating a final barrier to a full return. Others, including Marriott International Inc., are opening gleaming new office spaces with the hope—and expectation—that workers will use them. Many executives say that, with schools in session and the weather still warm, a post-Labor Day return is their best hope at getting workers on a more regular office schedule before the fall

INSIDE

- Yes, Zoom has an office. No, it's not a place to work **B5**
- The CEO who ordered everyone back—a year ago **B5**

and winter holidays. With Covid-19 cases and hospitalizations in decline and the death rate lower, workers say they are growing accustomed to living with the risk of the virus, making it less of a deterrent to office work. Bosses also feel emboldened to step up demands as signs emerge that the economy is weakening. "A lot of employers are saying, 'We're going to set a line of demarcation,'" this fall, said Steve Pemberton, chief human-resources officer at the workplace technology company Workhuman, which is requiring its employees in the Boston area to return one day a week starting this month under hybrid schedules, while some employees can remain remote. Many bosses say it remains difficult to hire in an environment in which the unemployment rate is 3.7%. Still, workers might be more willing to accept return-to-work orders given recent announcements from several prominent companies that they planned to shed workers. Social-media company Snap Inc. said *Please turn to page B4*

CVS Nears \$8 Billion Purchase Of Signify

CVS Health Corp. is in advanced talks to acquire home-healthcare company Signify Health Inc. for around \$8 billion, according to people familiar with the matter. CVS appears to have beat out other heavy hitters including Amazon.com Inc. and UnitedHealth Group Inc., that had been circling Signify. (UnitedHealth never submitted an official bid, one of the people said.) A deal could be finalized soon. There is still no guarantee that CVS will reach a deal for Signify, which has been exploring strategic alternatives since earlier this summer. Bids for the company were due Sept. 6, but people familiar with the matter have said that an eager buyer could make a move before then. Signify's valuation has ballooned since The Wall Street Journal reported it was for sale in early August. Shares of the company closed at \$28.77 on Friday, giving it a market capitalization of roughly \$6.7 billion. Signify works with a big group of doctors to facilitate house calls. It uses analytics and technology to help physician groups, health plans, employers and health systems with *Please turn to page B11*

Shell Preps Shortlist of Possible CEO Successors

By **JENNY STRASBURG** Shell PLC is laying groundwork to replace longtime Chief Executive Officer Ben van Beurden as the Dutchman prepares to step down after nine years running the London-based energy company, according to people familiar with the matter. Shell executives have told the people close to the company that Mr. van Beurden is preparing to leave next year, the people said, capping a period of continuous change at Shell and within the oil-and-gas industry. Mr. van Beurden earlier presided over Shell's largest fossil-fuel acquisition in years. More recently he has pledged to reduce the company's greenhouse-gas emissions and increase its investments in renewable energy. Candidates to succeed the 64-year-old Mr. van Beurden include Wael Sawan, head of Shell's integrated gas and renewables business, who has been described by people inside and close to the company in recent months as the internal front-runner. Mr. Sawan, 48 years old, joined Shell in 1997 and has steadily taken on expanded responsibilities *Please turn to page B2*

Running a Resort This Summer Was No Vacation

By **ALLISON POHLE** Bar Harbor, Maine On a recent Wednesday at the Bar Harbor Inn, general manager Jeremy Dougherty's day started with a text saying an employee had Covid-19 and would be out sick, adding to a summer pileup of absences and staffing shortages. There was rainwater leaking from the ceiling of the hotel restaurant and an employee who needed to crash at the hotel following a dispute with her roommate. During Mr. Dougherty's patrols of the property, which is almost fully booked from Mother's Day to mid-October, he picked trash off the grass and scooped up room-service trays from hallways. Days like this are no longer unusual at this popular New England vacation spot. "Every day is full-capacity and we simply have to make it happen," Mr. Dougherty says.

A surge in demand, costs and prices collided this summer with severe labor shortages, leading to some tough choices for hospitality properties across the U.S. Hotels cut housekeeping, restaurants cut hours and some services became automated—occasionally by robots. Prices for labor and supplies rose while owners and managers struggled to recruit back workers laid off earlier in the pandemic. These trials tested the Bar Harbor Inn, a historic property in Maine that opens from mid-March through November each season. Surrounded by rocky beaches and lobster boats, it began as a social and literary club in 1887 that drew wealthy summer visitors such as the Vanderbilts and Pulitzers. During World War II, it became an observation headquarters for the Navy, and in 1950 opened as an inn. One popular draw for the 153-room, five-building complex is nearby Acadia National Park, which spans

more than 37,000 acres and attracts millions of visitors annually. Like almost all hotels around the country, the Bar Harbor Inn closed during the early stages of the pandemic and had limited demand once it opened for the 2020 season. Bookings skyrocketed in 2021 when lockdowns lifted and remained strong this year as Americans scratched their travel itch, aided by the savings they'd amassed in lockdown. Occupancy is up 11 percentage points through August when compared with the last pre-pandemic season, in 2019. Labor costs are up 24% from 2021 as the hotel pays workers more, but room rates also rose to keep pace with surging inflation. Room revenue is up 12.7% through August compared with the same period last year. The task of managing the current surge in demand falls to Mr. Dougherty, 41, an Army veteran *Please turn to page B2*



Jeremy Dougherty, above, is the general manager of the Bar Harbor Inn.

TRISTAN SPINSKI FOR THE WALL STREET JOURNAL

EXCHANGE



Bar Harbor Inn general manager Jeremy Dougherty, left, talks with breakfast line cook Fitzroy Walters, right.

A Summer of Chaos for U.S. Resorts

Continued from page B1

and ultramarathoner who got his start in the hospitality industry as a security guard and worked his way to management roles at hotels in the Phoenix area. He set himself a goal of becoming a general manager by the age of 35 and achieved that at 33 with a startup hotel company in Tempe, Ariz. In 2017, he, his wife and their two children moved across the country to Bar Harbor so he could take the top job at the Bar Harbor Inn, which is owned by Maine-based Witham Family Hotels.

The new surroundings were an adjustment. One surprise for Mr. Dougherty, he says, was that some employees had “lumberjack beards.” Another was how hard it was to find younger seasonal workers in a state that has the highest median age in the country, according to the most recent U.S. census data. That got even tougher once the labor market tightened during the pandemic.

The hotel has raised wages in an attempt to lure and retain more workers. In 2019, front-desk attendants made \$13 an hour, and now they begin at \$17 an hour—well above the state’s minimum wage of \$12.75. Yet this year not a single person came to the three job fairs Bar Harbor Inn held on different days in different locations. In the past, Mr. Dougherty says at least 75 people would show up to each one.

Like many businesses in Maine, the Bar Harbor Inn has long relied on workers, primarily from Jamaica, who come to the U.S. on seasonal worker, or H-2B, visas. The H-2B workers now make up about 35% of the inn’s workforce of roughly 160.

But Mr. Dougherty found that recruiting foreign workers isn’t a surefire way to fill positions, either. Even though the hotel employs about 30% more H-2B workers than it did in 2019, the number of workers who can return is uncertain year to year. The federal government instituted a national lottery for these visas in 2019 due to what it says was intense competition, and the inn has struggled with staffing shortages while waiting for approved workers to arrive, Mr. Dougherty says.

One such employee in that position this year was Alax McCalla, a

31-year-old seasonal worker from Jamaica who has been working summers at the Bar Harbor Inn since 2016 and relies on the job for most of his annual income. He says he usually arrives in March, but this year wasn’t able to arrive until early July because the national lottery reached its initial cap without awarding him a visa. He got it as part of an additional round of approvals designed to help alleviate the country’s labor shortage.

The server now picks up extra shifts to make up for the months he lost and sends money home to his grandmother, who is going through cancer treatment, and to his girlfriend, who is expecting a baby in September. He is “always working,” he says. “That’s what I’m here for.”

The worker shortages leave the hotel with roughly the same number of staff members it had in 2019, according to Mr. Dougherty, despite the rise in demand for rooms over the last two seasons. If he could, Mr. Dougherty says, he would hire 20 to 25 more workers. He hopes to bring in 15% to 25% more H-2B workers for next year.

Many employees are logging extra hours so the hotel can offer everything it provided before the pandemic, from daily housekeeping to room service. This year, employees are projected to work more than twice as much overtime than in 2019, the general manager says. The company offers staffers the opportunity to work another job at the hotel instead of searching for second jobs elsewhere, which provides them with additional overtime. That practice, which started last year, comes at the risk of staff burnout, says Mr. Dougherty, while noting that many employees would seek out multiple jobs even if the hotel didn’t offer them.

One way Mr. Dougherty works to boost morale is by approaching employees on his rounds to discuss everything from career ambitions with college students to homesickness with workers from other countries. On this day, he also stopped to see a cook who mentioned he needed help covering some overdue dental work. Mr. Dougherty told him he would look into contributing some of the company’s employee relief fund—which offers up to \$1,000 per request and is funded by employee and company donations.

“We know about everything that’s going on in people’s lives,” Mr. Dougherty says.

Finding seasonal workers and keeping them healthy and motivated is hard enough. Landing them a place to stay is another riddle Mr. Dougherty has to solve. Available housing is so scarce that Mr. Dougherty says he let an employee sleep in his above-garage apartment earlier this year while he looked for space. Supply is tight partly because workers have to compete with tourists for rentals each season.

The hotel owner, Witham Family Hotels, has tried to solve the issue by developing housing for its workers. It purchased its first home for that purpose in 1987, and currently owns six single-family homes, four duplexes and 23 apartment units. In those spaces it houses 235 of its 430 employees who work for its eight properties in the area. This year it charged them \$65 a week for a shared space, up slightly from \$60 a week in 2018.

Witham Chief Executive David

Witham also worked with local officials to give detailed input on zoning changes for employee living quarters in Bar Harbor. This was done to help relieve pressure on denser residential neighborhoods dominated by year-round residents. Witham now has plans to build a \$6 million employee dorm-style building in Bar Harbor that will house roughly 84 workers.

Because about half of Bar Harbor Inn’s employees live in employee housing, Mr. Dougherty says 20% of his job is devoted to managing issues that result from those accommodations, though some days it takes up 100%. Depending on the day, the drama can get complicated. On this particular Wednesday in August, he had to navigate a dispute between employees sharing a space.

“It’s like ‘The Bachelor,’” he says.

Mr. Dougherty has to worry about the satisfaction of visitors,



People pack the patio during lunch hour at the Terrace Grille, above, a restaurant that is part of the Bar Harbor Inn, below. It overlooks the Frenchman Bay.



Shell Makes Shortlist of CEO Heirs

Continued from page B1

alongside the natural-gas business he heads that is behind Shell’s record profits recently. He declined to comment.

The CEO-change plans, earlier reported by Reuters, have involved a shortlisting process by Shell’s board that includes other candidates on the executive committee, people close to the company said. The other potential successors discussed by di-

rectors have included Sinead Gorman, the global finance chief since April who joined Shell in 1999; Huibert Vigeveno, head of the downstream businesses including chemicals, with Shell since 1995; and Zoe Yujnovich, upstream director and the relative newcomer on the list, who joined Shell in 2014 from the mining industry.

The Shell executives declined to comment or couldn’t be reached. A Shell spokesman also declined to comment. It isn’t clear how close the board is to a final decision, but one person said executives have described the process as having accelerated over the past several months.

Shell, like some of its peers, has sought to balance its traditional business producing and trading oil, gas, refined fuels and chemicals with

renewable-energy initiatives such as solar and wind power aimed at reducing greenhouse-gas emissions.

Multinational oil companies face pressure from investors, governments and the public to address climate change. Shell has ruled a landmark 2021 Dutch court ruling ordering the company to pick up the pace at which it is reducing carbon emissions. The company says it is being unfairly singled out in the case, brought by environmental groups that alleged Shell’s production of oil and natural gas contributed to climate change.

The Dutch climate case has made Mr. van Beurden a target for environmental groups such as dozens of protesters who delayed Shell’s annual shareholder meeting in May in London by almost three hours,

chanting that Shell was endangering global climate goals. That pressure won’t subside for a new CEO. Shell also faces U.S. court cases against multiple oil-and-gas companies over their alleged contributions to climate change.

Mr. van Beurden was already a 30-year veteran of Shell when he was promoted in 2013 from his role running its refining and marketing operations to take over as CEO, effective January 2014.

Shell completed its biggest acquisition in decades in 2016, buying rival BG Group for more than \$50 billion, transforming its footprint in natural gas in ways that have paid off handsomely over the past year.

In November 2021, Shell—then called Royal Dutch Shell PLC—said it would consolidate its dual British

and Dutch structure and relocate its headquarters to London rather than The Hague.

Mr. van Beurden made “bold shareholder-friendly moves” as CEO, including focusing Shell on spending money more efficiently and giving priority to dividends over capital investment, Sanford C. Bernstein analyst Oswald Clint said in a research note Friday. Mr. Clint said the CEO’s departure will be a loss for investors, but that Shell’s executive bench.

Mr. van Beurden’s CEO tenure experienced wild swings in commodity prices and downturns that included cratering energy demand early in the Covid-19 pandemic. This year has seen Shell and its oil-major peers rebound with banner profits, spurring billions of dollars in share buybacks and increased shareholder dividends.

“Every day is full capacity, and we simply have to make it happen.”

ing with some of these managers, Mr. Dougherty distributed packets of every guest comment and the ranking score left on feedback surveys for everything from room condition to food quality, and then read each of the dozens of comments aloud.

Many praised the friendliness of the staff, daily housekeeping and the fistbumps from bellmen Errol England and Harry Blair. Some also complained about the options at the continental breakfast. Mr. Dougherty still hears about the slow Wi-Fi, even though it was upgraded last year.

The good news is that certain guest scores measuring the performance of staff and service either stayed consistent or rose. But the overall value score capturing what guests feel they received for what they paid has declined a few points since June.

“Where last year they were like, ‘Where thanks so much for just being here.’ Now it’s like ‘I’m paying more money. You need to have everything here,’” Mr. Dougherty says.

Some guests have made annual pilgrimages to the Bar Harbor Inn for decades, with one celebrating a 60th annual stay this summer. These guests send photos and handwritten notes to Mr. Dougherty, and call ahead a year in advance to book the same room over the same dates.

But visitor patterns are changing, Mr. Dougherty says, with people taking several trips to different locations instead of one big family pilgrimage to the same place each year. Mr. Dougherty hopes to make guest stays memorable enough that they return someday.

One of these newer visitors was Christie Malayil-Lincoln, who was at the Bar Harbor Inn with her family for the first time. The 46-year-old Houstonian initially thought the price was steep before she arrived, but the radiologist says she feels she got her money’s worth. She cited the location, cookies in the lobby every afternoon and free stuffed animals given to her two younger children.

Mr. Dougherty says he knows there are some guests who won’t be happy, despite best efforts. He expects complaints from guests about a pool heater that broke down earlier in the week. He and his team scrambled to find another heater, but the pool took time to warm back up.

He returned to his office at the end of the day and checked on the two employees who had their roommate dispute, confirming that one would be temporarily staying at the hotel instead. Two buckets were now collecting rainwater from the restaurant roof, which he knew would be repaired in the off season. His parents were due to visit in the morning. Tomorrow would be another busy day.

BUSINESS NEWS

Buick Franchisees Offered Buyouts in GM's Switch to EVs

By MIKE COLIAS

General Motors Co. will offer buyouts to U.S. Buick dealers as an alternative for franchise owners who don't want to make investments that will be needed as the brand goes all-electric, an executive said.

Global Buick chief Duncan Aldred confirmed in an interview that all of Buick's roughly 2,000 U.S. franchise dealers will be given the opportunity to take a buyout. A dealer who takes a buyout would give up the Buick franchise and no longer sell the brand, although nearly all Buick dealers also sell other GM models. Mr. Aldred was scheduled to outline the plan during a virtual dealer meeting Friday.

GM said in June that Buick would transition to sell exclusively electric vehicles by 2030. That will require substantial investments in charging stations and store upgrades, along with other changes in the way dealers do business, Mr. Aldred said. "Not everyone necessarily

wants to make that journey, depending on where they're located or the level of expenditure that the transition will demand," he said. "So if they want to exit the Buick franchise, then we will give them monetary assistance to do so."

Mr. Aldred declined to say how many dealers he expects to accept the buyout offer. A similar program completed for GM's Cadillac brand last year resulted in the phase-out of several hundred of Cadillac's U.S. franchise dealers.

Nearly all of Buick's dealers also have at least one of GM's three other brands, most notably GMC. Most dealers who take a buyout likely would continue to operate their stores while selling one or more of the other three GM brands, without stocking Buicks, Mr. Aldred said. The move points to the shifting landscape for car dealers as auto makers race to populate their showrooms with plug-in vehicles.

Many auto makers are requiring dealers to make expen-

sive store renovations to accommodate charging stations and special equipment needed to service EVs. Facility improvements, which sometimes require piping in more electricity to the building, can run more than \$300,000 in investment costs, dealers have said.

Traditional auto makers also are using the nascent EV transition to change some long-standing operational norms at their U.S. dealerships. Those changes often are aimed at delivering a retail experience akin to that of **Tesla Inc.** and other startup EV makers, which don't use franchise dealers and have control over pricing and customer interactions.

GM's Cadillac buyout, initiated in 2020 and completed last year, trimmed the luxury brand's U.S. dealer network by roughly one-third, to around 575 franchises, the company has said. GM has said it spent around \$275 million on activities related to that program.

Both Buick and Cadillac plan to sell only electric vehicles by 2030, GM has said. Buick today doesn't sell any EVs in the U.S. but plans a new battery-powered SUV sometime in 2024, which will mark the beginning of the shift to electric models. Other changes will coincide with the transition, including a new logo and marketing campaign, the company said.

Buick's U.S. market share has held steady in recent years, around 1.2%, but has shrunk by nearly half since 2000, according to data from research firm Motor Intelligence. The brand has long ranked near the bottom on industrywide sales-per-store measures, and some dealers have complained over the years that there are too many Buick stores. Buick is strongest in China, where it sells more than four times the number of vehicles it does in the U.S.

The electric push for Buick is part of GM's effort to convert nearly all of its global vehicle lineup to electric by 2035. Like many auto makers, GM is spending tens of billions of dollars on the switch.

Price of Turkey hens



Source: Urner Barry



Turkeys will be available, but not at prices like these last year.

NANA Y. HUIH/ASSOCIATED PRESS

Record Turkey Prices Are Coming for Thanksgiving

By PATRICK THOMAS

Inflation is coming for Thanksgiving dinner.

Turkey supplies have become stretched this year after an avian-influenza outbreak devastated flocks in the springtime and threatens to re-emerge in the fall, meat industry executives said. Reduced flocks have lifted turkey prices to record levels, analysts said, and price tags for the holiday staple are likely to remain high through Thanksgiving.

The bird-flu outbreak has affected 39 states this year and has led to the death of more than 40 million birds, including roughly 6 million turkeys, according to the Agriculture Department—the second-deadliest outbreak on record. Newly confirmed cases in California and Minnesota have farmers and processors fearing a resurgence of the virus in the months ahead, analysts and executives said.

Breast-meat prices for consumers have climbed above \$6.50 a pound this year, compared with less than \$2 a pound two years ago, according to market-research firm Urner Barry. Turkey hens—which represent the majority

of birds served on Thanksgiving—currently cost 57% more than the five-year average, the firm estimated. Both prices represent all-time highs.

Some of the biggest U.S. turkey suppliers said the virus has already cut into their supplies, pushing up prices. Hormel Foods Corp., the second-largest turkey processor by volume behind Butterball LLC, said sales volumes for its Jennie-O Turkey Store brand fell 20% year over year for the three months that ended July 31. For the current quarter, the company expects sales volumes to be 30% lower.

Jacinth Smiley, Hormel's chief financial officer, said, "Lower industrywide turkey supplies are expected to keep prices higher."

Hormel executives said on Thursday that recent cases have affected its turkey supply chain, and that the company expects reduced production volume through at least the end of the first quarter of fiscal year 2023. The combination of higher turkey-meat prices and limited supply helped boost Minnesota-based Hormel's quarterly profits from its turkey business, which increased by about \$30

million from 2021 levels.

Turkey supplies were tight before the bird-flu outbreak, following years of cutbacks by farmers responding to stagnant consumer demand and overproduction, said Russ Whitman, senior vice president at Urner Barry. Despite escalating prices, higher animal-feed costs are keeping turkey farmers from expanding their flocks, he said.

The National Turkey Federation, a trade group for the industry, still expects there will be enough turkeys to go around for the coming holiday season. Supply-chain problems have contributed to sporadic shortages of turkey products in the short term, said Beth Breeding, a spokeswoman for the group.

Turkey production for the third quarter of this year is estimated to be down nearly 7%, or about 20 million pounds, compared with the same period a year ago, according to the USDA.

Cargill Inc., the third-largest turkey processor, hasn't been hit by the bird-flu outbreak as badly as others, said Tom Windish, president of Cargill's primary business division, which oversees turkey.

Ford's U.S. Sales Rose 27% in August

Ford Motor Co.'s U.S. sales rose 27% in August, rebounding from year-ago production shortages and benefiting from increased demand for electric vehicles.

Ford has been posting strong year-over-year gains this summer on climbing electric-vehicle sales and improved deliveries of trucks and SUVs. The company's EV sales increased fourfold from a low base a year earlier, while sales of gas-engine vehicles rose by a quarter.

The Dearborn, Mich., auto maker cited interest in its new, all-electric F-150 Lightning truck, which was launched in the spring. The company said the electric truck is being sold, on average, eight days after hitting dealership lots, the fastest current rate for any Ford vehicle.

Ford said last month that it was raising the price of the F-150 Lightning above the sub-\$40,000 starting price tag it originally touted, citing rising materials costs. Overall, for the whole industry, Ford said U.S. sales grew 5% in August. The company said its share of the hybrid-vehicle market increased to 13%, helped by sales of Ford's F-150 and Maverick model hybrids.

Ford's U.S. sales fell by more than a third year-over-year in August 2021, when both it and GM were curbing production in light of a global shortage of computer chips and dealerships struggled to get their hands on inventory.

The turnaround seen a year later comes as Ford is laying off roughly 3,000 white-collar and contract employees. The job cuts are part of the company's effort to slash costs and shift its focus toward electric vehicles.

—Dean Seal

Musk and Twitter Set To Face Off At Hearing

By SARAH E. NEEDLEMAN

The Delaware judge overseeing the legal battle between Elon Musk and **Twitter Inc.** scheduled a hearing for Tuesday for oral arguments over a range of issues, including Mr. Musk's request to amend his countersuit.

Chancellor Kathaleen McCormick said in a filing Friday she would consider several pending legal motions from both parties, such as Mr. Musk's recent request to add allegations from a whistleblower complaint by Twitter's former head of security to his counterclaims. Mr. Musk has also requested that the nonjury trial be pushed to November from October.

The forthcoming hearing shows how contentious the battle has become. The outcome could grant or block access for either side to more emails, texts, data and legal claims, among other things.

Twitter sued Mr. Musk in July over his attempt to walk away from their \$44 billion merger agreement reached in April. Mr. Musk later filed a countersuit, accusing the company of misrepresenting the condition of its business and key metrics about the users on its platform.

On Friday, Chancellor McCormick said she would allow Mr. Musk's lawyers to reargue their request to compel Twitter to collect and review documents from a more extensive date range. The judge denied Mr. Musk's motion in a decision last week.

Representatives for Mr. Musk didn't respond to a request for comment. A spokesman for Twitter said the company had nothing to add beyond the court filings.

FTC Probes Amazon Deal for One Medical

By DAVE MICHAELS

WASHINGTON—The Federal Trade Commission is investigating **Amazon.com Inc.**'s \$3.9 billion deal to buy **One Medical Inc.**, which operates One Medical primary care clinics in 25 U.S. markets.

One Medical, which went public in 2020, disclosed the investigation in a securities filing. The disclosure says One Medical and Amazon each received a request on Friday for additional information about the deal from the FTC.

Amazon's bid for One Medical added momentum to the push by technology and retail

The FTC's move to investigate the deal could delay its completion.

giants to make inroads into the nation's \$4 trillion healthcare economy. The deal was the first major acquisition announced during the tenure of Chief Executive Andy Jassy, for whom expansion into healthcare is a priority.

The FTC's move to investigate the deal could delay its completion as federal competition investigations often take months to finish. Significant U.S. antitrust probes on average take about 11 months, according to data compiled by law firm Dechert LLP.

FTC Chairwoman Lina Khan is a critic of Amazon, having written a 2017 law review article that argued Amazon's conglomerate-like structure shouldn't have escaped antitrust scrutiny. Ms. Khan said Amazon's entry into businesses beyond its e-commerce

platform allowed it to gather data it could use to undercut other companies.

The FTC is investigating Amazon's Prime membership program, according to a legal petition Amazon filed last month. The company argued that FTC staff had made excessive demands on founder Jeff Bezos and other company executives and asked officials to quash the subpoenas.

An Amazon spokeswoman declined to comment.

Mr. Jassy is focused on healthcare as an industry in which Amazon could find significant growth opportunities. The company recently revealed that it plans to shut down a healthcare unit it launched in 2019 called Amazon Care after it announced the One Medical deal.

The transaction would give Amazon more than 180 clinics with employed physicians across roughly two dozen U.S. markets. One Medical Chief Executive Amir Dan Rubin is expected to remain as CEO once the deal closes.

As Amazon seeks to grow in healthcare, the company faces added challenges from competitors such as **UnitedHealth Group Inc.**'s Optum health-services arm and **CVS Health Corp.**, in addition to hospital systems.

In a memo to employees, Neil Lindsay, senior vice president of Amazon Health Services, said the healthcare industry continued to be an important arena for innovation.

"As we take our learnings from Amazon Care, we will continue to invent, learn from our customers and industry partners, and hold ourselves to the highest standards as we further help reimagine the future of health care," Mr. Lindsay wrote.



Bringing Communities of Support to Students

At Communities In Schools, we are working to ensure students have everything they need to engage in learning. With you on our side, we will be there for them, all day every day, providing emotional support and resources like school supplies, meals, and access to technology and learning materials. Now more than ever, we're being called on to reimagine public education and find new pathways to equitable learning conditions.

Learn how we go all in for kids in schools, in communities, and beyond at CommunitiesInSchools.org



Communities In Schools

© 2022 Communities In Schools, Inc.

EXCHANGE

It's Labor Day. Get to The Office!

Continued from page B1

Wednesday it plans to slash a fifth of its workforce. Others that have announced layoffs this year include Ford Motor Co., Carvana Co., Netflix Inc., Coinbase Global Inc., Robohood Markets Inc., and Peloton Interactive Inc.

Fears of a recession or job cuts could give employers an upper hand, but some remain reluctant to tell workers they will be fired for not showing up—even if companies are reserving the right to do so as a last resort.

Other corporate leaders are arming themselves with new data that help to bolster their case for in-person work. Some are linking identification-badge swipe data with separate metrics to show whether employees who go to the office regularly are more productive and engaged, said Zig Serafin, chief executive of cloud-software company Qualtrics, recounting an experience of one of the company's clients.

What makes the return effort more complex now is that many employees say they appreciate the flexibility that comes with remote work, and hope to retain at least a hybrid arrangement, according to interviews and surveys. Bosses are often more interested in what they see as the benefits of coming in: promoting collaboration, energizing the corporate culture and helping younger employees connect with colleagues.

Some companies say they have had success in trying to balance all preferences. Audio giant Spotify Technology SA said its roughly 8,600 employees, who have been largely remote during the pandemic, returned in recent months in larger numbers than the company expected. That is partly because it hasn't forced them to do so, said Katarina Berg, Spotify's human-resources chief. After Spotify offered most employees a choice on their work setup, about 60% chose to work from an office a majority of the time, while roughly 40% decided to remain largely at home.

"Psychology comes into play on this," Ms. Berg said. "Nobody is telling me that I need to come in. It's just my choice. And I think that is very important for you as a human being, too. I'm smart; I know how I want to do my job, when I want to do my job."

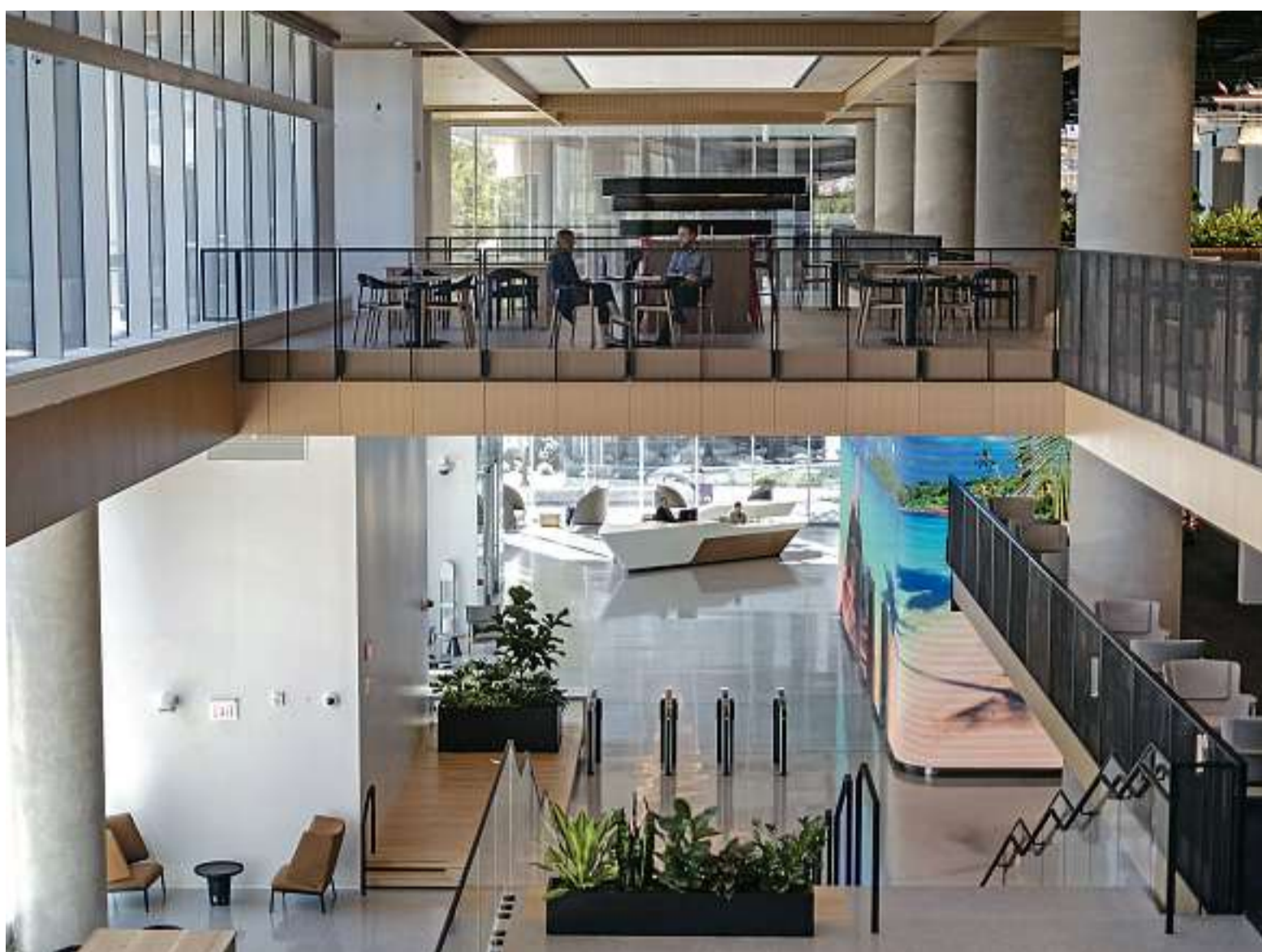
She added: "If you recruit grown-ups and then you treat them as kids, it's going to backfire."

Previous campaigns to get workers together in-person—including one last Labor Day—largely failed, executives said, as Covid-19 cases surged or workers simply ignored return-to-office decrees. The office occupancy in an average of 10 major U.S. cities hasn't surpassed 50% throughout the pandemic, according to data from security provider Kastle Systems, which tracks badge swipes.

How strongly a company can push for in-person work now depends on an employer's industry, what competitors are doing and how much leverage companies assume workers have to easily switch jobs, executives say. When Christian Ulbrich, CEO of real-estate company Jones Lang LaSalle Inc., chats with clients or executives at other companies, many ask: What's it going to take to repopulate workspaces?

"They're also concerned because, as we all know, that message was sent earlier, and it didn't really resonate" with some employees, Mr. Ulbrich said.

Apple initially chose a phased approach in which employees at its California headquarters were to come in two days a week starting in April and work their way up to



Marriott's new headquarters, above and left, features high ceilings, treadmill desks and a cafeteria with indoor and outdoor seating.

cific days for a return, though Mr. Capuano said he expects office attendance to grow over time—particularly as workers start to feel left out. Already, he has noticed a shift during daylong hybrid meetings. When the in-person group breaks for lunch and rejoins the meeting in the afternoon, laughing together as the meeting resumes, those at home seem to look on with what Mr. Capuano described as the same expression of children peering into a store window in a Norman Rockwell painting. "You can tell they miss some of that unofficial interaction," he said.

If a Marriott employee refuses to return to the new office altogether, the company would assess the situation based on the business needs and the specific role, he said. A cybersecurity professional would likely be allowed to work from home. But if someone who often interacts with executives asks to work remotely in a different time zone instead of at headquarters, that is likely to get a "no," Mr. Capuano said.

Ally Financial encouraged employees to return to its offices in recent months. Like many companies, it found that some employees stayed home anyway, said Kathie Patterson, the financial-services company's HR chief. Ally has hired close to 2,000 people during the pandemic, Ms. Patterson said, and new employees need to learn alongside company veterans.

The company sent a message to staff in recent weeks to remind em-

three days a week by the end of May. The company later pushed to September its timeline for adding the extra day.

At Prudential, where hybrid-work arrangements take effect after Labor Day at its New Jersey headquarters and other offices, the commute is likely to be the biggest hurdle to employees returning, said Vice Chair Robert Falzon. Still, the company wants people to come in, he said.

"We expect people to work their hybrid arrangement," Mr. Falzon said. "I am trying to create intentionality and reasons for people to be in the office. If we have a problem [doing that] six months from now, we'll have to cross that bridge."

Erik Kostelnik, CEO of the marketing-technology company Postal.io, called his workers back three days a week to the company's headquarters in San Luis Obispo, Calif., in mid-August. Workers who live within commuting distance, which is about half of the company's 120 employees, don't get to choose which days they go in: it's Tuesdays, Wednesday and Thursdays.

"If you don't have a standardized time of when you're in the office and when you have core working

hours, it becomes too loose," said Mr. Kostelnik.

When everyone was working remotely earlier in the pandemic, Mr. Kostelnik said he found that his "A players" were self-sufficient and thriving but his B and C players weren't benefiting from the knowledge and experience of their colleagues.

"It's not about productivity; it's not about the output or making sure you're getting what you pay for," he said. "The office is a resource."

Mr. Kostelnik said there has been

'We want a more consistent schedule,' says an HR executive.

no pushback on the attendance requirement and the office is about 80% full on the days people are supposed to be in. He doesn't have a plan to enforce the policy if employees start slipping.

Workers largely prefer flexibility both in terms of when they work and how often they go to the office, surveys have shown. And while the labor market has been tight, many companies have obliged them: Some firms that initially planned to bring people back three days a week decided to opt for two instead. Others, including cloud-communications company Twilio Inc., initially rolled out hybrid arrangements but changed course and decided to go remote-first.

Some hiring managers say they have been able to attract talent by telling prospective candidates they can work from anywhere. But the number of remote jobs has started to fall, even as demand for remote roles remains high. Around 17% of paid job postings in the U.S. on the professional-networking site LinkedIn offered remote work in July of this year, down from a high of around 20% in March. In July, paid remote jobs attracted the majority of applications, at around 54%.

While worker preferences about

flexible work may not budge, people's willingness to show up at an office may be affected by factors like concerns over proximity bias, the tendency to favor those physically close to you, and worries about job security amid an uncertain economy.

When it comes to primary motivations for going into the office, "putting in facetime" rose from 2% last quarter to 10% in the most recent quarter, according to a survey of more than 10,000 knowledge workers from Future Forum, a consortium funded by Slack Technologies LLC, Boston Consulting Group and MillerKnoll.

"That is not good," said Brian Elliott, executive leader of Future Forum, referring to making an appearance in front of superiors as a reason for going to the office.

Workers should ideally be motivated to go in to collaborate and build relationships with colleagues, Mr. Elliott said, not because they feel it's important for the boss to see them working.

The same survey also showed that 40% of employees working mostly or entirely in-person said that doing so was helping their career trajectory.

Yuen Yee See, a 29-year-old account director with an advertising agency in New York City, said she's expected to go into the office two to three days a week after Labor Day. She isn't planning to go in more than is required.

"Two to three times is a nice balance for me personally," she said. "You can still do your job equally well when you're remote."

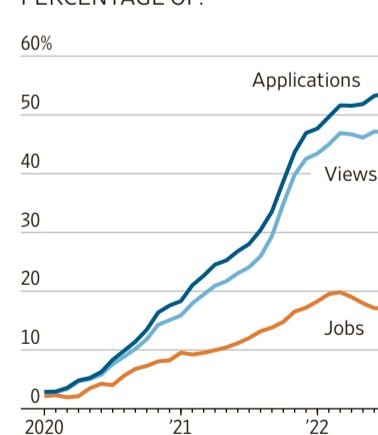
Some companies hope new spaces will boost enthusiasm for the office. Hotel giant Marriott plans to hold an opening ceremony for a new headquarters in Bethesda, Md., in mid-September. The space has high ceilings, pods of treadmill desks for group meetings and a cafeteria with indoor and outdoor seating.

"Once you get here, the prevailing view I hear is, 'I want to be here a lot,' because it's a great work environment," said Anthony Capuano, Marriott's CEO. "In some ways, walking around this building is like a family reunion."

Marriott hasn't mandated spe-

Paid job postings on LinkedIn offering remote work

PERCENTAGE OF:



Source: LinkedIn

ployees that office attendance is expected, and leaders are telling staff to reiterate that point. "There is a real strong push now, after Labor Day, for all employees to come back into the workplace," she said. "We want a more consistent schedule."

For those workers who have spent little to no time in the office, managers are reaching out to have individual conversations, Ms. Patterson said, and may give staffers a deadline to make personal arrangements to return. Further action could take place in the year ahead.

"We're prepared to have a very clear conversation that this position is in-office," she said. "If they're not in the office, it could be seen as a form of insubordination, but we have not gotten to that point yet."



Spotify hasn't required employees to return to offices, including this one in Los Angeles, but many have done so voluntarily, says the company's HR head: 'If you recruit grown-ups and then you treat them as kids, it's going to backfire.'

EXCHANGE

SCIENCE OF SUCCESS | BEN COHEN

Even Zoom Needs Its Workers In the Office (Sometimes)

The videoconferencing giant sees the workplace more like an off-site



San Jose, Calif.
Everyone with a certain type of job has plenty of experience by now talking to someone on a screen. But there was still something uncanny about a meeting I recently had with a Zoom executive.

She was on Zoom from her Texas home. I was inside the Silicon Valley headquarters of Zoom.

I had come to the offices of the company that helped cripple the office to understand how it was handling the disruptions of hybrid work vexing businesses around the world. There has never been so much uncertainty about who should work where and when. The abrupt transition to remote work was smoother than adapting to the current reality, in which some people stay home and others schlep back to the office.

"It's the million-dollar question everybody is still trying to answer," Kelly Steckelberg, Zoom's chief financial officer, told me on the weirdest Zoom of my life. "I don't know if we've exactly found the right balance yet."

But it's more than a million-dollar question to Zoom. It's actually worth many billions. Zoom's previously niche product became a household name early in the pandemic, when its videoconferencing technology simulated the experience of being together, and there are few companies with stronger financial incentives to get the future of work right.

So far it has discovered that many people do want to work from offices—even people at Zoom. They just don't want to work from offices every day in the ways they always have.

"What is the purpose of an office?" said Matthew Saxon, Zoom's chief people officer. "It'll be different for different companies, but one of the things I think this huge experiment that we've all been a part of has proven is that it's not necessarily to get work done."

The office does not exist to get work done.

That would have sounded preposterous not long ago. It still does to many people.

But what Zoom believes is that offices have become a place to be social. They are no longer for doing good work so much as making good work possible, and their primary functions are facilitating collaboration and fostering camaraderie.

The office is now like an off-site. "People really want to use the office to come together," said Alana Collins, Zoom's head of real estate and workplace.

I have to admit that visiting Zoom's offices to meet people in person felt a bit like eating in the



Pepsi cafeteria and ordering a Coke. The company's global headquarters sits on a downtown boulevard lined by palm trees in a pocket of the country with the nation's lowest office-occupancy rate. It was a supposedly busy day at Zoom, but I saw more people in a coffee shop across the street.

It turns out Zoom and its 8,000 employees are dealing with the fundamental problem of hybrid work the company's technology is trying to solve: how to be productive and creative without being in the same place.

It's peculiar how many tech companies were based almost exclusively in offices before the pandemic given how easily they have now left that world behind. Zoom gave employees permission to work from home forever earlier this year, and only 1% are regular office presences, with 75% living remotely and the rest identifying themselves as hybrid workers.

"It worked before the pandemic because we were all in the office, and it worked once we got it figured out at home because we were

all at home," Ms. Steckelberg said. "And now we're in between."

That kind of limbo is where most of us find ourselves these days.

There are many offices that have operated more or less as usual for the past two years, and most people don't have the luxury of Zooming into calls from their bedrooms.

For those who do have the option of working from home, the most common arrangement is some kind of hybrid setup, according to the Survey of Working Arrangements and Attitudes, which is

run by economists who have studied thousands of employees from the start of the pandemic. Their data suggests that knowledge workers prefer the office a few days a week—not every day, but not never.

They don't want to work from home or the office. They want to work from home and the office.

It's why companies outside tech dragging employees back to the office might stand a chance this fall, especially since people are sick of anything that reminds them of pandemic restric-

tions: There are four-letter words more acceptable in polite society these days than Zoom.

The first days of the pandemic were horrible for the world but phenomenal for Zoom, and there was a moment last year when it reached a peak market capitalization of \$159 billion, briefly making it worth more than Exxon Mobil. But like other pandemic winners, Zoom is one of the past year's biggest stock-market losers. Its market cap has dropped to \$24 billion—below where it was when Zoom's office closed in early 2020. The office was so crowded back then that employees looking for a place to work often found themselves spilling into hallways. Now their desks are bare, the parking lot where they once raced for spots is empty and most of their new colleagues have never set foot here.

And yet not even Zoom is predicting the death of the office.

"I still like the idea of having busy offices," Mr. Saxon said. "I think we have to optimize it so that it's as good as or better than we had before."

If any company were prepared to build such an office, it would be one with the latest Zoom tech. Which, as it happens, is Zoom.

One simple but powerful example of Zoom's software is the com-

pany's Smart Gallery feature. Let's say there is a meeting in a conference room with some people gathering in person and others attending by Zoom. Smart Gallery displays the faces of everyone around the table in their own individual boxes, in addition to the wide shot of the conference room, which is meant to put remote workers on more equal footing with their colleagues in the office.

Zoom's offices also have common areas with "acoustic fencing" that block ambient noise, monitors that display seating charts so you can pick a desk near your team and signs outside phone booths that turn red when occupied so you can see which ones are free without awkwardly peeking through windows.

The point of hybrid work is to accommodate employees no matter where they happen to be on a given day. But companies can't suddenly declare themselves flexible, much like people can't wake up one day and touch their toes.

Zoom used offices in Amsterdam, Denver and Sydney to study the patterns of hybrid work, and those lab spaces have already inspired one big change: Zoom ripped down the cubicles here in the San Jose headquarters to make it feel less like a traditional place of work and more like an event space.

I was curious after I left my Zoom meetings for another perspective, so I called someone nearby, Stanford University economist Nick

Bloom, whose research focused on these work issues decades before they became the battleground of corporate America.

Office work is better for group activities like meeting, training and mentoring, said Mr. Bloom, while remote work is better for individual tasks like writing, coding and deep thinking. Hybrid work can provide the best of both worlds. Those findings sounded familiar: They were similar to Zoom's.

But at most tech companies, the pendulum of hybrid work is still closer to the remote side, so I asked Zoom's chief people officer if anything could swing it back to the office.

The most provocative theory Mr. Saxon floated was the possibility that remote work would prove harmful in the long term. Will those who work from home be lonelier and healthier? What if research shows that men and women who come to the office are getting promoted faster and earning higher salaries than the ones Zooming into meetings? How can young employees learn from their colleagues and companies sustain their cultures without sharing a physical space?

He didn't have the answers yet. When it comes to hybrid work, nobody does.



Zoom CFO Kelly Steckelberg

Ordering Everyone Back, With No Regrets

By CHIP CUTTER
AND KATHERINE BINDLEY

Last summer, a Michigan company decided all employees needed to return to their desks five days a week. A year later, the executive who made that call said he has no regrets.

"Not one second did I second-guess this decision. Not for one instance," said Mat Ishbia, CEO of mortgage lender **UWM Holdings Corp.** The company employs more than 7,000 people in Pontiac, Mich., a suburb of Detroit. "Without question, it's been worth it."

The decision—made before many other companies asked workers to return—came at a cost. Roughly 500 employees quit Wholesale Mortgage over the policy, Mr. Ishbia said. Those who did typically departed for other jobs six to 12 months after the mandate. Some of those employees indicated in exit interviews they left UWM because they wanted to work more from home, he said.

United Wholesale Mortgage welcomed its employees back in July 2021 with everything from ice cream carts and goody bags to team gatherings. During the pandemic the company added two new buildings, additional massage rooms and shuffleboard courts to a sprawling campus that also includes an arcade room, sand volleyball courts and an on-site hair salon.

Every week, Mr. Ishbia said he sees reminders that in-person work is speeding up decision making and helping employees quickly resolve

problems. A technical team working on a new lending product, for example, avoided weeks of unnecessary work, Mr. Ishbia said, by sitting near a product group. The team was able to overhear a problem that needed to be addressed and make an adjustment to plans.

David Yeh, an IT product manager who returned in June 2021, said getting re-acclimated to a five-day-a-week schedule took some time. He now spends time with coworkers at a company sports center. He also finds it more efficient to work on projects in the office since he can pop over to a colleague's desk.

"It was fun working from home," he said. "It's so much easier, in my opinion, to work directly with the people on my team."

Kristin Allen, an assistant vice president of sales who oversees about 60 people, said she can hear when calls go awry in the office, or look across the room and see an account executive who appears to be struggling. "Overall, this strengthens us as a team," she said.

UWM has made some changes to address employees' desire for at-home time, such as the choice of four 10-hour days in office rather than a typical five-day-a-week schedule. About 10% of workers have now opted for such schedules, Mr. Ishbia said. Managers also remain flexible when employees need to leave the office to attend to personal matters, he said.

When employees told him last year they wanted to stay remote, the CEO said that was a fine choice—as long as they found an-



other employer. "They can work from home, they just can't work at our company from home. There's no hard feelings," he said. "It just means they weren't a great fit."

One who left was Joseph Danz,

27, who started at UWM in August 2020 in the IT department and lives in Rochester, Mich. Mr. Danz said he enjoys working with others in person, but then several people he considered mentors left the company.

He also got used to the convenience of being able to do tasks like laundry in the middle of the day when there was downtime. He resigned in April.

"I always said if they would increase flexibility it would be something I'd consider coming back to," he said. "Who doesn't want a little bit of flexibility?"

Archie Woods, 38, commuted into the office five days a week before the return policy went into effect so he could build relationships and be around company leaders. But he tired of the drive once roads got busier, and left UWM's IT department this past October.

"When I started spending like two and a half, three hours a day in the car, I started thinking about doing something else," said Mr. Woods, who lives in Ann Arbor, Mich.

Over the past year, some senior managers have informed him that teams had lost good employees over the policy, Mr. Ishbia said. He said his response was that the company would find a competent replacement.

"If you want to work from home and just kind of exist, and you have no growth opportunity—you don't want to build your career and get to this next level and just want to be average—there's nothing wrong with that," he said. "That's what a lot of people are."

When executives at competitors call Mr. Ishbia and say they are hesitant to push their own workers back to the office, Mr. Ishbia said he jokes in response: "I tell them, 'Let them stay home,'" he said. "I'm kicking their ass and having fun with it."

EXCHANGE

THE INTELLIGENT INVESTOR | JASON ZWEIG

The Surprising Superstocks of the Stagflation Era

Is now the time to invest in companies with pricing power? Maybe not.



I hope you spend Labor Day weekend relaxing at the park, the pool or the beach. I know I will spend too much of it fending off questions from friends and family about when the stock market will finally recover.

With inflation still flaming and with U.S. stocks down 4% in August and 16% so far this year, lots of people suddenly seem to be asking whether we are in for a repeat of the miserable markets of 1966-82.

I don't think so, but the best investors always consider the worst-case scenarios. And market scenarios don't get much worse than the stagflationary period that began during the Vietnam War.

On Feb. 9, 1966, the Dow Jones Industrial Average closed at 995.15. On Aug. 12, 1982—16½ years later—the closing value of the Dow bottomed at 776.92.

Worse, inflation averaged nearly 7% annually over that period. Investors in stocks and bonds alike lost ground against the relentless rise in the cost of living.

Stagflation—in which economic growth stagnates while inflation runs hot—is merciless. Researchers at Robeco Institutional Asset Management in Rotterdam recently found that from 1875 through 2021, stocks lost an average of nearly 17% annually, after inflation, during stagflationary periods.

We need to realize, though, that when we look back at the past, we don't recapture it; we reconstitute it. We turn it into something it never was: clear from the start.

The stagflation of the past, so obvious to us now, was ambiguous then.

The rate of inflation fell sharply in 1971-72 and again in 1975-76 before going bonkers in 1979. Economic growth was flat in 1970; it went negative in 1974 and 1975 and again in 1980 and 1982, but exceeded 4% in five years of the 1970s.

Like a funhouse mirror, hindsight distorts other facts.

Knowing today that the price of oil exploded over that period—crude went from under \$3 a barrel to more than \$39 between 1966 and 1980—



Many other stars of that stagflationary time tell a different story, though.

Tandy's TRS-80 desktop microcomputer was one of the first personal computers to hit the market. In a Wall Street Journal advertisement for the TRS-80 in 1978, Tandy emphasized its "affordability" at \$599; by 1980, a far more powerful version cost just \$699.

Between 1976 and 1982, Tandy's earnings roughly quadrupled—not because it had pricing power, but because its business boomed in a stagnant economy.

Meanwhile, House of Fabrics, which sold sewing machines, textiles, "notions" and other cheap tchotchkes, also had little pricing power—but raked in cash anyway as consumers, reluctant to buy new clothes at ever-climbing prices, took to mending old ones at home.

Today, just about every brokerage and asset-management firm around is flogging the idea that stocks with plenty of pricing power are the panacea for stagflation.

But the price you pay for pricing power matters—a lot.

The market has already sent such stocks to the moon. Healthcare companies Centene Corp. and United-Health Group Inc., which investment professionals admire for their ability to pass along price increases, are up more than 10% and 5% this year, outperforming the broader market by more than 20 percentage points.

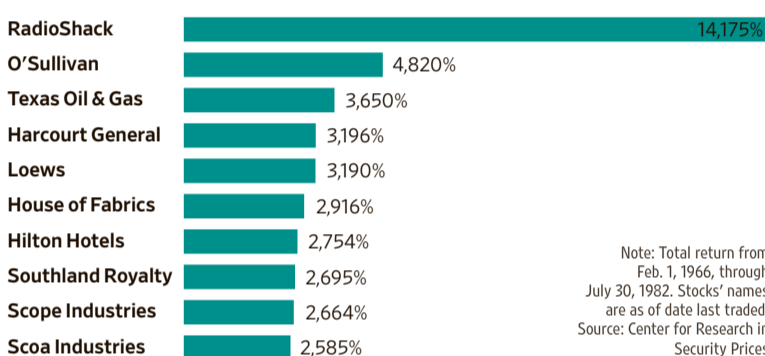
Veteran investor Shelby Davis, whose New York Venture mutual fund thrived in the 1970s largely by buying cheap insurance and other financial stocks, says that instead of chasing the latest fad, "diversification is probably the best answer right now."

He points out that insurance and bank stocks are again much cheaper than the rest of the stock market.

History never repeats itself exactly, but you're more likely to defend against stagflation by buying what's cheap than by buying what's already inflated.

Stagflation Stars

From 1966 to 1982, a period of severe stagflation, these were the U.S. stocks that earned the highest returns.



Note: Total return from Feb. 1, 1966, through July 30, 1982. Stocks' names are as of date last traded. Source: Center for Research in Security Prices

you might expect that the energy industry dominated the list of the best-performing stocks of the time. And sure, a few, such as Texas Oil & Gas Corp. and Southland Royalty Co., were among the top performers.

The single-best performing stock between early 1966 and late 1982, however, was Tandy Corp. (later known as RadioShack Corp.). According to the Center for Research in Security Prices, Tandy returned

14,175% over that period.

The second-biggest winner? O'Sullivan Corp., a plastics manufacturer that also made rubber shoe heels, returned 4,820%.

Not far behind were media and entertainment giant Harcourt General Inc., up 3,196%; theater, tobacco and insurance conglomerate Loews Corp., up 3,190%; and retailer House of Fabrics Inc., up 2,916%.

Among those biggest winners,

TAX REPORT | LAURA SAUNDERS

Get More From Your Charitable Bequests

IRAs are an efficient way to steer funds to worthy causes—and away from Uncle Sam—after death



Death is a certainty, but some taxes actually aren't when you make charitable bequests using individual retirement account assets.

"If leaving money to charity is part of your estate planning, there are no better funds to leave than traditional IRA assets. When I explain this to people, a lightbulb goes on," says Tim Steffen, director of tax planning at Robert W. Baird & Co., who has helped his own family members with such donations.

This strategy is especially relevant given the growth in traditional IRAs over the last decade, even with this year's selloffs in both bond and stock markets. Traditional IRAs held about \$11 trillion at the end of 2022's first quarter, more than double the \$5 trillion

they held at year-end 2012, according to latest data from the Investment Company Institute.

With the demise of pensions, traditional IRAs are now the largest financial account many people have, especially baby boomers—so it's worth knowing about tax strategies using them.

Some donors already do. Lesley Mitchell Jones, who retired as a partner after decades at a New York financial services firm, says she is leaving her seven-figure IRA to the Community Foundation of Broward, a charity serving the Fort Lauderdale area where she now lives.

"The foundation will get my IRA assets tax-free after I'm gone, and they'll give the money over time to causes I've designated," says Ms. Jones.

For smaller donors as well as large ones like Ms. Jones, there are two big benefits to making gifts at death using traditional IRA assets.

The first advantage is tax efficiency. Donors of traditional IRA assets at death can win an income-tax trifecta—no tax on contributions going in, no tax on annual growth, and no tax on assets at death.

Here's a simplified example. Say that Jane, a widow with children, wants to leave a total of \$20,000 at her death to several charities such as her church and college. She expects to have more than \$20,000 in each of three accounts at that time. One account holds cash, one is a traditional IRA holding stock and funds, and one is a taxable investment account holding stock she bought decades ago.



Jane wants to minimize taxes and maximize benefits for her heirs and chosen charities.

A \$20,000 charitable bequest of assets from any of the three accounts will bring a federal estate-tax deduction. But Jane's estate, like that of most Americans, will be smaller than the current estate-tax exemption of about \$12 million. So, there will be no federal estate taxes to reduce.

This means Jane should focus on minimizing her heirs' income taxes on the assets she's leaving them, and donating traditional IRA assets typically does this best. If Jane leaves the IRA assets to her heirs, they will have taxable withdrawals—and the IRA will likely have to

be emptied within 10 years, ending its tax-free growth.

Giving IRA assets funnels pretax dollars to charities, which won't owe tax on them. A cash donation would be of after-tax dollars.

Donating the IRA assets to charity is also typically better than giving stock held in a taxable account. Under a provision known as the step-up, there is no capital-gains tax on such investment assets held at death.

So if Jane purchased her \$20,000 of stock for \$5,000, the step-up could save her heirs capital-gains tax on \$15,000 when they sell the shares later. This valuable benefit would be lost if she made her donations with stock.

The second advantage of leaving traditional IRA assets to charities is flexibility. Wills are often drawn up years before someone dies, and circumstances change. As a result, the donor may want to name different charities or donation amounts.

Making these changes is often easier with traditional IRAs than a will. For example, an IRA owner could set up a dedicated IRA naming one or more charities as beneficiaries and then move assets from other IRAs into it via direct tax-free transfers. The beneficiaries and the percentage they will receive can easily be changed, and the owner also can raise or lower the total donation by transferring assets between IRAs.

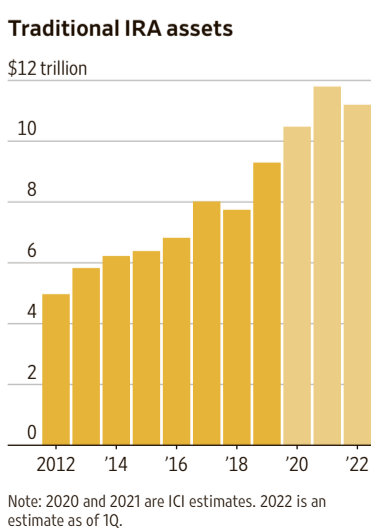
If leaving money to charity is part of your estate planning, look to your traditional IRA.

What if the IRA owner is age 72 or older and has to take annual required distributions? There's flexibility here as well, because the owner doesn't need to take a withdrawal from each IRA. If a saver has three IRAs and a total required payout of \$40,000, he could withdraw \$30,000 from one account, \$10,000 from another, and none from the third.

A useful twist on this strategy that's gaining popularity: Leave IRA donations at death to a donor-advised fund like Fidelity Charitable, Vanguard Charitable, Schwab Charitable, or at many community foundations. Before death, the IRA owner officially designates family members (or someone else) to recommend grants of the DAF funds to qualified charities in the future.

The DAF donations don't have to be made immediately, and the assets can grow tax-free until they are, notes Brandon O'Neill, a planning consultant at Fidelity Charitable.

"Often these givers want to deepen the family commitment to philanthropy, and using IRA assets is a great way to do it," he says.



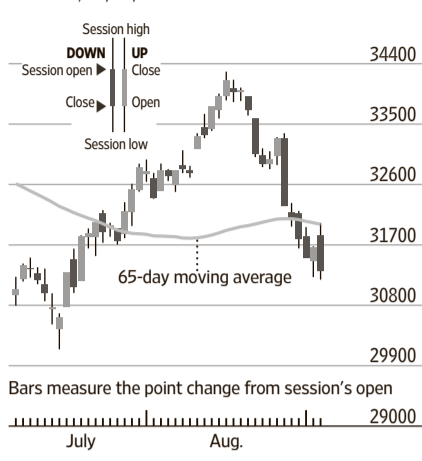
ALEX NABAUM

KIRSTEN ESSENPREIS

MARKETS DIGEST

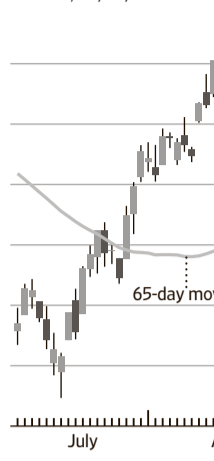
Dow Jones Industrial Average

31318.44 Last 18.44 Year ago 24.04
▼ 337.98 Trailing P/E ratio 18.44 24.04
P/E estimate* 16.73 19.24
Dividend yield 2.26 1.80



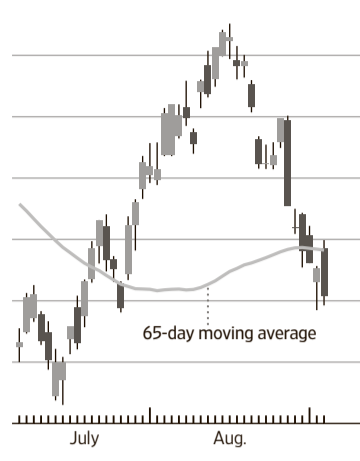
S&P 500 Index

3924.26 Last 21.53 Year ago 31.70
▼ 42.59 Trailing P/E ratio* 21.53 31.70
P/E estimate* 17.52 22.27
Dividend yield* 1.68 1.29



Nasdaq Composite Index

11630.86 Last 24.82 Year ago 36.25
▼ 154.26 Trailing P/E ratio** 24.82 36.25
or 1.31% P/E estimate** 22.31 29.15
Dividend yield** 0.90 0.66



Track the Markets: Winners and Losers

A look at how selected global stock indexes, bond ETFs, currencies and commodities performed around the world for the week.

Table listing market performance for various indices, currencies, and commodities. Includes categories like Index, Currency, Commodity, and Exchange-traded fund with percentage changes.

Major U.S. Stock-Market Indexes

Table showing performance for Dow Jones, Industrial Average, Transportation Avg, Utility Average, Total Stock Market, and Barron's 400.

Table showing performance for Nasdaq Stock Market, Nasdaq Composite, and Nasdaq-100.

Table showing performance for S&P 500 Index, MidCap 400, and SmallCap 600.

Table showing performance for Other Indexes including Russell 2000, NYSE Composite, Value Line, NYSE Arca Biotech, NYSE Arca Pharma, KBW Bank, PHLX Gold/Silver, PHLX Oil Service, PHLX Semiconductor, and Cboe Volatility.

\$ Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

Trading Diary

Volume, Advancers, Decliners

Table detailing trading volume, advancers, decliners, and block trades for NYSE and NYSE Arca.

* Primary market NYSE, NYSE American NYSE Arca only. (TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand, above 1 indicates selling pressure.

International Stock Indexes

Table showing international stock index performance by region/country, including MSCI ACWI, S&P/ASX 200, Shanghai Composite, Hang Seng, Nikkei 225, Straits Times, KOSPI, TAIEX, and SET.

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Table listing top percentage gainers among companies, including PaxMedica, Sunrise New Energy, Wheeler Real Est Inv Tr, and others.

Percentage Losers

Table listing top percentage losers among companies, including PolyPid, Shuttle Pharma, Addentax Group, and others.

Most Active Stocks

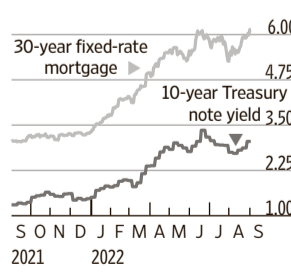
Table listing the most active stocks by volume, including ProShares UltraPro QQQ, ProSh UltraPro Shrt QQQ, and others.

* Common stocks priced at \$2 a share or more with an average volume over 65 trading days of at least 5,000 shares. † Has traded fewer than 65 days

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Selected rates

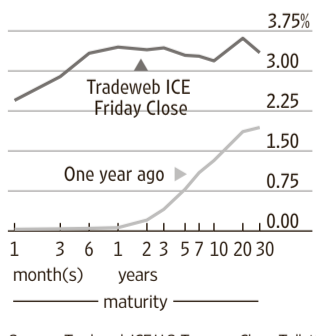
Table listing selected interest rates for 30-year mortgage, Bankrate.com avg, First Montana Bank, Inc., United Teletch Financial, Our Community Bank, Raymond James Bank, NA, and First Shore Fed Savings and Loan Assoc.

Table showing Federal-funds rate target, Prime rate, Libor, Money market, Five-year CD, 30-year mortgage, Jumbo mortgages, Five-year adj mortgage, and New-car loan.

Bankrate.com rates based on survey of over 4,800 online banks. * Base rate posted by 70% of the nation's largest banks. † Excludes closing costs. Sources: FactSet; Dow Jones Market Data; Bankrate.com

Treasury yield curve

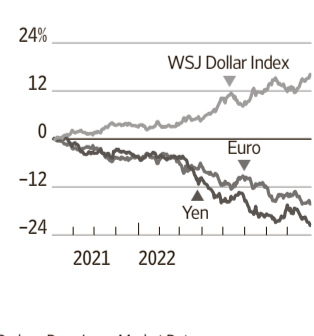
Yield to maturity of current bills, notes and bonds



Sources: Tradeweb ICE U.S. Treasury Close; Tullett Prebon; Dow Jones Market Data

Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Sources: J.P. Morgan; Bloomberg Fixed Income Indices; ICE Data Services

Corporate Borrowing Rates and Yields

Table showing corporate borrowing rates and yields for U.S. Treasury, U.S. Treasury Long, Aggregate, Fixed-Rate MBS, High Yield 100, Muni Master, and EMBI Global.

Sources: FactSet (indexes, bond ETFs, commodities), Tullett Prebon (currencies).

Methodology

Performance reflects price change (except DAX, Bovespa, and Tel Aviv 35, which reflect total returns). Commodities are represented by the continuous front-month futures contract. Bond exchange-traded fund performance may diverge from that of their underlying index. Bond categories are represented by the following ETFs: U.S. Bonds Total Market; Vanguard Total Bond Market; 1-3 Yr U.S. Treasury; iShares 1-3 Year Treasury; U.S. 7-10 Yr Treasury; iShares 7-10 Year Treasury; 20+ Yr U.S. Treasury; iShares 20+ Year Treasury; Treasury Inflation-Protected Securities (TIPS); iShares TIPS; Investment Grade Corporate Bonds; iShares iBoxx \$ Investment Grade Corporate; High Yield Corporate Bonds; iShares iBoxx \$ High Yield Corporate; Municipal Bonds; iShares National Muni; International Bonds; Vanguard Total International; Emerging Market Bonds; iShares J.P. Morgan USD Emerging Markets.



Scan this code Get real-time U.S. stock quotes and track most-active stocks, new highs/lows and mutual funds. Available free at WSJMarkets.com

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Table showing U.S.-dollar foreign-exchange rates for various countries and currencies, including Americas, Europe, Asia-Pacific, Middle East/Africa, and Vietnam.

Sources: Tullett Prebon; Dow Jones Market Data

Commodities

Table showing commodity prices and changes for DJ Commodity, Refinitiv/CC CRB Index, Crude oil, Natural gas, and Gold.

MARKET DATA

Futures Contracts

Table of Metal & Petroleum Futures contracts including Copper-High, Gold, Palladium, Platinum, Silver, Crude Oil, Light Sweet, and NY Harbor ULSD.

Table of Interest Rate Futures contracts including Ultra Treasury Bonds, Treasury Bonds, Treasury Notes, 5 Yr. Treasury Notes, 2 Yr. Treasury Notes, 30 Day Federal Funds, 10 Yr. Del. Int. Rate Swaps, Three-Month SOFR, Eurodollar, and Japanese Yen.

Table of Currency Futures contracts including Canadian Dollar, British Pound, Swiss Franc, and Eurodollar.

Table of Agriculture Futures contracts including Corn, Soybeans, Soybean Meal, Soybean Oil, Rough Rice, Wheat, and Cattle-Feeder.

Table of Exchange-Traded Portfolios (ETFs) including iShares, SPDRs, and other investment funds.

Exchange-Traded Portfolios | WSJ.com/ETFresearch

Table of Exchange-Traded Portfolios (ETFs) listing symbol, closing price, and percentage change.

Table of Exchange-Traded Portfolios (ETFs) listing symbol, closing price, and percentage change.

Borrowing Benchmarks | WSJ.com/bonds

Key annual interest rates paid to borrow or lend money in U.S. and international markets.

Table of Borrowing Benchmarks showing interest rates for various currencies and regions.

Money Rates

Key annual interest rates paid to borrow or lend money in U.S. and international markets.

Table of Money Rates showing interest rates for various currencies and regions.

International rates

Key annual interest rates paid to borrow or lend money in U.S. and international markets.

Table of International Rates showing interest rates for various currencies and regions.

New Highs and Lows

The following explanations apply to the New York Stock Exchange, NYSE, American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session.

Table of New Highs and Lows listing stock symbols, prices, and percentage changes.

Dividend Changes

Key annual interest rates paid to borrow or lend money in U.S. and international markets.

Table of Dividend Changes listing stock symbols, dividends, and percentage changes.

Table of Australian Dollar, Mexican Peso, and Euro contracts.

Table of Index Futures contracts including Mini DJ Industrial Average, Mini S&P 500, and U.S. Dollar Index.

Bonds | wsj.com/market-data/bonds/benchmarks

Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. Treasuries on benchmark two- and 10-year government bonds in selected other countries.

Table of Global Government Bonds showing yields and spreads for various countries and maturities.

Corporate Debt

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific expectations.

Investment-grade spreads that tightened the most...

Table of Corporate Debt showing investment-grade spreads for various companies.

...And spreads that widened the most

Table of Corporate Debt showing spreads that widened the most for various companies.

High-yield issues with the biggest price increases...

Table of Corporate Debt showing high-yield issues with the biggest price increases.

...And with the biggest price decreases

Table of Corporate Debt showing issues with the biggest price decreases.

Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury, 100 basis points=one percentage pt.; change in spread shown is for 2-spread.

BIGGEST 1,000 STOCKS

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq BQ (formerly Boston), Chicago Stock Exchange, Cboe, NYSE National and Nasdaq ISE.

The list comprises the 1,000 largest companies based on market capitalization. Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume. Boldfaced quotations highlight those issues whose price changed by 5% or more from their previous closing price was \$2 or higher.

Footnotes: +New 52-week high; -New 52-week low; dd-Indicates loss in the most recent year; FD-Friday day of trading; Stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 4 p.m. the previous day.

Friday, September 2, 2022

Table with 12 columns: YTD % Chg, 52-Week Hi, Lo, Stock, Yld, Sym, % PE, Last, Net Chg. Lists various companies like ABB, ADT, AECOM, etc.

Friday, September 2, 2022

Table with 12 columns: YTD % Chg, 52-Week Hi, Lo, Stock, Yld, Sym, % PE, Last, Net Chg. Lists various companies like ABB, ADT, AECOM, etc.

Friday, September 2, 2022

Table with 12 columns: YTD % Chg, 52-Week Hi, Lo, Stock, Yld, Sym, % PE, Last, Net Chg. Lists various companies like ABB, ADT, AECOM, etc.

Friday, September 2, 2022

Table with 12 columns: YTD % Chg, 52-Week Hi, Lo, Stock, Yld, Sym, % PE, Last, Net Chg. Lists various companies like ABB, ADT, AECOM, etc.

Friday, September 2, 2022

Table with 12 columns: YTD % Chg, 52-Week Hi, Lo, Stock, Yld, Sym, % PE, Last, Net Chg. Lists various companies like ABB, ADT, AECOM, etc.

Friday, September 2, 2022

Table with 12 columns: YTD % Chg, 52-Week Hi, Lo, Stock, Yld, Sym, % PE, Last, Net Chg. Lists various companies like ABB, ADT, AECOM, etc.

Friday, September 2, 2022

Table with 12 columns: YTD % Chg, 52-Week Hi, Lo, Stock, Yld, Sym, % PE, Last, Net Chg. Lists various companies like ABB, ADT, AECOM, etc.

Table with 12 columns: YTD % Chg, 52-Week Hi, Lo, Stock, Yld, Sym, % PE, Last, Net Chg. Lists various companies like FSLR, FRO, FISV, etc.

Friday, September 2, 2022

Table with 12 columns: YTD % Chg, 52-Week Hi, Lo, Stock, Yld, Sym, % PE, Last, Net Chg. Lists various companies like GFL, GME, GSK, etc.

Friday, September 2, 2022

Table with 12 columns: YTD % Chg, 52-Week Hi, Lo, Stock, Yld, Sym, % PE, Last, Net Chg. Lists various companies like GFL, GME, GSK, etc.

Friday, September 2, 2022

Table with 12 columns: YTD % Chg, 52-Week Hi, Lo, Stock, Yld, Sym, % PE, Last, Net Chg. Lists various companies like GFL, GME, GSK, etc.

Friday, September 2, 2022

Table with 12 columns: YTD % Chg, 52-Week Hi, Lo, Stock, Yld, Sym, % PE, Last, Net Chg. Lists various companies like GFL, GME, GSK, etc.

Friday, September 2, 2022

Table with 12 columns: YTD % Chg, 52-Week Hi, Lo, Stock, Yld, Sym, % PE, Last, Net Chg. Lists various companies like GFL, GME, GSK, etc.

Friday, September 2, 2022

Table with 12 columns: YTD % Chg, 52-Week Hi, Lo, Stock, Yld, Sym, % PE, Last, Net Chg. Lists various companies like GFL, GME, GSK, etc.

Friday, September 2, 2022

Table with 12 columns: YTD % Chg, 52-Week Hi, Lo, Stock, Yld, Sym, % PE, Last, Net Chg. Lists various companies like GFL, GME, GSK, etc.

Table with 12 columns: YTD % Chg, 52-Week Hi, Lo, Stock, Yld, Sym, % PE, Last, Net Chg. Lists various companies like MFC, MDO, MDR, etc.

Friday, September 2, 2022

Table with 12 columns: YTD % Chg, 52-Week Hi, Lo, Stock, Yld, Sym, % PE, Last, Net Chg. Lists various companies like MFC, MDO, MDR, etc.

Friday, September 2, 2022

Table with 12 columns: YTD % Chg, 52-Week Hi, Lo, Stock, Yld, Sym, % PE, Last, Net Chg. Lists various companies like MFC, MDO, MDR, etc.

Friday, September 2, 2022

Table with 12 columns: YTD % Chg, 52-Week Hi, Lo, Stock, Yld, Sym, % PE, Last, Net Chg. Lists various companies like MFC, MDO, MDR, etc.

Friday, September 2, 2022

Table with 12 columns: YTD % Chg, 52-Week Hi, Lo, Stock, Yld, Sym, % PE, Last, Net Chg. Lists various companies like MFC, MDO, MDR, etc.

Friday, September 2, 2022

Table with 12 columns: YTD % Chg, 52-Week Hi, Lo, Stock, Yld, Sym, % PE, Last, Net Chg. Lists various companies like MFC, MDO, MDR, etc.

Friday, September 2, 2022

Table with 12 columns: YTD % Chg, 52-Week Hi, Lo, Stock, Yld, Sym, % PE, Last, Net Chg. Lists various companies like MFC, MDO, MDR, etc.

Friday, September 2, 2022

Table with 12 columns: YTD % Chg, 52-Week Hi, Lo, Stock, Yld, Sym, % PE, Last, Net Chg. Lists various companies like MFC, MDO, MDR, etc.

Mutual Funds

Table with 12 columns: Fund, NAV, YTD % Chg, % Ret. Lists various mutual funds like Fidelity, Vanguard, etc.

Mutual Funds

Table with 12 columns: Fund, NAV, YTD % Chg, % Ret. Lists various mutual funds like Fidelity, Vanguard, etc.

BUSINESS & FINANCE

Meta Acquires Berlin Startup To Boost Virtual-Reality Goals

By Salvador Rodriguez

Facebook parent Meta Platforms Inc. has acquired Lofelt, a Berlin startup whose technology aims to replicate the illusion of touch in virtual reality, the tech giant said on Friday.

The acquisition, completed weeks ago but only made public on Friday in response to questions from The Wall Street Journal, comes as Meta is locked in a legal battle with the Federal Trade Commission over its push into virtual-reality technology.

The agency said in July that it would seek to stop Meta's purchase of Within Unlimited, a virtual-reality studio. At the time, the FTC said that Meta was already a key player at each level of the virtual-reality sector and was trying to use its financial might to dominate the industry.

"We're excited that members of the Lofelt team have joined Meta," a Meta spokesperson said.

The company previously said that the FTC's action was sending "a chilling message" to those who want to innovate in the industry.

Terms of the deal couldn't be determined. A June finan-



With haptic technology, Meta could build devices that give users a more immersive illusion of being in the metaverse.

cial filing describes Meta as Lofelt's sole shareholder. Prior to the deal, Lofelt had raised approximately 10 million euros (about \$10 million) in funding and had a team of about 25 employees.

Meta Chief Executive Officer Mark Zuckerberg has described virtual reality and the metaverse more broadly as the social-media company's future.

Lofelt specializes in haptic technology, which can replicate the experience of touch in a virtual setting through forces or vibrations in a hardware device, like a smartphone or videogame console

controller.

The company's key product was Lofelt Studio, a suite of tools that made it easy for developers to design how they wanted haptics in mobile apps and PlayStation 5 games to feel. Lofelt updated its website in June to announce that it would be sunseting its products, including Lofelt Studio, in July.

"Lofelt is now embarking on a new adventure," the website reads.

With haptic technology, Meta could build devices that give users a more immersive illusion of being in the metaverse, which is a virtual world

in which users can interact with one another.

Asked in a recent interview with podcast host Joe Rogan if Meta could use haptic feedback in virtual-reality games to make users feel experiences like those of the film "The Matrix," Mr. Zuckerberg said "I just think that so much of our experience is our body and not just our mind."

"I think that there will be opportunities to wear things to augment the experience further," Mr. Zuckerberg said. "We've already had this experiment with haptic gloves where you can, if you touch a digital object, if you drop the ball from one hand to the other, you can feel the ball in your hand physically. And that's pretty cool."

Prior to its acquisition by Meta, Lofelt had announced that it was working with Qualcomm Inc. to improve haptic technology on devices running Google's Android mobile operating system.

Meta and Qualcomm on Friday announced a partnership to create custom chipsets for "future VR headsets and other devices," Mr. Zuckerberg said in a statement.

—Sarah E. Needleman contributed to this article.

China's Pinduoduo Starts Online Market For U.S. Shoppers

By Shen Lu and Raffaele Huang

Chinese e-commerce company Pinduoduo Inc. this past week quietly launched an online marketplace in the U.S. called Temu, the latest example of overseas expansions by Chinese companies as the economy at home slows down.

Similar to Shein, the Chinese ultrafast-fashion e-commerce company, Temu boasts competitive prices. It features products in 14 categories, including apparel, accessories, pet supplies and beauty products.

The launch came without fanfare. Temu's website and social-media accounts don't mention its links to Pinduoduo. Midlevel Pinduoduo executives said Temu is operated by Pinduoduo.

According to Temu's website, its business in the U.S. is operated by Whaleco Inc., a Delaware-based company. A Singapore-based company, Elementary Innovation Pte., handles its business outside the U.S. Elementary Innovation lists Zheng Zhenwei, a founding member and senior vice president of Pinduoduo, as its director.

Pinduoduo and Temu didn't respond to requests to comment.

Pinduoduo's move follows overseas ventures by Chinese companies including ByteDance Ltd.'s short-video app TikTok and Shein, which has gained explosive popularity across the world with its extremely competitive prices and speedy supply chain.

Founded in 2015, Shanghai-based Pinduoduo has quickly emerged to become a challenger to Chinese rivals Alibaba Group Holding Ltd. and JD.com Inc. as it gains popularity among lower-income consumers in China with its discounted goods. Pinduoduo amassed 882 million annual active users as of March, according to its first-quarter earnings report, capturing 88% of the country's estimated one billion internet users.

In a call with analysts in late August, Pinduoduo Chief Executive Chen Lei said the company sees cross-border e-commerce as one of the new opportunities to explore. "We also see that many peers in the industry are achieving good results," Mr. Chen said. "So we believe that it is a direction that is worth trying out for us."

Parler Returns to Google's App Store After Changes

By Meghan Bobrowsky

Google said it has restored the conservative social-media app Parler LLC to its app store after it agreed to modify some of its content-moderation policies and enforcement.

Parler, which calls itself a "free speech Twitter alternative," has agreed to come into compliance with the Google app store content requirements that include moderation policies and enforcement to remove posts such as those that incite violence, a spokes-

person for Alphabet Inc.'s Google said Friday. Parler agreed to substantially modify its app to comply with Google's policies, the spokesperson said.

Parler's app was removed from the Google Play app store shortly after the Jan. 6, 2021, U.S. Capitol riot. Google, at the time, said it took the action due to "continued posting in the Parler app that seeks to incite ongoing violence in the U.S." At the time it was removed, a Google representative said the app would stay

suspended until it fixed the issues.

"We are pleased that Parler is back on Google Play," said Samuel Lipoff, Parler's chief technology officer. "While away from Google Play, we have worked diligently to build a more feature-rich and dynamic user experience."

The Parler app was also removed from Apple Inc.'s App Store around the same time and Amazon.com Inc.'s cloud-computing business withdrew its services, taking the platform offline briefly. It came back on-

line the following month.

Parler was reinstated on Apple's app store a few months later after the app said it had added process algorithms that automatically detect violent content or incitements to violence. Parler said its app, if downloaded from Apple's app store, would also exclude certain content that would otherwise be able to be viewed on its web-based and Android versions of the platform.

Parler says it was founded in Nashville, Tenn., in 2018

and bills itself as an unbiased, free-speech alternative to those offered by bigger social-media companies like Twitter Inc. and Meta Platforms Inc., which runs Instagram and Facebook. Parler says it has amassed more than 16 million users across apps and platforms, several of them people who had been banned by other large social networks, including far-right talk-show host and conspiracy theorist Alex Jones and supporters of the Proud Boys, the self-described "Western chauvinist" group.

Truth Social, former President Donald Trump's social media app, also previously applied to be able to list its app on Google Play. Two weeks ago, the company declined their application, notifying them of several policy violations, and asked them to make changes.

A Google spokesperson said that Truth Social wrote back saying they were working on the issues. Truth Social didn't immediately respond to a request for comment.

—Miles Kruppa contributed to this article.

ADVERTISEMENT

The Marketplace

To advertise: 800-366-3975 or WSJ.com/classifieds

AUCTIONS

ONLINE AUCTION

HISTORIC PROPERTY COMPOUND
SUMTER, SOUTH CAROLINA

INTERLUXE

OPEN HOUSE PREVIEWS:
FRIDAY, SEPT. 23RD - SUNDAY, SEPT. 25TH

ONLINE AUCTION BEGINS SEPT. 26TH

- Charming & Historic 6 BR, 6 BA, 4-Structure Estate on 1.09± Acres
- Main, Guest, Carriage, and Pool Houses • 40'x20' Saltwater Pool
- Exquisite Landscaping, Optimal Location, Flexibility of Use & More!

Previously Listed \$1,800,000 - Starting Bid Only \$500K!

(888) 415-LUXE
INTERLUXE.COM/SUMTER

In cooperation with Susie Dibble (Lic# 81458) & Penny Slade (Lic# 26710), Home Advantage Realty, Stacy Kirk - South Carolina Auctioneer #4841. Not an offer to residents of those states where registration is required. Property being offered by the seller. Interluxe is not acting in the capacity of a broker or auctioneer and provides advertising and online bidding services only. Bidding takes place online only at www.interluxe.com/terms-of-sale

BUSINESS OPPORTUNITIES

SECURED COLLATERALIZED INVESTMENT OPPORTUNITY

FOR ACCREDITED INVESTORS

9-10% ANNUAL RETURNS

9-YEAR AVG.: 9.47%
MONTHLY DIVIDENDS
FIRST LIEN MORTGAGES

InvestWithLYNK.com
(410) 258-3903

*Past performance not an indicator of future results. Visit website for details & disclosures.

ALLIANCE MORTGAGE FUND

7%-8% RETURN

REAL ESTATE SECURED FIXED INCOME FUND
SEEKING RIAs & ACCREDITED INVESTORS
CALL:
866-700-0600

ALLIANCE MORTGAGE FUND
120 Vanis Dr., Ste. 515 • Aliso Viejo, CA 92656
www.AllianceMortgageFund.com

CAREERS

M & A BUSINESS BROKERS Sell & Show Businesses

Oppty To Earn \$200K to \$500K

As Independent Contractor
Work From Home / Outside Sales
Leads Furnished • Training • Support
1985 Send Letter & Resume to:
brokers@gottesman-company.com
Visit: gottesman-company.com
US • Canada • Europe • Asia • S America

BUSINESS OPPORTUNITIES

Manufacturing Operation for Sale

Profitable manufacturing operation in Toledo, Ohio. 30 employees.
9 MM in annual sales.
Includes newer building and all equipment.
Capacity for growth.
Management will remain. Work force is intact.
Direct sale between seller and buyer. No brokers.
kolkeefe1970@gmail.com for NDA.

BUSINESS OPPORTUNITIES

Joint venture partner needed.

For development of 192 acre natural gas property with approx. 4.35 BCF proven reserves. Located in Upstate New York with good roads and infrastructure nearby. Depth of pay is 4,000'.
Asking \$2.2 million for 50% interest. High expected returns. Normal IDC tax benefit.
CALL: 607-371-0761

NOTICE OF SALE

NOTICE OF SECURED CREDITOR FORECLOSURE SALE
Hilco Wholesale Solutions, LLC will sell at public auction, women's luxury designer backpacks, handbags, wallets and belts owned by Savvr Media Inc., a Delaware corporation located at 3217 Magenta Sky Tr., Austin, Texas, 78732 to the highest qualified bidder. The auction will be held at the offices of Hilco Wholesale Solutions, LLC, 5 Revere Drive, Suite 206, Northbrook, Illinois 60062, on September 14, 2022 at 10:00 am cdt (11:00 am est). For information, please contact Sarah K. Baker, SBaker@hilcoglobal.com, (647) 504-2462.

Boss Taking Over Starbucks Reinvented Lysol Maker

By Saabira Chaudhuri and Heather Haddon

LONDON—Incoming Starbucks Corp. boss Laxman Narasimhan is returning to the U.S. after a three-year stint in Britain leading one of the world's best-known consumer-product companies, Lysol maker Reckitt Benckiser Group PLC.

When Mr. Narasimhan took over the Slough, England-based company in 2019, it was suffering from high turnover among senior executives, volatile sales growth and narrowing margins. Reckitt had also grappled with a cyberattack, failed innovations and manufacturing disruptions while once strong sales at its consumer-health arm were slowing.

During his time as Reckitt's chief executive, Mr. Narasimhan reinvented the company's once flagging sales, casting hygiene—and many of the company's brands—as a cornerstone of health, just in time for the pandemic, when consumers flocked to disinfectants such as Lysol. Reckitt's share price improved, too.

Through the pandemic, he worked to broaden sales of the company's cleaners, launching a disinfectant laundry detergent and striking branded partnerships with hotel chains and airlines for Lysol. He sold off the company's struggling infant-formula business in China



During his time as Reckitt's chief executive, Laxman Narasimhan reinvented the company's once flagging sales.

and kicked off a sale process for the rest of the company's formula business this summer.

Analysts and investors were surprised by Mr. Narasimhan's move. Reckitt, in announcing his departure hours before Starbucks named him as its new leader, said he was leaving for "personal and family reasons" and had been offered an opportunity to return to the U.S.

Investors recently have questioned the sustainability of Reckitt's strong performance, boosted by Lysol and a recent jump in sales of baby formula Enfamil amid a U.S. shortage. Reckitt's share price was up 4% compared with when Mr. Narasimhan took over, based on its closing price Wednesday, a day before investors sold off

the stock on the news of his departure. Over the same three-year period, Reckitt rival Unilever PLC's shares have fallen about 24%. Procter & Gamble Co. shares have risen by 15%.

Before his time at Reckitt, Mr. Narasimhan worked as global chief commercial officer at PepsiCo. Inc. Target Corp. CEO Brian Cornell, who worked with Mr. Narasimhan at PepsiCo and said they have known one another for about a decade, said that during their travels together, Mr. Narasimhan was able to connect with front-line workers in Latin America along with board executives.

"His ability to transition from a boardroom and a leadership team to the frontline organization is one of the things that really stands out," Mr. Cornell said in an interview.

Mr. Narasimhan grew up in Pune, India, where his father established a startup supplying machine parts to the U.S. His mother worked as a teacher.

After getting a degree in mechanical engineering from the University of Pune in India, Mr. Narasimhan moved to the U.S. in 1991 to study at the University of Pennsylvania.

He has a master's degree in German and international studies from the University of Pennsylvania and an M.B.A. in finance from the university's Wharton School.

BUSINESS OPPORTUNITIES

NOTICE OF SALE

NOTICE OF SECURED CREDITOR FORECLOSURE SALE
Hilco Wholesale Solutions, LLC will sell at public auction, women's luxury designer backpacks, handbags, wallets and belts owned by Savvr Media Inc., a Delaware corporation located at 3217 Magenta Sky Tr., Austin, Texas, 78732 to the highest qualified bidder. The auction will be held at the offices of Hilco Wholesale Solutions, LLC, 5 Revere Drive, Suite 206, Northbrook, Illinois 60062, on September 14, 2022 at 10:00 am cdt (11:00 am est). For information, please contact Sarah K. Baker, SBaker@hilcoglobal.com, (647) 504-2462.

BUSINESS OPPORTUNITIES

WORLD CRUISE

Partner Up to Buy a Boat & Cruise The World.

\$3M + \$300K/yr EST. cost for 1/2
No smokes, no alcohol & no drugs.
brianatns@msn.com

NOTICE OF SALE

NOTICE OF SECURED CREDITOR FORECLOSURE SALE
Hilco Wholesale Solutions, LLC will sell at public auction, women's luxury designer backpacks, handbags, wallets and belts owned by Savvr Media Inc., a Delaware corporation located at 3217 Magenta Sky Tr., Austin, Texas, 78732 to the highest qualified bidder. The auction will be held at the offices of Hilco Wholesale Solutions, LLC, 5 Revere Drive, Suite 206, Northbrook, Illinois 60062, on September 14, 2022 at 10:00 am cdt (11:00 am est). For information, please contact Sarah K. Baker, SBaker@hilcoglobal.com, (647) 504-2462.

BOATING

WORLD CRUISE

Partner Up to Buy a Boat & Cruise The World.

\$3M + \$300K/yr EST. cost for 1/2
No smokes, no alcohol & no drugs.
brianatns@msn.com

THE WALL STREET JOURNAL.

SHOWROOM

(800) 366-3975
sales.showroom@wsj.com

For more information visit:
wsj.com/classifieds

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

MARKETS

U.S. Stocks Give Up Gains on Fed Fears

By CAITLIN OSTROFF AND GUNJAN BANERJI

A late-summer selloff in the stock market accelerated in a volatile session Friday, with investors betting an encouraging monthly jobs report wouldn't ultimately alter the Federal Reserve's course on interest rates.

FRIDAY'S MARKETS

Major indexes initially surged after the release of the jobs report but turned lower midday, capping a third consecutive week of losses. The end-of-week moves continued a stretch of turbulence that dragged the S&P 500 down 3.3% for the week and 8.3% over the past three weeks.

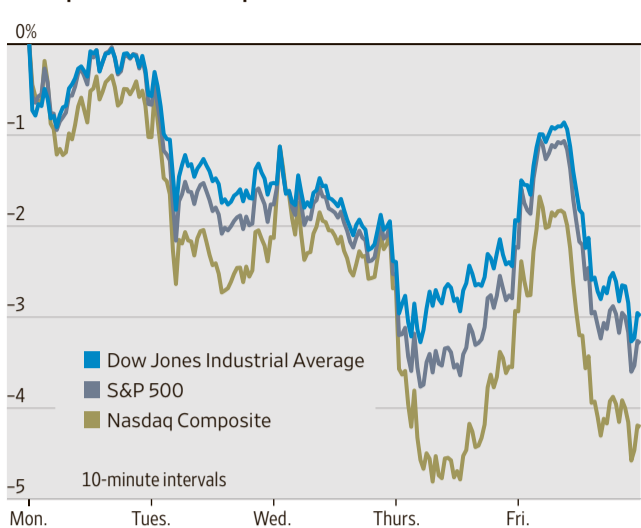
Some traders said light activity ahead of a holiday weekend in the U.S. helped exacerbate stock swings in both directions, with the S&P 500 notching one of its largest intraday

moves since April. The S&P 500 fell 42.59 points, or 1.1%, to 3924.26. The tech-focused Nasdaq lost 154.26 points, or 1.3%, to 11630.86, falling for a sixth consecutive session in its longest losing streak since August 2019. The Dow Jones Industrial Average shed 337.98 points, or 1.1%, to 31318.44. The Nasdaq tumbled 4.2% for the week, while the Dow shed 3%.

At first, the monthly jobs report appeared to hit a sweet spot for investors. The Labor Department said the U.S. economy added 315,000 jobs in August—roughly in line with what economists surveyed by The Wall Street Journal expected.

Meanwhile, wage growth came in below what investors and analysts forecast, an encouraging sign for the path of inflation. Some analysts referred to it as a "Goldilocks" report—strong enough to

Index performance this past week



Source: FactSet

soothe fears about a slowing economy, but not so strong as to stir concerns about an even more aggressive path of interest rate increases ahead.

"This is certainly not a recessionary labor report," said Mona Mahajan, senior investment

strategist at Edward Jones. The optimism proved to be short-lived. By the afternoon, major indexes had given up those gains and traded lower. Several investors said the jobs number was encouraging but didn't change their views on the Fed's path forward. The path of rate increases remains the paramount concern of investors, and many are worried the central bank's aggressive tightening may tip the economy into a recession.

Since Fed Chairman Jerome Powell's speech in Jackson Hole on Aug. 26 when he reaffirmed the central bank's commitment to curbing inflation, traders have ramped up wagers on a faster pace of interest rate increases and ditched their stock bets.

"We are fundamentally negative on the market right now just because of the Fed," said Matthew Tym, managing director

and head of equity derivatives trading at Cantor Fitzgerald.

Mr. Tym said that light trading activity ahead of the long weekend meant that positive and negative news could drive bigger moves in the market. "I think most of the seats on the street are empty today," he said.

That was likely the case after the initial jobs figure sparked a premarket rally and midday when the Kremlin-controlled energy company Gazprom PJSC said it would suspend the Nord Stream natural-gas pipeline to Germany until further notice. The move raised the pressure on Europe as governments race to avoid energy shortages this winter—and appeared to shift sentiment in the market.

The U.S.-traded Vanguard FTSE Europe ETF and the euro declined against the dollar after the announcement, while U.S. stocks also slid.

Bond Yields Fall on Higher August Unemployment

By MATT GROSSMAN

Government bonds rallied Friday after a gentle rise in the unemployment rate eased investor concerns that the Federal Reserve's efforts to cool inflation might have to shift into an even higher gear.

CREDIT MARKETS

The rally arrested an August downturn for bonds, which had worsened as traders worried about how high the Fed might raise interest rates and how long it might hold them there.

In recent weeks, tough talk from Fed Chairman Jerome Powell and other U.S. central bankers fueled fears that the Fed could hold a staunch anti-

inflation stance well into 2023, sending short-term bond yields to their highest levels in 14 years. Yields rise as bond prices fall.

On Friday morning, however, yields declined after the latest jobs report showed that last month's unemployment rate climbed to 3.7%, up from 3.5% in July. The data added to other recent evidence that the pace of rising prices is on the way down, investors and analysts said.

"The inflation rate has peaked, that is clear," said Lacy Hunt, chief economist at Hoisington Investment Management.

The yield on the two-year Treasury note, which is especially sensitive to near-term

Fed policy, declined to 3.398% after finishing Thursday at 3.52%, its high point since the run-up to the global financial crisis in 2007, according to Dow Jones Market Data. The 10-year yield slid to 3.19%, from 3.264% Thursday.

Investors have been anxious for clues about whether businesses' scramble to staff up—and the resulting wage increases—is adding to pressure for the Fed to raise interest rates to 3% this month, with more steep rises ahead through the end of 2022. The Fed's target rate range now stands at 2.25% to 2.5%.

After seeing the latest employment figures, traders reassessed their bets that the Fed will boost rates by three-quarter

of a percentage point for the third straight meeting to take them over 3% in September. By noon Friday, futures markets were reflecting three-in-five odds of a rate hike that size, down from three-in-four odds Thursday.

Even so, there is little doubt that interest rates have farther to rise into 2023, said Michael Kitchen, senior money-market portfolio manager at Cavanal Hill Investment Management. For now, Mr. Kitchen's funds heavily favor cash-like positions as he waits for the Fed's interest-rate target to move higher before locking in longer-term returns. "We're certainly not there yet in my opinion," Mr. Kitchen said.

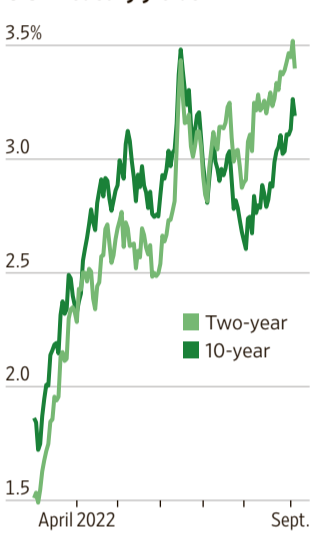
Investors' interest-rate ex-

pectations are the single biggest factor for determining how much yield they demand for owning Treasuries, considered to be basically immune from the risk of missed payments. Treasury yields, in turn, effectively set a floor on borrowing costs throughout the economy, from home mortgages to corporate lending and student loans.

Although well received by traders, Friday's jobs figures don't signal smooth sailing ahead for the economy, said Jack McIntyre, a portfolio manager at Brandywine Global Investment Management.

With inflation still far above the Fed's goal, the path forward for markets could remain rocky.

U.S. Treasury yields



Source: Tradeweb ICE Closes

Fed Stance Pushes Yen at 24-Year Low

By MATTHEW THOMAS AND MEGUMI FUJIKAWA

Markets paid close attention to a meeting of central bankers and economists in Jackson Hole, Wyo., for one reason—because Jerome Powell was speaking. The Federal Reserve chairman's hawkish comments led to a sharp selloff in stocks and a rise in Treasury yields.

But another, less-noticed speaker in Jackson Hole is equally responsible for one of the meeting's consequences, the fall of the yen this past week to a 24-year low of more than 140 yen to the dollar. Haruhiko Kuroda, governor of the Bank of Japan, stood up from the audience during a panel discussion to share a few words about his own policy direction—one diametrically opposed to the Fed's.

While the U.S. is expected to continue to raise rates aggressively, the Bank of Japan has now held short-term rates in negative territory for more than six years. Mr. Kuroda said that despite Japan having "somewhat miraculously" achieved core consumer inflation of 2.4%, it wouldn't last. He said inflation could go higher this year but he expected it to go back down to 1.5% in 2023.

"So we have no choice other than continued monetary easing until wages and prices rise in a stable and sustainable manner," Mr. Kuroda said.

The Jackson Hole comments from Mr. Powell and Mr. Kuroda make clear the sharp difference in monetary-policy direction between the central banks of the U.S. and Japan. Traders, analysts and economists said that is the major explanation for the rising value of the dollar against the yen.

On Friday afternoon in Tokyo, the yen was trading at 140.12 to the dollar, its lowest level since August 1998. That compares with ¥115 a dollar at the end of 2021, representing a fall of around 18% since the start of the year.

The difference in interest-rate expectations between the two countries is the key driver, said Bart Wakabayashi, the co-manager of State Street Bank and Trust Co.'s Tokyo branch. He said it wasn't just the direction of interest rates that was important but also a widespread belief the two central banks would hold steady until they had met their inflation targets—however long that takes.

"The BOJ and the Fed have the respect of the market, they have credibility," he said. "There were some dissenters regarding the Fed's direction, but after Jackson Hole everyone is on board now."

In theory, a weaker yen should fuel inflation in Japan, by making local goods cheaper for foreign buyers and foreign goods more expensive. But there has been little evidence of that happening, said Hiroshi Shiraiishi, a senior Japan economist at BNP Paribas.

The slow pace of wage growth in Japan is one reason. Japanese workers tend to put more focus on the stability of their jobs rather than the size of their pay packets, meaning rising energy or food prices don't quickly translate into higher salaries, said Mr. Shiraiishi.

Bank of Japan policy board members said in late August that they weren't ready to tighten monetary policy because wage growth hasn't caught up with inflation.

Mr. Kuroda says the central bank doesn't target foreign-exchange rates and it isn't rational to use rate increases as a tool to fix the yen's weakness.

Chobani Withdraws IPO After Delays

By JAEWON KANG AND DENNY JACOB

Chobani Inc. said it is withdrawing its previously delayed initial public offering, after having pushed back the listing earlier this year.

The yogurt maker said in a regulatory filing Friday that it had determined not to pursue the IPO at this time, and that no securities had been sold in connection to it. A Chobani spokeswoman said the company decided to withdraw the offering given current market conditions, and that it will continue to focus on profitable growth and execution.

The company over the past two decades has helped popularize Greek-style yogurt, which has more protein and

less sugar than traditional yogurt, coinciding with U.S. consumers' shift toward protein-centric foods and snacks.

Chobani has estimated that it has about one-fifth of the roughly \$10 billion U.S. yogurt market, and the company also produces oat milk and coffee creamer. It sells its products to Walmart Inc., Kroger Co., Albertsons Cos. and Whole Foods Market, among other retailers.

Chobani previously had planned to go forward with an IPO in the fall of 2021, and then in January of this year, The Wall Street Journal reported in March. The company initially targeted a valuation of as much as \$7 billion to \$10 billion, the Journal reported.

In March, Chobani put the

planned listing on hold as several executives departed the company, including the company's president and its heads of strategy and corporate affairs. Chobani was planning to wait until at least the second half of 2022 or until 2023 to launch its IPO, The Journal reported at the time. In March Kevin Burns, former chief executive of Juul Labs Inc., was hired by Chobani as its new president and chief operating officer.

A volatile stock market, rising interest rates and fear of an impending recession have clouded the forecast for companies looking to go public in recent months. Rising labor, commodities and freight costs this year have made it harder for food producers to turn a

profit.

Chobani was founded by Hamdi Ulukaya in 2005 when he bought a shuttered plant in New Berlin, N.Y. The company produced its first cup of yogurt in 2007. In recent years, the manufacturer has faced intensifying competition in the yogurt sector, as rival brands such as Dannon and Yoplait have launched their own new varieties, while others market yogurt made from oats and other milk alternatives.

In its earlier IPO filing, Chobani had positioned itself as a growth company, aiming to expand into more sections of the supermarket, and outside the U.S. Cash raised via an IPO would help drive that expansion, executives had said.

CVS Nears Purchase Of Signify

Continued from page B1

from prescription drugs, which drive the bulk of its sales, and to ward off competition from Amazon.com for retail dollars.

The nation's largest drugstore chain by stores and revenue, CVS acquired Aetna in 2018, arguing that melding the insurance giant's patient data with its sprawling network of nearly 10,000 brick-and-mortar sites would squeeze out costs while improving care and convenience. The strategy has paid off, buoyed by a surge in demand for profitable Covid vaccines and tests amid the height of the pandemic. CVS's market capitalization has grown to more than \$130 billion from around \$75 billion since the Aetna deal.

The company is outperforming rival Walgreens Boots Alliance Inc., which opted against major acquisitions, in the years since. Walgreens, also racing to expand into healthcare, focused largely on partnerships rather than deals. But last year it bought a controlling stake in primary-care network Village MD, giving it doctors offices that CVS had said it could without.

CVS Chief Executive Karen Lynch has since said that the company must have a foothold

in primary care if its to become a full-service medical provider. CVS had previously been interested in a deal for the parent of One Medical, people familiar with the matter have said. Amazon agreed to purchase the primary-care clinic operator for about \$3.9 billion in July.

The Federal Trade Commission is investigating the deal. iLife Healthcare Inc., the parent company of One Medical, disclosed the investigation in a securities filing. The disclosure said One Medical and Amazon each received a request for additional information about the deal from the FTC.

While Wall Street has largely focused on CVS's efforts to acquire primary-care practice, executives have also discussed their ambitions to expand its in-home health presence.

A deal for Signify would represent a bright spot in an otherwise lackluster run for deals lately. Deal volumes globally are down roughly 30% this year after a flurry of activity last year, due to a drop in companies' valuations, market volatility and other factors including Russia's war in Ukraine.

Healthcare deal making in particular has slowed more than many other sectors. Over \$200 billion of healthcare deals announced so far this year compared to over \$400 billion at this time last year, according to Dealogic.

The largest healthcare deal to date this year in the U.S. is Pfizer Inc.'s \$11.6 billion agreement to purchase the rest of Biohaven Pharmaceutical Holding Co. in May.

Regulators Appeal Illumina Ruling

By DAVE MICHAELS

WASHINGTON—Antitrust enforcers at the Federal Trade Commission have appealed an administrative-law judge's decision to dismiss a lawsuit challenging Illumina Inc.'s \$7.1 billion acquisition of cancer-test developer Grail Inc.

The move means the case will now be considered by the five-member commission, which is composed of three Democratic members and two Republicans.

Chief Administrative Law Judge D. Michael Chappell rejected the FTC's position that the deal would hurt competition in the market for multicancer early-detection tests, Illumina said Thursday.

The commissioners sit as an appellate panel and could overrule Judge Chappell or side with Illumina, which completed its acquisition of Grail in 2021, despite pending legal challenges.

San Diego-based Illumina, which makes genetic-sequencing products, declined to comment on the FTC's decision. Grail is developing blood tests for early cancer detection.

CVS's CEO has said the company needs a foothold in primary care.

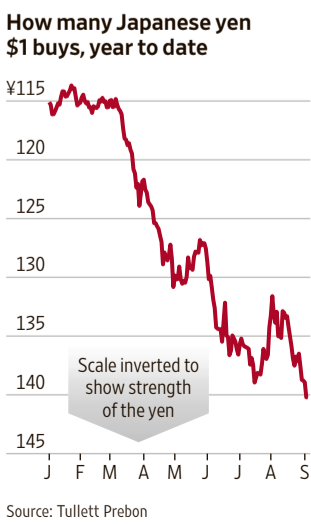
since the Aetna deal.

The company is outperforming rival Walgreens Boots Alliance Inc., which opted against major acquisitions, in the years since. Walgreens, also racing to expand into healthcare, focused largely on partnerships rather than deals. But last year it bought a controlling stake in primary-care network Village MD, giving it doctors offices that CVS had said it could without.

CVS Chief Executive Karen Lynch has since said that the company must have a foothold

Watch a Video

Scan this code for a video on the different ways nations fight inflation.



Source: Tullett Prebon