

THE WALL STREET JOURNAL.

What's News

Business & Finance

Disney's board replaced
CEO Bob Chapek with Robert Iger, the former chairman and chief executive who left the company at the end of last year. Separately, Triun has purchased a sizable stake in the company and is seeking a seat on the board. **A1**

◆ **Failed cryptocurrency**
exchange FTX said in a filing that it owes its 50 largest creditors about \$3.1 billion, with two creditors each owed more than \$200 million. **B1**

◆ **Trade and investment**
between the U.S. and Europe are booming as Russia's war in Ukraine and fraying ties between the West and China draw the trans-Atlantic allies closer. **A1**

◆ **Sinking stock prices** and a change in proxy-voting rules are emboldening many first-time shareholder activists to seek changes at some of the biggest U.S. corporations. **A1**

◆ **Small businesses** grappling with inflation, labor shortages and strained supply chains are taking steps to blunt the impact of rising interest rates on their operations. **A3**

◆ **Carvana**, a pandemic winner, is rushing to conserve cash as once-plentiful financing options dry up and the used-car dealer's business deteriorates. **B1**

◆ **Two of the largest U.S.** railroad unions will reveal Monday whether their members voted to accept a new wage deal brokered by the White House, or reject it and move closer to a strike. **B2**

World-Wide

◆ **Five people were killed** and 25 injured when a gunman opened fire inside an LGBT nightclub late Saturday in Colorado Springs, Colo., police said. **A1**

◆ **A roster of potential** candidates effectively opened the race for the Republican Party's 2024 presidential nomination over the weekend, testing campaign themes and seeking to distinguish themselves from Trump. **A4**

◆ **President Biden turned 80** on Sunday, becoming the first octogenarian to hold the office as he mulls a re-election bid and faces fresh concerns about his age among voters and some Democratic officials. **A4**

◆ **Ukrainian officials** encouraged people from recently recaptured territories to evacuate, as the country tries to ease the strain on its damaged electric grid ahead of the winter. **A7**

◆ **The U.S. government** is looking to buy an icebreaker from a private company to bolster its presence in the waters around Alaska, according to congressional aides. **A3**

◆ **A riot by Jewish pilgrims** in Hebron drew widespread condemnation, with Palestinian leaders warning that the incoming right-wing Israeli government could cause further instability in the West Bank. **A9**

◆ **Iranian security forces** put on a show of armed force and raided homes in search of opponents in the country's Kurdish region. **A9**

JOURNAL REPORT

Customer Experience: Smart ways to handle product returns. **R1-6**

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Disney Axes Chapek, Iger Returns

Surprise ouster of CEO follows stock slide and big losses in streaming business

Walt Disney Co.'s board of directors on Sunday night replaced Chief Executive Bob

By Robbie Whelan, Joe Flint and Lauren Thomas

Chapek with Robert Iger, the company's former chairman and CEO who left the company

at the end of last year, the company said.

"The board has concluded that as Disney embarks on an increasingly complex period of industry transformation, Bob Iger is uniquely situated to lead the company through this pivotal period," said Susan Arnold, chairman of Disney's board, in a statement.

"We thank Bob Chapek for his service to Disney over his long career, including navigating the company through the unprecedented challenges of the pandemic," she added.

The change comes at a tu-



Robert Iger

multuous time for Disney.

On Nov. 9, the company reported weaker-than-expected fourth-quarter financial results, killing the momentum

built up over a strong year that saw record revenue and profits in multiple divisions, especially the one that includes theme parks.

Disney's theme-park business has recovered strongly since the coronavirus pandemic shut down its venues across the world, but the division continues to subsidize widening losses in the streaming video business.

Mr. Chapek has said repeatedly that he expects the streaming business to be profitable by September 2024. In the most recent quarter,

though, it lost \$1.47 billion, more than twice the year-earlier loss.

The company also cautioned that its profitability target would only be met if there wasn't a significant economic downturn, the first time it has added such a caveat. Disney shares fell 13% the day after the earnings report and are down more than 41% so far this year.

Disney has also faced pres-

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◆ **Stoppages worsen at Disney parks' rides**..... B1



Flowers were left at a makeshift memorial Sunday near the Colorado Springs nightclub where a gunman killed five people.

Five Are Killed in Shooting At Club

Five people were killed and 25 injured when a gunman opened fire inside an LGBT nightclub late Saturday in Colorado Springs, Colo., police said.

By Ginger Adams Otis, Nicole Friedman and Dan Frosch

The suspect entered the venue, Club Q, just before midnight and immediately began shooting, Colorado Springs Chief of Police Adrian Vasquez said at a news conference on Sunday.

At least two firearms were recovered at the scene, the chief said. It isn't yet known if the weapons belonged to the suspect, who used a long rifle in the shooting, he said.

"At least two heroic people inside the club confronted and fought with the suspect and were able to stop the suspect from continuing to kill and harm

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U.S. Draws Closer to Europe As Trade Steps Up

By Tom Fairless

FRANKFURT—The global economic map is rapidly transforming, with trade and investment between the U.S. and Europe booming as Russia's war in Ukraine and fraying ties between the West and China draw the trans-Atlantic allies closer.

The U.S. has imported more goods from Europe than from China this year, a big shift from the 2010s when China emerged as the U.S.'s dominant trade partner. Money and products are flooding across the Atlantic as never before. This is helping Europe's embattled manufacturers, which are wrestling with skyrocketing energy prices. And it is pushing East Coast ports ahead of their West Coast counterparts in container volumes after years of a U.S. pivot to Asia.

Germany's exports to the U.S. surged by almost 50% year-over-year in September. The weak euro is giving European companies an extra edge in the vast U.S. market. European companies are also pouring resources into North America, including Mexico, lured in part by access to cheap energy.

The U.S., meanwhile, is turning into one of Europe's biggest energy and military suppliers, replacing Russia as a natural-gas purveyor and helping Europeans to beef up their defenses. Germany plans to buy 35 U.S. F-35 jet fighters, built by Lockheed Martin Corp. U.S. services exports to the European Union are surging, up 17% in 2021 year-over-year to €305 billion (\$314.9 billion), according to EU data.

The burgeoning trans-Atlantic trade is helping Europe's embattled manufacturers, which are wrestling with skyrocketing energy prices. And it is pushing East Coast ports ahead of their West Coast counterparts in container volumes after years of a U.S. pivot to Asia.

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Inflation Reins In Holiday Spending

Struggling with higher prices, households plan fewer gifts and donations

By Rachel Wolfe and Jon Hilsenrath

Households, retailers and charities nationwide, feeling the pinch of inflation, are bracing for a humbug holiday season.

U.S. consumers and businesses have trimmed spending plans for gifts, charitable contributions and holiday events, data show. The penny-pinching threatens to spoil the year-end for many, especially firms and nonprofits that tally their largest share of sales and donations in November and December.

"We're hopeful for a strong giving season, but we're not counting on it," said Thomas Tighe, chief executive of Direct Relief, a medical-assistance nonprofit that takes in around \$2 billion a year in donated medicine, supplies and cash to deliver help around the

Change in number of donors from a year earlier



Source: GivingTuesday

world.

Opal Holt-Philip's children—ages 5, 9 and 12—will be among those taking the brunt of rising prices. Ms.

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Companies Brace For Activist Wave After Rule Change

By Lauren Thomas

Sinking stock prices and a change in proxy-voting rules are emboldening many first-time shareholder activists to seek changes at some of the biggest names in U.S. corporations.

Companies, always wary of activist advances, are feeling particularly vulnerable as a result of new rules imposed by U.S. regulators in September requiring the use of a so-called universal proxy card in corporate-director elections, bankers and lawyers said.

In the new format, directors nominated by a company must be listed on the same ballot as those put forth by activists, enabling investors to pick and choose, rather than voting entirely with either the company or the activist.

Advisers to companies said the likelihood of at least gaining one board seat will increase significantly for smaller players. That is especially true given that they will no longer incur the substantial ex-

pense—sometimes running into six figures or more—of printing and mailing proxy cards to all shareholders, lowering the barriers to entering the activist game.

Activists seek changes at underperforming companies through deal-making and other means. Increasingly, they are also pressuring companies to up their game on environmental, social and governance, or ESG, issues.

Late fall and winter are when activists typically make contact with a company, often privately, to initiate a campaign. Proxy-voting season runs from roughly mid-April to June, when most publicly traded businesses host their annual meetings.

"This proxy season is shaping up to be the busiest on record," said Shaun Mathew, a partner at law firm Kirkland & Ellis LLP who advises companies on how to prepare for and respond to activists.

"Companies are concerned

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Chefs Turn to Fowl Play With Turkey Ice Cream, Soda, Pizza

Thanksgiving flavors inspire mashup dishes; 'they somehow make it work'

By Charles Passy

At his pizzerias in the Buffalo, N.Y., area, proprietor Nick Argy likes to get creative with his toppings by offering pies with options from fig jam to chicken fingers. Come November, he takes things to the next level. He puts the entire traditional Thanksgiving spread—turkey, gravy, mashed pota-

toes, stuffing, corn, cranberry sauce—on a pizza.

"It's just something about the holiday," says Mr. Argy, owner and chef behind Macy's Place Pizzeria. "Or maybe I'm a weird guy."

Mr. Argy might be more in the mainstream these days. Increasingly, restaurants of all kinds are getting in on the

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INSIDE



PERSONAL JOURNAL

The quiet bullying of group-chat exclusion has grown as children's lives shift online. **A11**



SPORTS

A 2-0 loss to Ecuador spoils host nation Qatar's opening night at the World Cup. **A14**

U.S. NEWS

THE OUTLOOK | By Harriet Torrey

As Savings Shrink, Spending at Risk



It is the \$1.7 trillion question for the U.S. economy: How long can the savings

consumers built up during the pandemic keep their spending going?

The answer: about nine to 12 more months.

Consumers built up unprecedented savings buffers during the Covid-19 pandemic, thanks to government stimulus and fewer opportunities to spend. The extra cash helped households pay down debt, buy goods like new appliances and furniture during lockdowns and take vacations once restrictions lifted. It gave businesses leeway to raise prices and hire more workers to meet stronger demand.

Economists estimate that headed into the third quarter of this year, households still had about \$1.2 trillion to \$1.8 trillion in “excess savings”—the amount above what they would have saved had there been no pandemic.

That buffer, combined with a strong labor market and rising wages, has helped consumers continue spending in recent months, even with inflation and mortgage rates at multidecade highs. U.S. retail sales posted their strongest gain in eight months in October.

Nonetheless, there are also signs they are working their way through that buffer, and an end is in sight.

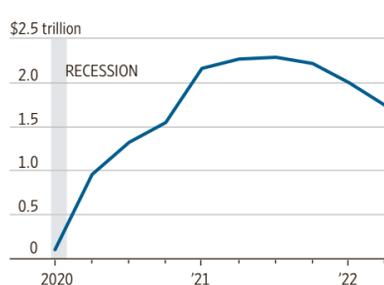
This can be seen in how much consumers are saving and borrowing monthly.

In 2019, before the pandemic hit, households saved 8.8% of their disposable income. That saving rate jumped to 16.8% in 2020, the highest annual saving rate on

Rate of personal saving as a percentage of disposable personal income*

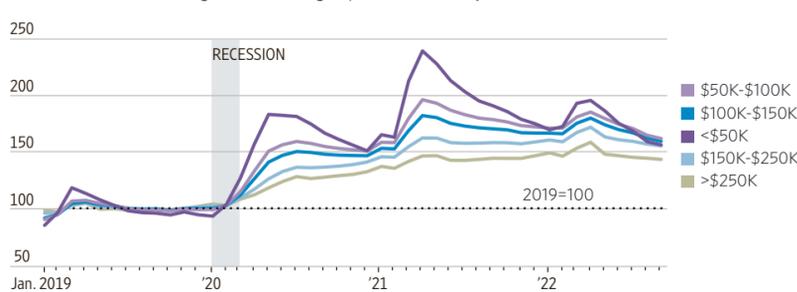


Excess Savings, quarterly



Deposits remain above prepandemic levels

Median household savings and checking deposit balances by annual income



*Seasonally adjusted annual rate

Sources: Commerce Department via St. Louis Fed (personal savings); Federal Reserve (excess savings); Bank of America Institute (deposits)

record, as government stimulus and unemployment benefits left many consumers flush with cash but with few opportunities to spend during lockdowns.

In 2021 the saving rate moderated to 11.8%, and it has fallen further during 2022. The rate has been below 4% for seven straight months and in September it stood at 3.1%, near its lowest level since the 2008 financial crisis.

Consumers had also used their hefty savings to pay down credit-card debt. There are signs that has changed too. The Federal Reserve Bank of New York said credit-card balances increased 15% year-over-year in the third quarter, the largest increase in over

two decades. The rate of delinquency, that is debt more than 30 days past due, rose across income groups.

These changes should steadily chip away at households' mountain of savings.

Reduced saving rates can be a sign of financial stress, said Ian Shepherdson, chief economist of Pantheon Macroeconomics. But he said that isn't the case in aggregate now given consumers are running down a pile of cash.

Economists' estimates for how much consumers have left vary. Mr. Shepherdson puts it at \$1.3 trillion and estimates that at the current rate of rundown, that could last another year or so. JPMorgan Chase & Co. put the

hoard at about \$1.2 trillion to \$1.8 trillion in the third quarter, and said it could be entirely spent by the second half of next year.

Goldman Sachs economists estimate households have drawn down about 25% of excess savings and will have spent about 60% by the end of 2023. “The growth boost from strong balance sheets is probably mostly behind us but...elevated wealth levels will provide a backstop to spending for households that are hit with a negative economic shock,” they wrote this past week.

Analysts say a feature of this holiday spending season will be the divide between high-income households that

still have savings and low-income households that have spent most of their rainy-day funds and are being squeezed by food, gasoline, and shelter inflation.

Economists at the Federal Reserve last month said households in the top half of the income distribution held the lion's share of excess savings in mid-2022 at \$1.35 trillion, and the lower half of the income distribution held about \$350 billion.

“It's going to be an upscale holiday season, with strong spending in luxury names, experiential travel, upper-end resorts—and a more modest holiday season in bottom [income] quintiles,” said Joseph Brusuelas, chief economist at RSM US LLP.

Recent earnings reports suggest American consumers are still spending, although retailers are concerned about how long that can last. Walmart Inc., Lowe's Cos. and Home Depot Inc. all reported higher sales in the most recent quarter.

“One of the things that's assisted that thus far is relatively strong balance sheets among consumers assisted by stimulus payments,” Walmart's finance chief, John David Rainey, told investors. But because consumers are stressed by inflation, “that's not going to last forever. So that's why we take a rather cautious view on the consumer.”

With the labor market still strong, economists don't expect consumers to dramatically rein in their outlays until they see unemployment rising and become concerned about losing their jobs. Economists surveyed by The Wall Street Journal last month expected employers will start cutting jobs in the second and third quarters of next year.

ECONOMIC CALENDAR

Wednesday

The **Federal Reserve** releases minutes from its November monetary-policy meeting, where officials approved a 0.75-percentage-point increase in its benchmark federal-funds rate while also signaling plans to keep raising rates. The minutes will provide more details on the discussions over the decision.

S&P Global releases November business-activity surveys from around the world. The data firm's U.S. **composite purchasing managers index**—which measures activity in the manufacturing and services sectors—indicated that the U.S. economy contracted at a faster pace in October compared with the prior month, led by a sharp slowdown in services activity.

The Commerce Department releases October figures on new orders of long-lasting goods. Overall orders for **durable goods** rose in September.

The Labor Department reports the number of worker filings for unemployment benefits in the week ended Nov. 19. **Initial jobless claims** recently have hovered near the 2019 average of around 218,000.

The Commerce Department releases October **new-home sales**, which account for about 10% of the housing market. Sales of newly built homes dropped sharply in September from the previous month as rising interest rates caused a slowdown in the housing market.

The University of Michigan releases its final reading of **consumer sentiment** for November. Consumer sentiment sank after improving in the last four months as high inflation and economic uncertainty weighed on consumers, the initial reading said.

Thursday

U.S. stock and bond markets are closed for Thanksgiving.

Five Dead In Colorado Shooting

Continued from Page One others,” Chief Vasquez said. “We owe them a great debt of thanks.”

Police received a phone call about the shooting at Club Q at around 11:57 p.m. local time, Lt. Pamela Castro said.

The first officers got to the club by midnight and the suspect was detained by 12:02 a.m., she said.

Police identified the suspect as 22-year-old Anderson Lee Al-

The shooting comes six years after a mass shooting at an LGBT nightclub in Florida.

drich. He was in custody in a local hospital receiving treatment for injuries sustained in the attack, authorities said.

The Federal Bureau of Investigation was assisting in the case, authorities said.

No motive has been determined and it wasn't clear how many people were in the club when the shooting began, authorities said.

The suspected gunman entered the club wearing body armor and began firing with an AR-15-style rifle, said a law-en-

forcement official who has been briefed on the shooting.

“Our community has been devastated,” said Matthew Haynes, one of Club Q's owners, at a vigil Sunday. “Club Q doesn't have employees, Club Q doesn't have customers. Club Q has family and community.”

One of the victims was 28-year-old Daniel Davis Aston, who worked at Club Q, his father, Jeff Aston, said.

“He was a beautiful, loving soul with a lot to offer the world,” Mr. Aston said. “Everybody that met him liked him.”

Club Q had hosted a “Drag Divas Drag Show” on Saturday night, according to its website. It had planned a brunch for Sunday in honor of Transgender Day of Remembrance and a special “Friendsgiving” dinner on Thursday.

Lt. Castro said the club “is a safe haven for members of our community.”

Some of the injuries might have occurred as patrons fled the scene, she said.

An individual with the same name as the suspect had a previous run-in with law enforcement. He was arrested in June 2021 following a bomb threat in the Lorson Ranch neighborhood of Colorado Springs and booked on several charges, the El Paso County Sheriff's Office said at the time.

After the bomb threat, law enforcement confiscated firearms from Mr. Aldrich, according to a second law-enforcement official.

Authorities said during Sunday's news conference that they were investigating Mr. Aldrich's history and had no immediate information to share about any



Mourners embraced on Sunday at a memorial for the victims of the shooting at Club Q in Colorado Springs, Colo.

previous arrest.

Colorado Gov. Jared Polis, a Democrat who in 2018 became the first openly gay man ever elected governor in the U.S., called the attack sickening.

“We are eternally grateful for

the brave individuals who blocked the gunman, likely saving lives in the process,” he wrote on Twitter.

President Biden said on Sunday that the U.S. needed additional gun-safety measures, in-

cluding an assault weapons ban. “We must address the public-health epidemic of gun violence in all of its forms,” Mr. Biden, a Democrat, said.

The shooting comes six years after another mass shooting at

an LGBT nightclub in Orlando, Fla., that killed 49 people.

Colorado Springs, about 70 miles south of Denver, has a population of about 480,000.

—Michael Wright contributed to this article.

CORRECTIONS & AMPLIFICATIONS

Minimum distributions from a SEP-IRA are required starting April 1 after the calendar year in which you either turn 70½, if you were born before July 1, 1949, or turn 72, if you were born after June 30, 1949. An article in the Journal's *Encore* retirement report on Thursday incorrectly said minimum distributions are required after age 72½, unless your 70th birthday is July 1, 2019, or later, in which case you do not have to take withdrawals until age 72. SEP-IRA contributions don't reduce taxable income

when the account holder is self-employed, nor can contributions for oneself be counted as a business expense. Also, earnings contributed to SEP-IRAs are subject to Social Security and Medicare taxes. The article incorrectly said that such contributions were generally 100% tax-deductible and counted as business expenses. In addition, wage earnings income needs to be reported to the IRS and Social Security and Medicare taxes withheld; but income tax might not be owed, partly as a result of the standard deduc-

tion. The article incorrectly suggested income tax would be owed on any income over \$400 a year. And, lastly, any reductions in Social Security benefits paid out are based on one's expected earnings in the same year the benefits are received. The article incorrectly said Social Security benefits can be reduced based on your income two years prior.

FTX was slammed with customer withdrawals on Nov. 6. A Page One article on Saturday about the collapse of the

crypto empire incorrectly said the withdrawals took place Nov. 7.

Chicago O'Hare International Airport was No. 14 on the Journal's airport rankings. An Exchange article about airline hubs Saturday incorrectly said it was No. 16.

A headline on a U.S. Watch item Saturday on the Federal Communications Commission's broadband map mistakenly cited broadband caps instead of gaps.

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U.S. NEWS

State Hits Roadblock On Electric Truck Plan

BY PAUL BERGER

An ambitious California plan to require trucking fleets in the state to switch from diesel to electric power faces a potential backup at charging stations.

The California Air Resources Board is proposing phasing out older big rigs operating in the busy corridors shuttling shipping containers between ports, rail yards and warehouses and require that all new vehicles be powered by clean fuels starting in 2024. From 2025, the state would bar trucks powered by internal combustion engines that have more than 800,000 miles on them from operating at ports and rail yards.

The goal is to push more than 30,000 heavily polluting trucks to clean energy by 2035. Trucking industry officials say there is a big gap between the target and the charging infrastructure that barely exists today and would take years to build.

"Nobody is saying we don't want to move to advanced technology," said Matt Schrap, chief executive of the Harbor Trucking Association, an advocacy group that represents thousands of the state's port truckers. Truckers can't meet the deadline, he said, "because there's no charging."

The conflict between infrastructure and ambitions in California highlights the challenges that states face as they try to push some of the most heavily polluting sectors of the logistics industry toward clean fuels.

California leads the nation in its bid to wean drivers off gas- and diesel-powered vehicles. CARB, the state's main regulatory body for air quality, passed rules this summer banning the sale of new gasoline-powered cars by 2035.

The latest proposed rule, which also pushes fleets of vans, long-haul trucks and buses to transition to zero-emission vehicles over varying timelines, is aimed at creating a market for dealers by forcing truckers into clean-energy rigs. The state regulatory board is expected to vote on the rule next spring.

Tony Brasil, a clean-energy trucking specialist at CARB, said the regulations solve a chicken-and-egg problem. Truckers won't buy vehicles without a charging infrastructure in place, he said, but companies won't invest in charging stations if they can't be certain of demand. Requiring that dealers and truckers make the switch should give companies confidence to invest in charging stations, Mr. Brasil said.

Truckers say they face big challenges in moving to electric trucks. The trucks tend to cost two or three times as much as diesel trucks, which

The industry cites a big gap between the target and charging infrastructure.

retail for about \$150,000. Most electric trucks today have a range of between 100 and 200 miles between charges, making longer trucking routes impractical.

Aaron Brown, senior vice president of port services for logistics and trucking operator NFI Industries, said the Camden, N.J.-based firm is introducing about 90 electric trucks in Southern California over the next year. NFI is also installing dozens of chargers across three depots that are close to ports and warehouses.

The firm has plenty of customers that rely on roughly 90-mile, round-trip routes shuttling cargo between nearby ports and warehouses. It also has customers willing to pay a premium for a zero-emissions haul.

Chris Shimoda, senior vice president of government affairs at the California Trucking Association, said it would be harder for smaller companies and independent truckers to operate electric trucks without a public charging network.



V8 Speed & Resto Shop in Illinois, owned by Kelle Oeste, below, has recently started requiring customers to make prepayments on orders exceeding \$2,000.

Higher Rates Squeeze Small Businesses

BY RUTH SIMON

Add rising interest rates to the challenges that small businesses are already grappling with, including inflation, labor shortages and strained supply chains.

Some small businesses are cutting back on borrowing, paying down debt or delaying expansion plans as interest rates rise. Others worry that rising rates will boost prices charged by suppliers and crimp customer demand.

V8 Speed & Resto Shop, which specializes in restoring and upgrading muscle cars, began asking customers to prepay for parts orders totaling \$10,000 or more two years ago as delivery times lengthened. This fall, with interest rates rising, it began requiring prepayments on orders exceeding \$2,000, to reduce financing costs incurred when it pays vendors upfront but doesn't collect money from customers until the part is installed.

"We're trying not to need the lines of credit or the credit card," said Kelle Oeste, owner of the 28-person muscle-car restoration shop based in Red Bud, Ill.

In November, the Federal Reserve raised its benchmark federal-funds rate by 0.75 per-



centage point, the fourth such increase this year, and said further rate increases were likely. For small businesses, those rate increases translate to higher costs on everything from credit cards to lines of credit to variable-rate small business loans. New financing has also gotten more costly.

David Gill, chief executive of Cold Freight Services, a provider of dry ice and refrigerated courier services in Austell, Ga., has seen the interest rate on his company's business credit card jump to 20.99% from 17.24% since April. "We

use credit cards for everything," including fuel, hotels, supplies and other expenses, said Mr. Gill, who has about 40 employees. "We are kind of hostage to the rate."

Forty-six percent of small-business owners said higher interest rates are affecting their business, according to an November survey of roughly 600 small businesses for The Wall Street Journal by Vistage Worldwide Inc., a business coaching and peer advisory firm. Another 25% of those surveyed said rising rates hadn't yet had an effect, but

anticipated they would.

For some businesses, the impact is indirect. Rising interest rates have already hurt sales at Brooklyn SolarWorks, a designer and builder of rooftop solar systems. About one-third of residential customers finance their solar systems, which typically cost \$30,000 to \$70,000.

Financing options that let buyers buy down their interest rate to 0.99% or 1.99% have largely disappeared, said T. R. Ludwig, CEO of the Brooklyn, N.Y., company, which has 73 employees.

At Reverence, a fine-dining restaurant in the Harlem neighborhood of New York, higher interest rates have pushed monthly debt service costs \$2,000 higher, bringing them to \$5,000. "For a business like mine, that \$2,000 is my paycheck," said chef Russell Jackson, who owns the three-year-old restaurant with his wife Lora.

Higher rates are also compounding the challenges of rising costs and new expenses, such as for Covid tests, and customer traffic that has been slow to rebound. "We are struggling," said Mr. Jackson, who has two employees, down from as many as eight, and is looking for additional financ-

ing. "We are fighting tooth and nail."

Christopher Kline said he has reduced hours by 25% for most employees at Eric & Christopher, a Perkassie, Pa., maker of silk-screened pillows and totes, after large retailers with too much inventory cut back on new purchases.

"Normally, I rely on those accounts to help fund research and development," said Mr. Kline.

The owner is delaying investments that could open up new markets. Borrowing to finance those expenditures has become too costly, he said, now that the rate on the company's line of credit has increased to 6.5% from 3.75% in March.

Some small businesses are delaying plans to grow. Kent Adhesive Products Co., a custom coater and converter of adhesives and flexible materials, planned to spend \$15 million to expand its manufacturing facility and purchase a new state-of-the-art machine.

"It changed the financials of how the project would look," said Elie Merheb, chief executive of the 80-person manufacturer. "We were nervous about what carrying that debt would do to our balance sheet and income statement," he said.

U.S. Eyes Icebreaker to Patrol Arctic

BY WILLIAM MAULDIN AND DOUG CAMERON

The U.S. government is looking to buy an icebreaker from a private energy services company to bolster its presence in the waters around Alaska, according to congressional aides.

The plan is for the U.S. Coast Guard to acquire the Aiviq icebreaker from Edison Chouest Offshore, the aides said. Congress is close to approving funding to buy and outfit the used ship, which is estimated at \$125 million to \$150 million, they added.

The planned purchase reflects a growing concern over delays in the U.S. government's effort to replace and augment its two aging polar icebreakers with new ones to patrol increasingly contested waters in the Arctic and break a path for supplies to Antarctica. It also comes amid Pentagon worries over the capacity of a shrinking industrial base to meet the military's needs.

The ships are regarded as critical for maintaining U.S. presence in the Arctic as it warms, opening new destinations and shipping lanes in northern waters. Russia already has more than 40 icebreakers and China is building its own new ships to explore the region.

The U.S. uses satellites, aircraft, submarines and smaller vessels to monitor the Arctic and the U.S.-Russia maritime border. Yet on frozen or icy patches of sea, Coast Guard icebreakers are the only way to approach foreign vessels, conduct search-and-rescue operations or launch pollution-control efforts.

Acquiring the 360-foot Aiviq would help fill a gap until the arrival of larger new icebreakers that are due to be built in Mississippi. The first of those new ships is set to be built at a loss-making shipyard that was sold last week to a rival.



Coast Guard icebreaker Healy, above, in Juneau, Alaska. Acquiring another icebreaker, the 360-foot Aiviq, will help meet needs until the arrival of larger new icebreakers due to be built in Mississippi.

The Aiviq may be based in Juneau, Alaska, according to people familiar with the matter. The service's existing polar icebreakers—the Healy, assigned to the Arctic, and the Polar Star, assigned to the Antarctic—are based in Seattle.

In an interview earlier this month, Vice Adm. Peter Gautier, the Coast Guard's head of operations, said the Coast Guard was evaluating the Aiviq but hadn't yet made a decision. "We haven't announced a specific icebreaker; we're awaiting the congressional funding in order to move out on the final evaluation and procurement."

The Healy visited the North Pole this year but is headed for annual refitting, leaving a winter gap in Arctic patrols. The Polar Star left Seattle in recent days, bound for seasonal deployment in Antarctica.

Edison Chouest, Aiviq's owner, had previously offered to sell the specialized ship—known as an icebreaking, anchor-handling tug-supply ves-

sel—to the Coast Guard, but the U.S. government declined to purchase it.

The family that controls Edison Chouest also owns a stake in Lockport, La.-based Bollinger Shipyards LLC, which earlier this month completed the \$15 million takeover of Halter Marine Inc. and an adjacent repair yard.

The deal gives Bollinger access to a \$1.83 billion contract to build three new icebreakers for the U.S. The Coast Guard would like to have as many as six new icebreakers.

The Pentagon awarded Halter Marine a deal in 2019 to build the first "polar security cutter," a larger class of ship than the existing U.S. vessels, which are more than 40 years old. A second contract followed last year, but the Coast Guard said Halter Marine had yet to start assembling the first ship—to be named the Polar Sentinel. Delivery has already been pushed back from the initial target of 2024, and the first ship is expected to cost more than \$1 billion.

Halter, which used a German icebreaker design, said pandemic-driven travel restrictions have left the program behind schedule. After racking up more than a quarter billion dollars in losses over the past five years, Halter was sold to Bollinger, which unsuccessfully competed for the icebreaker contract.

Bollinger Chief Executive Ben Bordelon said the deal would give the company a facility with deep-water access and no height restrictions from bridges, allowing it to build larger vessels. It is also retaining the 900 Halter employees as shipbuilders.

The Navy relies on just two large builders of ships and submarines—General Dynamics Corp. and Huntington Ingalls Industries Inc.—compared with eight in 1990, according to a Defense Department report on the industrial base published in February.

"The real concern is lack of competition," Bill LaPlante, the Pentagon's current acquisition chief, said earlier this month.

New Yorkers Shovel Out After Huge Snowstorm

BY GINGER ADAMS OTIS

Residents of western and northern New York began digging out Sunday from snowfall that was among the most intense on record, even as bad weather continued in other parts of the state.

Many cities and towns east of Lake Erie and Lake Ontario were buried in as much as 5 feet and, in some places, 6 feet of snow by two powerful lake-effect storms.

By Sunday, the skies were fairly clear over Buffalo and Watertown, but for residents of Jefferson and Oswego counties and surrounding areas, the snow and wind continued.

"In that region, they may pick up 2 to 3 feet today," said National Weather Service meteorologist Jon Hitchcock, who is based in Buffalo.

Lake-effect snow occurs when cold air, often from Canada, moves across the warmer waters of the Great Lakes. As the cold air warms, it rises and forms into narrow bands that can generate rapid snowfall.

While most storm bands drop 1 to 3 inches of snow per hour, the rate across New York at the peak of the bad weather reached 6 inches per hour, New York Gov. Kathy Hochul said.

"Without a doubt, this is one for the record books," she said at a press briefing.

Snow began falling late Thursday. By Sunday, the Buffalo suburb of Orchard Park, home of the NFL's Buffalo Bills, recorded at least 77 inches. Around Watertown, near Lake Ontario, observers recorded around 72 inches of snow.

The state record for the most snowfall in a 24-hour period was set in 1966, when 50 inches fell on Camden.

U.S. NEWS

Trump GOP Rivals Edge Into Spotlight

By ALEX LEARY

LAS VEGAS—A roster of potential candidates effectively opened the race for the Republican Party's 2024 presidential nomination over the weekend, testing campaign themes and seeking to distinguish themselves from former President Donald Trump.

The Republican Jewish Coalition gathering here concluded a weighty week for the GOP, after underwhelming midterm election results secured a narrow House majority but also triggered friction over Mr. Trump's role. The former president, denying culpability, said Tuesday that he would seek the nomination.

Mr. Trump addressed the crowd of 850 Saturday afternoon via satellite from Florida and received a standing ovation. But the event at the Venetian resort served as the first major platform for others seeking to capitalize on a growing appetite for someone else. They included former Vice President Mike Pence, former Secretary of State Mike Pompeo, former New Jersey Gov. Chris Christie, New Hampshire Gov. Chris Sununu and former South Carolina Gov. Nikki Haley. Some huddled privately with donors. No one generated more ex-

Former President Let Back on Twitter

Elon Musk reinstated Donald Trump's account on Twitter after polling users on the platform, broadening the former president's potential reach days after he declared another run for the White House.

The move also underscored how Mr. Musk has made himself the principal decider on all

things Twitter after buying the platform for \$44 billion late last month. Mr. Musk had previously said he would establish a content council to weigh in on account reinstatements.

The Twitter poll that Mr. Musk launched Friday recorded 51.8% of votes in favor of reinstating Mr. Trump's account and 48.2% against. "The people have spoken," Mr. Musk tweeted Saturday evening. "Trump will be reinstated."

Representatives for Mr.

Trump, who has about 36 million followers on Twitter, didn't respond to a request for comment. Mr. Trump has said he would remain on his own social-media platform.

Kanye West also returned to Twitter. The company had locked his account after Mr. West posted a message that the company said violated its policies. It also then removed an anti-Semitic tweet from Mr. West's account.

—Alison Sider

But speakers also made unmistakable attempts to draw contrasts. Some suggested the party must move on from a phase marked by controversy, weak candidates and a string of electoral losses. That echoed sentiment expressed in recent days by other elected Republicans, party activists and donors.

"We have to have this family argument and we need to have it now," said Mr. Christie.

Mr. Pence headlined the event Friday night and signed copies of his new memoir, which details his rebuffing of Mr. Trump's efforts to pressure him to block the congressional certification of President Biden's 2020 victory.

Mr. Pompeo stirred attention ahead of his Friday night speech by tweeting in apparent reference to Mr. Trump: "We were told we'd get tired of winning. But I'm tired of losing. And so are most Republicans."

While Mr. Trump has a strong grass-roots fundraising operation, some major donors have said they would no longer support him. Miriam Adelson, the wife of the late casino magnate Sheldon Adelson, who contributed millions in support of the former president, will stay neutral in the primary, an aide said.



President Biden

Age Issue Dogs Biden As He Turns 80

By TARINI PARTI AND NATALIE ANDREWS

President Biden turned 80 on Sunday, becoming the first octogenarian to hold the office, as he mulls a re-election bid and faces fresh concerns about his age among voters and some Democratic officials.

Mr. Biden, who celebrated Sunday with a family brunch, was the oldest president to assume office and, if re-elected, would be nearly a decade older than the oldest second-term president, Ronald Reagan, who was 73 years old at his 1985 swearing-in. Mr. Biden's recent verbal misuses have added to concerns from some in his party about his age, and polls show many voters also have doubts.

He said during his 2020 presidential campaign that he viewed himself as a bridge to the next generation of Democratic Party leaders. Some lawmakers and party officials say that Mr. Biden should step

Republicans are expected to focus on Mr. Biden's age if he runs in 2024.

aside for that new group. "I think he's done a wonderful job of being the bridge that he promised to be," said Rep. Dean Phillips (D., Minn.). "The issue is that it is just time for a new generation of leaders to participate."

The president and his allies say they view the Democrats' stronger-than-expected performance in the midterm elections as a sign that voters support Mr. Biden's agenda and a reflection of his ability to stitch together a successful coalition of backers for the party. Mr. Biden said recently that it remains his intention to run again. He is expected to make a decision by early next year.

"Tom Brady won a Super Bowl when he was like 43," said Larry Drake, chairman of the Rockingham County Democrats in New Hampshire. "I think we have to reassess our views of aging and all that."

Andrew Bates, a White House spokesman, said Mr. Biden has had a successful legislative record in his first two years in office, and he pointed to the midterms outcome and a multicontinent foreign trip the president took over the past week as additional signs he is doing his job well.

Mr. Biden's remarks after the midterms and during the trip, however, also highlighted his misstatements. He referred to Cambodia, the first stop on his Asia trip, as Colombia, and he mixed up the Ukrainian city of Kherson with the Iraqi city of Fallujah.

Republicans are expected to make his age an issue if he runs in 2024. Some 86% of Americans said they believe the cutoff for serving as president should be age 75 or younger, a recent Reuters/Ipsos poll found.

Former President Donald Trump, 76, recently announced that he would run again for president in 2024. Mr. Biden sees himself as the best candidate to take on Mr. Trump because he beat him in 2020.

Liano Sharon, a Democratic National Committee delegate from Michigan, said he thinks the president has "lost a step." "You can see the differences between how he used to be and how he is now," said Mr. Sharon.

—Catherine Lucey and Ken Thomas contributed to this article.

Republicans Make Inroads With Some Groups

By AARON ZITNER AND ANTHONY DEBARROS

In making modest gains in House seats this year, Republicans drew more support from minority and college-educated voters than in other recent elections, chipping away at important pillars of the Democratic coalition in ways that could better position the party for the next election.

Republicans narrowed the Democratic advantage among Latino voters, Black voters and white women with college degrees—important components of the Democratic voter pool—according to AP VoteCast, a large survey of midterm participants. GOP House candidates won a majority of white women in the nation's suburbs, a swing group that helped power the Democratic Party to its House majority in 2018 and backed President Biden in 2020.

"The numbers indicate that our party has been more successful than we previously knew in getting voters of color moving to the GOP," said Neil Newhouse, a veteran pollster who led polling for several GOP

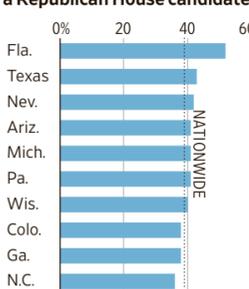
presidential nominees. "Ever since I got involved in politics more than 40 years ago, that's been a long-term goal of the party."

The voter shifts helped Republicans win a majority of House votes nationally, preliminary results show, but weren't strong enough to bring the party substantial gains in House seats. Republicans have so far lost a net of one seat in the Senate, with the final tally to be decided in Georgia's runoff election next month. Still, the gain among these groups "tells me that Republicans are potentially well-positioned to win a national election, if we can replicate this," Mr. Newhouse said.

Ruy Teixeira, a demographer at the American Enterprise Institute, a conservative think tank, said the shift among Latino voters was particularly noteworthy and extends a move toward the GOP that was a feature of the last two presidential elections. "They lost quite a bit among Latinos, and the swing was significant," he said.

Many caveats apply in drawing lessons from a midterm election. Far fewer voters par-

Percentage of Latino or Hispanic voters who chose a Republican House candidate



Note: Selected states. Source: AP VoteCast conducted by NORC at the University of Chicago for the Associated Press, Fox News and The Wall Street Journal

ticipate than in a presidential contest. The voter shifts detected by AP VoteCast varied widely by state and by whether an election had the potential to restrict legalized abortion. Voters' choices this year might have been driven more by their views of former President Donald Trump and of candidates who copied his style of politics, than by their views of the two parties.

The AP VoteCast survey, which included more than 94,000 midterm voters nationwide, found a number of significant shifts in voter preferences.

Latino voters favored Democratic House candidates by 17 percentage points—giving 56% support to Democrats and 39% to Republicans—a far slimmer lead than the 28-point edge that helped President Biden win in 2020 or the 34-point Democratic advantage in the last midterm elections, in 2018.

Black voters gave 14% of their support to GOP House candidates, up from 8% in the elections of two and four years ago.

White women with college degrees, who had backed Democrats by 19 points in the last midterms and by 21 points in the 2020 presidential election, tipped toward Democrats by a far narrower 6 points this year.

Republicans won an outright majority of white women in the suburbs, carrying the group by 6 percentage points. Suburban white women had backed Mr. Biden by 5 points, and Democratic House candidates in 2018



Republican Sen. Lisa Murkowski, left, who voted to convict former President Donald Trump, and GOP challenger Kelly Tshibaka, backed by Mr. Trump, are in a close race.



Votes in Alaska Senate, House Races Still Being Talled

By LINDSAY WISE

Alaska's Senate and House races are inching toward resolution, with the two high-pro-

file contests pulling up the rear of the midterm elections because of slow counting and the state's ranked-choice voting system.

In the House race, Democratic Rep. Mary Peltola was running well ahead of her Republican rivals, former Gov. Sarah Palin and Nick Begich III, but shy of the majority needed to win in the first round. In the Senate race, incumbent GOP Sen. Lisa Murkowski was neck and neck with her Trump-endorsed Republican challenger Kelly Tshibaka, jumping into a slight lead in the latest round of votes.

Alaska is a sprawling state with few rural roads where residents have until Election

Day to postmark their absentee ballots, delaying the tabulation of votes. In 2020, former President Donald Trump won Alaska by 10 points, but the race wasn't called until about a week after Election Day.

Following the latest update from the Alaska Division of Elections on Friday, Ms. Peltola now leads with 48.7% of the vote, according to the Associated Press. Among Republicans, Ms. Palin, backed by Mr. Trump, has 25.8%, while Mr. Begich has 23.4%.

In the Senate race, Ms. Murkowski had 43.3% to Ms. Tshibaka's 42.7%. Democrat Pat Chesbro had 10.3%. Almost all of the votes have been counted in both races.

Nationally, Republicans will control the House next year, while Democrats will control the Senate. The Alaska result won't affect the party makeup of the Senate, as a Republican—either Ms. Murkowski or Ms. Tshibaka—is sure to win the seat. On the House side, a win by Ms. Peltola will narrow the GOP advantage.

Under Alaska's new ranked-choice voting system, voters can rank all candidates in order of preference on their ballots. If no candidate gets a majority of the first-choice votes, the fourth-place finisher is eliminated, and his or her supporters' second choices are redistributed to the other candidates. The process is repeated

until a candidate gets more than 50% of the vote.

The ranked-choice tabulation is scheduled for Nov. 23.

Ms. Peltola, a Yup'ik Eskimo and former state legislator, became the first woman to represent Alaska in the House and the first native Alaskan in Congress when she defeated Ms. Palin the first time they met in a special election in August.

Ms. Murkowski is one of seven Senate Republicans who voted to convict former President Donald Trump on a count of inciting an insurrection related to the Capitol riot, and she is the only one facing reelection this year. Mr. Trump vowed to oust her from the Senate.

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U.S. NEWS

Divided Congress to Take On Farm Bill

By KRISTINA PETERSON

WASHINGTON—House Republicans had a tough time passing the last farm bill, when they had a sizable majority in 2018. It's about to get much harder.

The bill, always a big lift for any Congress, is typically reauthorized every five years. The current version expires at the end of September next year, setting up a looming legislative headache for GOP Leader Kevin McCarthy of California, who will have a slim majority if he is elected speaker in January.

The cornerstone of U.S. food and agriculture policy,

the farm bill funds a safety net for farmers through crop insurance and support for those growing key commodities, as well as nutrition programs run by the Agriculture Department, primarily food stamps.

Spending on current farm-bill programs is projected to cost almost \$1.3 trillion over 10 years, with about 84% of that going to support the food-stamp program, according to the nonpartisan Congressional Research Service. Congress also approved roughly \$20 billion for farm-bill conservation programs this summer, outside of the normal farm-bill cycle.

While spending on food stamps is always a bone of con-

tention between the two parties, that debate is expected to intensify next year as part of a broader battle over whether the safety net expanded during the Covid-19 pandemic should be reined in.

Republicans have often split over the farm bill, which since the 1970s has yoked support for farmers, including crop insurance, to funding for food stamps. While that pairing has enabled the bill to draw bipartisan support from lawmakers in both rural and urban areas, it has also sparked rebellions from some conservative Republicans, who want to split off food stamps and enact stricter curbs around their use.

The cost of the food-stamp program has risen since the 2018 farm bill, when it made up 76% of the cost, because of aid Congress authorized during the pandemic and changes the USDA made to how the benefits are calculated.

Republicans largely say it is time to return to prepandemic levels of assistance and that keeping too much government aid can discourage people from looking for work. Democrats say the safety net's expansion has helped reduce hunger and that helping people afford food doesn't dissuade them from working.

GOP leaders will face a challenge, regardless of

whether they try to pass a farm bill reflecting GOP policy goals on their own, or a compromise bill with Democratic support. Ultimately, to pass a farm bill the House will need to agree on legislation with the Democratic-led Senate, where 60 votes are needed to pass most legislation.

"Absolutely you're going to see a GOP-led farm bill pushing for more accountability within the SNAP program," said Rep. Kat Cammack (R., Fla.). "There needs to be an understanding that this is not a lifestyle."

"The Republican frame of why people aren't working is wrong," said Rep. Ro Khanna

(D., Calif.). "Depriving them of nutritious food is not going to propel them into the workplace."

Some conservatives have objected in years past to its price-support program for the U.S. sugar industry, and some are pushing to winnow spending on support programs for farmers growing major commodities. The latest budget proposal from the Republican Study Committee, a conservative group that includes much of the House GOP, calls for paring back spending on crop insurance, commodity-support programs and conservation programs, and eliminating dairy subsidies.

U.S. WATCH

NEW YORK

Two Arrested After Anti-Semitic Threats

Two men carrying a hunting knife and an illegal gun were arrested in Manhattan early Saturday in connection with making an alleged threat against the Jewish community, New York Police Department officials said.

A Glock 17 firearm and a 30-round magazine were recovered, officials said.

Metropolitan Transportation Authority police officers made the arrests after being alerted about the men by members of the Federal Bureau of Investigation and NYPD's Joint Terrorism Task Force, according to officials.

One of the men is suspected of making remarks on social media that prompted a member of the Jewish community to alert federal investigators, according to a person familiar with the matter. He was charged with making a terroristic threat, aggravated harassment and criminal possession of a weapon, the NYPD officials said. The other person arrested was charged with criminal possession of a weapon, according to the officials.

"As a joint investigation now continues to establish a strong prosecution, police department commanders are strategically deploying assets at sensitive locations throughout New York City," NYPD Commissioner Keechant Sewell said.

—James Fanelli

NEW YORK

Retired Albany Bishop Asks to Be Defrocked

The retired Catholic bishop of Albany has taken the extraordinary step of asking Pope Francis to remove him from the priesthood, saying he is unable to minister as a clergyman because of sex-abuse allegations, which he denies.

Bishop Howard Hubbard, 84, said Friday that he had "asked the Vatican for relief from my obligations as a priest and permission to return to the lay state." The Vatican didn't respond to a request for comment Saturday.

Laicization, or the process of removal from the clergy, is extremely rare in the case of bishops, and even more so at a bishop's own request.

Bishop Hubbard said in his statement that he had hoped to continue serving as a priest in retirement but was prohibited by church policy from functioning publicly as a priest because of the allegations.

—Francis X. Rocca

WASHINGTON

Biden Granddaughter Weds at White House

President Biden's granddaughter Naomi Biden married Peter Neal at the White House Saturday in the 19th documented wedding at 1600 Pennsylvania Ave.

The president and first lady hosted the wedding festivities, which included an 11 a.m. ceremony on the South Lawn, attended by about 250 guests, a lunch for family and the wedding party and an evening reception. Ms. Biden Neal, 28 years old, an attorney, is the eldest daughter of the president's son Hunter Biden.

The couple becomes part of a tradition that dates to 1812, when Dolley Madison's sister wed at the White House.

President Richard Nixon's daughter Tricia Nixon Cox had her wedding in the Rose Garden in 1971. President Lyndon Johnson's daughter Lynda Johnson Robb was married in the East Room in 1967.

—Catherine Lucey

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U.S. NEWS

Disney Hires Back Iger as CEO

Continued from Page One

sure from multiple activist hedge-fund investors this year.

Trian Fund Management LP bought more than \$800 million worth of Disney stock in the days following the company's lackluster earnings report, according to people familiar with the matter.

The stake isn't as large as Trian would like it to be and will likely grow, subject to market conditions, they said.

The influential activist fund, which was founded by Nelson Peltz, Ed Garden and Peter May, is seeking a seat on Disney's board as it pushes the entertainment giant to make operational improvements and cut costs, according to the people. Trian has studied the business for a long time, they added.

The fund's view is that Mr. Iger shouldn't be back in con-

trol of the company, the people said.

Trian officials argue that Disney in recent years has erred in its mergers-and-acquisitions strategy, the people said. For example, Trian believes that Disney vastly overpaid when it spent \$71.3 billion to bring under its umbrella the major entertainment assets of 21st Century Fox Inc., they said. (Fox's corporate sibling, News Corp, owns The Wall Street Journal.)

Trian is known for encouraging changes at the companies it targets, such as the breakup or sale of underperforming divisions or moves to improve efficiency and better use capital. Mr. Peltz has previously served on the board of other consumer-goods companies including Mondelez International Inc., Kraft Heinz Co. and, more recently, Unilever PLC, the maker of Dove soap and Hellmann's mayonnaise.

Trian's interest comes after activist investor Dan Loeb's Third Point LLC said in August that it had taken a stake in Disney stock after having liquidated its position earlier this year. Mr. Loeb sent a letter to Mr. Chapek asking for major



Bob Chapek's tumultuous time as Disney chief was marked by the coronavirus pandemic that shut its parks around the world.

changes to the business. He called for Disney to spin off ESPN, refresh its board and cut spending, though a month later he backed off on the demand to change control of the sports channel.

In response to Mr. Loeb's suggestions, the company appointed Carolyn Everson, a veteran digital advertising executive, to its board, and agreed to a standstill with Third Point.

In an email to employees Sunday night, Mr. Iger said he

was returning to the company.

"It is with an incredible sense of gratitude and humility—and, I must admit, a bit of amazement—that I write to you this evening with the news that I am returning to the Walt Disney Company as Chief Executive Officer," he wrote in the email viewed by The Wall Street Journal.

Several top Disney executives first learned the news that Mr. Iger was returning after they read the Sunday email, some of them while to-

gether attending an Elton John concert at Dodger Stadium in Los Angeles that was streamed live on Disney's flagship streaming service Disney+, according to people familiar with the matter.

Some of those who were expected to attend the concert included Dana Walden, head of general entertainment content, Craig Erwich, head of content for the Hulu streaming service, Ayo Davis, head of Disney Branded Television and newly appointed Disney+ president Alisa Bowen, the people said.

Mr. Chapek was also expected to attend the event, and the company had planned for him to introduce Mr. John from the stage before the concert according to two people with knowledge of the plans, but it's not clear if Mr. Chapek attended, they said. Other Disney employees said they were baffled by Mr. Iger's Sunday email, and immediately began asking if the message to employees was real, or if it came from a hacked email account.

Negotiations between Mr. Iger and the board to return as CEO were initiated only in recent days, according to a person familiar with the talks.

Mr. Iger, 71 years old, has said publicly on at least two occasions over the last year that he is not interested in returning to Disney. In recent months he has focused on investing in and advising startups, particularly in the technology industry.

Adding to the surprise, Mr. Chapek, 62, who has served as CEO since February 2020, over the summer saw his contract renewed through the end of 2024.

At the time, Ms. Arnold, the board chair, said that while the company was "dealt a tough hand by the pandemic," Mr. Chapek "not only weathered the storm but emerged in a position of strength."

The renewal was closely watched after Disney's high-profile dust-up earlier this year with Florida Gov. Ron DeSantis, a Republican. Disney, which employs more than 70,000 people in the state, stepped into the debate over a controversial education bill in Florida that limits classroom instruction on gender identity and sexual orientation for children through the third grade and says material for older children must be "age appropriate."

Companies Brace for Activism

Continued from Page One

it will draw in first-time activists who think they can take advantage of the new system to threaten proxy contests to create leverage to advance their agendas," he said.

Even before the proxy change, a surge in newcomer activists had been building, with many taking their cue from then-little-known hedge fund Engine No. 1 LLC, which prevailed in a proxy battle against Exxon Mobil Corp. in 2021. The first-time activist won three board seats after arguing the oil giant was a climate laggard, while owning just a tiny fraction of its stock.

Since then, a raft of other rookie activists have launched campaigns at companies including Hasbro Inc. and Wall Street Journal parent News Corp. (In some cases, these first-timers have been started by people who used to work at big-name shops like Elliott Management Corp.)

Strive Asset Management, founded earlier this year, sent letters in September to the boards of Apple Inc. and Walt Disney Co., urging them not to let a focus on ESG get in the way of corporate decision-making. Strive also publicly called on Chevron Inc. to pump more fossil fuels over the next decade and slow spending on its energy-transition plan.

Through September this year, about 25% of activist campaigns launched globally at companies with market capitalizations over \$500 million have been spearheaded by first timers, up from 17% in all of 2021, according to data compiled by

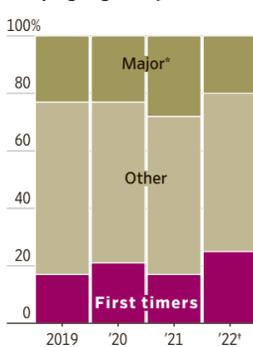
Lazard's Capital Markets Advisory group. Overall, there were 171 campaigns launched as of Sept. 30, up 39% from the same period in 2021, as activists seek out cheaper entry points to place their bets.

That could in turn provide a fillip to a depressed merger market. After a record year in 2021, about \$1.4 trillion of deals have been struck in the U.S. through mid-November, down 41% from the comparable period, according to Dealogic.

Campaigns pushing for mergers and acquisitions had accounted for 38% of all activist activity through September, according to Lazard, with the number of "sell the company" demands exceeding totals in both 2021 and 2020.

"When M&A is a little bit slower, activism continues to be fairly busy," said Alfredo Porretti, head of shareholder engagement and M&A capital markets in North America for JPMorgan Chase & Co.

Percentage of types of activists launching campaigns globally



*Companies with market capitalizations greater than \$500 million †As of Sept. 30 Source: Lazard Capital Markets Advisory team

If there isn't an immediate and logical buyer for a company—as rising interest rates have made financing deals more difficult, in particular for buyout firms—activists might instead push for spinoffs or

breakups, according to Bill Anderson, a senior managing director at Evercore Inc. and head of the firm's global activism-defense business.

The Journal reported earlier this month that Carl Icahn has a sizable stake in Crown Holdings Inc. and believes the beverage-can maker should, among other things, shed non-core units.

The Journal also reported in September that Jana Partners LLC has a nearly 10% stake in Freshpet Inc. and believes the pet-food company could be an attractive target for larger competitors.

Technology is "by far" where Mr. Anderson said he expects the most activism in 2023, with many companies in the sector seen as potential deal targets after the Nasdaq Composite Index has fallen about 29% this year.

Peter Michelsen, head of activism and shareholder advisory at Qatalyst Partners,

echoed that view.

"Particularly in technology, there has been a very dramatic shift from investors primarily focusing on growth to investors focusing on profitable growth, which has opened up a lot of potential vectors for activists pushing on operational improvements," he said.

Investment firm Altimeter Capital said in an open letter to Mark Zuckerberg last month that Facebook parent Meta Platforms Inc. should slash staff and pare its metaverse ambitions. Then activist hedge fund TCI Fund Management called on Google parent Alphabet Inc. to aggressively cut costs and reduce losses in long-term bets such as its self-driving-car business, Waymo.

Activists always run the risk of catching the proverbial falling knife, Kirkland's Mr. Mathew said. "But I still don't see that outweighing the exuberance in the activist community right now," he said.



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WORLD NEWS

Ukraine Urges Exits Amid Energy Woes

Emergency teams in recaptured areas work to fix infrastructure damaged by Russia

By IAN LOVETT

ODESSA, Ukraine—Ukrainian officials encouraged people from recently recaptured territories to evacuate, as the country tries to ease the strain on its damaged electric grid ahead of the winter.

Deputy Prime Minister Iryna Vereshchuk said on Saturday that evacuations from recently reclaimed territory in the southern Kherson region would be voluntary, and that the state would pay the cost of transportation.

“Everyone can go to safer regions if they wish, and the state will ensure their delivery, accommodation, medical care and so on,” Ms. Vereshchuk said.

The calls to evacuate come as the situation around Ukraine’s electricity generation becomes increasingly dire.

Over the past six weeks, Moscow has hammered Ukraine’s grid with more than 1,000 missile strikes and drone attacks, Ukrainian energy officials said. Almost half the country’s power-producing capacity has been disabled.

Last week, President Volodymyr Zelensky said 10 million people in Ukraine were without power. The city of Kherson



Ukrainian soldiers on Saturday searched destroyed parts of Kherson International Airport following the departure of Russian troops.

abroad or to western regions where it’s easy for us to provide electricity,” Maxim Timchenko, chief executive of DTEK, one of Ukraine’s largest energy companies, told the British Broadcasting Corp. “If you consume less, then hospitals with injured soldiers will have guaranteed power supply.”

More than a week after the Russians pulled out of Kherson, the city has now become a target for artillery attacks. Moscow still controls territory across the Dnipro River. The sound of artillery echoed through the city Friday night.

“Kherson was just liberated, there’s still no water and electricity. Russia had added shelling to that,” Anton Gerashchenko, an adviser to Mr. Zelensky, wrote on Twitter on Saturday. “People have already been through so much.”

Ukraine has received new air-defense systems from the West in recent weeks, which officials hope will minimize the damage from future Russian strikes. On Saturday, the new British prime minister, Rishi Sunak, visited Mr. Zelensky in Kyiv and pledged an additional \$59 million in military support for Ukraine.

Soldiers who pulled out of Kherson are now being redeployed to shore up defenses in the southern Zaporizhzhia region and to bolster the offensive in the eastern Donetsk region, where Russian forces have been pushing for months to take the city of Bakhmut.

and much of the surrounding region reclaimed by Ukrainian forces this month remain without electricity or water, as do many other front-line areas. Scheduled power outages leave residents of Kyiv, the capital, without electricity for 12 hours a day. Government-communications campaigns on television and smart-phone applications tell people how to

prepare for blackouts and conserve electricity.

In many areas, heating is tied to the electric system, making prolonged power outages potentially deadly over the country’s freezing winter. Kyiv had its first snow of the season last week. Local governments are setting up heating centers, with power generators and water, for residents

who lose utility services.

Ukrainian Energy Ministry officials said emergency teams were working 24 hours a day across the country to repair damaged infrastructure, but had run out of some spare parts. Partner nations, particularly former Soviet states with similar electricity components, are expediting deliveries, including used transform-

ers, which would help rebuild capacity, the officials said.

Some energy officials have urged residents who can afford it to leave the country, so they can save energy for essential services.

“Unfortunately, after each attack, we have [a] less and less reliable and stable energy system. So I would advise people who can afford it to move

Retaking of Kherson Shifts Dynamics Across Front

By DANIEL MICHAELS

Ukraine’s retaking of Kherson is rippling across battlefronts far afield, as Moscow redeploys troops to regain the initiative and Kyiv seeks to expand its recent advantage over invading Russian forces.

Russia’s retreat from Kherson, the only regional capital it gained in almost nine months of fighting, was an embarrassing setback, but Moscow appears to have safely withdrawn many of its best troops, enabling them to shift elsewhere, military analysts say.

Ukrainian troops, energized by recapturing the southern city with less bloodshed than many had predicted, have remained on the move by shelling Russian forces who left the city, while fending off a Russian offensive to the far northeast around the city of Bakhmut.

Ukrainian President Volodymyr Zelensky on Saturday said he had discussed fighting in that region with his top officials. “We are doing everything to help our heroes withstand Russian attacks,” he said on Telegram.

Even if Kyiv’s forces don’t

quickly gain more ground near Kherson, their recent advance there enables them to target Russian supply lines running to the Crimean Peninsula, which Moscow seized from Ukraine in 2014. Russian military bases and civilians in Crimea rely on supplies and fresh water from the Ukrainian mainland running through territory now controlled by either Moscow or Kyiv.

Ukraine in October degraded Moscow’s ability to supply the peninsula when its forces damaged the Kerch Bridge. Moscow built the bridge in 2016 to connect Crimea directly to Russia. Now, most supplies must be delivered slowly by ship or via a single rail line snaking through southeast Ukraine, in Russian-controlled territory that could be in range of Kyiv’s artillery and drones.

The developments offer Ukraine a variety of options, allow it to press on several fronts and give it chances to capitalize on opportunities, military strategists say. Russian troops, in contrast, show signs of being disorganized and demoralized, based on social-media postings and other



Ukrainian soldiers in the northern Kherson region in October



open-source intelligence. “I think the Ukrainians should keep the pressure on the Russians to the extent they can” despite winter’s approach, said U.S. Army Gen. Mark Milley, chairman of the Joint Chiefs of Staff, on Wednesday. “It’s clear the Russian will to fight does not match the Ukrainian will to fight.”

Ukrainian troops retook Kherson this month after besieging it for more than two months largely thanks to precision artillery, such as the M142 HIMARS, supplied by the U.S. and other Western allies. Advancing through Kherson to the west bank of the Dnipro River, the troops can now extend by miles to the east and south their targeting of Russian positions and supply lines.

Ukraine is shelling retreating Russian troops across the Dnipro and recently landed some special-forces troops across the wide river.

“If the Ukrainians cross the

Bakhmut have achieved small gains, observers say. Gen. Milley said Ukraine is fighting “a very, very successful mobile defense” in the area.

Britain’s Ministry of Defense on Friday said Russian forces near the border of Crimea and in Donbas were digging trenches, some roughly 40 miles behind front lines, “suggesting that Russian planners are making preparations in case of further major Ukrainian breakthroughs.”

The situation in Donbas might shift as Russia moves more of its recently mobilized troops to the area or brings in soldiers from Kherson. During Ukraine’s two-month siege of the city, Russia appears to have withdrawn as many as 20,000 of its top troops there for redeployment and replaced them with recent conscripts, who were the last to retreat across the Dnipro.

“One of the lessons of this war is it’s not about numbers, it’s about how you fight, and the Ukrainians have been better at that,” said Ed Arnold, a research fellow for European security at the Royal United Services Institute, a think tank in London.

Europe, U.S. Boost Trade Ties

Continued from Page One
lantic relationship is part of a reorganization of the global economy along East-West lines. Russia’s cutoff of European energy supplies and fears of overreliance on China have changed how companies trade. On both sides of the Atlantic, governments have encouraged firms to produce critical products locally instead of in Asia. Some German companies have started exporting to the U.S. out of plants in Germany instead of China, partly to avoid tariffs, trade groups said.

At the same time, small and midsize German companies, in particular, have been diversifying investments away from China, where they face increasing domestic competition, rising labor costs and onerous Covid-19 regulations, according to a recent study by Rhodium Group, a consulting firm.

“We like the U.S. even more in the current geopolitical context,” said Itham Kadri, chief executive of Solvay SA, a Belgium-based chemical company with about €11 billion of annual sales. It recently unveiled a \$850 million investment to build battery-making facilities in the southern U.S., including in Georgia, aiming to benefit

from booming electric-car sales. “There are lockdowns in China as we speak. Europe is facing a major energy crisis and inflation, where we need to live with less gas than we could imagine,” Ms. Kadri said. “Then you look around and you say, the U.S. has it all, right?” Key U.S. attributes include cheap oil and gas, skilled workers and government support to build clean-energy infrastructure, she said.

The U.S. received foreign direct investment of \$74 billion in the three months through June, by far the highest of any country, and compared with \$46 billion for China, according to an October report by the Organization for Economic Cooperation and Development.

The U.S. economy still has considerable momentum despite the Federal Reserve’s aggressive actions this year to cool demand, and it is on course to import goods and services of \$4 trillion this year, around one-third more than in 2019, according to data from the Bureau of Economic Analysis.

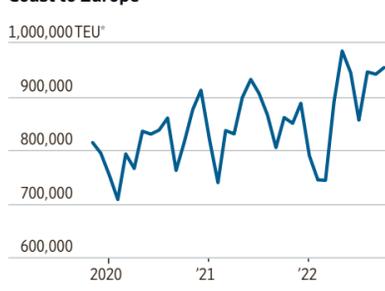
Germany’s mechanical-engineering sector, which employs about one million people, increased exports to the U.S. by almost 20% year-over-year in the nine months through September, to €18 billion. The sector’s sales to China declined by 3% during the period to €14 billion, according to the German Mechanical Engineering Industry Association, a trade group.

As trans-Atlantic trade booms, container volumes at East Coast ports like New York

U.S. investment flows with Europe dwarf those with China and are growing rapidly.



Monthly container volumes, U.S. East Coast to Europe

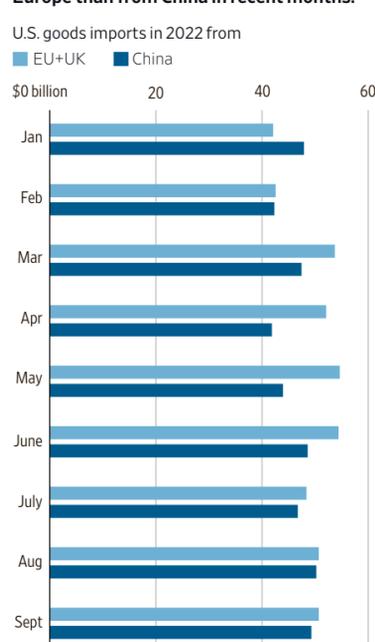


*TEU = Twenty-foot-equivalent unit
Sources: U.S. Department of Commerce (Investment); U.S. Census Bureau (goods); Project44 (container volumes)

have surged ahead of West Coast counterparts like Los Angeles in recent months, said Josh Itham of Project44, a supply-chain analysis firm. The Port of New York and New Jersey said it was the nation’s busiest container port in September for the second month in a row, handling 35% more cargo than in September 2019. U.S. tourists are also pouring

into Europe, taking advantage of a strong dollar. Europe received almost three times as many international visitors in the first seven months of 2022 as in the year-earlier span, boosted by travel from the U.S., the World Tourism Organization said in September. French luxury-goods group Kering said in October that its sales in Western Europe had soared 74%

The U.S. has imported more goods from Europe than from China in recent months.



Russia’s invasion of Ukraine, European governments are boosting their military capabilities and cyber defense, seeking to build more semiconductor plants at home and pushing for local production in industries such as artificial intelligence.

European foreign direct investment in the U.S. increased by 13.5% to about \$3.2 trillion last year from a year earlier, according to data published by the U.S. Commerce Department in July. U.S. FDI in Europe increased by about 10% last year to about \$4 trillion. Those sums dwarf investment flows between the U.S. and China.

The rapprochement isn’t without friction. Inflation, recession fears and efforts to reduce the West’s economic reliance on China have resulted in some protectionist policies on both sides of the Atlantic.

The U.S.’s new tax-incentive program for electric vehicles—designed to cut reliance on Chinese battery components while addressing climate change—has set off strong protests from the EU and other U.S. allies who have said the policy discriminates against their manufacturers.

European firms are rushing to take advantage of the new U.S. subsidies. Italian energy giant Enel SpA said on Thursday it would build a solar-cell factory in the U.S., a project that could cost upward of a billion dollars, according to estimates by The Wall Street Journal.

—Yuka Hayashi in Washington, D.C., contributed to this article.

WORLD NEWS

COP27 Ends With a Fund

Climate agreement would pay developing nations for damages, but falls short on goals

By **MATTHEW DALTON** AND **STACY MEICHTRY**

SHARM EL SHEIKH, Egypt—Poorer countries secured a deal at United Nations climate talks to create a fund for climate-related damage as part of a broader agreement that failed to yield faster cuts in emissions wealthy nations sought to avert more-severe global warming.

The accord at the COP27 summit in this Egyptian seaside resort hands a victory to poorer nations that have demanded that money since the first U.N. climate treaty was signed three decades ago.

Other provisions of the broader agreement, reached early Sunday, left negotiators from wealthy countries disappointed in their efforts to secure faster cuts of greenhouse-gas emissions. Wealthy countries managed to preserve an agreement reached in Glasgow last year on emissions cuts after big developing countries tried to water it down, but they didn't secure new commitments.

Sunday's agreement also urges wealthy governments to overhaul multilateral development banks so those institutions can increase their funding to the developing world for renewable-energy projects and infrastructure to adapt to the effects of climate change.

That addresses long-running criticism from developing countries that say climate funds from institutions such as the World Bank are too hard to access and come with interest rates that are too high.

The agreement's most consequential provision would earmark money for what is known as loss and damage: when rising seas, more-powerful storms and other effects that most scientists link to climate change cause destruction that is sudden or potentially irreparable.



Sunday's agreement urges increased funding for renewable energy and adapting to climate change.

Negotiators representing developed and developing countries agreed to set up a fund in the final hours of the summit, defying expectations that they would not take that step amid resistance from the U.S. and other wealthy nations. The fund would be targeted toward poorer countries deemed most vulnerable, a key demand from wealthy nations that didn't want money flowing to China and other higher-income countries that are deemed developing economies under the U.N. climate treaty.

The creation of a new fund was a rallying cry for a coalition of developing nations—stretching from small island states such as Barbados to low-lying and densely populated Bangladesh. These countries are thought to be most at risk from climate change but have emitted a small percentage of the greenhouse gases that scientists say have caused the earth to warm since the dawn of the industrial era.

The scale of monsoon rains and floods in Pakistan this year, with costs assessed at

\$30 billion, gave momentum to their campaign. Pakistani officials blamed climate change, and some scientists say it likely was a contributing factor.

“This COP has taken an important step towards justice,” said António Guterres, secretary-general of the U.N. “Clearly this will not be enough, but it is a much-needed political signal to rebuild broken trust.”

The decision leaves open the possibility that China, oil-rich Persian Gulf states and other higher-income countries in the developing world could contribute to the fund or provide money for other efforts to pay for loss and damage. The agreement creates a committee charged in the next year with “identifying and expanding sources of funding” and sorting out other details. Officials expect those decisions will be the subject of fierce debate in the coming months.

“What we wanted to get out of this COP was a political decision to have a fund funded

by developed countries,” said Vicente Paolo Yu, a negotiator for the Philippines.

Delegates from China, Saudi Arabia and elsewhere in the developing world say they have no obligation to contribute money. The U.N. climate treaty of 1992 designates them as countries that should receive funds from wealthy countries to respond to climate change. The U.S., Europe and other wealthy nations say that divide no longer makes sense given China's rapid economic growth over the past three decades and the vast wealth accumulated by Persian Gulf oil states.

Wealthy countries have long resisted creating a fund, fearing that agreeing to make payments would leave their governments and companies at risk of lawsuits.

Watch a Video



Scan this code to watch a video on the climate-fund agreement.

WORLD WATCH

BRAZIL

Development Bank Elects New Leader

The Inter-American Development Bank elected Brazil's Ilan Goldfajn as president of Latin America's largest development bank, the first Brazilian to hold the role in the institution's 63-year history.

The election of Mr. Goldfajn, a widely respected former central banker, comes at a time when the region depends ever more on the institution as it emerges from the Covid-19 pandemic.

The IDB, which arranges long-term funding to promote social and economic development in Latin America and the Caribbean, notched a record of nearly \$23.4 billion in loans and other types of financing for the region last year, an increase of some 30% from 2018.

—Samantha Pearson

MALAYSIA

No Party Seen Taking Majority in Election

Malaysia is heading for a hung parliament with none of the three main coalitions of political parties on course to secure the majority needed to form a new government, bringing more uncertainty after national elections on Saturday that were meant to put an end to years of political instability.

A coalition led by veteran politician Anwar Ibrahim was in the lead with results announced for most of the parliamentary races, but it won't be able to clinch a

majority in the 222-seat lower house. Multiple opposing political camps will now have to negotiate and work together toward building a new governing coalition.

The polls are the first since a historic vote in 2018 when the party that had ruled the Southeast Asian country since its independence in 1957 was defeated following a multibillion-dollar corruption scandal.

Saturday's vote was called ahead of schedule after two leadership changes in as many years. But it showed a divided electorate.

—Feliz Solomon

GERMANY

Catholic Bishops Defy Vatican Over Debates

Germany's Catholic bishops vowed to continue their national debate about changes to church teachings on controversial topics, including homosexuality and the ordination of women, defying a Vatican call to halt their talks.

The bishops met Friday with several of the Vatican's highest officials, who expressed their “worries and reservations” about a process that could throw into question “nonnegotiable” elements of church teaching, according to a joint statement issued by the Vatican and the German Bishops' Conference.

The discussions intensified tensions between Vatican officials and the German bishops over the country's synod, a series of meetings of bishops and lay Catholic leaders that started in 2020 and is scheduled to conclude next March.

—Francis X. Rocca



Msgr. Georg Baetzing, head of the German Bishops' Conference

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WORLD NEWS

Riot by Jewish Pilgrims In Hebron Spurs Outcry

By DOV LIEBER
AND FATIMA ABDULKARIM

TEL AVIV—A riot by Jewish pilgrims in the West Bank city of Hebron over the weekend drew widespread condemnation, with Palestinian leaders warning that the incoming right-wing Israeli government could cause further instability in the West Bank.

On Sunday, U.S. Ambassador to Israel Tom Nides called the riot abhorrent and urged rapid de-escalation of the situation. Departing Israeli Prime Minister Yair Lapid called the events, in which one Israeli soldier was injured, a “national disgrace.” Israeli Defense Minister Benny Gantz condemned the attacks on Palestinians and Israeli forces and said those responsible would be held accountable. Incoming Prime Minister Benjamin Netanyahu issued no statement about the violence in Hebron, and his spokesman didn’t respond to requests for comment.

Israeli officials estimated 30,000 Jewish pilgrims visited

Hebron for a special celebration over the Jewish Sabbath, during which a section from the Torah was read that describes how the patriarch Abraham bought a plot of land to bury his wife, Sarah. The Tomb of the Patriarchs in Hebron, a holy site for Jews, is believed to be that plot of land referenced in the Bible. The Ibrahim Mosque, a holy site for Muslims, also stands on that same plot of land.

“They used to come visit in dozens, but yesterday they were in hundreds and maybe thousands,” said Yousef Abu Eiseh, head of the merchants union in Hebron’s Bab Al-Zawiya Square. “What we saw was lots of hate, not people coming for prayers.”

A group of Jewish pilgrims marched through a Palestinian section of Hebron to visit the tomb of a biblical figure. During that march, a group of Jewish pilgrims attacked Palestinians, the Israeli military said, followed by subsequent clashes between Jews and Palestinians. Jewish rioters damaged Palestinian homes, vehicles and

businesses, throwing stones and bottles at pedestrians, according to Palestinian witnesses and Israeli human-rights groups. Some Palestinians responded by throwing rocks and vegetables, according to witnesses and videos on social media. One Israeli rioter attacked a female soldier, the Israeli military said.

“The confrontation, in which both the Israeli civilians and Palestinians hurled rocks at one another was instigated after a previous riot that took place by Israeli civilians, in which they hurled rocks in the area,” the Israeli military said.

Hebron is the West Bank’s most-populous Palestinian city as well as home to a small enclave of religious Jews. Noam Arnon, a spokesman for Hebron’s Jewish Community, said on Sunday in an interview with Army Radio that “We were shocked by this story.”

“We don’t know who they are and what motivates them,” he said, calling them hooligans.

Orit Strook, an Israeli lawmaker from the Religious Zi-



Israeli security forces were deployed during the riot in the West Bank city of Hebron on Saturday.

onism party and a resident of Hebron, condemned the rioting in an interview on Sunday with Army Radio, and said security officials told her that 150 to 200 Jewish individuals were involved in the violence.

The attack by Jews comes after Mr. Netanyahu and his bloc of right-wing, ultranationalist and religious parties won elections this month and are currently negotiating a coalition agreement.

“This right-wing government will be responsible for the deterioration of the situa-

tion and instability,” said Nabil Abu Rudeineh, spokesman for Palestinian Authority President Mahmoud Abbas.

Mr. Netanyahu’s would-be coalition partners advocate for expanding Jewish settlements and annexing portions of the West Bank. Bezalel Smotrich, head of the Religious Zionism party, has said he won’t join Mr. Netanyahu’s coalition if he isn’t appointed minister of defense. A ticket that included the Religious Zionism party won 14 seats in the election, making it the third-largest party in the

Israeli Parliament, or Knesset. Co-leader of the alliance, Itamar Ben-Gvir, called the rioter who attacked the Israeli soldier a drunk on Twitter on Sunday. He didn’t comment on the violence against Palestinians.

United Nations Peace Envoy to the Middle East Tor Wennesland warned that violence by Israeli settlers could further destabilize the area.

The United Nations has reported a steady rise in Israeli settler attacks on Palestinians and their property in the West Bank in recent years.

Iran’s Security Forces Crack Down on Kurdish Protests

By BENOIT FAUCON

Iranian security forces swept through the country’s Kurdish region with helicopters and armored vehicles, firing live ammunition and raiding homes in search of opponents, a show of force that demonstrates how the government’s response to a two-month-old protest movement is taking a more violent turn.

Protesters in Mahabad and surrounding areas filled city streets on Saturday, authorities and witnesses said. After rumors swirled on social media that authorities were gearing up to attack, balaclava-clad protesters wearing makeshift helmets set bins on fire, according to footage posted by Tavaana, a U.S.-based Iranian civic organization, and other social-media accounts. Protesters then barricaded a key artery in Mahabad with cinder blocks and wooden doors, according to witnesses and the footage.

In response, Iranian authorities deployed heavily armed military forces into the city, according to media close to the Islamic Revolutionary Guard Corps, human-rights groups and witnesses. Local activists and human-rights

groups said troops had fired at civilians and raided homes looking for opponents.

“I have witnessed hundreds of people being shot at [by the regime forces] and they have been severely injured,” said Soma, 29, a nurse in Mahabad who said she had treated many of the wounded in the past two days. Soma described the city as militarized, describing how armored vehicles and tanks had entered the city. Regime forces “have told the people that anyone who leaves the house will be fired at,” she said.

Regime forces “show no mercy,” an activist from Mahabad said. “Houses are full of injured protesters,” he said. He said one of his relatives died from untreated wounds on Saturday after being shot by the security forces. The relative spent two days in hiding for fear of being arrested if he went to the hospital, the activist said.

In footage posted late Saturday by Tavaana and Hengaw, an Iranian-Kurdish human-rights organization, the sounds of heavy weaponry can be heard. Tavaana published pictures of ammunition it said can only be used with machine guns.

On Saturday, security forces also raided homes and detained residents in Bukan, an-

other Kurdish town where locals had set up barricades, witnesses said. Ismail, a 38-year-old protester, said regime forces started shooting randomly at houses. “There was a lot of broken glass on the streets and alleys,” he said.

Witnesses said security forces were firing machine guns at protesters. “The pellet guns were replaced with warfare guns,” Ismail said.

“This time, they have war equipment,” said Sherko, a 28-year-old Bukan resident. “They are directly shooting live bullets” with machine guns used by snipers, he said.

Hengaw said three protesters were killed during a separate operation earlier Saturday when government forces shelled Divandarreh, another town in Iranian Kurdistan, in response to protests.

Government forces were also heavily shelling the Kurdish cities of Piranshahr, Marivan and Javanrud late Sunday, Hengaw said. At least three people were killed in Javanrud, Hengaw said.

It also said security forces on Sunday shot at protesters who had gathered in Mahabad in front of a police station.

Iranian authorities have blamed Kurdish activists and

separatists based in neighboring countries for fomenting protests that erupted in Iran’s Kurdish region following the death in police custody of Mahsa Amini, a 22-year-old Kurd who was arrested in Tehran for allegedly violating the country’s strict Islamic dress code.

The demonstrations have swept across Iran after her funeral on Sept. 17.

In an unusual move, the operation involved the main security agencies—the police, the IRGC and the ministry of intelligence—according to media affiliated with security agencies and social-media accounts run by rights activists.



Antigovernment protesters clash with security forces in Mahabad.

Turkey Hits Targets in Iraq, Syria After Istanbul Bombing

By JARED MALSIN

ISTANBUL—Turkey said it carried out a broad series of airstrikes in northern Syria and Iraq early Sunday, intensifying a military campaign against Kurdish militants, whom the Turkish government blames for a deadly bombing in Istanbul a week ago.

The Turkish Defense Ministry said the strikes hit 89 targets associated with the Kurdistan Workers’ Party and its Syrian branch, which Turkey blamed for a bombing in Istanbul last week that killed six people and wounded 81 others. The PKK—as the Kurdish group is known—and its Syrian branch both denied involvement in the attack, for which no one has claimed responsibility.

Turkey frequently launches airstrikes against Kurdish militias in Iraq and Syria, but Sunday’s strikes were carried out with extra fanfare, reflecting the government’s earlier vow to retaliate for the Istanbul bombing. Turkish President Recep Tayyip Erdogan ordered the strikes, dubbed Operation Claw-Sword, after returning last week from the Group of 20 summit in Bali, Indonesia, the government said.

In Syria, a spokesman for the Syrian Democratic Forces, a Kurdish-led, U.S.-backed militia, said the airstrikes killed 11 civilians and hit a hospital in the town of Kobani, located in northeastern Syria close to the border with Turkey. The SDF, which includes Kurdish militants with ties to the PKK, is



Turkish airstrikes hit an electricity station in Syria on Sunday.

part of an American-led coalition fighting Islamic State. Airstrikes also hit a power station and grain silos, the group said.

Asked about the 11 dead, a Turkish Defense Ministry official referred to a statement from Defense Minister Hulusi Akar, which said “only terrorists and hideouts belonging to them were targeted.” The Defense Ministry said the strikes hit Qandil, Asos and Hakurk in Iraq and Kobani, Tal Rifaat, Cizire and Derik in northern Syria. The ministry said PKK leaders were killed.

The official news agency of the Syrian government in Damascus also reported that several of its soldiers were killed in Turkish airstrikes in northern Syria.

The airstrikes came a week after a bomb blast ripped through a busy pedestrian street in the heart of Istanbul

in the first terrorist attack in Turkey’s largest city in years. The attack heightened anxieties in the country, which suffered from a destabilizing wave of attacks in 2015-17 carried out by Islamic State and the PKK.

Turkey’s Interior Ministry has accused a Syrian woman named Ahlam Albashir of planting the bomb that exploded on Istanbul’s bustling Istiklal street on Nov. 13. Police said Ms. Albashir confessed during interrogation to carrying out the bombing on orders from a PKK headquarters in Kobani in Syria.

A Turkish court on Friday ordered 17 people, including Ms. Albashir, to be held in pre-trial detention in connection with the bombing, Turkey’s state news agency reported. Prosecutors in Bulgaria detained five others in connection with the attack, the country’s state news agency reported.

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—Joe Luna
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FROM PAGE ONE

Turkey Takes an Odd Twist

Continued from Page One

Thanksgiving act, creating mashup items that combine elements of the holiday meal.

At Socarrat, a Spanish restaurant with locations in New York City, a Thanksgiving paella is on the menu, featuring turkey, butternut squash and green beans, among other items. At Burrito Union, a Mexican restaurant in Duluth, Minn., November is all about the Thanksgiving burrito, filled with turkey and the traditional sides.

At King David Tacos, another New York City establishment, the current favorite is the Cranbirdy Taco, a breakfast offering

with turkey sausage, sweet potatoes, eggs and cheese, accompanied by a cranberry salsa. The taco has been featured during November for the past four years, says King David founder Liz Solomon Dwyer.

The trend doesn't stop with restaurants. Consider Jones Soda Co., a craft beverage brand known for its oddball flavors. This year, it's bringing back its Turkey & Gravy soda, a flavor it has featured occasionally in the past. Marketing director Curt Thompson explains that the brand relies on natural flavorings to create the soda, which is vegan-friendly.

"No turkey was harmed," Mr. Thompson says.

Salt & Straw, an ice-cream company with locations throughout the country, has also claimed a piece of the Thanksgiving pie—and not just with its Pumpkin & Gingersnap Pie flavor. Each year, the company creates an entire Thanks-

giving menu of flavors, both sweet and savory. The 2022 edition includes Roasted Peach & Sage Cornbread Stuffing, Parker House Rolls with Salted Buttercream and even Caramelized Turkey & Cranberry Sauce.

Salt & Straw co-founder Tyler Malek says the Thanksgiving offerings can create their share of controversy, noting that a mashed potatoes-and-gravy flavor served in the past was especially divisive. But this year's turkey ice cream has gone over well. "It's surprisingly delicious," he says.

Nasser Al-Rayess, a 26-year-old San Francisco resident, counts himself as a fan of the Salt & Straw Thanksgiving flavors, including the turkey one.

"It is wrong to put turkey in ice cream, but they somehow make it work," he says.

One problem some restaurateurs are facing: a turkey shortage.

Rod Raymond, owner of Bur-

rito Union in Minnesota, says he purchased 87 cases of frozen turkeys to meet expected demand for the Thanksgiving burrito he offers throughout November. But sales this year are so strong that he looked to buy more birds, only to find that his supplier was out of stock. Mr. Raymond fears he may end up disappointing customers.

"We're already two-thirds of the way through our turkey," he says.

What's behind the Thanksgiving mashup boom? Culinary experts say the food-gone-viral trend plays a role: Restaurants and brands often create items with an eye on how they will grab attention on social media. Many of those offering Thanksgiving mashups do promote the items: Jones Soda offers a free T-shirt to those who post a video of themselves chugging its turkey-and-gravy soda.

There's also the fact the food world has embraced cutting-

edge approaches in general and mashups in particular. Think Korean tacos or Philly cheesesteak egg rolls.

"The bar for creativity has moved," says Andy D'Amico, the chef behind 5 Napkin Burger in New York City. He offers a Thanksgiving-themed burger with ground turkey mixed with a cornbread-sausage stuffing, complemented with gravy and cranberry mayo.

Others warn that some Thanksgiving offerings may be testing the limits of good taste.

"There's good fusion and confusion," says Stephen Zagor, a hospitality consultant who also teaches a course on the food business at Columbia Business School.

Michael Lomonaco, chef and partner at New York's meat-centric Porter House Bar & Grill, serves a traditional Thanksgiving meal at his establishment. "Putting an infinite number of things into a dish

doesn't make me more creative as a chef," he says.

Will Gilson, chef and owner at Puritan & Company, a Boston-area restaurant, has a Thanksgiving-inspired Swedish meatball on his menu with ground turkey and a cranberry-soy glaze. He resisted the temptation to add more Thanksgiving flavors. "You're focusing on the balance of flavors rather than jamming everything down the throat," he says.

Mr. Argy says he showed some restraint with his Thanksgiving pizza. When he originally came up with the recipe, he included mac and cheese as one of the toppings, since the dish has been a staple at his family Thanksgiving dinners. "It was a little too much," he says.

And while Mr. Argy does smother his Thanksgiving pizza with a mix of mozzarella and cheddar cheese, he stops short of adding tomato sauce. "That would be disgusting," he says.



'I am feeling a bit bereft that I can't give the way I want to this year,' says Maggie Enriquez, above, with her daughter, Lela. Right, Salvation Army volunteer Reynaldo Rivera rang a bell for donations in Manhattan last year.



FROM LEFT: JADA ALLEN; BEENAH MOON/REUTERS

Inflation Sours the Holidays

Continued from Page One

Holt-Philip has always made sure the children woke on Christmas to piles of presents under the tree, just as she did growing up. Ms. Holt-Philip and her husband, Anthony Philip, typically save for months and shop early to check off wish lists. In past years, that meant more than 20 small presents per child. Not this time.

Rent on the family's two-bedroom Miami apartment rose to \$2,600 a month this spring from \$1,365 when they arrived in 2020. With the added pressure of trying to save for a house, Ms. Holt-Philip, a 33-year-old wellness blogger, said she asked her children to settle on one "really good gift" apiece. She and her husband agreed to skip gifts for each other this year.

It all feels wrong, Ms. Holt-Philip said, but "we have to eat." Consumer prices have risen faster than wages this year, and high inflation has proved more persistent than many policy makers expected. The high cost of living has unnerved consumers, despite a strong job market, a cushion of household savings built up during the Covid-19 pandemic and a few signs that inflation is slowing.

The University of Michigan estimated that household sentiment in the past six months is comparable to late 2008 and early 2009, when the financial system verged on economic disaster and unemployment was soaring. The index also echoes wary levels of the 1970s, when inflation climbed to double digits.

A Census Bureau survey of households in early October found that 41% of Americans, around 95 million people, said they were having difficulty paying for essential household expenses, compared with 29% a year earlier.

People plan to buy an average of nine gifts this year compared with 16 last year, according to Deloitte consulting's 37th annual holiday shopping survey of 5,000 respondents in September. Total anticipated spending per household was \$1,455, down from \$1,463 a year ago, Deloitte said. People in the survey said they also planned to spend less time shopping than they did last

year.

The Conference Board, a nonprofit research organization that surveys household confidence each month, said individuals had cut gift spending plans to \$613 this year from \$648 in 2021. Home décor, furniture, appliances, jewelry and tools are among the categories facing the biggest cuts.

In an August survey of 2,415 adults by Bankrate, the consumer finance website, 84% of holiday shoppers said they would pursue money-saving tactics this year—relying on coupons and discounts, buying fewer items, shopping for cheaper gifts and cheaper brands or making presents themselves.

Of course, the outlook might shift. Economists have found that households don't always do what they say on survey answers. A drop in gasoline and food prices or a bump in the stock market could boost holiday spending. A recent government report showed retail sales picked up in October, in part because of higher prices.

The best news would likely be a measure of relief from inflation.

'Mom guilt'

After raising prices for months, some firms are betting that mark-downs will buck up sales and clear inventory.

The Toy Association, which represents companies responsible for 96% of all toys sold in the U.S., forecasts a season of price cuts. Apparel prices also are headed down, according to DataWeave Inc., an analytics company that tracks online prices for thousands of retail items. Gap Inc. is offering discounts as high as 60%, a level of savings virtually impossible to find during last year's holiday season, when supply-chain problems left retailers short of inventory.

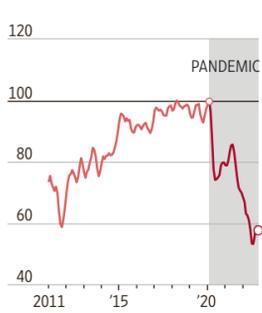
Target Corp. executives said last week that consumers have pulled back on spending, sapping sales and profits, and prompting the company to plan discounts to clear out unwanted inventory during the holidays.

Many independent stores can't afford deep discounts. Keri Piehl, owner of Color Wheel Toys in Albuquerque, N.M., said she had strong sales last year but worries about customers shopping online or at big-box retailers this year. To cut costs, she stopped ordering large paper bags for customer purchases, and, to save on shipping, she is buying more items in bulk. Ms. Piehl said she was storing the extra merchandise in her home office.

Humbug Economy

Inflation has cut into America's holiday cheer.

Household-sentiment index, three-month average*



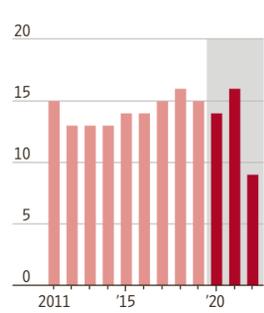
*100=level of sentiment in 1966
†Seasonally adjusted

Average weekly earnings for private-sector workers, adjusted for inflation*



Sources: University of Michigan (sentiment); Labor Department (earnings); Deloitte online surveys, most recent of 4,594 consumers conducted Sept. 6-14 (gifts)

Average number of gifts planned for purchase



High inflation seemed to restrain holiday-season shopping over the past eight decades. Eleven times since World War II, the consumer-price index has equaled or exceeded 6% around holiday time; this year it was at 7.7% as of October. Consumer spending had an average growth rate of 1.2% in those years, compared with a rate of 3.4% in years with lower inflation, Commerce Department data show.

American consumer spending has been on a downward trend for months. After jumping by more than 8% last year, adjusted for inflation, consumer spending grew less than 2% during the first nine months of this year.

"I'm not canceling Christmas. I'm not the Grinch," Richard House, chief executive of FlexShopper Inc., a Boca Raton, Fla.-based online retailer serving consumers with low credit ratings, told analysts this month. "But we're cautious regarding the amount of volume that may be there."

Michael Liersch, a financial planning specialist at Wells Fargo, guides the bank's army

of local advisers in branches around the U.S. He said he was struck by the number of families talking about scaling back this year.

Some are taking children to stores to learn exactly what they want. "No surprises, really keeping it very practical," Mr. Liersch said. "If you recall 10, 20 to 30 years ago, there was a notion where families had relatives give essential items. Moving back into that. Less discretionary items, more needs."

Maggie Enriquez, a single mother in Austin, Texas, spent about \$1,000 on gifts last year for her 2-year-old daughter, Lela, and her extended family. This year, she plans to wrap toys and games that Lela's older half-brother doesn't use anymore for her daughter to open on Christmas.

Ms. Enriquez, 37, is a digital-ad sales development representative at a social-media company, a job she supplements working weekends as an Uber driver to pay for daycare, rent and groceries. Her digital-sales contract is up in March, and she is worried about company budget cuts.

In past years, Ms. Enriquez has contributed to online Christmas wish-list sites and toy drives for children in need. This year, she worries she might have to apply as a recipient rather than a donor.

"I am feeling a bit bereft that I can't give the way I want to this year," she said. "I take a lot of pride in being able to provide for my daughter, and when I can't, I feel really inadequate, and the mom guilt kicks in."

Tough choices

The month between Thanksgiving and Christmas accounts for between 20% and 30% of charitable donations, according to the Giving USA Foundation.

Leaders of the Salvation Army, whose bell-ringing volunteers collect donations from passersby, are worried. Many people are facing a tough holiday season, Commissioner Kenneth G. Hodder said, "particularly those who have to make choices between buying toys, putting food on the table or paying utilities."

Requests for assistance from

people in need in various spots around the U.S. are up 25% to 50% from last year, Mr. Hodder said, and he expects fewer coins and bills getting dropped into the Salvation Army's red kettles.

Crowdfunding platform Kiva surveyed 2,000 Americans and found that many planned to give less to charity compared with last year: 44% blamed a lack of funds, 42% said donating was "for the privileged."

GivingTuesday, a nonprofit, and the Association of Fundraising Professionals said the number of donors nationwide fell steeply in the second quarter, driven by declines in donations of less than \$500. Fundraising totals were up 6.2% during that time but didn't keep pace with the second quarter's inflation rate of more than 8%.

Holiday work parties also are looking less festive. Avital Ungar, a party planner who works with Fortune 500 companies and startups in New York City, San Francisco and Los Angeles, said many clients, facing hiring freezes or layoffs, don't have the budget for elaborate events this year.

Restaurants around the country are feeling the fallout.

Mani Bhushan, who owns four Mexican restaurants in the Dallas area, said that in pre-pandemic times he would have received dozens of catering orders for 100-plus person Christmas events by this time in the holiday season. He currently has none. Large-group reservations, he said, are down 95% from 2019.

Overall sales numbers are up, Mr. Bhushan said, but he is barely breaking even because of the rising cost of rent, labor and ingredients. A pound of chicken breast is \$4.33 compared with \$2.99 a year ago. "I used to pay \$14 for a good cook," he said, and now it is \$18 an hour for even a marginal cook.

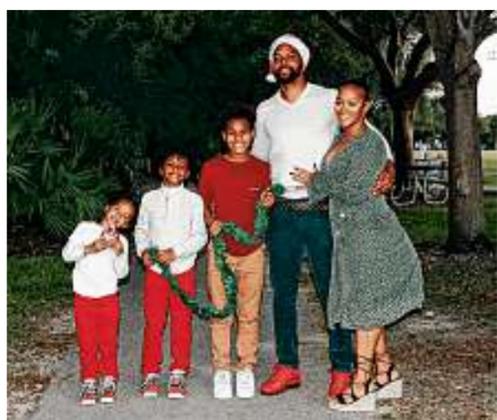
Ms. Holt-Philip, the Miami wellness blogger, is looking on the bright side. She hopes that her family's limited budget for gifts will keep the focus on the true meaning of the holidays: spending time together.

For the first time, she, her husband and their three children plan to spend Christmas with a dozen or so relatives at a family cabin in Doniphan, Mo. They will roast marshmallows and play Family Feud in front of the fireplace, Ms. Holt-Philip said. With any luck, the children will see their first snowfall.

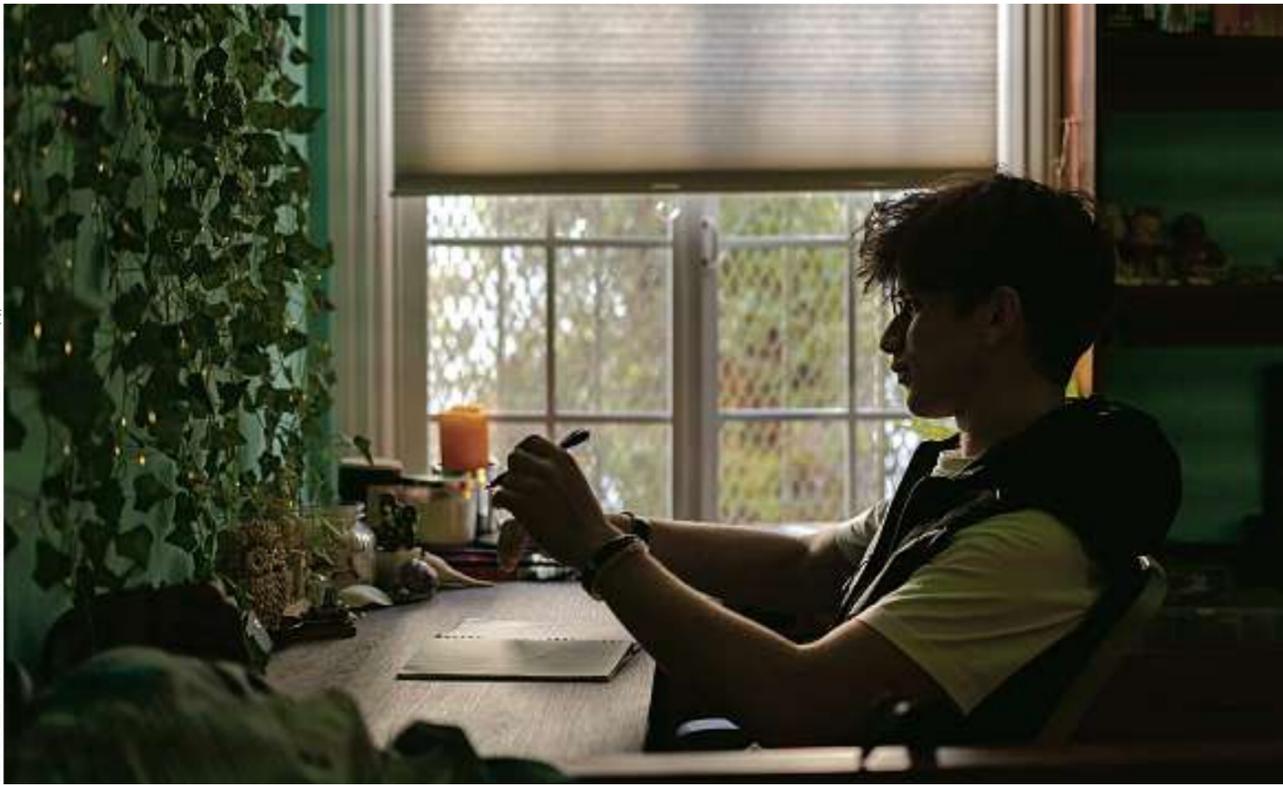
"Honestly, if this goes as planned," she said, "a reduced gift-giving Christmas might become our new normal."



Left, Keri Piehl of Color Wheel Toys in Albuquerque, N.M., has looked for ways to bring down costs. Right, Opal Holt-Philip and Anthony Philip had to cut back on gifts for their children.



FROM LEFT: KERI PIEHL; HOLT-PHILIP FAMILY



COUNTERCLOCKWISE FROM TOP: LAUREN JUSTICE FOR THE WALL STREET JOURNAL (2); KAREN ARONIAN

The Quiet Bullying: Group-Chat Exclusion



**FAMILY
& TECH
JULIE
JARGON**

Growing up means being left out sometimes, especially when friends splinter into new social groups during middle school and teen years. With group chats and social media, kids can more easily see when they're not part of the crowd.

Exclusion can result in hurt feelings, even when there's no malicious intent behind it. But educators, pediatricians and researchers say online exclusion can be overt, particularly in group texts or chats on whatever platform teens use to communicate and make plans, be it Apple's iMessage, Snapchat, Instagram—even Zoom.

These experts say they've been seeing more of this since the pandemic, as more of kids' lives shifted online. Digital exclusion can be more insidious than overt forms of bullying that involve teasing and threats, they say.

"Rather than sending a mean message, what teens are doing more now is excluding people, including by creating a parallel group chat to talk about one person without that person in it," says John Kalapos. He's the associate head of school at Buxton, a small Massachusetts boarding school I profiled for its recent smartphone ban. One reason for the ban was this specific behavior, he adds.

"It creates power dynamics that



Joseph Olkha, top and left, learned to embrace his uniqueness, while Laurel Aronian says Covid isolation made exclusion more apparent.

are physically invisible but socially potent," Mr. Kalapos says.

Schools have made antibullying campaigns a priority, so most kids now recognize what constitutes bullying. But online exclusion is harder to discern, call out and punish, and the targets often feel ashamed about it, experts say.

Being left out of a text chain or group chat can freeze kids out of online conversations that help cement social bonds. Parents who want to help might not know about the group conversations or understand who's missing from them. And missing chats can lead to in-person exclusion because that's where kids now make plans.

No child—or adult—will be included all the time. But when some-

one is intentionally being isolated, families can take steps to address it.

'Am I not good enough?'

Joseph Olkha, a 16-year-old in Los Angeles, says he has been kept out of group chats. He remembers hearing friends talk about the fun they'd had playing paintball over the weekend and realizing he hadn't been invited. Other times, he'd see social-media posts of parties about which he didn't know.

Joseph says he's also been left out of playing videogames with friends. When he'd message them about joining a game, he'd be ignored. "Is there something socially wrong with me? Am I not good enough? Am I not normal?" he recalls wondering.

Joseph says being excluded took a toll on his self-esteem. "People would tell me I was a dry texter, that I would seem uninterested when I texted," he says.

Joseph, who notes that he always had an easier time talking to older teens and adults, decided he'd had enough of high school. He finished early, enrolled in a community college, and hopes to transfer to a four-year university in fall 2024. Though hurt, he says he doesn't hold grudges against classmates. He's come to embrace what makes him unique, even if it means not always fitting in. "I'm a nerd and I love it."

Not everyone is so resilient. Researchers from Children's Hospital of Philadelphia in June released a study showing that cyberbullying—

bullying that takes place on chat and social-media platforms rather than the playground—is associated with suicidal thoughts among adolescents who have been targets. The study's authors recommend doctors screen children for cyberbullying like they do for depression.

'Passive-aggressive bullying'

Laurel Aronian, a 15-year-old high-school sophomore in Westchester County, N.Y., says exclusion from group chats became more apparent during Covid-19. She would sometimes have Zoom calls with friends after school, but noticed at other times that her friends' contact status indicated they were on Zoom calls without her. "It's very easy to feel left out."

She says bullying that doesn't involve insults can be explained away by the people doing it, which makes it difficult to flag to grown-ups. For example, if an adult gets wind of a group chat and asks kids why someone wasn't included, they can say it was an oversight.

Kids who intentionally leave others out often don't come across as cruel, and are often liked by teachers, says Andrea Lovanhill, chief executive of Committee for Children, a nonprofit provider of social-emotional learning curricula.

At the end of Laurel's eighth-grade year, students had to deliver a speech on something they felt passionate about, and she chose to talk about what she calls passive-aggressive bullying, or "under-the-radar bullying." When she surveyed her fellow eighth-graders, most respondents said they'd been bullied in a subtle way, while some said they'd witnessed such treatment but hadn't stopped it.

Recognizing and dealing with bullying

Exclusion can hurt even when it's part of normal childhood development and socializing. But when kids intentionally and repeatedly exclude someone from online groups, with the purpose of making that child feel bad, it can be considered bullying, Ms. Lovanhill says.

She suggests parents help their children recognize whether they were left out because of changing friendship dynamics or whether they were actually being bullied by going through different scenarios with them. Parents can also ask their children how a true friend would treat them and suggest they try to make friends with other people.

Several antibullying organizations, including Stopbullying.gov, which is managed by the U.S. Department of Health and Human Services, recommend teaching kids how to be "upstanders," by stopping or reporting bullying when they see it.

Ms. Aronian says when she has a hard time dealing with being excluded, she focuses on hobbies like chess and music. "It lets me put energy into improving at something I have control over."

She's also made it a priority to be inclusive herself. When she meets new people in her chess club, for example, she makes sure to invite them to the club's group chat, of which every member is a part.

"The only way to combat bullying is by being nice," she says.

What We Can Learn From Office Suck-Ups



**WORK
& LIFE
RACHEL
FEINTZEIG**

They loiter around the boss's office. They dole out compliments to all the right people. They chime in enthusiastically at every meeting.

The only thing more maddening than observing an office suck-up in action is realizing that it's working.

"It drives me so crazy," says Rick Davis, an application developer in Haverhill, Mass. He can't help but tally all the people-pleasing tendencies he's noticed over the years, the folks who copy a flood of executives on emails touting their accomplishments, the ones who ask redundant questions during department calls just so everyone remembers they're there.

They can be less than collegial to co-workers. And yet, they often succeed—even faster than the rest of us. Can we learn to live with the office suck-up? Can we borrow some of the things they do well, without devolving into ingratiation? And why do they bug us so much, anyway?

"The reason we don't like suck-ups is because we're suck-ups," says Michael Karson, a psychology professor at the University of Denver. Who among us has never fawned over a photo of the boss's baby, re-

gardless of how cute it is?

There's some jealousy, too. Many of us secretly want to be the favorite child and wish we were more natural at being the squeaky wheel ourselves. Plus, we don't like being reminded of the innate unfairness and hierarchy baked into organizations, Dr. Karson says.

"The fact that it works says something about the way bosses are," he adds.

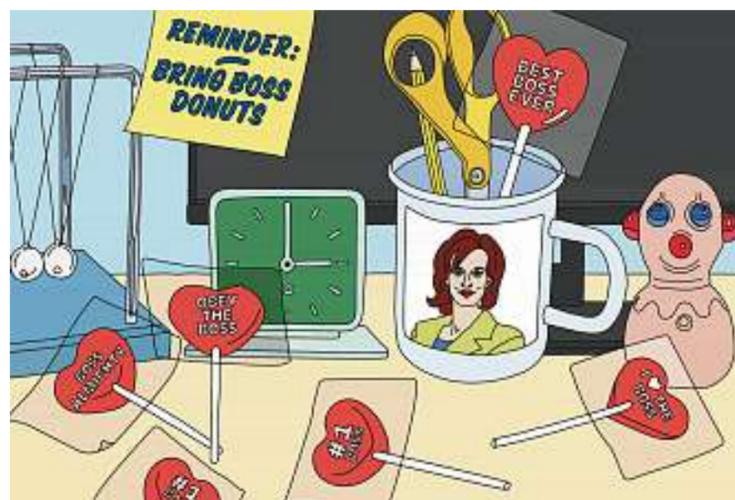
Still, what if the suck-up is making life easier for everyone by soothing an insecure boss's ego?

"Be grateful that your suck-up's willing to do that emotional work for the rest of us," says Amy Gallo, the author of "Getting Along," a new book about working with all kinds of colleagues.

When faced with a suck-up, she says, first ask yourself: Is this person doing something I should be doing, too?

Maybe you need to promote yourself more. Do it in a generous way, she says. For example, in a meeting, offer up your recent successful project as a blueprint for a colleague who's just getting started on something similar. Or, ask your boss if you can present in an all-staff gathering to highlight the team's recent good work.

When embarking on a joint effort with a grandstanding colleague, strike a deal upfront about how you'll share



the credit, Ms. Gallo recommends.

Be wary of complaining to your boss, Ms. Gallo warns. After all, the suck-up probably has your manager's ear, and you could be labeled the difficult one. If you're set on talking to your boss about your trouble working with the person, tie your issue to a business impact. Treat the conversation as a joint problem-solving session where you come with ideas, too.

There are even benefits to being colleagues with suck-ups. A working paper from Columbia Business School, Harvard Business School and University of Toronto finds that "upward influencers," or employees who are more highly regarded by bosses than peers, can improve team performance.

When such workers made up just over half of a team, clients' assessments of the success of a project increased by about 25%, compared with when a team had no suck-ups or was all suck-ups, says Wei Cai, an assistant professor at Columbia and co-author of the paper, which analyzed 360-degree reviews of 578 employees at a consulting firm.

Too many suck-ups and they spend all their time jockeying for power and not enough time doing the actual work, Dr. Cai says. Too few and the group doesn't communicate enough with their bosses, who can get them the resources they need to keep the project on track.

If you find yourself clashing with a suck-up during a meeting or gathering, be direct but keep a positive tone,

says Julia Minson, an associate professor at the Harvard Kennedy School who focuses on conflict and negotiations. For example, if they recycle a comment you just made, attempting to pass it off as their own, say, "Thank you for reiterating the point I made. It's great to have your support." If they attempt to claim sole credit for behind-the-scenes work you participated in, try, "I appreciate you describing the work we've been doing together." Don't wait for the perfect moment to jump in and highlight your own contributions and insights.

Behind the scenes, maybe it's time to create an alliance. Suck-ups often have robust professional networks, says Heidi Grant, a social psychologist and author of a book about eliciting help from others. They're skilled at connecting mutual acquaintances and often awash in information.

Ask them for advice and insight. Tie the query to something specific that they're truly, uniquely good at: "Our manager seems to trust you so much. How would you start this proposal?" Afterward, come back to them and tell them how helpful they were.

"When you do that, they feel really good. They get that warm glow," Dr. Grant says.

Suddenly, the suck-up is on your side.

PERSONAL JOURNAL.

On Arty Screens, Grossing Out Moviegoers Is In

By JOHN JURGENSEN
AND ELLEN GAMERMAN

At first, film programmer Ben Delgado felt a little squeamish about the picture he'd selected to open a new festival in Iowa City. On one hand, the coming-of-age story was being praised for its beauty and had won awards at the Venice Film Festival. On the other hand, would the flesh-eating in "Bones and All" be a deal breaker for older-skewing cineastes in his area?

"That's not exactly the audience you expect to come out to a cannibal love story," said Mr. Delgado, programming director of the Film-Scene nonprofit cinema. At its Midwest premiere in October, "Bones and All" made the audience of 600 squirm during moments like when a character eats a friend's finger like it's a chicken drumstick. The movie ended up being the talk of the inaugural Refocus Film Festival, he said.

Arty movies have gotten surprisingly gnarly this season, with severed fingers, mass vomiting and cannibalistic lovers showing up at a time of year when new releases are positioned for prestige and awards. These high-minded films are borrowing moves from horror flicks to drive home metaphors for class division, male intransigence and life on society's margins.

The reason may be related to an existential crisis facing the makers of movies for grown-up audiences and art-house cinemas. Without superheroes or franchise clout, these kinds of films are now harder to get produced and more likely to premiere on streaming platforms. Some smartly crafted gross-out scenes can help generate the kind of buzz that justifies a mid-budget adult drama as a theatrical attraction.

"You have to make sure that the audience is going for a ride, because otherwise what will be worth actually leaving their homes and buying

a ticket?" said Ruben Östlund, director of "Triangle of Sadness."

The film is a satire about privileged people on a luxury yacht staffed by workers who seem invisible to the wealthy passengers. When a storm hits, seasickness and food poisoning cause the guests to spew vomit everywhere, including on each other, while two characters debate Marxism.

The sequence goes on for at least as long as the eight-minute standing ovation that "Triangle of Sadness" received at the Cannes Film Festival this year. The film won the top prize, the Palme d'Or,

for Mr. Östlund, a Swedish director known for previous films "The Square" and "Force Majeure."

Operatic in its grossness, the vomiting scene required 5,000 liters of Swedish rosehip soup. Crews funneled the liquid through custom gadgets that fit in actors' mouths. One performer, deeply committed to the craft, volunteered to throw up for real on cue.

The director said he wasn't just going for a big message about the class system. He needed audiences to believe the superyacht was going under, a setup for the final act, which takes place on an island where a new power dynamic between passengers and crew takes hold, he said.

"When we go to the cinema, it has to provoke thoughts and a discussion afterwards," Mr. Östlund said. He acknowledged the potential for more-visceral responses, too: Any ticket buyer who vomits while watching "Triangle of Sadness"—which has happened, he noted—could receive a refund by



FROM TOP: METRO GOLDWYN MAYER PICTURES; SEARCHLIGHT PICTURES



'Bones and All,' top, starring Timothée Chalamet, and 'The Menu' feature curious culinary choices.

Any ticket buyer who vomits while watching 'Triangle of Sadness' could receive a refund.

another film that comments on the class divide, plus the pretensions of haute cuisine. In "The Menu," which opened Nov. 18, a group of rich patrons and food snobs are ferried to an island for an experience choreographed by a chef played by Ralph Fiennes. With each dish, the chef reveals the diabolical theme behind his meal plan. For one course, a member of the kitchen staff lays out plastic sheeting. It's not for food splatter.

Director Mark Mylod said it was important to give potential audiences a taste of the movie's tone, which he describes as a satirical, dark-comedy horror-thriller. A teaser released online features a scene in which an entitled diner (Reed Birney) tries to leave the restaurant with his wife (Judith Light). As punishment, the chef orders a cut with moralistic symbolism: "left hand, ring finger."

The scene represents a "gear change" in the film, as the situation gets real for the guests, Mr.

Mylod said. He built tension with sustained camera shots, but used a carefully timed edit to cut away from the chop itself. "I wanted the moment to be shocking and awful, but because of the human cost, not the titillation of a blade slicing through a digit."

Though "The Menu" is peppered with violent moments, the director said he practiced restraint on gore: The decision lined up with the aesthetics of Mr. Fiennes's character, Chef Slowik. "He would do things with great taste, with an elegance. It certainly wouldn't be messy," Mr. Mylod said.

"Bones and All," which opened Nov. 18, puts a graphic twist on a tale of young people in love. Outcasts played by Timothée Chalamet and Taylor Russell discover they are both "eaters," the film's term for cannibals. When the two end up on the lam in a stolen pickup truck, the drama turns into a brooding road trip punctuated by flesh-eating.

Director Luca Guadagnino called the movie a fable. "It's a tale of archetypes," the Italian filmmaker said at a recent New York Film Festival event, describing the film as the story of "two young beautiful creatures who have to face a lot of adversities...the biggest one being who they are and how they can survive being who they are."

writing him and sending photographic proof, the director said.

Writer-director Martin McDonagh's latest film, "The Banshees of Inisherin," is set on a rocky island in Ireland in the 1920s and deals with the absurd levels of stubbornness of which men are capable. Brendan Gleeson plays a fiddler who abruptly freezes out his best friend, played by Colin Farrell. He vows to lop off one of his own fingers every time Mr. Farrell's character tries to speak with him—and makes good on the threat with a burly pair of shears.

Amputation also plays a role in



JULIEN JAMES FOR THE WALL STREET JOURNAL (2)

MY RIDE | A.J. BAIME

Muscle Car Plays Role In Bonding Actor, Dad

Marcus Scribner, 22, an actor known for his work on the television shows "black-ish" and "grown-ish," and his father Troy Scribner, 51, co-president of a movie-production company, both living in Los Angeles, on their 1970 Chevrolet Chevelle SS, as told to A.J. Baime.

Troy Scribner: I was raised in Los Angeles and have lived there all my life. When I was in elementary school, my cousin Kenny picked me up in a Chevelle to go see the movie "E.T.: The Extra-Terrestrial." Ever since, I have loved Chevelles. At the time, I had a neighborhood acquaintance—who later became my father-in-law—who ran a tow-truck shop that still exists [the photos for this article were taken at the shop]. He had a Chevelle, and I just loved being around it. For years, I went to a 7-Eleven every Thursday to pick up the latest Auto Trader magazine, so I could price out Chevelles. I could never afford to buy one and do what I wanted with it. So, for my 50th birthday, I decided to go all out.

Marcus Scribner: This was my dad's dream car, and he spent a lot of time searching for the right one. He found his Chevelle for sale at a car museum. I am super into cars. I grew up loving American muscle. But me and my friend group are really into JDM cars—Japanese Domestic Market cars—made for the Japanese market. Nissans and Toyotas, stuff you can get for relatively cheap. The Chevelle is one car where my father and I meet in the middle. It's one of my favorite cars of all time.

Troy: The fact that this Chevelle is from 1970 is important. For me, this is the ultimate muscle car, with the 454-cubic-inch V-8 engine. At the time it was built, federal regulations were about to limit the performance that American cars could have, and the 454 was the biggest engine you could get in the Chevelle. The 1970 Chevelle was like the end of an era. When I bought mine, I had it sent out to get it painted; it turned out better than I expected. I had the 454 engine rebuilt. I got the wheels custom, and power steering and brakes built in.

Marcus: My father and I take it to car shows on weekends and we try to create as many new gear heads

as we can by showing this car and trying to inspire people to search for their own dream car.

That's what I love most about the car community, how it's about passion and how inclusive it is. It doesn't matter what race you are, what gender, what ethnicity, and any economic background. There's a car out there for you and it's something you can use to express



Marcus Scribner, left, and his father Troy love their 1970 Chevrolet Chevelle SS.

your own creativity.

Troy: Marcus and I have bonded over the time we have spent with the Chevelle. It's so fun to drive, it's ridiculous. To see Marcus's eyes light up when he's driving it—I just love it. I think about the Chevelles I remember from when I was a kid—my cousin Kenny's Chevelle, and the Chevelle in my father-in-law's tow-truck shop. I am so humbled and happy to get to drive my Chevelle and share some family history with my son.

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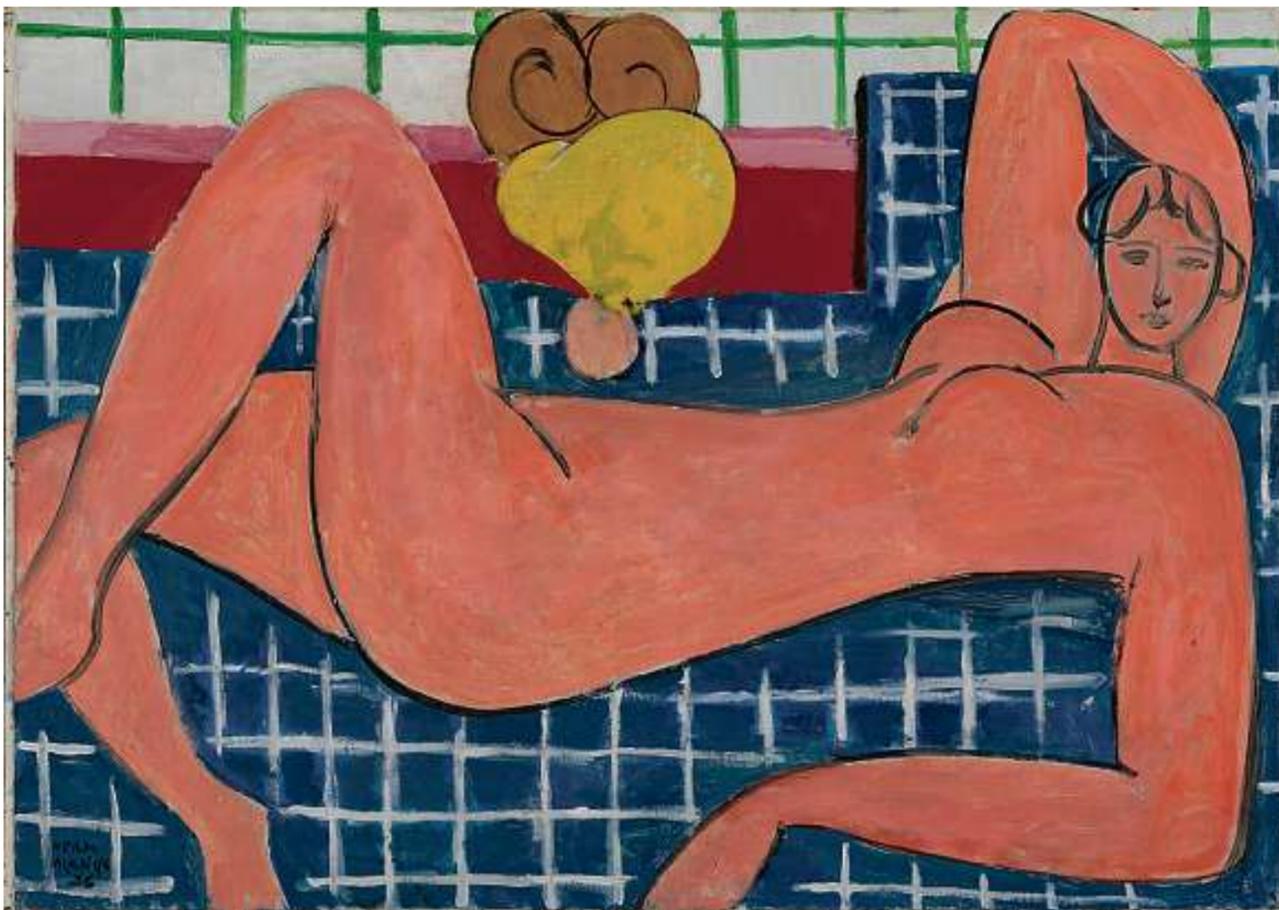
ROLEX * OYSTER PERPETUAL AND DATEJUST ARE © TRADEMARKS.

ARTS IN REVIEW

ART REVIEW

‘Matisse in the 1930s’: A Dance Through a Decade

A sumptuous exhibition showcases the revitalization of the artist’s work during that period



Henri Matisse’s ‘Large Reclining Nude’ (1935), one of several well-known works now on view at the show at the Philadelphia Museum of Art

By KAREN WILKIN

Philadelphia

In the fall of 1930, Henri Matisse, age 58, visited his patron Albert Barnes’s collection, just outside of Philadelphia, for the first time. The great mural “The Dance,” to be installed permanently in the three arches of the main gallery, was commissioned then. At the time, the project revitalized Matisse’s art. Now it provides the impetus for the visually lush, thought-provoking “Matisse in the 1930s,” at the Philadelphia Museum of Art, the first major exhibition to focus on an often overlooked decade that proved pivotal for the artist. (Born in 1869, Matisse died in 1954, a month short of his 85th birthday.)

Jointly organized by the PMA’s Matthew Affron, Cécile Debray of the Musée Picasso, Paris, and Claudine Grammont of the Musée Matisse, Nice, the show assembles about 140 paintings, sculptures and a fabulous group of drawings from public and private European and American collections, plus prints, illustrated books, photographs and films.

An introduction is provided by works in various media made between 1917, the year of Matisse’s first sojourn in Nice, and 1929, when the Mediterranean city had become his principal residence. He was painting little when he visited Barnes, we learn, having become discontented with the works from this first “Nice period”—mainly costumed models in fictive harem interiors furnished with objects he had brought from Morocco. The Barnes mural and a commission from a Swiss publisher to illustrate poems by Stéphane Mallarmé re-energized Matisse, even rejuvenated him.

A wealth of studies for the mural, one a full-scale drawing, allows us to follow Matisse as he clarified and intensified the poses of the dancers seen through the arches and tested color relationships; a film shows him working

on “The Dance,” drawing huge figures with charcoal attached to a long bamboo stick. Nearby, we can read the Mallarmé poems and savor Matisse’s accompanying drawings. The economy that the illustrations demanded, he said, helped him conceive the mural’s fluid, eloquently simplified figures.

The lasting effect of the Barnes project is revealed by the expressive, pared-down shapes of later paintings, such as “Nude in an Armchair, Green Plant” (1937), a

miraculous orchestration of pinks, with the model’s relaxed pose echoed by the opulent tropical leaves behind her, or the confrontational “Woman in Blue” (1937) with the apparent symmetry of its red, blue, yellow, black and white arrangement disrupted by shifts in pose and placement. In both works, as always, Matisse’s drawing of the figure distills his awareness of movement and volume into two dimensions.

“Matisse in the 1930s” includes

celebrated works: the audacious “Large Reclining Nude” (1935), pink body against blue tiles, and the mysterious, all-but-erased “Nymph in the Forest (Verdure)” (1935-42/43). It also presents the less familiar: large, full-color preparations for tapestries, based on drawings done in Tahiti, and a stunning overmantel with four women, seated and kneeling, reduced to sinuous, radiant shapes, surrounding the fireplace. The tapestry cartoons recur in the background of several paintings, apparently having become part of the studio furnishings.

Lydia Delectorskaya, Matisse’s invaluable model, muse, secretary and studio assistant, appears in ravishing drawings and paintings,

as do other models whom we learn to recognize. Repetition and reconsideration of images, poses, persons or props are significant in Matisse’s way of working. If we concentrate, we glimpse paintings we know behind the models, recognize a striped dress, an embroidered Romanian blouse, a space-devouring philodendron. We are continually brought up short by the tension between Matisse’s seemingly banal subject matter and his radical pictorial inventions. Handsomely clothed models in comfortable interiors become compelling, unpredictable near-abstractions, moved further into the realm of the remarkable by unexpected, just-plain-gorgeous color and an immediate-appearing but carefully considered way of applying paint.

Take, for example, the seemingly spontaneous, tightly constructed “Dancer Resting” (1940), its protagonist, in the Romanian blouse, sprawled in an armchair, thighs seductively exposed.

The exhibition features both celebrated works and lesser-known surprises.

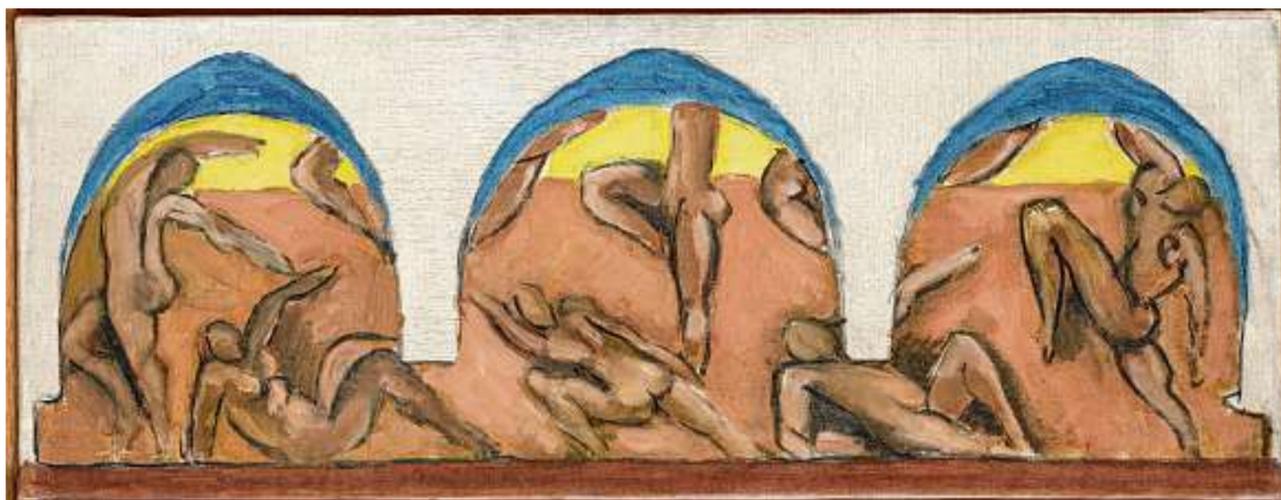
Around her, pushed to the edges, are those philodendrons, a drawing for “Nymph in the Forest” on an easel, and part of the painting itself. Patterns compete. An angled blue plane tips the seated dancer forward, while a knife-edged zone of black makes us concentrate on structure, rather than simply recognize the image. There’s a lot to look at and a lot of surprises.

As far as surprises go, the installation includes a rather approximate black-and-white film clip of Léonide Massine’s 1939 “symphonic” ballet “Rouge et Noir,” for which Matisse did sets and costumes. Warning: His contribution is hard to decipher; the choreography looks pretty banal, and the celebrated principal dancers are not up to present-day standards. An odd catalog essay about the role of dance in Matisse’s work politicizes the project. By contrast, the catalog also includes a thoughtful discussion of the vexed issue of Orientalism in Matisse’s staged harem scenes, pertinent essays on his studio and his murals, informative entries on specific works, and an excellent chronology. And the exhibition is a visual feast.

Matisse in the 1930s

Philadelphia Museum of Art, through Jan. 29, 2023

Ms. Wilkin is an independent curator and critic.



Matisse’s ‘Woman in Blue’ (1937), above left; ‘Nymph in the Forest (Verdure)’ (1935-42/43), above right; and ‘Oil Study for Barnes Mural, Ocher Harmony’ (1930-31), right

SPORTS

The U.S. Seeks to Stop Bale

If the Americans hope to beat Wales, they'll have to contain one of soccer's top scoring threats

By Andrew Beaton and Joshua Robinson

Doha, Qatar

Right after Los Angeles FC won the most dramatic MLS Cup in the history of the league this month, coach Steve Cherundolo had a sobering realization about the player who had just saved his team.

Gareth Bale had scored the 128th-minute goal, deep into stoppage time of extra time, to tie the game, send the match into a penalty shootout and tee up LAFc's victory. It was exactly the kind of moment that Bale, the former Real Madrid star, was signed to deliver. And it didn't take long for Cherundolo to remember that Bale's next game wouldn't be in an LAFc shirt. Bale would be wearing a Wales uniform, and lining up against the U.S.

"It's Gareth being Gareth. He's a big player with big qualities and a guy who makes big plays," said Cherundolo, a former right back for the U.S. "Let's hope he doesn't in the first game of the World Cup."

After an eight-year wait, the U.S. Men's National Team begins its return to the World Cup on Monday against Wales, a country with roughly the same population as Iowa and an even longer World Cup drought than the Americans—the team's last appearance in the tournament was 1958. On paper, the U.S. should match up well.

But one of the oddities of tournament soccer is that games don't always come down to who has the best team. Sometimes it's as simple as which side has a truly game-changing player.

And Wales has Gareth Bale. The unfortunate thing for the Americans is that after years of injury, stretches on the bench, and honing his golf game, the 33-year-old Bale just showed that the old magic is still there, just in time for this World Cup. Though he only made 13 appearances in MLS this season, he is gearing up to play every minute of every Wales game.

"I'm fully fit and ready to go," Bale said this week. "I'll be playing three 90s."

For much of the past decade, Bale could be one of the most electrifying scorers in all of soccer. After rising to superstardom with Tottenham in the English Premier League, he went to Real Madrid in 2013 for a record-breaking transfer fee at the time and formed an attacking trident alongside Cristiano Ronaldo and Karim Benzema. Together, they were known as the BBC: Bale, Benzema, y Cristiano.

They collected major trophies by the armful, as Bale displayed an uncanny knack for scoring in



Gareth Bale is a game-changing player for Wales. He recently scored a game-tying goal for LAFc in the MLS Cup.

major finals. Though Bale's occasional inconsistency could also enrage Real supporters—and Ronaldo—he racked up five Champions League winner's medals, three La Liga titles, and a Spanish Cup.

But over his final years in Spain, the relationship with Real began to sour. More than one coach let it be known that Bale and his lavish salary simply weren't part of the club's plans. His routine came to include playing 18 holes most days of the week as his minutes for Madrid went the way of his golf handicap, plunging toward zero. In the Spanish press, Bale's nickname became The Golfer.

In 2019, the team's former sporting director summed it all up when he went on the radio and said Bale's priorities seemed to be Wales, golf and Real Madrid—in that order.

The funny thing is that Bale didn't seem to disagree. He said it was more exciting to play for Wales than Real. And when Wales qualified in 2019 for the next European Championship, Bale celebrated by hoisting a Welsh flag a fan had slapped a handful of words on.

"Wales. Golf. Madrid," the flag

said. "In that order."

While Bale's arrival in MLS over the summer generated plenty of fanfare, his ability to stay on the field didn't change much. Bale scored as much as he started: twice. He completely sat out the team's playoff games—except for the final.

In the 7th minute of extra time, with the game tied 2-2, Cherundolo sent on Bale. And by the 124th minute, LAFc trailed Philadelphia Union after conced-

Gareth Bale has displayed an uncanny knack for scoring in major finals.

ing what looked like a back-breaking goal. Four minutes later, though, a pass from just outside the box floated in front of the net. Bale stepped in, leapt and headed the ball home to tie the game up. That moment of inspiration did two things at once: it sent the match into a penalty shootout and announced that Bale was back and ready for this

World Cup.

That evening, Bale's Los Angeles teammate Kellyn Acosta celebrated that moment alongside him. Shortly thereafter, as Acosta linked up with the U.S. national team for the World Cup, his thinking about the Welshman took a less friendly turn.

"We've got to literally start kicking him around the field, make him feel us," Acosta said.

The notion of the Americans walloping Bale isn't as outrageous as it sounds. For one, soccer players relish playing as physically as they can get away with to stamp their authority on a game. But more than that, it's exactly what you have to do to contain a player with Bale's particular skill set.

There are some goal scorers who thrive through brute force and muscling their way through when there is no space at all. Bale isn't one of those. At his best, he can create room on the pitch with lightning pace, and he can be difficult to stop when he finds that separation.

"You give him time and space, he will exploit you," Acosta said. "We saw here in the MLS Cup final, you give him a yard or two, he'll score an important goal."

World Cup Kicks Off; Qatar Falls To Ecuador

By Joshua Robinson and Andrew Beaton

Doha, Qatar

The tiny emirate of Qatar spent more than \$200 billion readying the nation for its close-up. For 12 years, it built roads, hotels, stadiums and a soccer team, all so the state could finally shine on a global stage.

There was just one thing all that money couldn't buy: the experience of playing in—and hosting—the largest sporting event in the world.

On the night Qatar had waited for since 2010, it opened the World Cup with a damp squib on the pitch and confusion away from it. The national team lost its first-ever match at the tournament, 2-0 to Ecuador, inside a subdued Al Bayt Stadium.

And in downtown Doha, huge groups of fans flocked to the city's largest fan zone, only to be told it was at capacity and turned away by security in a chaotic scene.

For a World Cup that has been defined by controversy for more than a decade, it wasn't the opening night showcase organizers may have envisioned. No host had ever lost its first match since host nations began playing the tournament opener in 2006. And the general mood soured even further as the evening went on as several thousand fans simply left with Qatar trailing at halftime. The final 45 minutes of the game unfolded with large swaths of empty seats despite the announced attendance of 67,372 at kickoff.

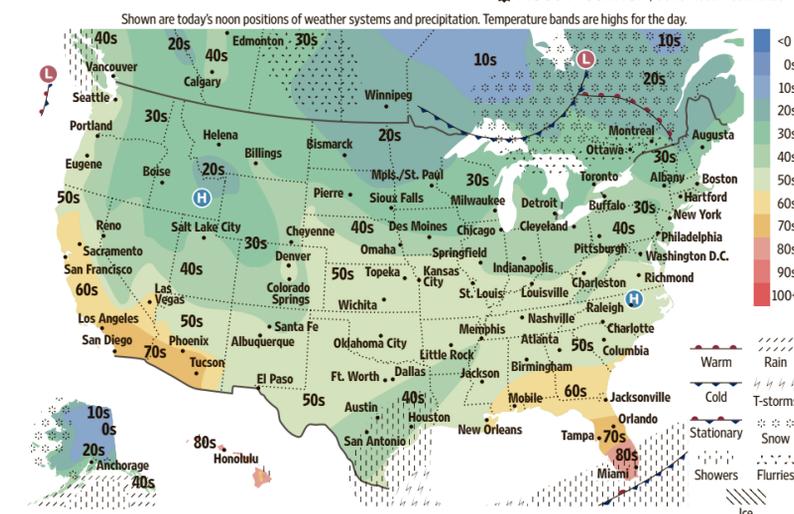
Qatar's staunchest defender has proven to be the president of soccer's world governing body, Gianni Infantino. In a news conference on Saturday, he noted the country's progress on workers' rights, insisted that all fans were welcome, and that this tournament, which he says generated more than \$7 billion for FIFA over four years, would be the greatest World Cup yet. "If you want to criticize someone, criticize me. You can crucify me," Infantino said. "I'm here for that... Don't criticize Qatar."



Enner Valencia scored two goals.

Weather

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U.S. Forecasts

s., sunny; pc., partly cloudy; c., cloudy; sh., showers; t., t-storms; r., rain; sf., snow flurries; sn., snow; l., ice

Table with 4 columns: City, Today, Tomorrow, and a 2x2 grid of Hi/Lo/W values.

Today Tomorrow

Table with 4 columns: City, Today, Tomorrow, and a 2x2 grid of Hi/Lo/W values.

International

Table with 4 columns: City, Today, Tomorrow, and a 2x2 grid of Hi/Lo/W values.

Today Tomorrow

Table with 4 columns: City, Today, Tomorrow, and a 2x2 grid of Hi/Lo/W values.

The WSJ Daily Crossword | Edited by Mike Shenk

Crossword puzzle grid with clues and a 'ZERO WASTE' section.

- 64 Airport area
65 President from Scranton
66 "Sleepless in Seattle" director Ephron
67 Additionally
68 Classify
69 Dalmatian feature
Down
1 Chatter
2 GI support group
3 Sewer scamperer
4 No longer on deck, say
5 Flying reptile of prehistory
6 Catering container
7 Particle in cosmic radiation
8 Portfolio listings
9 Wrath
10 Offer parting words
11 Rich source of fresh vocab
12 Remains
15 Gar of "Bootsie"
18 Romania's monetary unit
22 Nonstop
24 President's military role: Abbr.

Previous Puzzle's Solution

Grid showing the solution to the previous crossword puzzle.

The contest answer is a FIVE-K. Each of the four long theme entries contains five K's, suggesting the answer.

OPINION

Mexican Democracy in Peril



AMERICAS
By Mary
Anastasia
O'Grady

Hundreds of thousands of protesters in cities across Mexico turned out on Nov. 13 to oppose President Andrés Manuel López Obrador's plans to eliminate the independence of the country's electoral authority.

In simpler terms, the world witnessed a national rally to save what's left of Mexico's democracy after four years of AMLO—as the president is known—at the helm.

Mr. López Obrador is subject to a strict one-term limit. He can't legally remain in the presidency beyond the end of his six-year tenure in 2024. Yet he can retain power behind the throne if his Morena Party candidate is declared the winner of the next election.

As an insurance policy toward that end, he has proposed a constitutional amendment in Congress aimed at changing the way members of the National Electoral Institute, or INE, are chosen. If passed, Mr. López Obrador and Morena would be able to gain control of the institute, which is the arbiter of fairness during campaigns and counts the vote in elections.

AMLO also wants to give control of the voter rolls (now in the hands of INE) to the government, use proportional representation to elect the entire lower house of Congress,

and eliminate electoral authorities at the state level.

Civil society is having none of it. It went to the streets not for partisan politics but in the defense of competitive elections. In Mexico City alone, a conservative estimate put the size of the demonstration that jammed Paseo de la Reforma at upward of 250,000.

The president dismissed the crowds as a bunch of well-to-do racists. But he's clearly worried about what appears to be broadening resentment against his antidemocratic governance. He can hold his own rallies but he knows they're rent-a-mob events.

He won the presidency in 2018 because the anti-AMLO vote was split among multiple candidates, turnout in northern states was lackluster, and he dominated Mexico City. In this latest outpouring of resistance, an energized opposition has emerged alongside signs that he has lost the support of the intellectual left.

He accused the demonstrators of standing in the way of his agenda, which he calls the "fourth transformation" of the country. That much is true. His consolidation of power in the name of progress is unpopular.

When Mr. López Obrador was elected with nearly 53% of the vote, some Mexican democrats shuddered. His lack of respect for democracy had been well-established when he refused to accept his narrow loss in the 2006 presidential election. There also was grave

concern about his vision of restoring centralized economic and political power in the presidential palace of los Pinos.

Others were more sanguine, confident that after more than two decades of reforms designed to modernize the country, Mexican institutions were strong enough to contain the ambitions of the 65-year-old *caudillo*.

President López Obrador lunges for control of vote counters in 2024.

So far the democracy is holding on—barely. AMLO has abused executive authority to shut down construction of the international airport at Texcoco and to give the military a larger role in the economy.

Financial investigations by the government that freeze assets are used to intimidate his adversaries. He employed this strategy to push a Supreme Court justice off the bench as part of his effort to gain control of the high court by filling it with his own picks. He has wrested control of the energy regulator and the hydrocarbons commission, both formerly independent.

The lunge for INE is alarming. With near 90% approval, the institute has a stellar reputation in the country as an impartial referee, ensuring

fair elections. Incumbent parties at the local level, for the first time in modern Mexican history, frequently lose elections. While INE relies on government funding, it derives its support, across the political spectrum, from its autonomy and its use of trained citizens to staff polling stations.

AMLO's bully-pulpit insults of the institute have backfired, uniting a broad range of politics. One notable voice at the demonstration in the capital was José Woldenberg, a chairman of Mexico's first independent electoral institute who has a history of working for socialist ideas: "We are gathered here with one clear and important goal: to defend the electoral system that several generations of Mexicans built."

It's possible the mass demonstration will turn out to be only one more protest march thrown on the funeral pyre of democracy in Latin America since Hugo Chávez came to power in 1999 and began taking control of independent institutions. Many large marches in Caracas were unable to stop Fidel Castro's most successful South American protégé.

But Mexico is different from Venezuela, where power was heavily concentrated in the state-owned oil company. Nov. 13 could go down in history as a turning point in the struggle to defend the pluralism, self-government and freedom Mexicans have been working for since the 1990s.

Write to OGrady@wsj.com.

BOOKSHELF | By D.G. Hart

It's Always Happening Here

Fascism Comes to America

By Bruce Kuklick
(Chicago, 245 pages, \$35)

Popcorn doesn't come with books published by respected university presses, but in the case of Bruce Kuklick's "Fascism Comes to America," maybe it should. The book is as much about Hollywood as it is about a movement or ideology. Mr. Kuklick, a professor emeritus of history at Penn and an accomplished historian of ideas, turns his skills to Hollywood's treatment of fascism. He explains why American entertainers, intellectuals and others have so often resorted to the term "fascism" to denounce things they don't like: FDR's New Deal, the Reagan Revolution and much else.

The contrast with communism is striking. "The United States routed the fascists militarily but not the communists,"

he writes. "Yet fascism has remained alive in American imaginations long after its eclipse in 1945." Movies reveal popular sentiments in ways policy analysis does not. Hollywood's use of farce to portray fascism illustrates a problem at the heart of this book. Hollywood did produce a few movies that mocked communism. One was "The Russians Are Coming! The Russians Are Coming!" (1966), a comedy starring Alan Arkin about the misadventures of a Soviet submarine crew stalled off the coast of New England.

Another was "Red Heat" (1988), with Arnold Schwarzenegger (Soviet) and Jim Belushi (American) as "buddy-cops" catching a Georgian drug kingpin. Such communist-based farces vanished once the Cold War ended.

The opposite was true for fascism. During the days of Mussolini and Hitler, the Marx Brothers ("Duck Soup," 1933) and Charlie Chaplin ("The Great Dictator," 1940) poked fun at fascism and succeeded at the box office. After the defeat of the Axis powers, fascism remained an object of derision. For instance, Billy Wilder's "A Foreign Affair" (1948) featured Marlene Dietrich as a former mistress of a high-ranking Nazi whose allure, Mr. Kuklick writes, "hinted at the bizarre erotic possibilities that National Socialist women" had for American men. "Stalag 17" (1953) rendered Nazi soldiers as "central fools" inside a POW camp. The success of that movie paved the way for one of the strangest successes in American television history, "Hogan's Heroes," which aired from 1965 to 1971. Jewish actors who had fled Nazi Germany played Col. Klink and Sgt. Schultz. Only two decades removed, these fictional soldiers were little more than hapless stooges.

Midcentury historians writing shortly after the war's end, Mr. Kuklick shows, didn't see fascism around every corner. Arthur M. Schlesinger Jr., in "The Vital Center" (1949), and Richard Hofstadter, in "The Age of Reform" (1955), contrasted America's liberal polity with extremes of right and left. Both advocated what now looks like a pompous and naive consensus liberalism, but neither categorized politics outside the mainstream as fascist.

Their reticence didn't last. The Vietnam War and the crisis of Watergate stoked American historians' obsession with fascism. A younger generation of scholars looked back to the 1930s and '40s to find parallels with contemporary America. For them, Mr. Kuklick writes, fascism was "a political elective" not "an investigative concept." American policies on Native Americans conformed to definitions of genocide, in some historians' judgments. George Washington, in another study, qualified as an instigator of fascism. Jacksonian democracy's "völkisch" dimensions adumbrated the Nazis. Theodore Roosevelt's imperialist foreign policy leaned fascist.

Fear of communism has all but vanished in American culture since the Soviet Union fell. But fear of fascism has only grown since 1945.

Intimations of fascism persisted among the creative class and journalists. Tony Kushner's play "A Bright Room Called Day" (1985) compared Ronald Reagan to Hitler. The 1993 movie "Falling Down," starring Michael Douglas as a former engineer for the defense industry, explicitly evoked America's "fascist flavor" when the psychologically unstable protagonist shoots a gun-store owner. Meanwhile, conservative writers like Jonah Goldberg, in "Liberal Fascism" (2008), and Dinesh D'Souza, in "The Big Lie" (2017), used fascism to explain the American left.

It didn't take much prodding, after Donald Trump's election in 2016, for fascism's explanatory power to grow. Two scholars who refrained from characterizing the United States as fascist, Columbia University's Robert Paxton and Yale's Timothy Snyder, stood out for independent judgment. Mr. Paxton's essay "The Five Stages of Fascism" (1998) described political processes that escaped ideological conformity. Mr. Snyder's "Bloodlands" (2010) recognized important affinities between Nazi Germany and the Soviet Union. Yet after the 2016 election Mr. Snyder wrote essays and books about a fascist takeover, and after the Capitol riot of Jan. 6, 2021, Mr. Paxton a piece in Newsweek headlined "I've Hesitated to Call Trump a Fascist. Until Now."

Readers may need whiskey to accompany that popcorn when they come to Mr. Kuklick's brief excursus on American government and the Founders' "agony" over democracy. He surmises that Americans' obsession with fascism is the flip side of a collective inability to reckon with the calamitous gap between the Founders and contemporary America. The "Constitution's republicanism" has given way to democracy, the very polity the Founders hoped and planned to avoid. Repeating "democracy" as a benediction and "fascism" as an epithet obscures the contradiction between American reverence for the Founders and ignoring the limits they placed on democracy. We "are estranged from them, and they ought to be strange to us," Mr. Kuklick warns. The author's point is simply that "an unthinking dedication to democracy" prevents Americans from learning from the Founders or acknowledging changes in their government.

His final observations about Mr. Trump may point the way forward. For Mr. Kuklick, the former president fails to qualify as a fascist because of an isolationist (not expansionist) foreign policy and domestic programs that favored federalism and localism (not nationalism). Moreover, Mr. Trump had "only modest electoral support" and was "disliked by well over half the voting public." None of this was true of Hitler and Nazi Germany. The author could well have added that Germany's intellectual class praised Hitler in contrast to American intellectuals who despised Mr. Trump. Mr. Kuklick thinks contempt for Mr. Trump is justified. But calling him a fascist, he rightly insists, is an awful way to express it.

Mr. Hart teaches history at Hillsdale College and is the author of "Benjamin Franklin: Cultural Protestant" (2021).

My Attempt at Tuning Out the World



INSIDE
VIEW
By Andy
Kessler

Welcome to Thanksgiving week, which raises the question: How do you turn it all off? You know, thinking about work, the fire hose of news-feeds, emails and texts, constantly solving the never-ending puzzle of a job. I've asked other columnists this question, on this page and others, and to a person they smiled and said, "You don't!"

Things requiring complete focus work for me: Playing basketball. Building an electric car. Skiing. But you can't do these things 24/7. Recently, coming off a family wedding, my wife suggested we go on a wellness retreat. Being a red-blooded American male, I said "absolutely not." We went.

The whole place had that classic spa smell—a mixture of lavender, eucalyptus and mugwort (I asked). I was informed the cucumber water was available only until 4:45 p.m. Not a problem. Everything had a spiritual twist to it. I noticed some people carrying Chopra-branded tote bags. Appropriate because Deepak Chopra personally—well, at a conference with a few hundred people—tried to teach me how to meditate. It didn't take.

I've always been envious—

well, not envious, more in awe—of those who could detach from real life with only their thoughts and meditation. Maybe this place could do that for me, and for what they charge a night, it better.

I figured I would spend my time sitting in a hot tub and watching football, my kind of wellness. Little did I know that I was signed up for a host of activities. Sadly, I slept through the morning "Intentions Ceremony," which promised mindfulness and neuroplasticity. I was already behind. I intentionally skipped "Intentions Burning." No need, I've burned many bridges with bad intentions in my life already.

Instead, I was off to "Floating Guided Relaxation"—more my speed. On the table near the door were various crystals. I'm not sure why. I was asked if I wanted a copper bracelet. I passed. Next thing I know I'm suspended a few feet off the ground ensconced in silk sheets hanging from the ceiling, sort of an isolation cocoon closed around me. "Hi, I'm Martha. I want you to trust the process on this journey. Each breath will bring detachment." OK then.

"Your spirits need rest from clutter and commotion." Yes, I'm feeling it. "Let each breath be white, almost sparkly paint that covers you from your toes to your thighs and chest and face until a light shines out of your head." My

breathing was working, I was slipping away. Then Martha interrupted. "Let your mind float from your body attached by just a silk cord." What? I took another deep breath. Ah, there it is—until Martha started banging a gong. Hell's bells, I think it severed my silk cord. "Have your mind head toward the vibrations." Pipe down Martha, or I'll never detach. Is this why people go to silent retreats? And then it was over.

At a wellness retreat, they hung me from the ceiling with silk sheets to meditate.

A little squirrely, and longing for the hot tub, I headed to the "Gratitude Circle" for "medial prefrontal cortex activation and communion." Who doesn't want that? More heavy breathing, until a woman wearing a white turban breathlessly ran in late. She said she was a physician and had just had an epiphany: "Hot oil poured on your forehead, to warm your third eye, actually stimulates the ninth cranial nerve, which drives relaxation." Consulting her notebook, she wouldn't stop talking. Want my gratitude? You need to calm the heck down. Another missed opportunity.

Finally, it was time for the "Sunset Sound Healing" session. We lay down on mats and were told to close our eyes. Wait, won't we miss the sunset? The soothing sound of a recorder played. Our healer explained she had crystal singing bowls, bells, chimes, a crystal triangle and stretched-skin drums, synthetic, not animal skin, of course. "On our journey, don't bring any fear, anxiety or self-doubt." Roger that.

"There will be no analyzing where we're going, no judging." What is this, a therapy session? I heard and felt the crystal triangle swung and played right above my chest (I peeked). Very cool. I was headed somewhere. Then the healer banged a drum repeatedly right above me. The vibrations were intense. It reminded me of John Bonham's "Moby Dick" drum solo when I saw Led Zeppelin at Madison Square Garden. The drum was soon replaced by tubular bells, like Mike Oldfield's soundtrack from "The Exorcist." My head was spinning, as in the movie. Then the drum started beating again and I could swear I saw Linda Blair banging on a Ludwig drum kit at MSG spewing green goo and . . .

I quickly sat up. My pulse was racing. It worked! I was totally focused. I had turned life off. But I don't think I want to do it again.

Write to kessler@wsj.com.

One Man's Trash Is Another's Clean Fuel

By Nick Stork
And Joe Malchow

At the end of the 1985 film "Back to the Future," the shambolic Doc Brown swoops in from the future—that is, 2015—to pick up his partner, Marty McFly, in a DeLorean fueled by trash. In 2022 trash-powered vehicles still sound like science fiction, but a technology revolution may be turning them into a reality. Hidden amid the carefully striated layers of waste at the local landfill is a potent energy source: methane gas.

Methane has a lot of potential, but it can also do a lot of harm. When it isn't transmuted into something else, methane is an extremely strong pollutant, 82 times as potent as carbon dioxide. For years, landfill operators had to resort to burning it from atop a tall metal minaret called a flare, resulting in tons of wasted potential energy.

In a lesson about how the energy transition is likely to play out, landfill operators' ability to make use of excess gas has exploded in recent years. New facilities are being

created to convert trash into renewable natural gas, molecularly identical to the gas that heats homes. The process cuts down greenhouse-gas emissions while creating a low-carbon energy source, and it supports energy independence by opening up vast quantities of previously untapped fuel.

Engineers are making renewable natural gas from methane.

The potential has spurred major sanitation and energy companies to break into this new market. This year Houston's Waste Management Corp. announced an \$825 million investment to boost renewable natural-gas capture. In October the British company BP agreed to acquire Archaea Energy (which one of us founded and the other invested in), a company that designs, builds and operates RNG plants in the U.S. to convert waste emissions. Archaea produces 6,000 oil-equivalent barrels a day through 13 RNG facilities with

plans to construct 88 more to serve rising demand. Our only input is trash.

Quiet, private innovation in gas processing made this possible. Archaea sells largely to voluntary buyers who wish to lock in clean gas at fair prices. RNG still comes at a premium compared with other fuel sources, but driving down the cost of producing RNG will mean more of it is available to buyers on attractive terms. We are working to lower the price of RNG by creating standardized and modular production facilities with decreased operating costs, higher processing efficiency, and uptime rates that start above 90%.

Historically, energy investment has been about more deal making. But the technologies that will provide the next leap in energy abundance—solar, batteries and even electrolysis of water into hydrogen—call for something new: high-precision, iterative engineering. Small-scale breakthroughs in gas processing enabled us to improve the portion of usable natural gas recovered from landfills to 95%, up from an industry standard of 75%.

The energy future may mirror computing's past. Rapid cycles of learning yielded step changes in efficiency. When critical thresholds are passed, trillions of dollars in uncoordinated economic potential are unleashed. It happened with metal-oxide semiconductors in the 1990s and is happening with lithium-ion batteries today. But the economy receives this benefit only if a price system untouched by government is allowed to exist.

Some of the predictions in "Back to the Future" proved too far-fetched. Flying cars seem as distant today as they were in the 1980s. But power from trash? Today trash represents a permanent carbon-negative source of natural gas. Voluntary transactions in RNG, and the micro-scale process improvements that have boosted this market, suggest a far more circular economy on the horizon.

Mr. Stork is a cofounder and CEO of Archaea Energy Inc. Mr. Malchow is founding partner of the venture-capital fund Hanover and a director of Archaea.

OPINION

REVIEW & OUTLOOK

Biden Signs Up for Climate Reparations

The use of climate policy to soak Americans keeps getting worse, and the United Nation's climate conference in Egypt ended this weekend with agreement on a new fund to pay reparations to poor countries. Welcome to the latest climate shakedown.

Poor countries have long sought to force wealthy countries to pay for the "loss and damage" they suffer from natural disasters that are supposedly climate-related. This is separate from the \$100 billion a year that rich countries have promised to help poor countries reduce emissions and adapt to climate change.

The 2015 Paris accord suggested rich countries compensate poor countries for climate damage—the rationale being that industrialization has increased temperatures and led to natural disasters. Poor countries finally forced discussion of a formal mechanism to pay climate reparations onto this year's U.N. conference agenda.

John Kerry, the U.S. climate envoy, dismissed the idea earlier this month: "It's a well-known fact that the United States and many other countries will not establish . . . some sort of legal structure that is tied to compensation or liability. That's just not happening." But on Thursday Europe abandoned the U.S. by proposing a deal, and Mr. Kerry rolled over.

Wealthy countries will now set up a fund to cover climate damage for the least developed countries—i.e., not China or middle-income nations. This will be financed from "a broad donor base" and "mosaic of solutions," such as international development banks and taxes on aviation, shipping and fossil fuels.

Europe hopes this will induce poor countries to reduce emissions to meet the Paris target of limiting global warming to 1.5 degrees Celsius compared to pre-industrial levels. The world has already warmed by 1.1 degrees, and a U.N. report last month estimated temperatures would rise 1.8 degrees even if Western countries meet their "net-zero" goals.

But China emits two-thirds more CO2 than Europe and the U.S. combined. Coal accounts

for 60% of China's power generation, and more new coal plants are set for approval through 2025 than the entire existing U.S. fleet. China says it needs more coal power for energy security and, unlike Europe and the U.S., it won't commit climate suicide.

In return for climate reparations, Mr. Kerry tried to force an agreement to phase down "unabated" fossil fuels. Low-income countries understandably refused since doing so would consign their citizens to poverty. The Biden climate agenda has increased energy prices in the U.S., and the climate lobby doesn't mind if this misery spreads around the world.

Details about the reparations fund—such as which countries will pay, how much, and which countries will benefit—will be fleshed out over the next year. Biden officials claim the agreement doesn't create new liabilities for Americans. But the U.S. and Europe are conceding the principle that their emissions cause climate damage even though there isn't a definitive link between rising CO2 levels and natural disasters such as the monsoon flooding in Pakistan this year.

All of this ignores the benefits for humanity, rich and poor, that economic growth spurred by capitalism have provided. American taxpayers are being asked to pay because the U.S. industrialized first and then lifted billions of people out of poverty via investment and trade.

House Republicans won't appropriate money for the fund, but the Administration could tap international development banks that the U.S. funds. Next time Democrats control Congress, they will argue that the U.S. has an obligation to pay reparations, as they argued that the Inflation Reduction Act's climate spending is necessary to meet the Paris commitments.

Countries might also shake down U.S. fossil-fuel producers in their own courts. Climate reparations will merely serve as another form of global income redistribution. The Biden Administration's surrender shows again that the religion of climate change is progressive penance for the sin of being prosperous.

The latest shakedown will pay poor nations for our fossil-fuel sins.

California Heads for a Budget Crunch

Democrats in Sacramento last month sent \$10 billion in direct payments to voters. Please don't call them bribes. But with the election past, the state Legislative Analyst's Office (LAO) last week broke the bad news that the state government now faces a \$25 billion shortfall next year—assuming there isn't a recession.

California's steeply progressive income tax makes it heavily dependent on the income, and especially the capital gains, of high earners. The top 0.5% of taxpayers pay 40% of state income tax. Tax revenue surged in the pandemic as the Federal Reserve's loose monetary policies inflated asset values. Many tech workers cashed out stock options.

Surging capital gains and a gusher of federal pandemic relief contributed to a \$97 billion budget surplus in this fiscal year and \$76 billion a year earlier. As usual, Democrats spent like this would never end. But stock values, especially of high-flying tech companies, have crashed since the Fed began tightening more aggressively this year. Silicon Valley companies are laying off workers.

So little surprise, the state budget analyst now forecasts a \$25 billion hole in the next fiscal year,

which it says "understates the actual budget problem in inflation-adjusted terms" because it didn't adjust many spending programs for inflation. "Assuming the Legislature wanted to maintain its current level of services, additional spending would be necessary," the LAO says.

That's a more than fair assumption. Government unions and liberal interest groups scream about budget "cuts" whenever spending doesn't grow as fast as inflation. The LAO also assumes that "the Legislature enacts no new policies over the period." What are the chances of that with Gov. Gavin Newsom preparing to run for President in 2024?

Oh, and another caveat: The LAO forecast doesn't account for a potential U.S. recession, in which case "revenues could be \$30 billion to \$50 billion below our revenue outlook in the budget window," the analyst warns. That means the state could be staring at a \$75 billion budget deficit next year.

Progressive demands will then mount to raise taxes again on high earners, as Democrats did in 2012. The Democrats who run Sacramento enjoy the revenue highs but always need another fix. The lesson for other states is not to get hooked in the first place.

John Eastman's Sorry Excuse for Jan. 6

In the lead-up to the Jan. 6 riot, John Eastman gave President Trump legal advice that was terrible, and now he's trying to argue it was merely awful. In a letter to these pages on Nov. 14, Mr. Eastman, a former law professor of some distinction, denies he argued that Vice President Mike Pence "could unilaterally reject electoral votes and simply declare President Trump re-elected."

Mr. Eastman claims he made only a modest proposal, Swiftian allusion intended: "The advice I gave to then-Vice President Pence was that he accede to requests from hundreds of state lawmakers to delay proceedings for a short time so that they could assess the effect of illegalities on the conduct of the election." Mr. Eastman specifically refers to a conversation during an Oval Office meeting on Jan. 4, 2021.

But his position is contradicted by the sworn testimony of Mr. Pence's legal counsel, Greg Jacob. According to Mr. Jacob, Mr. Eastman argued at the Jan. 4 meeting that it would, in fact, be "legally viable" for the VP to reject electors. Mr. Eastman advised against this plan only because it would be "less politically palatable." That concession apparently didn't last.

The debate was renewed the next morning, Jan. 5. "When Mr. Eastman came in," Mr. Jacob testified, "he said, I'm here to request that you reject the electors. So on the 4th, that had been the path that he had said, I'm not recommending that you do that. But on the 5th, he came in and expressly requested that." A piece of Mr. Jacob's handwritten notes is in the public record. The top reads: "John Eastman meeting 1/5/21." Then: "Requesting VP reject."

There also are the two memos Mr. Eastman produced in advance of Jan. 6, which circulated among Mr. Trump's advisers. "Here's the scenario we propose," the first one says. The VP

"announces that because of the ongoing disputes," seven states have "no electors that can be deemed validly appointed," and "Pence then gavelled President Trump as re-elected." The second memo offers a menu of options. One is for Mr. Pence to outright reject electors.

A final thing to point out is that the argument in Mr. Eastman's letter isn't a defense. It's more like a plea bargain to a lesser transgression against the American republic. Asking Mr. Pence to reverse the 2020 election directly was appalling. Asking the VP to stall the Electoral College, so that state legislatures could reverse the 2020 election, was also appalling.

Suppose Mr. Pence had tried to delay. The result would have been a constitutional crisis. Federal law sets the time for choosing presidential electors, and it's Election Day in November. Mr. Trump wanted state lawmakers to overrule the will of the voters two months later, and two weeks before the scheduled transfer of power, despite no proof of widespread voter fraud. Doing this could have led to violence.

Also, the 12th Amendment says the Electoral College shall be tallied "in the presence of the Senate and House of Representatives." Democrats controlled the House. Speaker Nancy Pelosi would not have permitted any joint session to reconvene and tally those phony electors. With no Electoral College count by noon on Jan. 20, who's next in line to become President? The Speaker of the House. Or perhaps the Supreme Court would have intervened.

Getting this history right matters. "The Vice President has the power to reject fraudulently chosen electors," Mr. Trump tweeted on Jan. 5, 2021, the day before the riot. He didn't come up with that idea himself.

He claims he didn't tell Pence to reject electors. Here are receipts.

LETTERS TO THE EDITOR

Use the Civil Rights Act to Fight Wokeness?

Vivek Ramaswamy and Jed Rubenfeld complain with some justification that "viewpoint discrimination" violates the spirit of the Civil Rights Act of 1964. How could it not? ("The New Discrimination Demands a New Law," op-ed, Nov. 16). The Civil Rights Act was the culmination of a movement to transform the way Americans think, feel and act with regard to race.

The assumption was that we were all racists who would rather shoot ourselves in the foot than hire a black man to do a job for which he was eminently qualified. The idea spread to sexual discrimination; we were all male chauvinists who would rather tear out a vital organ than allow some member of the fair sex to show us up at our chosen calling. Finally, the idea spread further, with the goal of overcoming the overcomers with pronoun preferences, hormone therapies, queer theory and other innovations that would have been quite startling to the marchers at Selma.

Why would we want to expand the Civil Rights Act when, in the hands of select jurists, it has already become so infinitely malleable that we can no longer tell the dancer from the dance? Do Messrs. Ramaswamy and Rubenfeld really believe that viewpoint discrimination, which is political repression by another name, is less invidious than the old forms of discrimination based on religion and race? There is no law that can protect dissenters from the tyranny of popular opinion. That music stopped playing a long time ago.

ROBERT KORNFELD
Chicago

Messrs. Ramaswamy and Rubenfeld propose to amend the Civil Rights Act to combat "corporate wokeness" by outlawing employment discrimination based on an employee's "political beliefs." As an at-

torney who has handled employment matters for over 40 years, I disagree.

Enforcement of such a law would pose practical difficulties, such as ascertaining what constitutes a protected political belief. The result: expensive, unproductive litigation. The authors cite cases under the Civil Rights Act holding employers liable for expressions of politically charged viewpoints claimed to create hostile work environments for minorities or women. The solution isn't to expand the law, creating yet another basis for an employee to challenge a discharge.

A law prohibiting discrimination based on political beliefs, they suggest, would provide legal cover to CEOs to resist cancel-culture pressure. But when a company injects itself into political causes, that is a business decision. The marketplace provides the best barometer for evaluating these decisions, and it isn't the role of government to insulate corporate executives from the consequences.

KENNETH A. MARGOLIS
Chappaqua, N.Y.

Messrs. Ramaswamy and Rubenfeld might look beyond federal First Amendment doctrine for a framework for protecting political beliefs in the workplace. A handful of cities have protected "political beliefs" or "ideology" from discrimination in employment, as well as in housing and public accommodations, for decades. Ann Arbor, Mich., Madison, Wis., and Seattle enacted such protections before "woke discrimination" was a thing; indeed, one wonders if these cities would pass similar ordinances today. Nonetheless, these local laws remain on the books and can serve as models for additional legislation protecting against unreasonable political discrimination.

PROF. PAUL A. DILLER
Willamette University College of Law
Wilsonville, Ore.

Law Schools Need a Better Ranking System

Yale Law School's withdrawal from the U.S. News rankings is significant, as Yale has been ranked No. 1 since the start of the rankings ("Yale and Harvard Law Unrank Themselves," Review & Outlook, Nov. 18). But the decision comes as no surprise to many of us in academic leadership.

The rankings system is fraught with challenges: unstated calculations known only to U.S. News's editors and a 40% subjective "reputation" score in which law-school deans rate their own schools and competitors. The metrics also affect how schools behave. For example, as Yale pointed out, the criteria can discourage public-interest work.

The fact remains, however, that prospective law students need a way to evaluate an investment in their lifetime profession. Rankings also can help demonstrate that a lesser-known school deserves consideration. While rankings shouldn't be the only factor, they play an important role in a student's decision. I hope that the Yale and Harvard announcements will lead to a thoughtful discussion between U.S. News editors and the nation's law-school deans about a reformed ranking system.

PROF. KEN RANDALL
Dean, Antonin Scalia Law School
George Mason University
Arlington, Va.

Trump's 'Charge of the Lightheaded Brigade'

Former President Donald Trump and his diminishing MAGA legions are now worse than losers, for they have become boring ("Can Trump Change His Stripes?" by Daniel Henninger, Wonder Land, Nov. 17). It's the Charge of the Lightheaded Brigade: theirs not to reason why, theirs but to do and (electorally) die.

Mr. Trump is an albatross now, no

longer a warhorse. But he is relentless, his ego directing another run for Oval Office gold. He is like an old entertainer responding to the smell of greasepaint even though audiences are dwindling and catcalls resounding. And while he has a good chance to win enough primaries to wrest the nomination from more reasonable and temperate candidates, that will happen only if his base remains solid and opposition candidates splinter the non-Trump vote. I suspect such a candidacy will lose again irrespective of a change of stripes for, while Americans are responsive to confession and repentance, those features would be uncongenial to his base.

PAUL BLOUSTEIN
Cincinnati

The New Spiritual Edition Of 'Two Birds, One Stone'

Mike Kerrigan makes the excellent observation that merging unrelated goals can help us overcome spiritual stagnation ("Running Jump-Started My Prayer Life," op-ed, Nov. 15). Several years ago I discovered that my ability to speak German had deteriorated. At the same time, I was struggling to maintain a daily Bible-reading plan.

To motivate myself, I combined these goals and began reading a German-language Bible every day. Almost instantly I began to look forward to reading the Bible because it was an opportunity to improve my German. My German vocabulary is now the strongest it has ever been.

More important, starting my day reading about how God the Father has reconciled us through Jesus has become a source of pure enjoyment that I couldn't imagine omitting from my routine.

DALLAS ANDERSEN
Arlington, Texas

Life Is Hard? Deny, Deny

Jennifer Frey's review of Kieran Setiya's philosophy book "Life Is Hard" (Nov. 11) puts forth that the one virtue necessary to cope with all of life's vicissitudes is hope. I am no philosopher, but I would add that a bit of denial also helps along the way.

JONATHAN FOX
Linwood, N.J.

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.

The Art of Inflation Talk

Inflation dropping from 8.2% in September to 7.7% in October isn't good ("A Tentative Inflation Break," Review & Outlook, Nov. 11). It's only less bad—akin to politicians saying they cut spending when they really only raised spending less than they wanted. It's a creative use of words. Is this why English classes were changed to "Language Arts"?

NATHAN SACHRITZ
Portage, Mich.

Pepper ... And Salt

THE WALL STREET JOURNAL



"You say you're listening, but that's not what I get from your body language."

OPINION

The U.S. Needs a Better Digital Dollar

By Kevin Warsh

China is giving the U.S. a run for its money. The recent launch of a digital form of the Chinese yuan—bolstered by a disruptive new technology—threatens the dominance of the U.S. dollar and American hegemony. U.S. policy makers should heed the moment and respond with a strengthened form of the dollar in service to the national interest.

The greenback is trading at its strongest level since 2002, up more than 10% year-to-date against most major currencies, including the yuan. U.S. authorities, however, shouldn't

China's new digital yuan could compete as a reserve currency and undermine U.S. financial dominance.

misread the dollar's strength. American output has fallen, just not as far or fast as that of our big trading partners. The Federal Reserve is raising rates belatedly to slow inflation, but there is a high price still to be paid for high prices.

China's currency weakness is a function of the country's economic travails. Economic output and productivity are considerably weaker than official statistics claim. Its businesses are retrenching and its exports are flagging. Its people are getting old faster than they are getting rich. The yuan's frailty is also a result of China's policy choices. In recent years, efforts to persuade

foreign investors to add the yuan to their holdings have had limited success. Heightened capital controls and an unreliable rule of law haven't made for an attractive alternative to the U.S. dollar.

Enter the game-changer of cryptocurrency. Don't be deceived by the thousands of private cryptocurrencies masquerading as money in some form of circulation. Many of these schemes are fraudulent, and most are worthless. Cryptocurrency is a misnomer. It isn't secretive and it isn't money. It is software. And it is a significant technological breakthrough that poses promise and peril for the American-led global financial system. In the hands of a powerful sovereign such as China, the new software is an effective way to launch the yuan into the big leagues.

That's why China's new central bank digital currency, called e-CNY and launched in April 2020, is so consequential. China's e-CNY will be the technology backbone for most wholesale transfers among the People's Bank of China, financial firms and foreign institutions. If foreign businesses want continued access to the vast Chinese market, they will be compelled to use the digital currency and its wholesale payment network to conduct business. When fully implemented, e-CNY will also be the dominant retail protocol, eventually handling most personal financial transactions. China's central planners will have a powerful tool to monitor transactions and enforce compliance with government directives.

China's sphere of influence is expanding in Asia, Russia and the Middle East. Its leaders envision e-CNY as a parallel international payment



DAVID KLEIN

and currency network to that of the West. If a new bipolar world emerges—by some imprudent mix of Chinese force and American fatigue—the dollar's dominant role could be undermined. Decoupling the world's two largest economies wouldn't be limited to imports and investment, munitions and might. It could well include the rise of a powerful alternative reserve currency.

Absent leadership by the U.S., authorities in China—with a decidedly different view of the public good—are trying to use the new technology to erode America's global standing. The Fed and Treasury should cease to play the slow game while China builds a new digital monetary and financial architecture. America's other

big trading partners won't wait around while U.S. authorities consider incremental reforms. The status quo is neither satisfactory nor sustainable.

One option, popular among some in Washington, is for the U.S. to create a dollar copycat of China's digital yuan. The Fed would intermediate wholesale and retail payments, including as the direct counterparty to U.S. consumers. This is at odds with the American ethos of privacy from government intrusion. The specter of state surveillance of individual spending is dangerous. The interface with citizens should rest with the private sector.

The Biden administration appears to promote another alternative: Give

the government's imprimatur to privately issued stablecoins. I am skeptical that a host of private cryptocurrencies are sufficiently strong and reliable proxies for the U.S. dollar. I also doubt that bank-like regulation of private stablecoins would ensure their stability in stressful times, absent government bailouts.

So what to do? The U.S. should announce the essential design features of a digital dollar to be used exclusively for wholesale transactions. The existing wholesale payment system is slow, cumbersome, opaque and expensive. The new regime would more effectively intermediate payments among the government, financial firms and foreign central banks. Settlements would be made faster. Payments would be cheaper. Cross-border transfers would be seamless. Money creation would be more transparent.

A currency reigns supreme until it doesn't. The new digital dollar would strengthen the currency for a new era, and bolster America as leader of the global economic system. Compared with China's e-CNY, the proposal has superior attributes of sovereign control, monetary soundness, financial innovation and individual privacy. The U.S. and its allies need sound and stable money to escape a period of weak output, high inflation and geopolitical conflict. A digital dollar backed by America's full faith and credit would be an important part of a reformed financial and monetary architecture.

Mr. Warsh, a former member of the Federal Reserve Board, is a distinguished visiting fellow in economics at the Hoover Institution.

What Donald Trump and Sam Bankman-Fried Have in Common

LIFE SCIENCE
By Allysia Finley

FTX founder Sam Bankman-Fried's crypto empire went bankrupt gradually, then suddenly, to borrow a line from Ernest Hemingway. Maybe that's how we will look back on Donald Trump's political currency too.

The two disruptive figures operate on different ends of the political spectrum, yet both achieved success in similar ways and have fallen into disrepute for similar reasons.

Both became famous by building a marketing juggernaut, befriending celebrities and projecting an aura of success. Both exploited the political predispositions of their supporters—for Mr. Trump, conservative grievances against America's liberal ruling class; for Mr. Bankman-Fried, progressive intellectual vanities.

Consider Mr. Bankman-Fried. Not only was the 30-year-old vegan the second biggest donor to Democrats this election cycle, he championed fashionable progressive causes such as carbon neutrality, inclusive capitalism and "effective altruism."

He even tapped Brazilian supermodel Gisele Bündchen as FTX's

"Environmental and Social Initiatives Advisor." "I came to FTX after I spoke to Sam's dad"—Joseph Bankman, a Stanford law professor—who was "really into environmental education," Ms. Bündchen told Forbes in April. "When Sam made it clear that he was really committed to giving back, they asked me to help them understand what could create the biggest impact."

Mr. Bankman-Fried touted cryptocurrency as a means of making finance more "inclusive." "One of the biggest benefits of crypto is equitable access to finance," the FTX founder said in the same joint Forbes interview. "With overdraft fees, some people can barely get access to their own assets." After the past two weeks, FTX customers may never have access to their assets again.

The former president and the crypto mogul both cast themselves as saviors—for Mr. Trump of America's working class; for Mr. Bankman-Fried of failed crypto firms, which he has spent hundreds of millions of dollars to rescue over the past year. Both betrayed their supporters.

Mr. Trump sold the false narrative that the 2020 presidential election had been stolen. He then gulled his base into voting for GOP candidates

who echoed his conceit in this year's primary elections—nearly all of whom went on to lose in November. As a result, Republicans will have a harder time pushing back against the progressive agenda.

Mr. Bankman-Fried assured customers that his exchange would safeguard their deposits as it lent out

Both men cast themselves as saviors. Yet both deceived and exploited their supporters.

more than half of them to his Alameda Research trading house to fund risky bets. Many customers who sought to withdraw their funds earlier this month weren't able to because FTX had lent them to Alameda.

Neither man has owned up to or apologized for his deceptions. Mr. Trump still claims the 2020 election was stolen and blames GOP losses in key Senate races on Mitch McConnell. Mr. Bankman-Fried insisted last week that nothing he told customers was technically inaccurate because Alameda, not FTX, invested

their deposits. He blamed FTX's collapse on "messy accounting" and claimed his biggest mistake was putting the company into Chapter 11 bankruptcy.

Now both fallen heroes seek redemption. Mr. Trump has announced his bid for president in 2024. Mr. Bankman-Fried is soliciting a bailout for his bankrupt enterprise. "I have 2 weeks to raise \$8b," he wrote in a Nov. 15 Twitter message to Vox's Kelsey Piper. "That's basically all that matters for the rest of my life."

Yet there's one striking difference: Most Republicans didn't buy Mr. Trump's election lies, and many GOP leaders called them out. By contrast, a sycophantic press and sophisticated investors—including BlackRock, Sequoia Capital and SoftBank—seem to have disregarded the glaring red flags about Mr. Bankman-Fried.

These include FTX's cozy relationship with Alameda. The companies shared a corporate campus in the Bahamas where an FTX affiliate reportedly spent \$74 million on luxury resort and condo properties. Mr. Bankman-Fried dated the Alameda CEO, who frequently accompanied him to meetings. FTX's financial reports acknowledged that some staff worked for both firms.

As for corporate governance, FTX had only three directors on its board, including Mr. Bankman-Fried and another company executive. A profile on Mr. Bankman-Fried published by Sequoia Capital, titled "Sam Bankman-Fried Has a Savior Complex—And Maybe You Should Too," showed the FTX founder playing videogames during meetings.

Media puff pieces likened him to J.P. Morgan and Warren Buffett, yet none seemed to ask about the source of the \$37 million he donated to Democrats or the hundreds of millions he used to rescue distressed crypto firms. Why? Perhaps because he championed their progressive hobbyhorses and used their favorite buzzwords.

It was all a ruse to win positive PR. Mr. Bankman-Fried acknowledged last week to Ms. Piper: "I feel bad for those who get [harmed]," he wrote, using an obscenity, "by this dumb game we woke westerners play where we say all the right shiboleths [sic] and so everyone likes us." Mr. Bankman-Fried may not believe in anything greater than himself any more than the former president does.

FTX failed because Mr. Bankman-Fried's supporters lost confidence in him. That may be how Mr. Trump finally crashes and burns too.

Elon Musk Can Save Twitter—and Democracy

By Mark Weinstein

Twitter's value has likely fallen far below the \$44 billion Elon Musk paid for it in October. In recent days, Mr. Musk has said that "Twitter has had a massive drop in revenue" and warned staff that "bankruptcy isn't out of the question." He needs to shore up this hemorrhaging dam quickly. As a veteran of the social-media trenches for more than 25 years, I have some advice for Mr. Musk.

First, he needs to resolve advertiser concerns that their ads will appear alongside unsavory content. Following Mr. Musk's takeover, General Mills, United Airlines, Pfizer and General Motors paused ad spending. Advertising giants IPG and Omnicom recommended their clients pause ads as well. Advertising fills nearly 90% of Twitter's revenue coffers, so a remedy is urgent.

Perhaps rather than task his engineers with updating Twitter Blue, they should immediately create an

advertiser content-preference system. Allow advertisers to select the tenor and topical content that their ads are associated with, in tandem with their targets for user demographics. This will assuage concerns and could improve advertiser returns on investment.

Second, Mr. Musk must reconsider his new feature allowing any user to have a verification badge simply by paying \$8 a month for Twitter Blue. He claimed via tweet that "it is the only way to defeat the bots and trolls." Unfortunately, this has led to a rash of verified accounts impersonating public figures, companies and organizations, wreaking mayhem on their brands.

Despite this unintended consequence, Twitter Blue now offers verified accounts the chance to have their tweets "rocket to the top of replies, mentions and search." Bot and troll armies are frequently funded by hostile governments and other bad actors looking to disrupt civil discourse. Now they can pay

for verification and "rocket to the top," giving them more disruptive influence than ever.

To defeat the bots and trolls now, Mr. Musk should relaunch Blue's verification in tandem with some form of Real ID. This will cause another revenue haircut as these subscriptions are removed, but it will likely be offset by the return of advertisers to the site.

Third, Mr. Musk must establish open discourse on the platform without being an absolutist in free speech. Mr. Musk has dubbed himself a "free speech absolutist" and tweeted he doesn't want Twitter's moderation to "go beyond the law." Increasing free speech on Twitter is vital to bolstering democracy, but sites that allow absolute free speech are overrun with hateful posts, spam, pornography, bullying, doxing and incitement of violence. Since Mr. Musk took Twitter's reins, racial slurs and hate speech have surged on the platform. This could significantly reduce Twitter's membership.

The best approach embraces light, even-handed moderation with no political bias and no double standards. This means a few simple rules: no inciting of violence, no bullying, no doxing, no hateful posts—with the last defined clearly and narrowly, in a way partisans on both sides can understand and agree

The company is losing value by the day. Here are six steps to restore user and advertiser confidence.

with. Allow people of all viewpoints to speak freely and engage in hearty debates about politics, health issues, diets, lifestyles, etc. This approach isn't conservative or liberal. It's American.

Fourth, Mr. Musk must make good on his intention to oversee a Twitter with little propaganda. This may be

his most important goal. Marketers, politicians and governments use Twitter to target unsuspecting users and manipulate their emotions, opinions, purchasing decisions and voting behaviors. Paid, purposefully misleading and polarizing content can spread like wildfire across the platform. In the short term, the way to solve this is to stop letting users pay to boost and amplify content.

Fifth, Mr. Musk can follow through on his proclamation that Twitter's algorithms will become "open source to increase trust." Brilliant idea. All will know how they are being manipulated and can choose whether to opt out. But as with all opt-outs, users pay scant attention to the settings toggle that adjusts this preference. Twitter must go an extra step: No algorithms manipulating user newsfeeds or boosting unwanted content, period. Users receive posts from the accounts they follow in their feed in timeline order. That's it.

Sixth, to earn public trust and appeal to a wide user base, Twitter and its leadership must remain politically neutral. Mr. Musk's recent tweets telling Twitter users to vote Republican before the midterms and sharing conspiracies about Nancy Pelosi's husband miss the mark. As Parler and TruthSocial have proven, one-sided echo chambers quickly become untenable for users and don't make for healthy businesses.

Twitter is the closest thing the world has to a digital town square. Fixing it is vital for the future. Preserving free-speech principles and eliminating paid propaganda are critical. I hope Mr. Musk will consider these recommendations to help Twitter strengthen civil discourse and restore trust with its users.

Mr. Weinstein is founder of MeWe.

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Notable & Quotable: Midterms

From "The Election, by the Numbers" by Jeffrey H. Anderson for City Journal, Nov. 18:

Midterm elections normally serve as referendums on incumbent presidents—to whom voters seldom give the benefit of the doubt, and whose parties almost always lose substantial numbers of seats in the House of Representatives and often the Senate, as well. . . .

So, what happened? A pair of numbers leaps out of the exit polling: 32 percent of voters said that they cast their House vote to "oppose" President Joe Biden, while 28

percent said they cast their House vote to "oppose" former President Donald Trump. In other words, for every eight votes cast against Biden, all but one [were] negated by a vote cast against Trump. This is surely unprecedented in a midterm election. It's nearly impossible to imagine a previous midterm in which almost as many people voted against the loser of the previous presidential contest as voted against the winner. How many people, for example, bothered to vote against Richard Nixon in 1962, Jimmy Carter in 1982, George H. W. Bush in 1994, or even Hillary Clinton in 2018?



VICTORY IS A STATE OF MIND

LOUIS VUITTON

BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

Monday, November 21, 2022 | B1

Last Week: S&P 3965.34 ▼0.69% S&P FIN ▼1.48% S&P IT ▼0.85% DJ TRANS ▼2.06% WSJ IDX ▲0.54% 2-YR. TREAS. yield 4.510% NIKKEI 27899.77 ▼1.29% See more at WSJ.com/Markets

Carvana Faces a Cash Crunch

Online used-car dealer's sales are slowing, as borrowing costs are going up

By MARGOT PATRICK AND KRISTIN BROUGHTON

Carvana Co., the used-car dealer that was a pandemic winner, is rushing to conserve cash as once-plentiful financing options dry up and business deteriorates.

On Friday, Carvana laid off about 1,500 people, its second

round in six months. Its weakening finances mean raising funds would be difficult and costly, and it could run out of cash in a year, analysts say.

Few companies have been hit harder by rising interest rates than Carvana. The company's interest expense nearly doubled early this year when it paid up to get financing for an acquisition. Its cost to finance car purchases is up 75% this year, and some of its real estate has lost value. Car buyers, meanwhile, are holding off purchases in the hope that rates fall.

In a memo to Carvana's employees announcing the layoffs, Chief Executive Ernie Garcia III blamed an uncertain economic environment that he said was particularly tough on fast-growing companies that sell products affected by higher interest rates. "We failed to accurately predict how this would all play out and the impact it would have on our business," he said.

The company said it has millions of satisfied customers, and that disrupting the auto industry isn't easy. "We have seen many e-com-

merce companies written off early in their journey only to become market leaders. We plan to follow suit," a spokesman said.

Carvana became popular with heavy advertising and haggle-free cars delivered to customers' doors. Investors bought in, driving the shares up more than sixfold. The stock has fallen more than 97% from its peak last year. Carvana's bonds are trading at distressed levels.

"They built an infrastructure across the enterprise with the assumption that the

growth would be there," said Daniel Imbro, a managing director at Stephens Inc.

The ratings firm S&P Global Ratings warned that Carvana's liquidity likely would erode faster than expected and changed the outlook on its CCC+ rating to negative this month. It said the company's standing to raise more cash from stock and bond investors has deteriorated.

Less than a year ago, Carvana was still trying to keep up with demand. In February, it agreed to buy a car-auction Please turn to page B4

Paramount Won't Aid Appeal of Blocked Book Deal

By JESSICA TOONKEL AND JEFFREY A. TRACHTENBERG

Paramount Global has decided not to support an appeal of a recent ruling that blocked the planned \$2.18 billion sale of its Simon & Schuster book-publishing unit to rival Penguin Random House, according to people familiar with the situation.

Paramount is expected to announce a decision early this week, the people said.

Penguin Random House said it wanted to pursue an expedited appeal, but it needed the support of Paramount Global.

Reuters earlier reported that Paramount was scrapping the deal.

U.S. District Judge Florence Pan ruled on Oct. 31 that the Please turn to page B4

Stoppages Worsen at Disney Parks Rides

By ROBBIE WHELAN AND JACOB PASSY

Amie Gasabyan was riding the Indiana Jones Adventure thrill ride at Disneyland with her 9-year-old daughter Ella on a recent weekday when it lurched to a halt in a pitch-black tunnel.

Ms. Gasabyan told her daughter to stay calm and that this happens all the time. The ride started up again after about seven minutes.

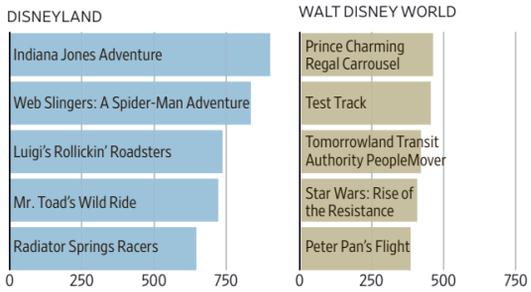
Unplanned ride stoppages and wait times at Walt Disney Co.'s theme parks are on the rise, according to a Wall Street Journal analysis of statistics from three amusement-park data providers. The problems are worsening as Disney raises prices broadly at Disneyland and Walt Disney World.

Average monthly ride stoppages rose 58% at Disneyland from 2018 to 2022 as of late September and rose 42% at Walt Disney World over the same period, according to WDW Stats, a website that tracks the status of rides at Disney parks and logs how long interruptions last. Total ride stoppages fell at the parks in 2020 in part because both Disneyland and Walt Disney World were closed for months due to the pandemic. In Orlando, Fla., at Walt Disney World, the Star Wars: Rise of the Resistance ride is down an average of 118 minutes a day this year, according to data compiled by Thrill Data and Touring Plans, two Please turn to page B2



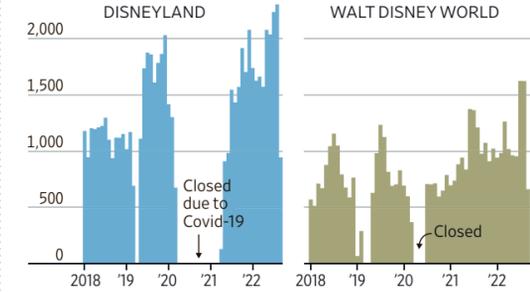
In recent years, the average wait time for some of the most popular rides at Disney's theme parks has exceeded one hour.

Unplanned stoppages by ride in 2022, top five at each park*



*Data as of Sept. 18. Figures not available for some months in 2019 due to data collection issues.

Monthly unplanned stoppages*



Sources: WDW Stats (stoppages); Touring Plans

Europe Looks to Shore Up Gas Supply

By JENNY STRASBURG AND BENOÎT MORENNE

Though Europe has filled its reserves of natural gas for this winter, the clock is already ticking to secure energy for the coming years, which are expected to remain dogged by threats of severe shortages.

The European Union's gas storage is around 95% full, and many analysts say the continent might avoid an energy calamity this winter. But procuring gas for coming winters is widely anticipated to become more difficult for European countries now that they are mostly cut off from Russian supplies and global competi- Please turn to page B5

Bankman-Fried Deputy Was Key Player at FTX

By HANNAH MIAO AND JUSTIN BAER

On a video call in early November, employees at Alameda Research dialed in to learn the fate of the trading firm, which was teetering on the brink.

It was up to Caroline Ellison to deliver the bad news. Alameda was at the center of Sam Bankman-Fried's collapsing FTX empire. Ms. Ellison, who had just turned 28 years old, was at the center of Alameda. And they were all in crisis.

Alameda and crypto exchange FTX were both the brainchild of Ms. Ellison's friend Mr. Bankman-Fried, and he had picked her to help lead Alameda the year before. For a time, they rode the crypto

wave together, with FTX eventually notching a blockbuster valuation of \$32 billion. This month, it all came crashing down in a matter of days.

Customers had grown fearful about the companies' financial health, yanking their money from FTX in a short, frenzied period. The firms scrambled to stay afloat, but they filed for bankruptcy shortly after Ms. Ellison's call with employees. Mr. Bankman-Fried resigned as FTX's chief executive.

Prosecutors, regulators and even FTX's new CEO are investigating what happened. Customers are losing hope they will ever see their money again. Lawsuits have followed, and many top employees have left. Please turn to page B8

Exchange Creditors Due \$3.1 Billion

By CAITLIN MCCABE

FTX owes its 50 largest creditors about \$3.1 billion, the failed cryptocurrency exchange said in a bankruptcy court filing Saturday. The filing didn't name the creditors but listed them as customers. Two creditors are each owed more than \$200 million.

FTX's lawyers have said in all there could be more than one million creditors across FTX's various entities.

Also Saturday, a statement from John J. Ray, the company's new chief executive officer, struck a slightly more optimistic tone about the possibility of recovering assets to repay those creditors. On Thursday, the veteran bankruptcy executive said he had never seen anything as bad as FTX in 40 years in the restructuring business.

"We are pleased to learn that many regulated or licensed subsidiaries of FTX,

within and outside of the United States, have solvent balance sheets, responsible management and valuable franchises," said Mr. Ray, who was hired to oversee the company during its bankruptcy process, on Saturday.

FTX's new management hired an investment bank to help sell viable parts of its business and discovered there were more than 200 accounts containing positive cash balances. A separate filing in fed-

eral bankruptcy court identified 216 bank accounts with positive balances, offering the possibility that there was some value left in FTX's wreckage for creditors to recover. It verified account balances valued at about \$564 million, according to the filing. Much of that money, however, is either held in outside entities. Please turn to page B8

◆ Silvergate faces FTX contagion fears..... B9

Housing Stocks Rally, Defying Soft Demand

By KAREN LANGLEY AND BEN EISEN

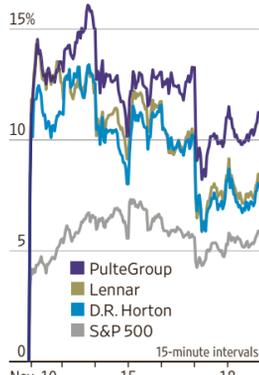
Investors are seizing on any sign inflation has peaked as a reason to snap up beaten-down shares. Just look at housing stocks.

Redfin Corp. shares have soared more than 50% since Nov. 9 when the real-estate brokerage's chief executive warned, "We have to assume that the sun will never come up." Shares of home builder PulteGroup Inc. have gained 11% over the same period, despite its CEO recently describing a widespread pullback in demand as interest rates climbed.

Shares of real-estate brokerages, home builders, mortgage lenders and practically anything that touches the housing industry have surged as well, outpacing the S&P 500's 5.8% rise.

Behind the rally? Softer-than-expected consumer-price

Share-price and index performance



Source: FactSet

PulteGroup price/earnings ratio, next 12 months



this year.

With home-price declines expected to accelerate next year, some investors worry the current rally resembles the summer run that abruptly ended when the central bank recommitted to its aggressive rate-hike campaign. The S&P 500 has fallen 17% in 2022.

"This is another bear market rally," said Stephanie Lang, chief investment officer at wealth-management firm Homrich Berg. "The reaction to the CPI print we think was extreme and really not warranted."

Also rocketing higher on the soft inflation report: Shares of Cathie Wood's ARK Innovation exchange-traded fund, which jumped 15% on Nov. 10 in their best day on record; shares of Peloton Interactive Inc., which advanced 16%; and shares of Zoom Video Communications Inc., which gained 14%. All three are still Please turn to page B2

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BUSINESS & FINANCE

Biggest Railroad Unions Count Votes as Threat of Strike Looms

By ESTHER FUNG

Two of the country's largest railroad unions will reveal Monday whether their members voted to accept a new wage deal brokered by the White House or reject it and move closer to a strike that could disrupt the flow of goods around the country.

The unions representing engineers and conductors—Smart Transportation Division and the Brotherhood of Locomotive Engineers and Trainmen—are the final two of the 12 unions reporting the ratification of votes in what has been a contentious and protracted labor dispute.

Workers of seven of the unions have ratified their agreements. The three unions whose members have rejected their tentative agreements are back at the negotiating table with the railroads for a revised deal. If they don't come to a new agreement, workers would be allowed to strike as early as

Dec. 4.

Union Pacific Corp., CSX Corp. and other freight railroads move about 40% of U.S. long-distance cargo and serve the agricultural, energy and manufacturing sectors. Even a short strike could lead to diversions and cascade into delays and congestion, pushing back recovery in some supply chains. Trade groups representing grain and feed producers and chemical shippers have asked Congress to intervene to prevent a labor strike.

Railroad workers who voted against their agreement said wages weren't the reason for their decision. Their grievance is about working conditions. They say punitive attendance policies and insufficient staffing have left them overworked. Railroads, which furloughed thousands of staff during the pandemic, say they have struggled to hire enough workers when demand recovered and adopted attendance policies to manage absences.

"Neither side gets everything at once in a compromised product. There are certainly numerous things the railroads didn't get out of the deal," said Ian Jefferies, president of the Association of American Railroads, a trade group. He said the proposed wage increases were above what the railroads had offered, and changes in work rules that the railroads sought weren't included.

The tentative agreement offers railroad workers a 24% increase in wages over the five years, dating from 2020 through 2024.

The deal allows for one additional paid day off, on top of existing vacation and paid time off. Union leaders at BLET and Smart TD said they managed to get changes to attendance policies included in addition to the recommendations of a White House-appointed panel, though some members said these gains aren't enough.

Some workers said they are resentful that railroad execu-

tives don't adequately value the contributions of their labor. "They are so brazen to the fact that they don't care about the working people," said Lesly Wilterding, a signal maintainer based in Fort Scott, Kan. Mr. Wilterding voted earlier to reject the tentative agreement presented by his union, the Brotherhood of Railroad Signalmen. Members of the union overall voted against the deal.

The railroads say they have made changes to their attendance policies based on employee feedback. "Work remains to make our jobs attractive to today's employees—especially the unscheduled, 'on call' jobs," said Kristen South, a Union Pacific spokeswoman, adding that the company was testing a new work-rest schedule.

The U.S. economy would lose \$2 billion each day railroad workers are on strike, the AAR estimated. The country's economic output averages around \$63 billion each day.

Ride Stoppages Worsen

Continued from page B1

other services that help visitors plan trips to theme parks. That is up from 104 minutes a day on average in 2020, the year the ride opened.

The average wait time across all rides at Hollywood Studios, a theme park at Walt Disney World that is home to some of the resort's most popular rides, rose from 39 minutes in 2019 to 49 minutes in 2022, while the average wait time for the park's eight most popular attractions, including Rise of the Resistance and Tower of Terror, rose from 61 minutes to 71 minutes over the same period, according to statistics compiled by Thrill Data.

Disney disputed the notion that stoppages and wait times have risen.

A spokeswoman said the data used in the Journal's analysis is incomplete and

don't match Disney's internal metrics.

"Our source data shows that Disney's ride reliability remains strong and is consistent with prior years," said the spokeswoman, who declined to share internal data.

Ideally, a visitor to a theme park would experience 1.5 attractions an hour, said Dennis Speigel, chief executive and founder of consulting firm International Theme Park Services, so "they're not stuck in a queue, waiting in the heat."

In recent years, the average wait time for some of the most popular rides at Disney's theme parks has exceeded one hour, according to Touring Plans data.

Disney's theme parks are taking on more strategic importance within the company. Over the past year, the company has streamlined its parks and experiences division, raised prices and added new technology features that cost visitors extra and have helped drive record revenue and profit, which have helped make up for billions in losses at Disney's streaming business.

On Tuesday, the company



Disruptions are more common at intricate site like the Indiana Jones Adventure ride at Disneyland.

said it would raise the minimum price for one-day single-park admissions tickets at three of its four theme parks within Walt Disney World for the first time in more than three years.

Starting Dec. 8, it will cost between \$124 and \$189 to enter Magic Kingdom Park with a one-day ticket, depending on the day, up from \$109 to \$159.

Disruptions are more common on some of Disney's more intricate attractions, including Web Slingers: A Spider-Man Adventure and the Indiana Jones ride, data show. Star Wars: Rise of the Resistance at Disneyland has had 540 unplanned stoppages this year

through mid-September, up from 490 for the whole of 2021, according to WDW Stats. Simpler rides such as Davy Crockett's Explorer Canoes and Autopia stop less frequently, WDW Stats data show. Disney says that its internal statistics don't indicate that more complex rides break down more often but declined to share that data.

Disney says most stoppages result from bad weather, maintenance needs and guest interactions with the attractions, such as dropped cell-phones or guests who need assistance exiting a ride.

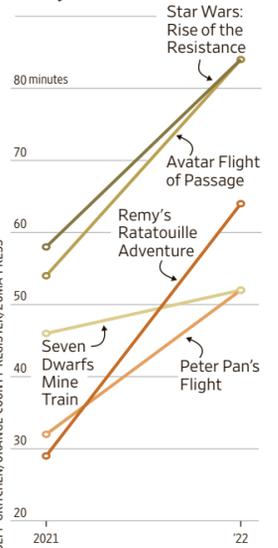
On a recent Friday, the posted wait time for Rise of

the Resistance reached seven hours, though later in the day it dropped to 105 minutes, according to Disney park apps. Disney attributed this to a "sign glitch" that incorrectly showed visitors a wait time that was double what the app should have shown.

Struggles with downtime aren't unique to Disney. At Universal Orlando Resort, the Jurassic World VelociCoaster is down for more than 105 minutes a day on average, according to Thrill Data, a long wait by most theme park standards.

A Universal Parks & Resorts spokesman said that most of VelociCoaster's stoppages are

Average wait times for popular rides at Walt Disney World



Source: Touring Plans

HOW DATA ON RIDE STOPPAGES AND WAIT TIMES WERE TALLIED

The three data providers used in this WSJ analysis, WDW Stats, Thrill Data and Touring Plans, rely on data feeds from Disney's smartphone apps. Visitors to Disney theme parks use those apps to monitor how long they would have to wait at various times throughout the day to get on attractions at the parks. The app shows these wait times on an interactive map so that visitors can plan their days and avoid long lines.

WDW Stats uses an algorithm that scrapes data from the apps and records every time a ride changes status from "operating" to "interrupted," then logs the change and notes how long it remains interrupted. WDW Stats enters this data into a database that allows it to analyze trends at the theme parks.

Thrill Data has a similar approach, but records only stoppages that last 10 minutes or longer. Touring Plans uses data gleaned from the apps and tracks stoppages of seven minutes or longer but also has personnel inside Walt Disney World who provide in-person updates on ride status. Both Thrill Data and Touring Plans also scrape data from apps to track wait times for every ride at Disney's Florida resort, while Touring Plans looks at both the "posted" wait time that Disney provides to visitors and the "actual" wait time, based on data it collects from its own app, using a stopwatch feature that allows visitors to measure how long they stand in a queue.

Housing Stocks Rally

Continued from page B1

down more than 50% in 2022. Such shares tend to be priced on expectations of growth far into the future, so they often soar or stagger in concert with moves in interest rates. For the housing industry, changes in rates don't just swing stock-valuation models. They are a key influence on the outlook for business because shifting mortgage rates push buyers into or out of the market.

"It makes sense that rates would move lower and that would result in at least some bright light for builders," said Carl Reichardt, home-building analyst at BTIG. "The question is the intensity of the light."

Investors this week will parse data on new home sales and consumer sentiment as they gauge the health of the economy. Money managers and analysts are watching for signs that the U.S. could enter a recession as the Fed continues to raise rates.

Economists and analysts say the housing-market downturn isn't likely to drag the economy into a deep recession the way it did during the financial crisis of 2008. Mortgage lenders have tightened underwriting standards and home builders haven't taken on as much debt.



PulteGroup shares have surged this month. A project in Florida.

Still, a gauge of sentiment among builders has fallen every month this year. It is now at its lowest level in a decade, except for a brief period at the beginning of the pandemic. "Builders are going to be less busy going forward," said Robert Dietz, chief economist at the National Association of Home Builders.

Existing home sales fell for a ninth straight month in October. Mortgage originations in 2022 are pacing for about half of last year's levels, and they are expected to drop further in 2023, according to Mortgage Bankers Association forecasts.

The downbeat outlook had made housing stocks some of this year's worst performers. Redfin, for example, is still down 87% this year. But after a bruising stretch, investors are hungry for any bit of good news.

Redfin said Nov. 9 that it was cutting 13% of its staff

and shutting its home-flipping business to position itself to make money even if the housing market doesn't recover for a while. The next morning, the Labor Department said that consumer-price inflation eased in October to the slowest pace since January. Redfin's stock

rose 32% on Nov. 10 and 21% the following day. Last week, the average rate on a 30-year fixed mortgage fell to 6.61% from 7.08%, the biggest drop in 41 years.

Still, Redfin's chief economist, Daryl Fairweather, said she doesn't believe the housing market will rebound until

at least 2024, which means volatility in housing stocks may persist.

32%

Jump in Redfin stock Nov. 10, day of consumer price report

rose 32% on Nov. 10 and 21% the following day.

Last week, the average rate on a 30-year fixed mortgage fell to 6.61% from 7.08%, the biggest drop in 41 years.

Still, Redfin's chief economist, Daryl Fairweather, said she doesn't believe the housing market will rebound until

at least 2024, which means volatility in housing stocks may persist.

"The CPI report is just a glimmer of hope that what the Fed is doing is working, but it doesn't give us a whole lot of information about how long these high mortgage rates persist," Ms. Fairweather said.

PulteGroup CEO Ryan Marshall said on an Oct. 25 earnings call that home-buyer demand clearly fell during the third quarter. He said the dramatic rise in interest rates has likely been the biggest concern for most consumers but that inflation and fear of recession are also at play.

"It is easy to understand why consumers have moved to the sidelines," he said.

Some traders looking at housing stocks have seen a deal despite the worries about business in the coming months. Shares of builders D.R. Horton Inc., Lennar Corp. and PulteGroup traded in June at their lowest multiples of future earnings of the past decade, according to FactSet.

Even after their rallies, the stocks look cheaper than their long-term norms. PulteGroup, for example, traded last week at 5.6 times its projected earnings over the next 12 months, below a 10-year average of 10.3.

Bill Smead, chief investment officer at Smead Capital Management, said he has added in recent months to positions in D.R. Horton and Lennar. Mr. Smead expects shares of home builders to perform strongly over the long run as the millennial generation settles down and buys homes.

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BUSINESS NEWS

Downsized Twitter Tested by World Cup

With far fewer staff, platform must manage surge in usage during much-watched event

By ALEXA CORSE

Elon Musk's effort to run Twitter Inc. with a heavily downsized staff will face one of its biggest tests so far with the kickoff of soccer's World Cup.

For Mr. Musk, who has been trying to build excitement around Twitter since buying the platform for \$44 billion late last month, the World Cup also is an opportunity to show off his platform at a grand scale. The quadrennial soccer extravaganza with its global audience began Sunday in Qatar.

"First World Cup match on Sunday! Watch on Twitter for best coverage & real-time commentary," Mr. Musk tweeted on Friday.

Mr. Musk garnered attention for Twitter late Saturday by reinstating former President

Donald Trump's account, which had been suspended since January 2021 in the wake of the Capitol riot. Mr. Musk later Saturday tweeted that the company's servers were experiencing high demand, adding, "Good stress test before World Cup tomorrow!"

Some Twitter employees who recently left the company amid waves of departures since Mr. Musk's takeover said the deep staff cuts will challenge the ability of those remaining to maintain the platform. While engineers said there is a risk of the site going down due to heavy usage, some said they were more concerned about smaller problems accumulating over time, with fewer staff left to respond.

A former employee pointed to the speed of the mass layoffs, which began one week after Mr. Musk took over, saying that wasn't enough time to create workarounds.

Mr. Musk has indicated he is unconcerned by personnel drain. "The best people are staying, so I'm not super wor-

ried," Mr. Musk has tweeted.

He told staff who remained to expect long hours and intense work. Less than 24 hours after Twitter told staff it was closing its offices until Monday amid mass resignations, Mr. Musk changed course and called his remaining employees back to work for Friday morning, saying in a series of emails to staff that "anyone who actually writes software" should report to San Francisco headquarters at 2 p.m. local time, adding that only those who can't physically get there or have a family emergency were excused.

The World Cup comes with a history of delivering an advertising sales bump to Twitter, but also the memory of technical difficulties due to surges in traffic. Four years ago, Twitter said its second-quarter sales enjoyed a 5% boost from the World Cup, even though only two weeks of the monthlong event occurred during that quarter.

Many advertisers have said they have paused campaigns



The tournament comes with a history of ad sales bumps for Twitter. Opening ceremonies in Qatar.

on Twitter amid concern over how the platforms may evolve under Mr. Musk and a wave of departures of ad executives at the company.

The 2010 World Cup turned into a lesson for Twitter, illustrating how it wasn't prepared for surges in user engagement. "The influx of tweets—from every shot on goal, penalty kick and yellow or red card—repeatedly took its toll and made Twitter unavailable for short periods of time," the company said in the aftermath, adding that those outages spurred a redesign of the platform's infrastructure.

A month ago, Twitter said soccer was its most popular sport last year, with tweeting outpacing that around basketball, American football and baseball combined. "Tweet volumes have stayed massive in 2022 with tweets about the 2022 FIFA World Cup (#FIFAWorldCup) playing a big role," Twitter said in a news release before its press team was effectively disbanded as part of the mass layoffs.

Soccer has tested the ability of Twitter and other social networks to deal with abusive speech on their platforms. Last year, after England's de-

feat by Italy in the European Championship, Twitter said it removed 1,000 posts directed at three Black England players subject to online racial abuse in the wake of the loss.

Ella Irwin, a Twitter trust and safety executive, tweeted Thursday that employees have been working for weeks to prepare for the World Cup. "Ensuring a healthy platform continues to be our priority," Ms. Irwin said.

Mr. Musk has called himself a free-speech absolutist, but has also said that freedom of speech doesn't guarantee freedom of reach.



Elon Musk testifying at the Delaware trial on Wednesday.

Pay Trial Shines Light On Tesla's View of Musk as Irreplaceable

By REBECCA ELLIOTT AND MEGHAN BOBROWSKY

WILMINGTON, Del.—The scale of concern among Tesla Inc. board members about how to keep Elon Musk's attention trained on the electric-vehicle maker loomed large during a weeklong trial over the chief executive's pay package.

A desire to motivate Mr. Musk to focus on Tesla triggered a monthlong pay negotiation that culminated in the shareholders' approval of a 2018 CEO equity grant valued at roughly \$48 billion at recent stock prices.

That deal—and the process under which it was put together—have been the subject of the trial in Delaware's business-law court, where testimony has underscored that current and former Tesla board members have long viewed Mr. Musk as irreplaceable.

Mr. Musk, for his part, recently identified someone as a

There were concerns about the CEO's other interests, such as running SpaceX.

possible successor to him as CEO, the board member James Murdoch testified, signaling that the serial entrepreneur might be thinking about Tesla's next chapter. Mr. Musk said last year that Tesla didn't have a succession plan.

Board members' focus around 2017 on ensuring that Mr. Musk would remain engaged in Tesla stemmed from his many other interests, including running the rocket company SpaceX.

The drag on Mr. Musk's time at the car maker has only become more pronounced with his \$44 billion acquisition late last month of Twitter Inc. Mr. Musk, at the trial, said he has recently been spending much of his time running the social-media company, though he doesn't expect that to be the case in the long term.

"I expect to reduce my time at Twitter and find somebody else to run Twitter over time," he said in the Court of Chancery.

Mr. Musk's ownership of

Twitter has been defined by near-constant workforce upheaval, with a new wave of departures on Thursday after many employees rejected Mr. Musk's demand that they commit to working "long hours at high intensity."

Neither Tesla nor Twitter responded to a request for comment.

The plaintiff in the case, Richard Tornetta, a Tesla shareholder, sued current and former company board members in seeking to nullify Mr. Musk's 2018 pay package. Mr. Tornetta alleges that the CEO controlled the board's consideration of his grant, that the board failed to disclose crucial information to shareholders and that the package failed to motivate Mr. Musk to focus on Tesla.

Mr. Musk echoed current and former Tesla officials in saying that he didn't dictate the terms of his pay plan. "I was entirely focused on the execution of the company," he testified.

Mr. Musk said he has divided his time between his endeavors, with Tesla and Space Exploration Technologies Corp., as SpaceX is formally known, taking up most of his time when the car maker's board was considering the grant.

"CEO is often viewed as somewhat of a business-focused role, but in reality my role is much more that of an engineer developing technology," Mr. Musk said.

The pay deal requires Mr. Musk to remain either CEO or chief product officer and executive chairman for the tranches to vest, but doesn't stipulate that he must dedicate a specific amount of time to the car maker. During the trial, he and other Tesla board members rejected any suggestion that the pay deal should have done so. In September 2018, Mr. Musk agreed to step down from his role as Tesla's chairman in a settlement with the Securities and Exchange Commission.

"I'm not concerned about the amount of time that he spends," Robyn Denholm, who is chair of Tesla's board, testified remotely. "He will do whatever he needs to do to achieve the results."

Tesla's board from time to time discussed finding someone else to run the company, former board member Antonio Gracias testified, adding, "We couldn't find anyone."

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TECHNOLOGY

WSJ.com/Tech

TikTok Is Boosting Head Count

Social-media company says it plans to add 3,000 engineers worldwide

By RAFFAELE HUANG
AND STU WOO

Several of the world's biggest tech companies are laying off employees. One company bucking the trend so far is TikTok.

Amid a retrenchment in Silicon Valley, the Chinese-owned social-media company is in the middle of a three-year hiring push, having committed to add about 3,000 engineers in worldwide locations including the U.S.

TikTok also is hiring at its major hub in Singapore, according to people familiar with its plans.

TikTok's owner, Beijing-based ByteDance Ltd., is also recruiting people in China to work on its TikTok platform. TikTok isn't available in China, but ByteDance offers a Chinese alternative called Douyin.

TikTok Chief Executive Shou Zi Chew said this week that amid big downsizing at some of his competitors, TikTok was still hiring, though at a measured pace.

"We have always been more



Shou Zi Chew, chief executive officer of TikTok

cautious in terms of recruitment," Mr. Chew said at a Bloomberg-sponsored economic forum in Singapore. "We're still hiring, although at the pace that we think has to correspond with the global challenges that we're facing."

While closely held ByteDance is based in Beijing, TikTok has no official headquarters. It has major offices in Los Angeles, New York, Dublin, London and Singapore, where

Mr. Chew is based.

ByteDance employs about 130,000 workers worldwide. TikTok employs more than 20,000, with about a quarter of that number in the U.S.

TikTok plans to increase the size of its biggest American engineering hub, in Mountain View, Calif., which already has more than 1,000 engineers, according to people familiar with the hiring.

In some cases, TikTok re-

cruiters have approached people recently laid off from rivals including Meta Platforms Inc. and Twitter Inc. The hiring plans and outreach was reported earlier by the Information.

TikTok hasn't been immune to the economic headwinds buffeting its rivals. It lowered its target for this year's advertising revenue to \$10 billion from at least \$12 billion, Mr. Chew told staff in a recent online meeting.

The company now aims to hire at a milder pace compared with previous years, people familiar with the plans said. As with any company, TikTok's plans could change again depending on economic conditions and business performance.

TikTok, which is roughly only five years old, is on a different growth trajectory than many of the older American tech giants that are now shedding thousands of jobs. By some measures,

TikTok has surpassed Facebook and Meta-owned Instagram in popularity, especially among American teens. But TikTok still brings in a fraction of the revenue of Meta, which had \$118 billion in sales in 2021.

Some more established Silicon Valley rivals have em-

barked on the biggest job cuts the industry has endured in years. Facebook-owner Meta is laying off about 11,000 employees, while Amazon.com Inc. could cut up to 10,000. Twitter, Lyft Inc. and other companies have also announced layoffs. Those cuts don't preclude other hiring for key roles at TikTok rivals.

In 2020, TikTok said it would hire 10,000 U.S. workers, a move that came as it faced growing scrutiny in Washington over its Chinese roots and its access to information about the millions of Americans that use the app.

For now, the company is still recruiting engineers both to improve features that users see on the app, and to improve the algorithm and other behind-the-scenes infrastructure that make TikTok work, according to people familiar with its hiring plans.

The company also plans to add employees to its commercialization team, which figures out how to make money from the app, and its nascent e-commerce team, some of these people said.

TikTok also plans to add contractors who would monitor the app for inappropriate videos.

Yang Jie contributed to this article.

Paramount Won't Aid Appeal

Continued from page B1

planned merger would unlawfully lessen competition. In a suit filed in November 2021, the Justice Department focused on author wages, arguing that if Penguin Random House were allowed to acquire Simon & Schuster, writers of anticipated bestsellers would likely receive smaller advances.

Under the terms of their 2020 deal, Penguin Random House parent Bertelsmann SE agreed it would pay Paramount a termination fee of \$200 million if the acquisition was "completely prohibited or if the termination date is reached," according to the Bertelsmann 2021 annual report. The termination date is Nov. 21, The Wall Street Journal previously reported.

Bertelsmann had talks with Paramount about offering inducements, including cash, that would lead Paramount to support an appeal and continue pursuing the transaction, the Journal reported. (

Representatives for Paramount Global and Penguin Random House declined to comment.

Carvana Faces Cash Crunch

Continued from page B1
business that would help boost inventory. Car sales slowed, though.

The day the deal was completed in May, Mr. Garcia said it had overshot on growth and laid off 2,500 workers. Days earlier, it had issued a \$3.275 billion bond with a 10.25% coupon to fund the purchase.

The high coupon almost doubled Carvana's annual interest expense and reflected investors' fears of a recession and rising inflation.

Carvana thrived when interest rates were low because it could borrow cheaply to buy cars and make loans to customers. Its credit line from Ally Financial Inc. to buy cars had an average 2.6% interest rate last year, compared with 4.5% at the end of September.

Ally required Carvana to set aside 12.5% of the amount borrowed as of late September, up from 7.5%, further tightening its cash situation. An Ally spokesman declined to comment.

Carvana earned big profit selling its car loans to investors who were hungry for yield. Gains from the loans help Carvana offset the losses it makes selling cars. When investors turned choosier on these securities in the spring, Carvana sold many of the loans to Ally instead, on less-favorable terms. The gains it books from loan sales fell around one-third in the third quarter from a year earlier.

Mr. Garcia told analysts on a call Nov. 3 that the company would keep cutting costs and that it has around \$4 billion in liquidity. The amount includes what it can borrow on credit lines to buy cars and make

loans. It also included around \$2 billion of real estate, which isn't typically considered a liquid asset.

The company's chief financial officer said Carvana could borrow against the real estate, which includes sites it bought this year. It previously raised around \$500 million from selling some sites where it inspects cars and then leasing them back for 20 or 25 years.

That step might work, analysts said, but would also add expenses. They said any real-estate deals would likely occur piecemeal over time or involve high rent payments because of Carvana's credit troubles.

Scott Merkle, a managing

partner at SLB Capital Advisors, which specializes in sale-leaseback transactions, said the long-term leases generally rely on financially sound tenants that can be expected to make their lease payments for years. He said that overall conditions for sellers have softened in that market because of higher interest rates, but that sale-leasebacks still provide a better cost of capital for companies than other financing.

Some Carvana-leased properties have received a tepid response on the market. A 12-story "flagship" car-vending machine in Atlanta that Carvana sold and leased back in

December was relisted this summer. It is still on the market, and the asking price has since been lowered.

Carvana said it is testing ways to make more from its car sales, such as taking payment before delivery and having customers pick up cars from its vending machines.

"We've got a bunch of committed liquidity. We've got a bunch of real estate, and I think that we feel like that puts us in a good position to ride out this storm," Mr. Garcia told analysts on the Nov. 3 call.

—Ben Foldy, Will Feuer and Ben Eisen contributed to this article.

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BUSINESS & FINANCE

Quake Spurs Calls for New Fracking Rules

By **Benoit Morenne**
and **Collin Eaton**

A powerful earthquake in West Texas is drawing fresh scrutiny to frackers' water-management operations in the nation's hottest petroleum-producing region.

A 5.4-magnitude earthquake, the fourth largest in Texas history, struck an oil-and-gas production hot spot in Reeves County on Wednesday, sending tremors felt as far as Dallas, El Paso and San Antonio, where it damaged a historic building. No injuries were reported.

The tremor adds pressure to the state's oil-and-gas regulators to impose stricter rules on frackers pumping wastewater underground to stymie the Permian basin's dangerous new seismic activity, analysts

and executives said. It could also prompt a review of management practices and affect oil operations, they said.

The quake was one of thousands to shake the oil-rich Permian basin of West Texas and New Mexico in recent years. Scientists have linked the increase in seismic activity to shale companies pumping billions of gallons of wastewater—a byproduct of oil-and-gas production—down shallow and deep disposal wells. Injections modify the pressure underground and can cause faults to slip and create earthquakes.

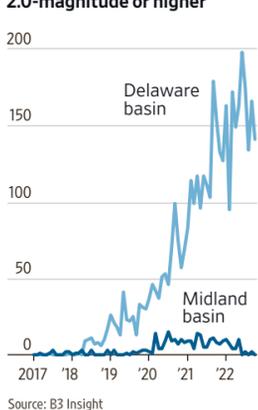
The temblor was unlikely to have an immediate impact on oil-and-gas production in the area, according to analysts. But some executives said it should be a wake-up call for regulators and companies to figure out how to deal with

the vast volumes of water that surface daily in the oil patch.

A spokesman for the Railroad Commission of Texas, which regulates the oil-and-gas industry in the state, said Thursday that the agency was examining how much water operators disposed of in the affected area, and that it would take any necessary actions.

There have been 14 earthquakes larger than magnitude 4 in the Delaware basin, a section of the Permian, so far this year, compared with 11 in 2021 and three in 2020, according to water-analytics company B3 Insight, which analyzed state and national seismic activity data. As of mid-November, the number of earthquakes larger than magnitude 2 had more than doubled between 2020 and 2022 to reach 1,756, B3 data shows.

The number of earthquakes of 2.0-magnitude or higher



Source: B3 Insight

The temblors have generally caused little damage because they largely occur in uninhabited land. The impact of

the recent quake, however, reverberated in Carlsbad, N.M.

In 2021, the Railroad Commission created the Northern Culberson-Reeves Seismic Response Area to address seismicity in the region, which led to operators agreeing to restrictions on wastewater disposal as part of a response plan published in March. If an earthquake of at least 4.5 magnitude strikes that region next year—when some of the rules go into effect—it will trigger a regulatory response prompting companies to curtail usage of shallow water wells by 50% within about 4.5 kilometers, or 2.8 miles, of the seismic event for 18 months.

But with only a small number of active disposal wells within 4.5 kilometers of the earthquake, that response would do little to help, said

Rob Bruant, a hydrologist and product director at B3 Insight. "These seem like half-measures at this point," Dr. Bruant said.

Amanda Brock, chief executive of Aris Water Solutions Inc., said that the industry has been working on the issue of seismicity with regulators and was on a path to improving its water-management practices. "I don't think this is a tipping point," she said of this week's earthquake.

Stringent rules on water disposal in other U.S. regions have had a measurable impact on seismic activity. Regulators in Oklahoma began implementing rule changes following several 5.0-magnitude earthquakes in 2016, which helped ease the number and strength of temblors in the state, data showed.



Natural-gas storage in Germany, which is competing for tight supply.

Europe Eyes Future Gas Supply

Continued from page B1

tion is growing for finite cargoes of liquefied natural gas. There is little additional LNG coming to the market until around 2026, when planned projects in the U.S. and Qatar come online, and Europe likely will compete for tight supplies over the next few years.

Some companies in Germany, Europe's manufacturing engine, are worried about having enough energy for the latter part of the decade. German companies including chemical producer **BASF SE** and bailed-out utility **Uniper SE** have held talks in recent weeks with America's LNG exporters and others about potential gas-supply deals likely beginning after mid-decade, according to people familiar with the discussions.

After Russia's invasion of Ukraine, some European companies signed contracts for U.S. LNG. Now businesses that rely on gas are saying the continent will need more of it for years to come.

The negotiations are indicative of elevated energy-security concerns, the people said, but are complicated because while many in Europe seek gas for five to 10 years, some company and government officials are reluctant to sign longer-term supply contracts. Germany and other European nations have set ambitious targets to reduce fossil-fuel consumption dramatically, and companies are worried they could be on the hook for gas they no longer need.

BASF and Uniper are looking for ways to source more natural gas, including through LNG, spokespersons for the companies said.

German government officials are monitoring the discussions about gas supplies, including separate talks with the Norwegian oil-and-gas company **Equinor ASA**, at times suggesting companies that exporters should contact, some of the people familiar with the discussions said.

A spokeswoman for Germany's Economy and Climate Ministry said gas purchases are the responsibility of companies.

Equinor Chief Executive Anders Opedal said in a recent interview: "We are working closely with German industry to find common ground for potential future investments," in oil and gas as well as low-carbon energy.

EU officials have proposed forming a collective of European companies to coordinate gas-deal talks and jointly purchase fuel, thus avoiding bidding against each other for the same gas. In October, German Finance Minister Christian

Lindner expressed support for the idea. But some company executives and government officials doubt such a program would work because of gas-market complexities and differing needs among countries, and some companies are going it alone in negotiations.

"We are not totally convinced about the benefits and advantages that can be achieved by bundling the gas procurement on a European level," said a spokeswoman for **RWE AG**, a German utility that signed a nonbinding 15-year deal with the U.S. LNG exporter **Sempra Infrastructure** in May. She said RWE is urging government officials to support long-term gas contracts.

German companies aren't alone in seeking to secure gas. Countries including France and the U.K. face threats of power shortages, and U.S. LNG executives have been calling on European governments looking for deals. A subsidiary of the British chemical company **Ineos Group AG** signed a nonbinding supply agreement with Sempra earlier this year, as did the Polish energy company **Polskie Gornictwo Naftowe i Gazownictwo SA**.

A spokesman for the U.K. government said it is working with domestic and international suppliers to explore contracts that could increase

There is little new liquefied natural gas coming to market until about 2026.

the security of energy supply.

Political opposition remains in some corners to long-term gas deals that some say could derail climate goals aimed at lowering greenhouse-gas emissions. "It's difficult to see how they're compatible with decarbonization plans," said Jill Duggan, executive director for Europe at the nonprofit Environmental Defense Fund.

German officials previously said they expect the country's natural-gas demand to peak around 2030, then give way to more renewable energy.

The tension between Europe's immediate energy needs and long-term climate aspirations are creating a complicated market for European buyers as well as U.S. sellers. Developers of LNG projects need to sign long-term contracts with customers to finance plants that convert gas into liquid for export.

Some Europeans are looking for ways to satisfy exporters while maintaining climate objectives. One option being considered is to sign long-term deals and resell a portion of the gas in foreign markets in later years, which most U.S. LNG contracts allow, according to company executives, bankers and others briefed on the talks.

MARKETS DIGEST

New to the Market

Public Offerings of Stock

IPOs in the U.S. Market

None expected this week

Lockup Expirations

Below, companies whose officers and other insiders will become eligible to sell shares in their newly public companies for the first time. Such sales can move the stock's price.

Table with columns: Lockup expiration, Issue date, Issuer, Symbol, Offer price, Offer amt, Through Friday, Lockup provision.

IPO Scorecard

Performance of IPOs, most-recent listed first

Table with columns: Company, SYMBOL, IPO date, Offer price, Friday's close, % Chg From Offer, Friday's price, % Chg From 1st-day close.

Public and Private Borrowing

Treasuries

Table with columns: Auction date, Auction details, Auction date, Auction details.

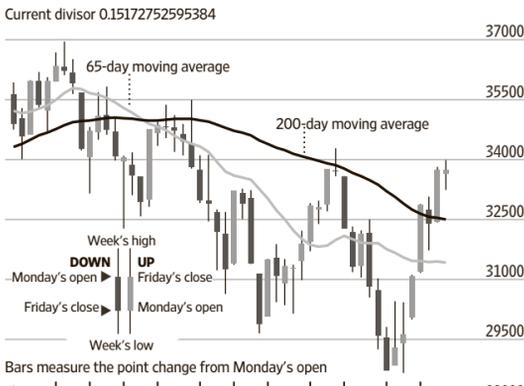
Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Table with columns: Country/currency, Fri, YTD, Country/currency, Fri, YTD.

Dow Jones Industrial Average

33745.69 ▼2.17, or 0.01% last week. Trailing P/E ratio 20.98. P/E estimate 18.36. Dividend yield 2.04. All-time high 36799.65, 01/04/22



Current divisor 0.15172752595384



Major U.S. Stock-Market Indexes

Table with columns: Index, High, Low, Latest Week Close, Net chg, % chg, 52-Week Close, High, % chg, YTD 3-yr. ann.

S&P 500 Index

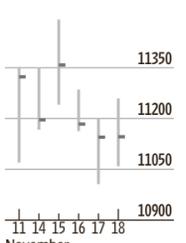
3965.34 ▼27.59, or 0.69% last week. Trailing P/E ratio 19.22. P/E estimate 17.75. Dividend yield 1.68. All-time high 4796.56, 01/03/22



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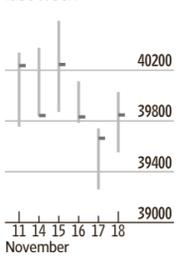
Nasdaq Composite

▼177.27, or -1.57% last week



DJ US TSM

▼389.13, or -0.97% last week



International Stock Indexes

Table with columns: Region/Country, Index, Close, Latest Week, % chg, Low, 52-Week Range, High, YTD % chg.

Commodities and Currencies

Table with columns: Commodity, Last Week Close, Net chg, %Chg, YTD % chg.

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NOTICE OF SALE

SUPREME COURT OF THE STATE OF NEW YORK: COUNTY OF NEW YORK. Index No. 65417/2015

KENNETH ROSENBLUM, Plaintiff v. CRAIG TREITLER and STEVEN ROSENBLUM, Preliminary Executors for the Estate of BERNICE ROSENBLUM, Defendants.

Pursuant to the Interlocutory Order and Judgment of the Hon. Melissa A. Crane, J.S.C. entered on July 8, 2022 in the Supreme Court, State of New York, County of New York, the undersigned Referee will sell at public auction on December 6 and December 7, 2022, in the lobby/rotunda of the New York County Supreme Courthouse, 60 Centre Street, New York, New York or such other place in said Courthouse as may be posted on the date of sale, six parcels as follows:

Parcel 1: 117 Waverly Place in the Borough of Manhattan, City, County, and State of New York, Block 622, Lot 27. Time of Sale: 9:30 a.m., December 6, 2022.

Parcel 2: 99 Perry Street in the Borough of Manhattan, City, County, and State of New York, Block 622, Lot 27. Time of Sale: 12:30 p.m., December 6, 2022.

Parcel 3: 42-44 Bank Street in the Borough of Manhattan, City, County, and State of New York, Block 614, Lot 10. Time of Sale: 2:30 p.m., December 6, 2022.

Parcel 4: 71 Thompson Street in the Borough of Manhattan, City, County, and State of New York, Block 489, Lot 31. Time of Sale: 9:30 a.m., December 7, 2022.

Parcel 5: 25 Thompson Street in the Borough of Manhattan, City, County, and State of New York, Block 476, Lot 42. Time of Sale: 12:30 p.m., December 7, 2022.

Parcel 6: 98-100 Thompson Street in the Borough of Manhattan, City, County, and State of New York, Block 502, Lot 6. Time of Sale: 2:30 p.m., December 7, 2022.

Each of the six Parcels will be sold subject to the provisions of the filed Interlocutory Order and Judgment (Docket #582) and the Terms of Sale (Docket #591) incorporated therein as Schedule A, New York County Supreme Court, Index No. 65417/2015. The Interlocutory Order and Judgment and Terms of Sale set forth the terms that will apply to the sale of each property, including the following: "The Property is sold 'AS IS' as of the date of the sale, without any representations either express or implied."

As a precondition to bidding at the auction, prospective bidders must deliver to the Auctioneer, prior to the auction, a Qualifying Deposit of \$75,000 in the form of an unconditional bank or certified check, wire transfer, or irrevocable letter of credit payable to the Referee; at the conclusion of the auction, the Qualifying Deposit will be returned to all unsuccessful bidders. Bidders may wire the Qualifying Deposit to the Referee's trust account. Account information may be obtained by contacting the Auctioneer, Matthew D. Mannion, of Mannion Auctions, LLC, at 212.267.6698 or mdmannon@pandji.com. The sale price for each parcel shall be payable ten percent (10%) (inclusive of the Qualifying Deposit) at the time of the auction and the balance at closing of title, which shall be scheduled to occur by the later of 10 days after the entry of the Court's order confirming the sale or the 90th day from the date of the auction.

The parties to the above referenced action reserve the right to bid, and if they elect to do so, need only pay for the portion of the property that said party does not already own. The real property transfer tax shall be payable by the Referee from the proceeds of the sale. The purchaser shall pay the charge for stamps upon the deed, any charge or tax for recording the said deed, and the reasonable charge of the Referee for drawing the deed. Interested bidders should review the Interlocutory Order and Judgment and Terms of Sale for a complete statement of the terms and conditions governing the sale. For information contact Jonathan Hageman @ (516) 469-2521. Dated: November 3, 2022. HON. ANTHONY J. CARPINELLO (Ret.)

NOTICE OF SALE

NOTICE OF PUBLIC SALE OF COLLATERAL

PLEASE TAKE NOTICE, that in accordance with applicable provisions of the Uniform Commercial Code as enacted in New York, Notice is hereby given that DW Marcy, LLC ("Secured Party") will sell all of the limited liability company interests held by 415 Marcy Avenue LLC ("Debtor") in 425 Marcy Avenue LLC ("Pledged Entity") to the highest qualified bidder at a public sale in accordance with the provisions of the Uniform Commercial Code as in effect in the State of New York. The sale will take place beginning at 10:00a.m. on Friday, January 6, 2023, in satisfaction of an indebtedness in the approximate amount of \$31,529,488.74, via the Cisco WebEx Platform or web-based video conferencing and/or telephonic conferencing program selected by Secured Party. Online bidding will be made available via Cisco WebEx Remote Meeting, Meeting link: https://bit.ly/415Marcy. Access Code: 2355 904 2720. Password: 8714 (24787 from phones and video systems). Join by video system: Dial 2559942720@webex.com. You can also dial 173.243.2.68 and enter your meeting number. Join by phone: +1-650-479-3208 United States Toll. Secured Party's understanding is that the principal asset of Pledged Entity is the parcels of real property located at 415-425 Marcy Avenue, Brooklyn, New York and also known as 427 Marcy Avenue, Brooklyn, New York. The Collateral will be sold to the highest qualified bidder; provided, however, that Secured Party reserves the right to cancel the sale in its entirety, or to adjourn the sale to a future date. The sale will be conducted by Mannion Auctions, LLC, by Matthew D. Mannion, Auctioneer, NYC DCA License No. 1434494, with offices at 305 Broadway, Suite 200, New York, New York. The Collateral will be sold as a block, and will not be divided or sold in any lesser amounts. Interested parties who intend to bid on the above Collateral must contact Brock Cannon of NEWMARK at (212) 372-2066, brock.cannon@nmrk.com, to receive the Terms of Public Sale and bidding instructions. Upon execution of a standard non-disclosure agreement, additional documentation and information will be available. Interested parties who do not contact the Secured Party and qualify prior to the sale will not be permitted to enter a bid.

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Consumer Rates and Returns to Investor

U.S. consumer rates

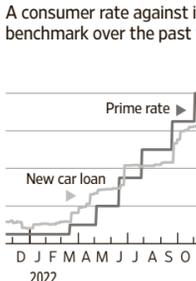


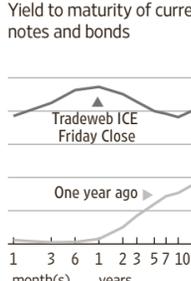
Table with columns: Interest rate, Yield/Rate (%), Last, 52-Week Range, High, 3-yr chg (pct pts).

Selected rates

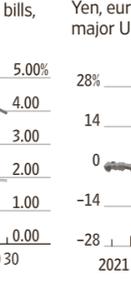
Table with columns: New car loan, Bankrate.com avg, First Savings Bank of Hegewisch, Third Coast Bank, SSB, Frost Bank, Amegy Bank, Cambridge Savings Bank.

Benchmark Yields and Rates

Treasury yield curve



Forex Race



Corporate Borrowing Rates and Yields

Table with columns: Bond total return index, U.S. Treasury, U.S. Treasury Long, Aggregate, Fixed-Rate MBS, High Yield 100, Muni Master, EMBI Global.

CLOSED-END FUNDS

Listed are the 300 largest closed-end funds as measured by assets. Closed-end funds sell a limited number of shares and invest the proceeds in securities. Unlike open-end funds, closed-end generally do not buy their shares back from investors who wish to cash in their holdings. Instead, fund shares trade on a stock exchange. NA signifies that the information is not available or not applicable. NS signifies funds not in existence for the entire period. 12-month yield is computed by dividing income dividends paid (during the previous 12 months for periods ending at month-end or during the previous 52 weeks for periods ending at any time other than month-end) by the latest month-end market price adjusted for capital gains distributions. Depending on the fund category, either 12-month yield or total return is listed.

Fund (SYM)	NAV	Close	Disc	Ret	52 wk Prem	Ttl
BlackRock ESG Cap Alloc	ECAT	16.96	14.13	-16.7	-21.4	
BlackRock Hlth Sci Tr	BMEZ	18.45	15.32	-17.0	-34.4	
BlackRock Hlth Sciences	BMEZ	42.37	42.69	+0.8	-4.1	
BlackRock Innov and Grow	BUIJ	9.09	7.21	-20.7	-52.3	
BlackRock Res & Comm	BCKX	11.20	9.60	-14.3	8.2	
BlackRock Sci&Tech Tilt	BSTZ	20.72	17.01	-17.9	-54.0	
BlackRock Sci&Tech Tilt	BSTZ	31.17	31.61	+1.4	-34.9	
BlackRock US Div Intf & Pwr	BWJ	22.34	21.23	-5.0	-12.1	
CLEARBRIDGE ENVI MDS OPP	EMO	NA	30.41	NA	42.5	
CLEARBRIDGE MLP&MidstM TR	CTR	NA	31.21	NA	32.2	
Clearbridge MLP & Midstm	CEM	NA	36.01	NA	35.4	
ChnStrInfrn	UTF	24.46	24.06	-1.6	-6.6	
Cohen&SteersQualinc	RQJ	12.95	12.34	-4.7	-21.6	
Cohen&Steers Real Est and	RLTY	16.01	13.95	-12.9	N5	
Cohen&Steers TotRet	RFTI	12.16	12.25	+0.7	-21.2	
Cohen&SteersREITPrefnc	RNP	24.63	21.14	-2.3	-17.5	
Columbia Sel Pm Tech Tr	STK	24.93	26.35	+5.7	-24.3	
DNP Select Income	DNP	9.04	11.24	+24.3	12.9	
Duff&PlymFdnInclFnd	DOE	NA	13.20	NA	7.3	
EtnVncVcEtyInc	EPIS	15.59	16.59	+6.5	-10.9	
EtnVncVcEtyInc	EPIS	15.59	17.32	+5.0	-23.2	
EVR&KMidVcEtyInc	ETJ	8.32	8.49	+2.0	-16.8	
EtnVncTmGldBuyWrthc	ETB	13.44	14.83	+10.3	-4.2	
EtnVncTmGldBuyWrthc	ETV	12.59	13.52	+7.4	-10.8	
EvTxAdvGldDivInc	ETV	11.59	11.85	+2.2	-13.0	
EtnVncTmGldGblEtyInc	EXG	8.16	7.91	-3.1	-17.5	
EvTxAdvGldDivInc	ETV	11.59	11.85	+2.2	-13.0	
Ecofin S&S Impact Term	TEAF	NA	13.72	NA	-1.7	
First Trust Energy Inc G	FEN	15.42	14.97	-2.9	14.1	
First Tr Enhanced Eq	FFA	17.25	16.13	-6.5	-18.2	
First Tr Energy Infra	FIF	17.34	14.84	-14.4	17.7	
First Tr MLP P&E	FXE	9.23	7.90	-14.4	16.8	
Gabelli Healthcare	GRX	11.87	9.91	-16.5	-19.5	
Gab Utility	GUT	3.66	6.1	+88.8	-3.4	
GAMCO Gld Gold & Nat Res	GGN	3.76	3.47	-7.7	-0.2	
J Han Finl Oppoty	BJO	35.44	35.88	+1.2	-10.2	
Neuberger Binn MLP & E	NML	8.52	7.04	-17.4	39.2	
Neuberger Nri Gen Con	NRGX	11.95	9.70	-18.8	-44.4	
Neuberger REIT Sec	NBS	3.52	3.44	-2.3	-24.9	
Nuv Dow 30 Div Overwrite	DIA	16.49	15.78	-4.3	-4.0	

Friday, November 18, 2022

Fund (SYM)	NAV	Close	Disc	Ret	52 wk Prem	Ttl
Adams Diversified Eq Inc	ADX	NA	15.10	NA	-21.0	
Central Secs	CET	41.23	34.32	-16.8	-10.9	
Cohen&Steers EOppFnd	FOF	10.81	10.69	-1.1	-17.1	
EVTX Adv Div Inc	EVT	24.57	23.96	-2.5	-9.7	
Gabelli Div Gln Cr	GDV	24.64	21.20	-14.0	-17.3	
Gabelli Equity	GAB	5.35	5.70	+6.5	-10.3	
General Amer	GAM	44.49	37.05	-16.7	-11.5	
J Hancock Tax Adv Div	HTD	23.30	22.67	-2.7	-8.1	
Liberty All-Star Equity	USA	6.05	6.23	+3.0	-16.9	
Royce Micro-Cap Tr	RMT	10.18	9.05	-11.1	-15.0	
Royce Value Trust	RVT	15.32	14.23	-7.1	-18.1	
Source Capital	SOR	40.17	37.25	-7.3	-8.6	
Sprott Focus Trust	FUND	8.49	8.06	-7.3	-0.8	
SRH Total Return	STW	15.47	12.89	-16.7	2.1	
Tri-Continental	TY	30.66	27.28	-11.0	-10.3	

A Week in the Life of the DJIA

A look at how the Dow Jones Industrial Average component stocks did in the past week and how much each moved the index. The DJIA lost 2.17 points, or 0.01%, on the week. A \$1 change in the price of any DJIA stock = 6.59-point change in the average. To date, a \$1,000 investment on Dec. 31 in each current DJIA stock component would have returned \$28,488, or a loss of 5.04%, on the \$30,000 investment, including reinvested dividends.

Pct chg	Stock price	Point chg	Company	Symbol	Close	\$1,000 Invested (year-end '21)
6.70	3.00	19.77	Cisco	CSCO	\$47.79	\$778
6.40	6.27	41.32	Merck	MRK	104.23	\$1,394
5.37	7.65	50.42	Walmart	WMT	150.23	\$1,051
4.11	6.95	45.81	Johnson & Johnson	JNJ	176.20	\$1,050
3.12	4.47	29.46	IBM	IBM	147.64	\$1,160
2.83	5.80	38.23	Visa	V	210.80	\$980
1.56	2.83	18.65	Travelers	TRV	184.56	\$1,199
1.52	7.92	52.20	UnitedHealth Group	UNH	530.00	\$1,066
1.13	1.60	10.55	Procter & Gamble	PG	142.57	\$893
1.06	1.59	10.48	Apple	AAPL	151.29	\$857
0.85	1.80	11.86	Honeywell	HON	214.53	\$1,050
0.80	2.27	14.96	Amgen	AMGN	287.29	\$1,317
0.73	1.98	13.05	McDonald's	MCD	273.37	\$1,037
0.65	0.25	1.65	Verizon	VZ	38.55	\$783
-0.29	-0.18	-1.19	Coca-Cola	KO	61.14	\$1,056
-0.56	-1.76	-11.60	Home Depot	HD	313.18	\$769
-0.63	-0.67	-4.42	Nike	NKE	105.42	\$637
-1.08	-1.46	-9.62	JPMorgan Chase	JPM	133.84	\$872
-1.54	-2.39	-15.75	American Express	AXP	152.50	\$944
-1.55	-5.97	-39.35	Goldman Sachs	GS	379.20	\$1,011
-1.84	-0.56	-3.69	Intel	INTC	29.87	\$603
-1.86	-3.47	-22.87	Chevron	CVX	182.99	\$1,616
-2.03	-3.60	-23.73	Boeing	BA	173.89	\$864
-2.14	-5.06	-33.35	Caterpillar	CAT	231.43	\$1,146
-2.38	-5.89	-38.82	Microsoft	MSFT	241.22	\$724
-3.38	-3.21	-21.16	Walt Disney	DIS	91.80	\$993
-3.66	-1.51	-9.95	Walgreens	WBA	39.75	\$798
-4.68	-6.22	-40.99	3M	MMM	126.76	\$744
-5.78	-3.07	-20.23	Dow	DOW	50.07	\$914
-6.14	-9.69	-63.86	salesforce.com	CRM	148.04	\$83

*Based on Composite price. DJIA is calculated on primary-market price. Source: Dow Jones Market Data; FactSet

Fund (SYM)	NAV	Close	Disc	Ret	52 wk Prem	Ttl
NuvCorEqAlpaha	JCE	12.72	13.29	+4.5	-8.6	
Nuven Nasdaq 100 Dyn Ov	QOXX	21.00	22.82	+8.7	-18.8	
Nuven Real Est	JRS	8.57	8.13	-5.1	-25.3	
Nuven RI Asst Inc & Gro	JRI	13.75	11.80	-14.2	-17.0	
NuvsP500DynOvFnd	SPXX	15.32	17.32	+13.1	2.3	
NuvsP500BuyInFnd	BXMX	12.94	13.55	+4.7	-2.3	
Reaves UtiltyInc	UTG	29.12	28.90	-0.8	-6.8	
Tortoise Enrgy Infra Crp	TYG	NA	33.42	NA	25.4	
Tortoise Midstream Enrgy	NTG	NA	37.13	NA	26.2	
V Div Int & Prem Str	NFJ	NA	11.66	NA	-21.8	
V Art Int & Tech Opps	AIO	19.62	16.95	-13.7	-24.3	

Fund (SYM)	NAV	Close	Disc	Ret	52 wk Prem	Ttl
Calamos Strat Tot	CSQ	13.80	14.07	+2.0	-21.1	
Cohen&SteersDblPrfnc	LDP	20.70	18.77	-9.3	-22.6	
Cohen&SteersPrfnc	PSF	20.49	19.51	-4.8	-24.9	
Cohen&SteersDblPrfnc	PTA	20.36	18.46	-9.3	-18.2	
Dividend and Income	DNI	17.09	NA	NA	NA	
First Tr Int Dbl Prfnc	FPF	18.92	17.16	-9.3	-26.3	
J Han Pref Inc	HPH	16.60	16.02	+0.1	-17.9	
JHP Pref Inc	HPF	15.84	15.69	-0.9	-21.6	
Hnc J Pfnc Inc	HPS	14.22	14.38	+1.1	-18.6	
J Han Pm Cptd	LTP	12.88	13.87	+7.7	-13.2	
LMP Capital	SCD	NA	12.69	NA	-6.8	
Nuven Mnt Prfnc	MMH	13.80	11.94	-13.5	N5	
Nuven Pref & Inc Op	JPC	7.86	7.43	-5.5	-15.8	
Nuven Fd JPS	JPS	7.65	6.90	-9.9	-23.0	
Nuven Pref & Inc Term	JTC	19.48	19.00	-2.5	-18.0	
Nuven Var Rate P&I	NFS	19.38	17.52	-9.6	N5	
TCW Strat Income	TSI	5.05	4.71	-6.7	-12.6	

Fund (SYM)	NAV	Close	Disc	Ret	52 wk Prem	Ttl
Advtm CntrlBldgFnd	AVK	12.59	11.72	-6.9	-25.6	
Calamos ConvHl	CHY	10.90	11.79	+8.2	-22.4	
Calamos Cony Op	CHI	10.33	11.66	+12.9	-19.7	
Elsworth Gld Fund Ltd	ECF	9.76	8.48	-13.1	-33.7	
V Conv & Inc	NCV	NA	3.54	NA	-33.9	
V Conv & Inc	NCZ	NA	2.97	NA	-36.8	
EV Tx Adv Gld Div Inc	NCV	NA	20.00	NA	-27.4	
V Eqty & Conv Inc	NIE	NA	21.55	NA	-23.0	

Fund (SYM)	NAV	Close	Disc	Ret	52 wk Prem	Ttl
abrdn Brng Mkts Eq Inc	AEF	5.85	5.15	-12.0	-31.7	
abrdn Tot Dyn Div	AOD	9.20	8.07	-12.3	-13.0	
Allspring Gl Div Oppty	EOD	4.77	4.91	+2.9	-6.1	
BlackRock Capital Alloc	BCAT	17.08	14.28	-16.4	-21.6	
Calamos Gld Dyn Inc	CHW	6.43	6.10	-5.1	-24.9	
EV Tx Adv Gld Div Inc	ETV	16.90	15.91	-5.9	-23.8	
EtnVncVcAdvOpp	ETV	23.19	21.84	-5.8	-27.2	
First Tr Dyn Euro Eq Inc	FEU	12.55	11.03	-12.1	-9.0	
Gabelli Multimidia	GGT	4.22	6.07	+43.8	-25.5	
GDL Fund	GDL	9.97	7.83	-21.3	-7.9	
Highland Global Alloc	HGLB	12.25	9.94	-18.9	-18.8	
India Fund	IFN	18.58	17.48	-6.8	-10.3	
Japan Smaller Cap	JOF	7.48	6.29	-15.9	-20.2	
Lazard Gld Tr Ret Inc	LGI	16.11	14.88	-7.6	-19.5	
Macro MXP	MXF	NA	15.20	NA	9.5	
Miller/Howard High Inc E	HIE	11.35	10.37	-8.6	-6.8	
MS China S&P	CAF	16.21	13.18	-18.7	-34.1	
India Infr	INDI	29.05	23.97	-17.5	-9.0	
MS CBRE Gl Mgt	MGI	NA	14.15	NA	-25.2	
Templeton Dragon	TDF	NA	9.40	NA	-42.8	
Templeton Em Mkt	EMF	NA	11.61	NA	-28.8	

Fund (SYM)	NAV	Close	Disc	Ret	52 wk Prem	Ttl
U.S. Mortgage Bond Funds						
BlackRock Income	BKT	13.13	12.56	-4.3	9.6	
Invesco HI 2023 Tgt Term	IHT	8.49	8.31	-2.1	5.9	

Fund (SYM)	NAV	Close	Disc	Ret	52 wk Prem	Ttl
Investment Grade Bond Funds						
Angel Oak F&C Inc Trm	FINS	14.93	12.90	-13.6	9.99	
BlackRock Core Bond	BHK	10.89	10.60	-2.7	8.0	

MARKETS



The site of a building FTX had planned on the island of New Providence in the Bahamas.

Bahamian Regulator Says It Froze FTX Unit's Assets

Securities commission appoints a provisional liquidator for Digital Markets unit

By ALEXANDER GLADSTONE

The Securities Commission of the Bahamas said that it froze the assets of FTX Digital Markets Ltd. and related parties on Thursday, and that it appointed a provisional li-

quidator.

FTX Digital Markets, based in the Bahamas, is a subsidiary of cryptocurrency exchange FTX Trading Ltd., led by founder Sam Bankman-Fried.

The powers of the directors of FDM have been suspended and no assets held by the firm can be transferred without the provisional liquidator's approval, the commission said.

The commission said that it is aware of statements suggesting that clients' assets

were mishandled, mismanaged or transferred to Alameda Research, a trading firm also run by Mr. Bankman-Fried.

Any such actions would be "contrary to normal governance, without client consent, and potentially unlawful," the commission said in a statement.

The Wall Street Journal reported on Thursday that FTX had lent billions of dollars in customer assets to fund risky bets by Alameda Research.

The Securities Commission of the Bahamas determined that the prudent course of action was to put FDM into provisional liquidation to preserve assets and stabilize the company, according to the statement.

Earlier Thursday, Mr. Bankman-Fried said on Twitter that "one way or another, Alameda Research is winding down trading."

FTX didn't respond to a request for comment.

Creditors Are Due \$3.1 Billion

Continued from page B1

ties that directly filed for bankruptcy protection or is considered restricted cash, meaning others may lay claim to it.

The cryptocurrency exchange imploded this month after its chaotic finances spilled into public view. Prosecutors are investigating its collapse. The company's founder, Sam Bankman-Fried, resigned as CEO on Nov. 11, when FTX filed for bankruptcy.

FTX said it would look in coming weeks to preserve or sell what businesses it can as part of strategic review of the company's global assets to "maximize recoverable value for stakeholders," the statement said. The company hired investment bank Perella Weinberg Partners LP to spearhead the sale of different business units and subsidiaries.

FTX said it doesn't yet know the total amount of cash that the crypto exchange or its related entities hold because of "historical cash management failures and the deficiency of documentation controls," one of the Saturday filings to bankruptcy court said. As of Nov. 16, the filing said, the company had been able to verify the balances in only some of the bank accounts held at 36 banks worldwide.

FTX said the company was seeking to locate additional bank accounts by "reviewing the available books and records, speaking with bank personnel and interviews with

employees."

The filing said that entities including FTX EU Ltd. and West Realm Shires Services Inc.—which includes the business known as FTX US—have some of the largest verified account balances so far. To date, FTX's new management team has verified \$49.3 million of total cash for FTX EU and \$48.1 million for West Realm Shires Services.

The efforts by FTX's new management to track down assets has been further complicated in recent days by a dispute with securities regulators in the Bahamas for control of FTX's insolvency proceedings.

Last week, FTX said in court papers, citing purported texts by Mr. Bankman-Fried, that it appears regulators in the Bahamas instructed him to transfer assets from the exchange to a digital platform controlled by local government officials.

The Securities Commission of the Bahamas, the lead local authority investigating FTX's collapse, said last week that it directed the transfer of all digital assets of FTX's Bahamas subsidiary, FTX Digital Markets Ltd., "to a digital wallet controlled by the Commission, for safekeeping."

The movement of hundreds of millions of dollars from FTX accounts in the early hours after the exchange filed for bankruptcy sparked fears of a hack. It remains unclear if and how much of the funds moved went to Bahamian custody or were taken by an unauthorized actor.

—Caitlin Ostroff and Vicky Ge Huang contributed to this article.

Watch a Video

Scan this code for a video on how the collapse of FTX hit employees.

Deputy Played Key Role

Continued from page B1

Ms. Ellison has been fired along with Gary Wang and Nishad Singh. They were also top deputies of Mr. Bankman-Fried's.

Before the crash, Mr. Bankman-Fried hugged the spotlight, promoting crypto and lobbying for its interests in Washington, while Ms. Ellison remained in the engine room. Alameda, a trading firm owned almost entirely by Mr. Bankman-Fried, had one overarching purpose: Make money. Ms. Ellison was tasked with keeping it running.

In a handful of podcasts and other public appearances, Ms. Ellison was quick to summarize her rapid ascent as almost accidental. She joined Wall Street straight from graduating Stanford University in 2016, though the move was less a calling than an answer to the question she found herself asking in college: What are math majors supposed to do with their lives, anyway?

It was at her first job, at quant-trading powerhouse Jane Street Capital, that she met another 20-something trader, Mr. Bankman-Fried. Like her, he had been raised by two professors. Like her, he spoke highly of a movement called "effective altruism," or

the idea of making big money to give away.

When Mr. Bankman-Fried left to start Alameda, Ms. Ellison soon followed in what she called "a blind leap into the unknown." She was still barely out of college—but she was also one of the more experienced traders there, she said in an FTX podcast in 2020.

Ms. Ellison grew up in the Boston suburbs, daughter of two MIT economists. At 5, she read the second "Harry Potter" book to herself, she said on the podcast. At 8, she wrote an analysis of stuffed-animal prices, according to Forbes. Her father, inspired by his daughters, wrote advanced-math textbooks for children bored by basic lessons.

She and Messrs. Bankman-Fried, Wang and Singh comprised the board of what they called the Future Fund, with the goal of making grants to nonprofits and investments in "socially impactful companies." Critics say the effective altruism worldview can encourage excessive risk taking—since people can always argue that bigger paydays lead to bigger donations.

Messrs. Bankman-Fried, Wang and Singh all owned stakes in at least some of the FTX companies, according to a filing in bankruptcy court by the new CEO.

At times, Ms. Ellison and Mr. Bankman-Fried were romantically involved, The Wall Street Journal previously reported.

When Ms. Ellison arrived at Alameda, she was surprised at

how it made even fast-paced Jane Street look slow. "It was like, wow, the process for doing things is just someone suggests something and then someone codes it up and releases it," she said in the FTX podcast. "An hour later and it's already happened."

Everything in Mr. Bankman-Fried's orbit seemed to move at the same breakneck speed. He launched an Alameda sister firm, FTX, in 2019, and it took just a few years for it to become one of the biggest crypto exchanges in the world. For a while, Mr. Bankman-Fried was CEO of both companies.

Use of stimulants was common among his upper echelon, the Journal previously reported.

"Nothing like regular amphetamine use to make you appreciate how dumb a lot of normal, non-medicated human experience is," Ms. Ellison tweeted last year.

Alameda and FTX had employees in both Hong Kong and the Bahamas. Ms. Ellison, like Mr. Bankman-Fried, had recently been working from the Bahamas much of the time, according to a person familiar with the matter.

Among Alameda's trading strategies was arbitrage—buying a coin in one location and selling it elsewhere for more. FTX, meanwhile, emerged as a key marketplace for investors large and small to buy and sell crypto. As a major player in digital currencies, Alameda traded frequently on FTX's platform.

Around 2020, Alameda began "yield farming," investing in tokens that pay interest-

rate-like rewards. At first, Ms. Ellison pushed back. In an FTX podcast in early 2021, she recalled arguing about whether the firm should engage, and said she had concerns about the riskiness. "I lost that argument," she said in the podcast.

Over time, Alameda's aggressive trading strategies relied more on intuition and indicators like Elon Musk's social-media posts, according to tweets in 2021 by Sam Trabucco, then another rising star at Alameda.

By fall 2021, cryptocurrency prices were approaching their

Behind the scenes, Alameda was far from immune from the shakeout.

all-time high and FTX was celebrating its recent deal for the naming rights of the University of California, Berkeley's football stadium. Mr. Bankman-Fried named Ms. Ellison and Mr. Trabucco as co-CEOs to run Alameda so he could focus on FTX. They inherited a 25-person operation, according to Alameda's news release at the time.

Though Mr. Bankman-Fried was no longer CEO, Alameda was still his company, too. According to FTX's bankruptcy filings, he owned 90% of the trading firm. Mr. Wang owned the other 10%.

By early 2022, digital cur-

rencies were in free fall. Many of the industry's biggest investment and lending firms began to buckle, then give way. As panic swept through the crypto world, Mr. Bankman-Fried sought to appear as a rescuer, buying out some troubled firms and extending credit to others to help stabilize the market.

Behind the scenes, Alameda was far from immune from the shakeout. Mr. Bankman-Fried's vaunted trading firm was getting margin calls, too.

In August of this year, Mr. Trabucco said he was stepping down as co-CEO. In a lengthy Twitter thread, he said working at Alameda had been "difficult and exhausting and consuming."

By early November, the spotlight that Mr. Bankman-Fried so often courted began to reveal his companies' troubles. A CoinDesk report raised concerns about the financial health of Alameda and FTX. Changpeng Zhao, head of rival exchange Binance, tweeted that his firm would dump its holdings of FTT as a risk-management move. FTT is a digital currency of FTX.

As Mr. Zhao and Mr. Bankman-Fried sparred over Twitter, Ms. Ellison tried to cool the fire. "If you're looking to minimize the market impact on your FTT sales, Alameda will happily buy it all from you today at \$22!" she tweeted, tagging Mr. Zhao. A few minutes before, FTT had traded around \$22.15, according to CoinDesk data.

When asked on Twitter why

Ms. Ellison had made the offer, Mr. Bankman-Fried replied, "I mean that's up to her to answer, but they said they were worried about impact which this would solve for them, and this is just quicker and easier." Binance contacted her about the offer but never heard back, the Journal reported.

Ultimately, the close ties between Alameda and FTX were their undoing. FTX used customer money to lend billions of dollars to Alameda for risky trades and investments, according to previous reporting by the Journal. In traditional finance, regulators require brokerages to segregate customer funds from any capital they use for trading.

In the video meeting in early November, held late in the evening Hong Kong time, Ms. Ellison told employees that FTX used customer money to help Alameda meet its liabilities, the Journal previously reported. She apologized and said that she had disappointed the staff, the Journal reported. By then, the companies' financial problems had spilled into public view, but the companies hadn't yet filed for bankruptcy.

Ms. Ellison also told employees that she, Messrs. Bankman-Fried, Singh and Wang were aware of the decision to send customer money to Alameda.

Many Alameda employees quit the next day, the Journal reported.

—Dave Michaels, Alexander Ostipovich, Elaine Yu and Mark Marmont contributed to this article.

THE TICKER |

MARKET EVENTS COMING THIS WEEK

Monday	Wednesday	U.Mich. consumer index
Earnings expected	Durable Orders	Nov, prelim 54.7
Estimate/Year Ago	Sep, previous up 0.4%	Nov, final 55.1
Agilent Technologies	Oct, expected up 0.4%	New-home sales
1.38/1.21	EIA status report	Sep, previous 603,000
Dell Technologies	Previous change in stocks in millions of barrels	Oct, expected 572,000
Class C 1.60/2.37	Earnings expected	Estimate/Year Ago
J.M. Smucker 2.18/2.43	Deere & Company	7.12/4.12
Jacobs Solutions	Crude-oil stocks	Thursday
1.77/1.58	down 5.4	U.S. Stock and Bond Markets closed for Thanksgiving Day
Maximus 0.70/0.83	Gasoline stocks up 2.2	Friday
Zoom Video	Distillates up 1.1	U.S. Stock and Bond markets close early
Communications	EIA report: natural-gas	Short-selling reports
Class A 0.83/1.11	Previous change in stocks in billions of cubic feet	Ratio, days of trading volume of current position, at Oct 31
Tuesday	up 64	NYSE 3.5
Earnings expected	Initial jobless claims	Nasdaq 2.6
Estimate/Year Ago	Previous 222,000	
Analog Devices	Expected 225,000	
2.58/1.73	Mort. bankers indexes	
Best Buy Co. 1.03/2.08	Purch., previous	
Dollar Tree 1.18/0.96	up 4.0%	
HP 0.84/0.94	Refinan., prev.	
Medtronic 1.28/1.32	down 2.0%	
VMware Class A		
1.59/1.72		

* FactSet Estimates earnings-per-share estimates don't include extraordinary items (Losses in parentheses) ♦ Adjusted for stock split
Note: Forecasts are from Dow Jones weekly survey of economists



Retailer Best Buy is scheduled to report a decline in quarterly per-share earnings on Tuesday. A store in Alexandria, Va.