

THE WALL STREET JOURNAL.

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Last week: **DJIA** 33761.05 ▲ 957.58 2.9% **NASDAQ** 13047.19 ▲ 3.1% **STOXX 600** 440.87 ▲ 1.2% **10-YR. TREASURY** ▼ 1 5/32, yield 2.848% **OIL** \$92.09 ▲ \$3.08 **EURO** \$1.0259 **YEN** 133.45

What's News

Business & Finance

Saudi Arabia's national oil company posted a 90% jump in quarterly profit amid high oil prices, generating billions of dollars in cash that is infusing fresh momentum into the kingdom's economic makeover and strengthening its geopolitical power. **A1**

◆ **Stocks reached** another milestone in their comeback last week, with the Nasdaq rising more than 20% from its mid-June low to end its longest bear market since 2008. **B1**
◆ **Individual investors** have ramped up purchases of stocks and bullish call options, helping send meme stocks skyrocketing. **B1**

◆ **Many investors** are betting on both green energy and fossil fuel, a seemingly contradictory strategy also reflected in the climate bill. **B1**

◆ **Pension funds** that manage public workers' retirement savings were among those that invested in cryptocurrency over the past year and are now navigating the crash. **B1**

◆ **Global travel insurers** say they are selling more policies and at higher prices as travel rebounds from the pandemic, with take-up among young people particularly strong. **B3**

◆ **Americans are splurging** on summer travel and entertainment, after staying home in the early years of the pandemic. **B5**

◆ **DSV is pursuing** more business in the U.S. as the acquisition-focused freight forwarder consolidates its power among the world's largest supply-chain companies. **B4**

World-Wide

◆ **The FBI's search** of Trump's Mar-a-Lago property dealt with the Justice Department's most urgent priority, retrieving classified information. Investigators are now pursuing the next steps of the criminal investigation into the handling of national security material and presidential records. **A1, A4**

◆ **The suspect in** the stabbing attack on novelist Salman Rushdie had no prior criminal history and authorities said they have yet to determine a motive. **A3**

◆ **A group of U.S. lawmakers** flew to Taiwan to meet Taiwanese President Tsai, the latest development to raise questions about U.S. intentions regarding the island's relationship with China. **A8**

◆ **A Palestinian gunman** opened fire on a bus in Jerusalem's Old City, injuring at least eight people, including American citizens. **A8**

◆ **Japan's economy** recovered its prepandemic level in the April-June quarter thanks to strong consumer spending. **A18**

◆ **An international agreement** to restore Ukraine's Black Sea grain exports is showing early progress, with 18 ships moving to and from ports in Odessa. **A9**

◆ **Ukraine President Zelenskyy** accused Russia of using Europe's largest nuclear power plant to blackmail Kyiv and its allies. **A10**

◆ **Died: Anshu Jain**, former co-CEO of Deutsche Bank, 59. **B3**...Anne Heche, actress, 53. **A2**

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At Least 41 People Killed in Fire in Coptic Church in Egypt



MOURNING: A mother who lost three children in a fire Sunday at a Coptic church in the Egyptian city of Giza mourns at a funeral for the victims. Authorities put initial blame on an electrical failure in an air-conditioning unit. **A8**

U.S. Probe Enters Next Phase After Seizure of Trump Records

WASHINGTON—The FBI's search of former President Donald Trump's Mar-a-Lago property dealt with the Justice Department's most urgent pri-

By Aruna Viswanatha, Sadie Gurman and Alex Leary

ority in the months-long show-down, according to officials, which was retrieving classified information.

Investigators are now pursuing the next steps of the department's criminal investigation into the handling of

national security material and presidential records, a process that might take many months to play out and will be shaped by several factors.

They include what specifically investigators find in the seized documents; why they ended up at Mar-a-Lago; who accessed them at the Florida resort; and the actions of Mr. Trump and his lawyers as the two sides negotiated over the spring for the return of the records, according to people familiar with the inquiry.

While the investigation moves ahead inside the Justice

Department, the political ramifications of the unprecedented search of a former president's home last Monday are likely to reverberate in the public debate in Washington and beyond.

"The American public is operating without sufficient information," Arkansas Gov. Asa Hutchinson, a Republican, said Sunday on CNN. "I think we all have to take a deep breath and say we're going to have to wait to see the facts that come out."

Mr. Trump, a Republican, asserted on his social-media platform on Sunday that the Federal Bureau of Investiga-

tion took material protected by attorney-client privilege and asked for the material back. The Justice Department has set up what is known as a "filter team," a separate group of agents and lawyers to review the materials and determine whether any of them are protected by such privilege before they will be provided to investigators, according to

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◆ **Trump aides describe chaotic last days**..... A4
◆ **Magistrate judge filled role by chance**..... A4

Behind Nuclear-Plant Battle: Who Gets the Power?

Amid safety crisis, Ukraine says Russia's plan is to divert electricity

By JOE PARKINSON AND DREW HINSHAW

The first sign of danger came when the dwindling crew of Ukrainian technicians running the Zaporizhzhia nuclear-power station noticed that officers from Russia's state atomic energy company had left the premises without explanation. It was Aug. 5, and Russian soldiers were patrolling the facility.

Then, at 2:40 p.m., explosions rocked an electrical switchboard, triggering the shutdown of one of only two remaining power lines running from the plant into southern Ukraine, according to plant workers. Outside, smoke billowed from a crater a few hundred yards from a substation; inside, technicians raced to check the backup diesel generators

that would be needed to cool nuclear fuel at risk of overheating in an accident.

It wasn't errant shelling likely to cause nuclear disaster, but a deliberate step in Russia's wider goal: stealing Zaporizhzhia's power by severing its connection to Ukraine's remaining territory, according to Ukrainian leaders, international nuclear-power experts and the plant's staff.

"What Russia is trying to do is the utility equivalent of annexation," said Suriya Jayanti, former energy chief at the U.S. Embassy in Kyiv. She said the expropriation of such a large

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◆ **Kyiv accuses Moscow of nuclear blackmail**...A10
◆ **Grain-export accord shows initial success**.....A9

INSIDE



ALEXANDRA GREGOFA

PERSONAL JOURNAL
More people are taking vacations with friends, and taking a break from their families. **A11**



BOJ MEHTA/USA TODAY SPORTS

SPORTS
Suspension means Padres have to make a playoff run without Tatis. **A14**

Ferocious Lions and Peaceful Cats Divide a Nation

* * *

A 21-foot-tall bronze statue leads India to rethink identity; 'a steroid-fed version'

By SHEFALI ANAND

When Prime Minister Narendra Modi unveiled a bronze sculpture of India's national emblem last month featuring four lions, people immediately started asking: Are the big cats too fierce?

India's emblem, adopted in 1950, is modeled after a sculpture dating back more than 2,000 years to the reign of Emperor Ashoka, who famously renounced armed conquest to take up Buddhism and promote peace.

The new 21-foot-tall cast, weighing in at around 21,000 pounds, went atop a parliament building being built in New Delhi.

Some called the fangs in the new version too prominent. Others said the lions appear far brawnier than ones from a third century B.C. original, as well as renditions appearing on Indian currency or other government buildings.

The question has ignited a roaring debate over what the sculpture says about modern-day India and the image the country wants to send to the world.

"Why should our lions look ferocious and full of angst?" said S. Irfan Habib, a retired professor of the history of science and of modern politics in New Delhi. The fangs in particular put his teeth on edge.

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No pussycat

More U.S. Lawmakers Visit Taiwan



TAIWAN MINISTRY OF FOREIGN AFFAIRS/VIA REUTERS

DELEGATION: Taiwan's vice minister of foreign affairs, Alexander Yui, right, welcomed Sen. Ed Markey (D., Mass.) as another group of lawmakers visited the island. **A8**

Summer Blockbusters Spur Theater Revival

By ERICH SCHWARTZEL

The U.S.'s movie theaters are enjoying a happy plot twist for a change.

The summer movie season is wrapping up with several blockbusters. Studio executives are signaling a commitment to the big screen. And the ravaged landscape of closed theater chains that many predicted two years ago hasn't come to fruition.

"There's no question that we're coming back—in relevance, and in actual behavior," said Jeff Goldstein, president of domestic distribution at Warner Bros.

Movies such as "Top Gun: Maverick," "Minions: The Rise of Gru" and "Jurassic World Dominion" have shown this summer that audiences will return to the auditorium for films they want to see. The enthusiasm for movies adds to the list of prepandemic experiences people are embracing, such as going to concerts, gambling in casinos and traveling aboard airplanes.

And studio chiefs are indicating to shareholders that they want to emphasize theatrical releases now that audiences are leaving the house, especially as streaming growth in the U.S. stalls.

The summer box office through Aug. 7 sold about \$3.03 billion worth of tickets, according to Comscore Inc., more than double last year's haul but about \$600 million behind the industry's seasons in 2018 and 2019.

The question is whether momentum will last for movies amid a looming movie shortage and inflation pressures on consumers.

The comeback of movies isn't the future many in Hollywood expected when Covid-19 threatened the existence of cinemas. When governments

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U.S. NEWS

THE OUTLOOK | By Gwynn Guilford

Labor Shortage Puts Squeeze on Fed



As anyone who has lost luggage or waited half an hour for a restaurant

check can tell you, America needs way more workers in some parts of the economy.

Economists think so, too. Many of them see the imbalance in labor supply and demand as at the heart of the U.S.'s current economic challenges. They say that fixing it is critical to achieving a so-called soft economic landing, in which the highest inflation in four decades comes down without unemployment rising enough to trigger a recession.

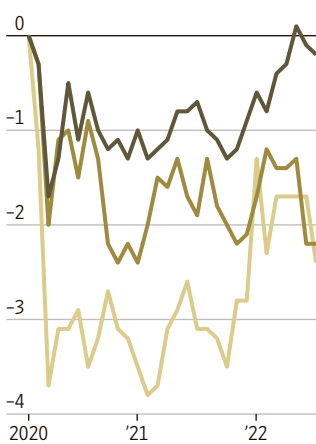
A key part of the equation has been moving in the wrong direction: The supply of workers has been shrinking. The labor force is about 600,000 smaller than in early 2020, when Covid-19 triggered a deep but short recession. It is several million smaller if you adjust for the increase in population. After approaching pre-pandemic levels earlier this year, the number of workers has fallen since March by 400,000, according to Labor Department data.

The labor-force participation rate—the share of the population 16 and older working or seeking work—was 62.1% in July, down from 62.4% in March, and much lower than the pre-pandemic rate of 63.4%, the Labor Department said.

In the short term, stalled labor-supply improvement is a concern because it increases the risk of a more damaging recession in the next year or two.

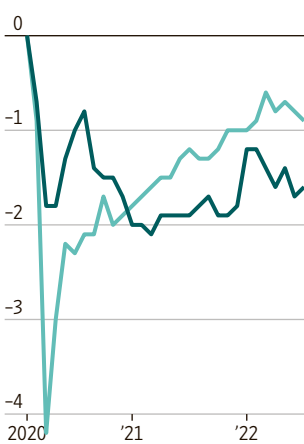
Share of U.S. population* working or looking for work, percentage-point change since February 2020

By educational achievement



Note: Seasonally adjusted. *Includes ages 25 and up

By age



Source: Labor Department

“The hope for many to achieve a soft landing is that you meet in the middle, with demand cooling off and labor supply picking up, and we reach a much healthier equilibrium between the two,” said Michael Pugliese, economist at Wells Fargo. “But if labor supply flatlines or keeps falling, you need to bring demand down even more in order to cool off wage growth.”

Inflation is near a four-decade high, coming in at 8.5% in July, and the imbalances in the labor market are part of the reason. Energy shortages and logistics glitches have faded some as sources of inflation, but price pressures fueled by a tight labor market are replacing them. Wages and salaries for private-sector workers rose 5.7% in the second quarter from a year earlier, the swiftest pace since records began in 2001, and wage growth accelerated in July.

That is an uncomfortable situation for the Fed. It is currently trying to bring inflation back to its 2% goal by raising interest rates. The hope is to cool the economy and create more labor-market slack, influencing the demand part of the equation. Usually this requires an increase in unemployment. But with job openings unusually high, it is theoretically possible to cool demand without triggering mass layoffs.

That, so far, appears to be happening. Unemployment claims have risen to their highest levels this year, suggesting it is becoming slightly harder for laid-off workers to find new jobs. Job openings are down nearly 10% from March levels, though they remain historically high and well above the number of unemployed people looking for work.

To ease wage pressures without having to reduce employment outright,

though, more workers are needed to fill jobs.

Without them, said Mr. Pugliese, the Fed will have to work harder to reduce labor demand by raising interest rates more, creating a greater chance that much tighter financial conditions trigger mass layoffs and a recession.

Stagnant labor supply is also a long-term worry, because a limited supply of workers could constrain the economy's growth potential in the long term. An undersized labor force means fewer workers to build cars or clean hotel rooms, limiting how much actual output the economy can produce.

Some of the decline in labor supply is due to increased retirement decisions triggered by Covid-19. Among those 55 and up, 38.7% were working or looking for work in July, down from 40.3% before the pandemic.

Slowing immigration was a factor weighing on the size of the labor force early in the pandemic. It is less so now but isn't likely to become a source of labor-force growth. After dropping sharply, visa issuance has risen nearly to pre-pandemic levels, according to BCA Research analysis of State Department data.

Economists have long anticipated this decline as the U.S. population ages. Far more mysterious is what is holding back the rest of the workforce. The participation rate among those ages 16 to 54 was 76.1% in July, compared with 77% in February 2020. Reasons suspected as recently as a year ago—trillions of dollars in pandemic aid, fear of Covid-19, and child-care obligations—have either not been borne out or are no longer an issue to most.

“The big mystery is not around old versus young, men versus women. It's around skilled and unskilled workers,” said Peter Berezin, chief global strategist at BCA Research, noting that by education level, participation rates remain the most depressed among those with a high-school diploma but no college.

It could have something to do with how Covid-19 has changed the nature of work and affected mental health, said Brian Bethune, an economist at Boston College.

“A lot of jobs have become a lot more difficult—from teaching to working on airline crews with packed airplanes and irate passengers,” he said. “So people have just said, ‘Enough's enough.’”

Summer Hits Propel Theaters

Continued from Page One and businesses shut down most social activities in March 2020, chains laid off thousands of workers—and even sold popcorn curbside as a way to make money.

Inside Hollywood, executives wondered if moviegoing would ever return to a semblance of normalcy, especially after months of quarantine orders drove people to streaming services. The summer box office of 2020 sold about \$91 million worth of tickets. So far this year, the opening-weekend hauls of six movies have exceeded \$91 million.

“Would we ever get back to sitting in a theater with other people again?” Brian Robbins, chief executive at Paramount Pictures, said he remembers thinking. “It was very scary.”

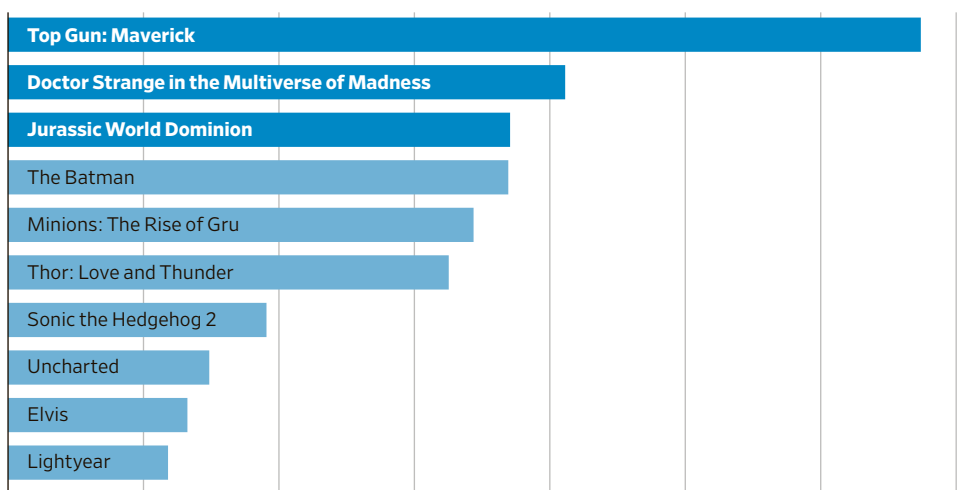
That was the reality faced by the owners of Warehouse Cinemas, a 10-screen multiplex in Frederick, Md., that opened in September 2020, six months into the pandemic.

“Sort of bad timing on our part,” said Warehouse Cinemas CEO Rich Daughtridge.

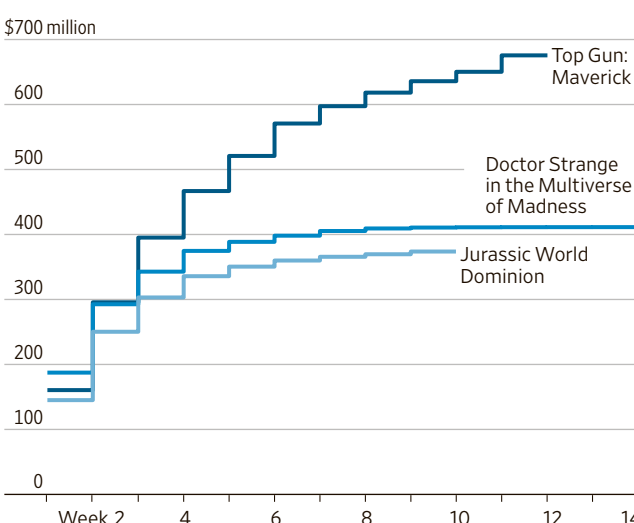
But today, Mr. Daughtridge is coming off a solid quarter at that location, renovating a second and opening a third—an expansion that will bring his total screen count to 27.

Theaters broadly have so far survived. Nationwide, the number of screens has fallen slightly since 2019, from about 41,200 then to 40,700 today, according to the National Association of Theatre Owners. That number is expected to

Top 10 movies released so far this year, by revenue



Cumulative domestic box office revenue



Sources: Box Office Mojo (top 10, cumulative revenue); Comscore (annual box office)

drop in the coming months, however, when operators who have relied on government subsidy payments during the pandemic might struggle to stay open.

Looking ahead, other potential challenges lurk. The coming film schedule is thin before superhero fare such as “Black Adam” and “Black Pan-

ther: Wakanda Forever” hit screens in the fall. Mr. Daughtridge in Maryland is seeing increased foot traffic on Tuesdays, when his circuit offers discounted tickets—an indicator, he suspects, of recessionary spending patterns.

The executives who decide where movies premiere are touting the big screen to in-

vestors. Creating expensive movies and releasing them to at-home services makes less sense today, said Warner Bros. Discovery Inc. CEO David Zaslav.

“We can't find an economic value for it,” he said. “We've been out in the town talking about our commitment to the theatrical exhibition.”

That is an about-face from the company's previous approach, which angered some agents and actors in Hollywood when it simultaneously offered 2021 theatrical releases on the company's HBO Max service.

Paramount Global CEO Bob Bakish told investors earlier this month that his company's studio had postponed several titles until consumer behavior changed.

“We held off because we knew these phenomenal stories would bring audiences back to theaters. That proved to be the right call,” he said.

By the end of the year, the 2022 box office will likely finish slightly higher than \$7 bil-

lion, which would be about two-thirds of what could be expected in pre-pandemic times, said Mr. Goldstein at Warner Bros.

“What the audience is clearly telling us is they love the big-screen experience, but not for every movie,” Mr. Goldstein said.

No movie made a better case for theatrical release this year—or even this decade—than Paramount's “Top Gun: Maverick,” the Memorial Day release that had been delayed several times because of the pandemic. The sequel to the Cold War hit is now

The trend has turned away from releasing big movies directly to streaming.

the seventh-highest grossing movie in U.S. history, recently passing “Titanic” on the chart.

And “Top Gun” has drawn audiences in much longer than a typical movie. Since it opened, the movie has registered an average weekly decline in sales of 24.3%—among the healthiest long-term performances of all time. Walt Disney Co.'s “Doctor Strange in the Multiverse of Madness”—a solid 2022 performer with \$411 million—dropped an average of 51% in its first 10 weeks of release.

“Before we released the film, our biggest concern was: Can we get the generation that didn't grow up on the film?” said Mr. Robbins of Paramount. Since then, the audience has expanded to include younger crowds, women and older moviegoers who had been reluctant to return to auditoriums, he said.

Tara Curtis, a 51-year-old communications professional in Morgantown, W.Va., said she had averaged one or two movies a month before Covid-19. But during the pandemic, she grew accustomed to watching movies on TV and has since been more discerning. “Top Gun: Maverick” was the first movie to draw her back to a theater.

Ms. Curtis has since gone back to see it a second time, taking her parents with her for their first return to theaters.

“I enjoy the theater experience,” she said. “I guess I'm a little old-school when it comes to that.”

ECONOMIC CALENDAR

Monday: The National Association of Home Builders/Wells Fargo housing-market index kicks off a week of U.S. housing figures. Economists surveyed by The Wall Street Journal expect that the index—a measure of building confidence—declined slightly.

The Federal Reserve Bank of New York is slated to release its monthly **Empire State Manufacturing Survey**, and economists expect it to show a decline in general business conditions.

Tuesday: Economists estimate that **new residential construction** fell 3.8% in July, as buyers face record housing prices. **Building permits** are expected to rise 0.9%, economists say.

The Federal Reserve is expected to report **industrial output** increased in July. Economists also expect an increase in **capacity utilization**, a measure that shows how much industries are producing compared with what they are capable of producing.

Wednesday: The Commerce Department will report **U.S. retail sales** for July, a measure of spending on goods, in addition to eating and drinking out. Economists estimate that retail spending slowed last month compared with earlier in the summer when consumers continued to spend despite high inflation.

A separate Commerce Department report is expected to show that **business inventories** rose in June.

Thursday: Initial jobless claims, a proxy for layoffs, are expected to have risen slightly last week.

Existing-home sales are expected to have declined 6.3% in July, following a drop of more than 5% the prior month. The U.S. housing market has cooled rapidly as record high prices and higher mortgage rates weigh on sales.

U.S. WATCH

OBITUARY

Hollywood Actress Anne Heche, 53

Anne Heche, who had been in a coma for over a week after crashing her car into a Los Angeles house, died after being taken off life support Sunday, a family spokeswoman said.

Ms. Heche, 53 years old, was declared brain dead on Friday, but remained on life support as doctors arranged for organ donations, which had been her wish, the spokeswoman said.

Ms. Heche starred in several hit 1990s films, including “Donnie Brasco,” “I Know What You Did Last Summer,” “Wag the Dog” and “Six Days Seven Nights.” She was also known for her relationship with comedian and talk show host Ellen DeGeneres before their breakup in 2000.

—Suryatapa Bhattacharya and Joseph Pisani

WASHINGTON, D.C.

Man Kills Himself Near U.S. Capitol

A man fatally shot himself early Sunday outside the U.S. Capitol and Supreme Court after driving his car into a nearby barricade, according to U.S. Capitol Police.

The police said there was no indication the man, identified as 29-year-old Richard A. York, was targeting any members of Congress, which is currently in recess. The Supreme Court is also out of session for the summer.

Just after 4 a.m., a man rammed his car into the vehicle barricade, police said. The vehicle burst into flames as the man climbed out of it, then fired several shots into the air. Officers were approaching him when he shot and killed himself, police said.

—Ginger Adams Otis

PENNSYLVANIA

Car Hits Crowd at Fundraiser; 1 Killed

One person was killed and 17 people injured when a vehicle struck a crowd gathered at a Pennsylvania bar for a fundraiser for victims of a house fire that killed 10 people this month. The man police say was the driver was arrested shortly afterward in the beating death of his mother.

The crash occurred at about 6:15 p.m. Saturday outside a bar in Berwick. Police identified the driver as 24-year-old Adrian Oswaldo Sura Reyes.

—Associated Press

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CORRECTIONS & AMPLIFICATIONS

Robotic furniture company Bumblebee Spaces' ceiling-mounted systems start at \$14,000, fully installed, and can cost as much as \$37,000. An Exchange column on Saturday incorrectly said that the systems include only a single drawer and start at \$12,000, and could cost as much as \$40,000.

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

U.S. NEWS

Details Emerge on Rushdie Suspect

Hadi Matar, the 24-year-old man accused of stabbing acclaimed novelist Salman Rushdie, had no prior criminal history and authorities said they have yet to determine a motive for the attack against the man targeted by Iran's leader more than 30 years ago.

By Ginger Adams Otis, Alicia A. Caldwell, Konrad Putzier and Micah Maidenber

Mr. Rushdie sustained three stab wounds to the right front of his neck and four stab wounds in the stomach just before a planned lecture in southwestern New York at the Chautauqua Institution on Friday, according to Chautauqua County District Attorney Jason Schmidt. Mr. Rushdie also had a puncture wound in his right eye and two in his chest, the DA said Sunday.

Mr. Matar, of Fairview, N.J., was arraigned Saturday and charged with second-degree attempted murder. He pleaded not guilty and is being held without bail at the county jail.

Mr. Matar's lawyer on Sunday said the case against his client was still preliminary.

Some people who know Mr. Matar and his family said they were surprised to learn about the attack.

Mr. Matar invoked his right to legal counsel when officers began questioning him, Mr. Schmidt said.

Mr. Rushdie spent years under police protection after Iranian leaders called for his execution over his 1988 novel "The Satanic Verses," which some Muslims have called blasphemous. Ayatollah Ruhollah Khomeini issued a fatwa, or religious edict, in 1989 that called on Muslims to kill Mr. Rushdie.

Authorities haven't reached a conclusion on a potential link to the fatwa against Mr. Rushdie, the DA said.

The Federal Bureau of Investigation said it is assisting police in New York and New Jersey.

Mr. Rushdie, 75 years old, remains in critical condition but is talking and showing signs of improvement, his family said Sunday. He was taken off a ventilator over the weekend and is breathing on his own, his son Zafar Rushdie said.

"He was able to say a few words," Zafar Rushdie said in a statement. "Though his life-changing injuries are severe, his usual feisty and defiant sense of humor remains intact."

The suspect is believed to have traveled to the Buffalo area from northern New Jersey on a bus the day before the attack, then hailed a ride-share vehicle to bring him to Chautauqua, Mr. Schmidt said.

The suspect had two day passes with him to Chautauqua events, the DA said.

Mr. Matar was born in the United States to parents who emigrated from Lebanon, according to the Associated Press.

He spent his early childhood in the Los Angeles area, according to relatives. Later Mr. Matar, with his mother and siblings, moved to New Jersey. Relatives say the suspect's father moved back to Lebanon.

Mohamed Matar, who described himself as a distant cousin of Mr. Matar, said he was a "super quiet kid."

Hussein Erda, who said he was a cousin of Mr. Matar's mother, said he and others in the community were surprised by Mr. Matar's arrest. "It's not right. God sees," he said of the attack on Mr. Rushdie. "It's very sad."



Salman Rushdie in 2017.



Randy Carlson, who is the mayor of Harris, Minn., says his DSL service struggles with large file downloads and video calls.

Broadband Expansion Put on Hold

WASHINGTON—The government's \$42.5 billion plan to expand internet service to underserved communities is stuck in a holding pattern nearly nine

By Ryan Tracy, Drew FitzGerald and Anthony DeBarros

months after approval, largely because authorities still don't know where gaps need to be filled.

The broadband plan, part of the \$1 trillion infrastructure bill signed by President Biden last November, stipulates that money to improve service can't be doled out until the Federal Communications Commission completes new maps showing where homes and businesses lack fast service.

Lawmakers demanded new maps after flawed data in past subsidy programs caused construction projects across the country to bypass many of the Americans that they were supposed to serve. Officials warn, however, that getting the mapping right will take time.

"We understand the urgency of getting broadband out there

to everyone quickly," said Alan Davidson, chief of the Commerce Department office in charge of allocating the broadband funding. "We also know that we get one shot at this and we want to make sure we do it right."

Internet providers including AT&T Inc., Charter Communications Inc., Comcast Corp. and Verizon Communications Inc. have yet to include any of the 2021 infrastructure law's broadband funding in their public financial projections for the coming years.

"The maps are not going to be issued from the FCC until a little bit later this year, and until that happens, the money really can't start to flow at the state level," AT&T Chief Executive John Stankey told analysts on a July conference call.

Randy Carlson, mayor of Harris, Minn., said some of his city's estimated 1,127 people have decent internet, but service deteriorates outside the city center.

In Mr. Carlson's census block, the FCC's existing maps showed that rural broadband provider CenturyLink reported offering both fiber and digital-sub-

scriber-line, or DSL, service at speeds that met the commission's definition of broadband. In reality, that fiber line doesn't run to Mr. Carlson's home, and his DSL service struggles with large file downloads and video calls, he said.

"You kind of expect some of these weird things happening" with government programs, Mr. Carlson said. "But when it affects people, it's a little harder to deal with."

The U.S. has long lacked reliable maps of broadband service.

All told, a 2020 FCC program dedicating as much as \$9.2 billion nationwide for broadband counted about 10% of Harris residents as eligible for funding, according to a Wall Street Journal analysis.

CenturyLink, part of Lumen Technologies Inc., said it erred in reporting the fiber service in

Mr. Carlson's census block, citing a problem with an automated mapping tool.

"Broadband mapping is not a perfect science," a Lumen spokeswoman said, adding that the company supports the FCC's new mapping effort and "is dedicated to bringing fiber to more communities in our service areas."

An FCC spokeswoman said the 2020 program relied on the best data available at the time.

The U.S. has long lacked reliable maps of broadband service. In 2018, when the FCC released what it called modernized national maps, Jessica Rosenworcel—then an FCC commissioner and now its chairwoman—looked up her address. The map listed service that she knew wasn't available, she said at the time.

Congress in 2020 ordered the FCC to improve the older system, which relied heavily on companies to self-report the areas they serve. But lawmakers didn't fund their mandate until early 2021. The commission then spent another year and a half developing the new maps. A dispute over the mapping con-

tractor contributed to the delay. The FCC spokeswoman said the map project is "an unprecedented undertaking" involving vast amounts of data and technical hurdles.

The commission said earlier this month that it would publish the new maps in mid-November, but consumers and companies then get a chance to appeal any perceived inaccuracies, a step expected to add months to the process.

"The maps are going to be better, but they're not going to be right the first time around," said Shirley Bloomfield, CEO of NTCA, an association of mostly rural broadband providers.

Internet providers must file reports to the FCC by Sept. 1 that show the locations they can serve with high speeds.

The Commerce Department's National Telecommunications and Information Administration will allocate funds to each state based on the FCC maps' tally of unserved locations. Mr. Davidson said he expects the maps to be ready for this purpose sometime in the first half of 2023 after the challenge process runs its course.

Schools End Free Meals for Millions of Students

By ISABELLE SARRAF

Millions of schoolchildren are heading back to class without free breakfast or lunch for the first time in two years, to the disappointment of many parents and school administrators who are facing rising food and supply costs due to inflation.

Some federal pandemic-era provisions that allowed schools to serve universal free meals are expiring, and many districts are unprepared to make up the difference, instead urging parents to apply for a free or reduced-price lunch. While the provisions were always meant to be temporary, the expiration comes as supply-chain disruptions and rising food prices are pushing school-meal prices higher.

The U.S. Department of Agriculture Food and Nutrition Service in fiscal 2020 suspended eligibility requirements for free and reduced-price meal applications and gave every student a free breakfast and lunch regardless of family income. The government pumped \$26.8 billion from pandemic-related funds such as the Coronavirus Aid, Relief and Economic Security Act to provide universal free lunch in fiscal 2021.

In 2019, 67.9% of students received free lunches through the National School Lunch Program, while 5.7% got reduced-price lunches.



Lunchtime for students last May at Shawnee Heights Elementary in Topeka, Kan.

Students from households with incomes at or below 130% of the federal poverty line are eligible for a free lunch, while those between 130% to 185% of the poverty line are eligible for a reduced-price lunch. A family of four would qualify for reduced-price lunch this year in almost every state if their annual income is \$51,338 or below. Reduced-price meals this year cost families 30 cents per breakfast and 40 cents per lunch.

The expiration of the federal universal free lunch program

might force some families to choose between paying their bills amid high inflation or breakfast and lunch for their children, said Collin Robinson, vice president of advocacy at the National Parent Teacher Association. "No family should have to make that decision," he said.

The USDA said it will continue to use its authority to provide some more flexible food options, such as offering meals that parents can pick up for students with health issues. "It is important to note that schools

across the country will still face ongoing challenges, and at USDA we will continue to use every tool at our disposal to ensure kids get the nutritious meals they need and deserve," a USDA spokesperson said.

Children are still automatically eligible for free meals if any member of their household receives benefits from certain federal-assistance programs, such as the Supplemental Nutrition Assistance Program.

Massachusetts, Nevada and Vermont have passed legislation

to continue free meals for the 2022-23 school year, while California and Maine have made universal free meals permanent.

In June, President Biden signed the Keep Kids Fed Act that extended some school-meal waivers through the summer. But the bill fell short of continuing the universal free breakfast and lunch program into 2022-23 that some school districts say was a lifeline for students facing food insecurity during Covid-19.

About 64% of students in Colorado's Denver County qualified for a free or reduced-price lunch in 2019, according to the Colorado Department of Education. Theresa Hafner, who oversees food-service operations for Denver Public Schools' public and charter schools, said the cost of each lunch in her district for those paying full price has risen to \$2.65, \$2.75 and \$3 for elementary, middle and high-school students, respectively. That is an increase of 15 cents a lunch from the 2019-20 school year.

Shannon Lewis, a single mother whose 17-year-old daughter Antwanette attends Contemporary Learning Academy in Denver, is worried she won't meet the income criteria. Her daughter was eligible for a free lunch before the pandemic, but since then Ms. Lewis started a new job that pays a bit more, which might be just enough to disqualify her.

California Counties Reverse Bid to Curb Jail Population

By ZUSHA ELINSON

More than two years after instituting policies to keep more nonviolent offenders out of jail to reduce populations during the pandemic, California's biggest metropolitan areas are making a U-turn in the midst of rising crime.

Los Angeles, San Diego and Santa Clara are among the counties that recently stopped setting zero bail for certain misdemeanors and nonviolent felony offenses.

Such pandemic-era policies were separate from broader criminal-justice reform moves

over the past few years that have included laws limiting the use of bail and new approaches by district attorneys who won office on platforms de-emphasizing incarceration.

Those were driven by advocates and lawmakers who said that harsh prison sentences did little to reduce crime and that bail was unfair for people too poor to pay it.

The policies instituted at the start of the pandemic, meanwhile, were public-health measures meant to quickly depopulate jails, which were home to numerous outbreaks of the then-new coronavirus.

The U.S. jail population plunged 25% in 2020 from mid-2019, to about 550,000, its lowest level in nearly a decade, according to federal data.

California made such policies optional in mid-2020, a few months after instituting them that spring. But counties that are home to some of the state's biggest cities kept the policies in place until this summer, after increases in crime sparked public calls for a tougher approach. In San Jose, Mayor Sam Liccardo said the pandemic jail policies were among the reasons that 43

people were arrested and then released without bail on at least 10 separate occasions between January 2020 and April 2022. Officials of Santa Clara County, which includes San Jose, have disputed his claims.

"The zero-bail experiment largely failed," said Mr. Liccardo, a Democrat.

Nationwide, jail populations have risen but were 15% below their prepandemic levels as of the end of 2021, according to the Prison Policy Initiative, a nonprofit that advocates for reducing prison populations.

Homicide rates have increased nationwide over the

past two years but have edged down in the first half of 2022, according to the Major Cities Chiefs Association.

Some criminologists have said anecdotes aren't evidence that bail policies are behind the nationwide rise in homicides. In a study of changes to the bail system in Cook County, Ill., which includes Chicago, researchers from Loyola University found a new policy reducing the use of cash bail didn't lead to an increase in the percentage of those released who were later charged with a new violent crime. It remained at 3%.

Trump Aides Describe Chaotic Last Days

As then-president was trying to overturn his loss, documents were being packed up hastily

WASHINGTON—In the final weeks of the Trump administration, the West Wing started to empty out. White House trade adviser Peter Navarro was spotted carting away a framed photograph of the U.S. and Chinese presidents facing off. The chief of staff’s wife was seen packing a stuffed bird into her car.

President Donald Trump remained preoccupied with overturning his 2020 election loss. He spent his last days meeting with lawyers, plotting how to settle scores with Republicans who voted to impeach him after the Jan. 6 riot at the U.S. Capitol and negotiating over pardons with his advisers, former aides said.

At 12:50 a.m. on Jan. 20, 2021, his last day in office, he issued a list of 143 pardons and commutations, generating more presidential records required to be turned over to the National Archives.

The result was a rushed and chaotic exit from the White House that is now at the center of a federal investigation into Mr. Trump’s handling of classified documents and other presidential material after leaving office.

“If you only start packing with two days left to go, you’re just running low on time,” a former aide said. “And if he’s the one just throwing things in boxes, who knows what could happen?”



Boxes are shown outside the Eisenhower Executive Office Building in the final days of the Trump administration, in early 2021.

Last Monday, FBI agents removed 11 sets of classified documents—including some marked as top secret and meant to be available only in special government facilities—from Mr. Trump’s Mar-a-Lago resort after a federal magistrate judge in Florida approved a search warrant.

Much is unknown about why the records ended up at Mar-a-Lago and what the motivations were for those who put them there. Officials have noted that since Mr. Trump left office, his team had at least two specific government requests to provide the material to the National Archives.

In January this year, 15 boxes were retrieved by the National Archives after its request. In the spring, the Jus-

tice Department subpoenaed additional records. Some documents were turned over in a June meeting between Trump lawyers and Justice Department officials, but investigators concluded that more documents remained, prompting the search.

Mr. Trump’s lawyers and representatives have said that they were in negotiations with the government when the FBI showed up and that they have complied with Justice Department requests.

Among the records taken by FBI agents is the December 2020 executive grant of clemency for the longtime Trump confidant Roger Stone, according to the Federal Bureau of Investigation inventory of the documents. In 2019, he was

convicted in federal court of making false statements, witness tampering and trying to impede a congressional investigation into alleged Russian election interference in the 2016 presidential campaign.

Investigators, according to the search warrant released Friday, are seeking all records that could be evidence of violations of laws governing the gathering, transmission or maintenance of classified information; the removal of official government records; and the destruction of records in a federal investigation. The investigators have reached out to Trump aides who had knowledge of his records-management practices, according to people familiar with the matter.

Mr. Trump’s office said in a statement Saturday that the former president had declassified the documents present at Mar-a-Lago. While a president has the power to declassify documents, there are federal regulations that lay out a process for doing so. Neither Mr. Trump nor his lawyers have publicly provided any evidence that he formally declassified the documents.

Compounding the problem was Mr. Trump’s tendency to ignore strict presidential-records laws and those governing the handling of classified information, according to former aides.

When John Kelly was chief of staff, the handling of classified and sensitive information in the White House alarmed

him to such an extent that he sought to institute new protocols for the organization of such documents and for who was allowed to access them, Mr. Kelly said in an interview Saturday.

“It needed to be tightened up,” he said, adding that there was a lack of “deep understanding of the processes and procedures of security clearances and handling highly classified material.”

The National Archives staff typically collects boxes of records throughout the length of an administration, sending its vans to the White House for materials that are marked and cataloged as they come in. That didn’t happen during the Trump years, said Gary Stern, a career Archives official, at a January 2021 panel organized by the American Historical Association.

“We really could not start picking up until January, and we couldn’t get it all done even by Jan. 20,” when President Biden was sworn into office, he said.

During Mr. Trump’s term, aides often received documents that had been collected from the Oval Office and the White House residence to find them torn up, and would need to determine which to reassemble with tape, a former aide said.

It wasn’t uncommon to walk into the Oval Office and see several zippered bags—made specifically for transporting classified material because they can be locked—sitting on the Resolute desk with the key in the lock, one former aide said. When aides travel with the bags, they are instructed to keep the keys separate.

—*Jess Bravin*
and *Andrew Restuccia*
contributed to this article.

Inquiry Enters a New Phase

Continued from Page One

people familiar with the team.

Two House Democrats with oversight of presidential records and intelligence are asking for an assessment of damage, if any, that might have occurred because the highly classified information had been kept at Mar-a-Lago, rather than put in the custody of the National Archives.

The request from House Oversight and Reform Committee Chairwoman Carolyn Maloney (D., N.Y.) and House Intelligence Committee Chairman Adam Schiff (D., Calif.) was made in a letter Saturday to Avril Haines, the director of national intelligence, who

oversees the nation’s intelligence program.

Such an investigation would examine the scale and scope of any compromise and the impact any disclosures or compromised information could have broadly on national security and U.S. intelligence officials and allies, some of whom receive highly sensitive information from the U.S. government.

Rep. Brian Fitzpatrick (R., Pa.), a former FBI special agent and federal prosecutor joined other Republican lawmakers on Sunday in urging for the public release of the affidavit in which the granting of a search warrant was based, which could provide a road map to the government’s investigation and detail what evidence, including witness testimony, the FBI had assembled to justify the search to a federal judge. That document would likely also include information that investigators obtained from surveillance cam-

era footage from Mar-a-Lago.

Mr. Fitzpatrick also said lawmakers should withhold judgment on the investigation until they learn more, after several Republicans joined their party’s former president last week in sharply criticizing the FBI search before many facts were known.

“I’m urging all of my colleagues don’t prejudge what we don’t know about yet,” he said on CBS. “I’m also urging all my colleagues to understand the weight of your words, and support law enforcement.”

On Saturday, the FBI and Department of Homeland Security issued a memo to state and local officials warning of an increase in threats of violence against law-enforcement officials following the Mar-a-Lago search.

The memo, reviewed by The Wall Street Journal, said the threats are occurring primarily online on social media and web forums.

They include a threat to place a so-called dirty bomb in front of FBI headquarters and issuing general calls for “civil war” and “armed rebellion,” the memo said. Government officials associated with the search, including the federal magistrate in Florida who approved the warrant, are also

A federal grand jury is examining how the boxes of documents reached Mar-a-Lago.

receiving threats, the memo said.

Mr. Trump’s lawyers also have argued that the materials the Justice Department views as classified had been declassified by the president, another potential factor in the Justice Department’s considerations. Mr. Trump’s team hasn’t pub-

licly provided documentation to back up that assertion.

Some national security lawyers have said that, while a sitting president has broad authority to declassify documents, processes must be followed for that declassification to become effective. “It’s not like you just wave a wand and documents are declassified,” said Dan Meyer, a national security lawyer at Tully Rinckey. “There’s a process.”

The Second U.S. Circuit Court of Appeals in New York endorsed that view in a 2020 decision, saying that “declassification, even by the President, must follow established procedures.”

In that case, the appeals court denied an effort by the New York Times to obtain documents about a covert operation by the Central Intelligence Agency in Syria. The newspaper had argued then-President Trump declassified the program by tweeting about it and making other public comments.

A federal grand jury is examining the circumstances around how the boxes of documents reached Mar-a-Lago either during Mr. Trump’s presidential term or as he left office. Only after what is likely to be a lengthy assessment would prosecutors reach any determination on whether to seek charges, former prosecutors said.

The Justice Department is looking at whether those who handled the documents violated the Espionage Act, which addresses the improper use of national defense information, and also laws that govern the handling of official government records.

Agents removed around 20 boxes from the resort. Items included 11 sets of documents that were labeled with classification markings at several levels, including top secret, according to an inventory.

—*Jan Wolfe*
contributed to this article.

Magistrate Judge Filled Role by Chance

BY DEBORAH ACOSTA

When the FBI submitted a search warrant seeking classified information in the Florida home of former President Donald Trump, the magistrate judge on duty in Palm Beach County was unavailable. So another magistrate judge, Bruce Reinhart, stepped in to handle the request, as is typical.

Judge Reinhart approved the warrant on Aug. 5, finding that the Federal Bureau of Investigation established probable cause that there was evidence of crime—an action that has kicked off a series of unprecedented events.

FBI agents who searched Mr. Trump’s Mar-a-Lago residence last Monday removed 11 sets of classified documents—including some marked as top secret—according to a list of items taken that was unsealed along with the warrant by Judge Reinhart on Friday.

Judge Reinhart, an Ivy League educated judge and former prosecutor who once defended allies of the late disgraced financier Jeffrey Epstein, has received anti-Semitic attacks and threats on multiple online forums, and has had his address and other personal details published on at least one of them.

“It’s the luck of the draw,” said Florida State Attorney Dave Aronberg, who has been in touch with Judge Reinhart this past week, of the judge’s

role in the case. “He gets up every day and does his job, without fear or favor.”

Judge Reinhart’s profile page has since been taken down from the court website. He couldn’t be reached for comment. His clerk’s LinkedIn page also has been taken down.

John Stinneford, a law professor at the University of Florida Levin College of Law who specializes in criminal and constitutional law, said that even if a judge disagreed with pursuing a search warrant at a particular time, they would still have to issue one if probable cause was shown.

“If there is probable cause, they have to approve the warrant,” said Mr. Stinneford, a former assistant U.S. attorney.

Judge Reinhart, 59 years old, spent 12 years as a federal prosecutor in the Southern District of Florida before going into private practice for 10 years. Among those he represented were employees of Epstein, including Epstein’s pilot and scheduler. Both received immunity from federal prosecution.

In 2008, Epstein’s legal team struck a plea deal with the U.S. attorney for the Southern District of Florida at the time, Alex Acosta, that shielded Epstein from federal sex-abuse charges and included a promise that federal prosecutors wouldn’t notify his alleged victims of the arrangement.



Bruce Reinhart, shown above in 2017, approved the warrant.

In 2018, Judge Reinhart was sworn in as a federal magistrate after being appointed by a majority vote of U.S. District Court Judges in South Florida, the same week that his wife, Carolyn Bell, was appointed as a state circuit court judge by then-Florida Gov. Rick Scott. In his role as one of three magistrate judges in Palm Beach County, he handles pretrial criminal and civil motions and other litigation matters in coordination with the district court judges.

After Judge Reinhart signed the warrant on Aug. 5, the FBI searched the home three days later, seizing about 20 boxes of materials, according to an inventory of the material received.

On Friday, Judge Reinhart issued an order making the warrant and inventory list public, after the Justice Department said in a court filing that Mr. Trump’s lawyers told federal prosecutors they didn’t object to the government’s request to unseal the information.

Legal experts said Judge Reinhart didn’t have the authority to consider the political or historical context surrounding the search warrant, such as whether it was a wise move for the Justice Department to seek a warrant to retrieve classified information from a former president’s home.

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U.S. NEWS

Democrats Hope Legislation Moves Voters

By Catherine Lucey
And Ken Thomas

WASHINGTON—President Biden has often said that America wanted to see big legislative accomplishments. Now that he has delivered on some of his goals, he will find out if those wins give him a boost with voters.

The passage along party lines of the \$700 billion climate, healthcare and tax bill in the House Friday capped a run of legislative victories for the Democrats and the White House in recent months that also included bipartisan bills to boost U.S. semiconductor manufacturing, support veterans' healthcare and address mass shootings.

With November's midterm elections looming, Mr. Biden and Democrats hope to use these victories to appeal to the electorate as they seek to defend their narrow majorities in Congress. Their challenge will be moving voters who might not be paying attention to what bills are passing in Washington and have been grappling with economic uncertainty and high gasoline prices for more than a year.

Mr. Biden's approval ratings have been stuck at or just below 40% for months, a grim



President Biden and top administration officials are slated to travel to promote the new bill.

sign for his party this year, as well as for the president's chances if he runs for re-election. His handling of the economy has also gotten low ratings.

Adrian Hemond, a Democratic consultant in Michigan, said the legislative success is "definitely a net positive for him," but added: "The question is how big a net positive and how long does it last? Does it

last until November? The president is pretty unpopular right now."

The Inflation Reduction Act fulfills some of Mr. Biden's promises to invest in climate and energy programs, address the cost of prescription drugs and to tax large companies that report significant profits but pay little or nothing in income taxes. It doesn't deal with some other pieces of his proposed

agenda, such as extending the child tax credit, providing support for child care or offering free community college.

This bill, coupled with the semiconductor bill and the infrastructure law passed last year, adds up to roughly \$2 trillion in legislation for his priorities since November.

"I, honest to God, believe that 50, 75, 100 years from now...people who will look back

to this week, they'll know that we met this moment," Mr. Biden said Tuesday at a signing ceremony on the South Lawn for the chips-manufacturing bill.

Republicans hope to use the fall elections to recapture both the House and Senate, a move that would effectively end Mr. Biden's legislative agenda and bring forth intense congressional oversight of his administration. The GOP has argued that higher costs and fuel prices will be paramount for voters, along with tax increases included in the reconciliation bill.

"Results matter—process does not for voters. Passing legislation is meaningless if people are still struggling with gas prices, grocery bills, utility costs," said Nicole McCleskey, a New Mexico-based Republican pollster. "To suggest that legislation is going to somehow save Democrats in this election I think is a totally inside Washington, elitist argument."

Looking beyond the midterms, Mr. Biden has repeatedly said he plans to run for re-election. But some recent polls have shown that his party is wary of that idea and that voters are concerned about the age of Mr. Biden, who will turn 80 in November and is the na-

tion's oldest president. A series of legislative wins might lessen concerns about Mr. Biden's job performance, but the age issue remains intractable.

The White House now faces the tough task of selling this legislation, after efforts to prompt a bipartisan infrastructure law passed last year didn't break through with much of the public. White House officials have said Mr. Biden and top officials would travel to promote the agenda. They plan to argue that they successfully fought special-interest groups with bills that address drug pricing, corporate taxes, climate and guns, while accusing Republicans of siding with "special interests and the super wealthy."

A Fox News poll of registered voters released last week found 45% of respondents said they understood well what was in the Inflation Reduction Act, while 53% said they didn't understand it well.

John Anzalone, the president's 2020 campaign pollster who also conducts surveys for The Wall Street Journal, said that Mr. Biden has "given front-line Democrats something to run on, something to contrast their candidacies that they literally did not have on May 1."

Major Changes Ahead for Prescription-Drug Payments

By Joseph Walker

Drug-pricing rules embedded in the Inflation Reduction Act will trigger the most significant changes in nearly two decades to the way the government pays for prescription drugs, including caps on patient spending and drugmaker price increases.

Legislation that the House passed Friday would raise an estimated \$739 billion in revenue and spend \$433 billion on climate and energy programs as well as health-insurance subsidies for millions of people covered under the Affordable

Care Act. President Biden is expected to sign the bill soon.

The legislation also allows for direct-price negotiations on a limited number of medications and puts a cap on the amount that seniors on Medicare pay for medicines annually. Starting in 2025, people who are covered under Medicare's prescription-drug program known as Part D will have annual out-of-pocket costs capped at \$2,000, compared with potentially unlimited spending under current law. In addition, Medicare beneficiaries' copays for insulin starting next year would be

limited to \$35 a month.

The out-of-pocket spending cap would benefit patients who take expensive medications such as some used to treat cancer that can cost patients more than \$10,000 annually in copays and coinsurance, said Stacie B. Dusetzina, an associate professor of health policy at Vanderbilt University Medical Center.

The most contentious aspects of the drug-pricing provisions are those requiring Medicare to directly negotiate prices for certain drugs starting in 2026, and requiring drugmakers next year to pay

rebates to the government for revenue they make from price increases above the inflation rate.

Democrats passed the bill using a procedure called budget reconciliation that allows them to bypass a Republican filibuster. Using the procedure meant narrowing the inflation-cap rebate provision to Medicare drug spending and excluding the private commercial market, which would have had more far-reaching effects.

The pharmaceutical industry opposes the negotiation and inflation-cap measures, which it said would give the

government too much power to set prices and impinge on the development of new drugs.

"The bill will impose price controls, and price controls will stymie innovation," Amgen Inc. Chief Executive Robert Bradway said on an earnings call in early August.

The revisions represent a watershed change to the Medicare Part D program, which was enacted in 2003 with a prohibition on government negotiation of drug prices. The program was created to be operated by private health insurers who compete against one another by offering the lowest

premiums to consumers, providing an incentive to negotiate the lowest prices possible.

The program hasn't worked well for patented medicines that are protected from competition, advocates of the government negotiation say. Changes in the new legislation will help check prescription-drug costs, some advocates say.

"This is going to be really impactful and put money back in people's pockets," said Bill Sweeney, senior vice president for government affairs at AARP, the Washington-based advocacy group for older adults.

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U.S. NEWS

Missteps Hurt Monkeypox Response Schools Scale Back Covid Regulations

By Liz Essley Whyte
And Stephanie Armour

The U.S. government years ago stockpiled 1.7 million courses of a smallpox drug that some scientists expected to work against related viruses in the event of an outbreak. Yet when one such virus, monkeypox, hit the U.S. in May, patients and doctors struggled to get the drug, called Tpoxx. Doctors said they needed to fill out more than 100 pages of paperwork to procure Tpoxx for use beyond smallpox. It took as long as a week to receive shipments. Patients said they had to wait to become sick enough to justify the medication, and then were required to keep a journal recording its use, including photographs documenting the course of their symptoms.

The Centers for Disease Control and Prevention in late July eased access to Tpoxx, but by then more than 2,700 cases had been identified in the U.S., and only a portion of them had been treated.

Lack of access to treatment was among the many hurdles that impaired the fight against monkeypox in the early weeks of the outbreak in the U.S. when it could have been curbed, according to public-health experts and doctors.

Patients said they struggled to get tested. The federal government didn't stockpile and manufacture enough vaccines. The CDC said it received limited data from states on vaccinations and cases. And the agency's initial messaging was criticized by some public-health experts for being too vague.

"If you prepared a list of reasons why the United States was one of the world's worst performers in Covid, you can just reprint that list for monkeypox," said Larry Gostin, who directs Georgetown University's O'Neill Institute for National and Global Health Law.

Demetre Daskalakis, director of the CDC's division of HIV prevention and the White House's deputy monkeypox response coordinator, said at an



People waited in line for a monkeypox vaccine at a San Francisco hospital this month.

HIV conference in Montreal this month that the government's delivery of treatment and vaccines wasn't fast enough.

More than 9,400 people in the U.S. had confirmed cases of monkeypox as of Aug. 11, more than any other country. Federal health officials declared a public-health emergency Aug. 4. Symptoms include a rash, fever, swollen lymph nodes, and, in some cases, extreme pain around lesions. Most cases, almost all of which have been among men having sex with men, aren't fatal.

As cases mounted, officials in the White House and federal health agencies grew frustrated that some federal leaders didn't act faster, people familiar with the matter said. President Biden this month named Robert Fenton, a longtime Federal Emergency Management Agency official, as the government's monkeypox response coordinator. The White House said Mr. Fenton will work alongside Health and Human Services Secretary Xavier Becerra.

Mr. Becerra has been very engaged in the monkeypox re-

sponse, a spokeswoman said. "He leads daily briefings, and in coordination with the White House, he has directed HHS's work," she said.

The Biden administration has led a comprehensive strategy to combat the virus, a White House spokesman said. "We've scaled up our response," he said.

Tests in the early days of the outbreak were hard to come by because patient samples had to go through the CDC's network of public-health labs, which required extra paperwork for doctors, the doctors and patients said. Now commercial labs such as also offer tests.

Some public-health experts were disappointed by the limited data the CDC published about cases, saying more data could have helped local officials devote resources to the outbreak. HHS and CDC also had no data on how many people had been vaccinated, Mr. Becerra said in late July. The agency typically uses voluntary agreements to collect data and didn't have those in place for vaccinations at the start of the outbreak.

The CDC's early messages about the virus were too vague to be helpful, some doctors and health experts said. Those messages focused on the fact that monkeypox can spread to anyone, which risked leaving gay and bisexual men unaware that the virus was spreading almost exclusively in their community and that they should avoid exposure and get tested if they had symptoms, doctors and patients said.

The CDC wanted to avoid stigmatizing patients by making it seem that only certain people were at risk, and worked with leaders among groups of men who have sex with men to spread warnings, an agency official said. He said the agency worked from the first day of the outbreak to get jurisdictions to share data. Nearly all have signed agreements with CDC to give the agency vaccine data, a CDC spokeswoman said.

Watch a Video



Scan this code for a video on why monkeypox is a global health threat.

By Ben Chapman
And Sara Randazzo

Schools nationwide are eliminating Covid-19 protocols as students return for fall, shifting resources from combating the waning virus to addressing academic crises that cropped up during the pandemic.

Districts are reducing testing, de-emphasizing social distancing and dropping mask mandates that were in place for the start of classes last year. A handful are still requiring masks or attempting vaccine directives.

With deaths and hospitalizations linked to the current subvariants largely stabilizing, school officials say they have other pressing matters, such as learning loss, enrollment declines and staff shortages.

Los Angeles will discontinue its weekly testing program when classes begin Aug. 15, and officials in New York City say they are considering the same. Districts in Illinois, Washington, Colorado and Texas are also loosening Covid-19 rules.

As of Aug. 11, eight of the country's largest 500 school districts required masks for all students, according to Burbio Inc., a data company.

The changes are in line with the federal Centers for Disease Control and Prevention, which last week issued new guide-

lines reducing safety precautions for a host of settings, including schools.

The guidance scaled back recommendations for quarantining exposed students. The agency also dropped its endorsement of regular testing to screen for Covid in schools and ended its support of a tactic called test-to-stay, which kept exposed students in the classroom through frequent testing.

The federal government's investment of about \$190 billion in pandemic-relief funding helped the nation's schools defray the costs of testing and other Covid-19 precautions, said Ray Hart, executive director of the Council of the Great City Schools, a coalition of urban public-school districts.

But now schools are looking to address other issues that resulted from the pandemic, such as learning interruptions.

"Districts don't want to sacrifice safety for academics," he said. "At the same time, we'll be making investments in the academic needs of kids."

In Los Angeles, Covid-19 precautions will largely be left up to parent preference. Masking will be strongly recommended indoors but not mandatory, which follows local and state health authority guidance.

"We're in a new place now," Smita Malhotra, Los Angeles Unified School District's medical director, said last week.



In Los Angeles schools, masking won't be mandatory.

FROM PAGE ONE

Aramco Profit Surges

Continued from Page One While the International Monetary Fund predicts growth of 7.6% this year, more-bullish economists forecast a rate of 10%. That would make it one of the world's best performers. An index of Saudi private-sector business confidence was at its highest level in eight months in June, when consumer spending increased 13% year over year, the Saudi bank Jadwa Investment said in a note.

Inflation in Saudi Arabia is low relative to other countries. Prices rose 2.3% year over year in June, according to Jadwa. For comparison, the U.S. consumer-price index rose 8.5% in July, the Labor Department said.

Saudi Arabia, the world's largest oil exporter, is using the money to boost its economy and jump-start eye-catching development projects proposed by 36-year-old Crown Prince Mohammed bin Salman, who runs the kingdom's day-to-day affairs for his father, King Salman. Though the kingdom is trying to diversify away from oil by creating new industries such as tourism, mining and auto manufacturing, oil remains the engine of the economy.

The kingdom's economic jolt came as Prince Mohammed is emerging from diplomatic isolation, now courted by U.S. and European officials after the 2018 killing of journalist Jamal Khashoggi led Western governments to shun the de facto Saudi leader. President Biden met with the prince last month. Days later, Prince Mohammed spoke with President Vladimir Putin of Russia and made his first trip to Europe in nearly four years.

While oil prices have cooled since a peak in March following Russia's invasion of Ukraine, they remain historically high. Brent crude, the global oil benchmark, priced at an average of \$70.86 a barrel last year



Oil remains the engine of the Saudi economy. The Khurais oil field.

and was at \$41.96 a year earlier. It has largely stayed above \$100 a barrel since March and settled at \$98 a barrel on Friday, and Aramco Chief Executive Amin Nasser said Sunday that he believed oil demand would remain strong for the rest of the decade.

Until recently, Prince Mohammed resisted calls from Mr. Biden to pump more oil to lower prices and help stifle global inflation, as Western sanctions on Russian oil exports drove the market higher.

But this month, the Saudi-led Organization of the Petroleum Exporting Countries and its allies agreed to a small increase in oil production following Mr. Biden's high-profile visit to the kingdom in July. The symbolic move is expected to have a minimal impact on crude prices, however, as members already are failing to meet production targets, and Russia, part of the expanded OPEC+ alliance, wants prices elevated.

The Saudi government, with a stake of more than 94% in Aramco, and the country's sovereign-wealth vehicle Public Investment Fund, with shares worth about 4%, are the beneficiaries of Aramco's strong performance and the oil boom in general.

The government said this year it plans to sit on its budget surplus to avoid the boom-and-bust cycle that has characterized previous decades.

But there are indications the government is using the windfall: Its surplus increased to \$20 billion in the second quarter on a nearly 50% increase in revenue from last year, while spending, too, increased 16% year over year, the ministry of finance said this month.

In early July, the Saudi gov-

ernment said it would provide \$5 billion to support citizens affected by rising global inflation, including half that figure as direct cash transfers to Saudis on social security.

Via the Public Investment Fund, Prince Mohammed is doubling down on an economic overhaul he first proposed in 2016 to shift the economy away from oil dependence as the world rushes toward renewable energy.

Last month, the royal announced plans, first reported by The Wall Street Journal, to build the world's largest structure: two buildings up to 1,600 feet tall, running parallel for 75 miles. The buildings will be part of Neom, a desert development the size of Massachusetts conceived by the prince. PIF will bear half the \$300 billion cost of the first phase of Neom and the rest from private investors and other government funds, Prince Mohammed said last month.

The fund also has been an active investor globally. In recent months PIF has pumped about \$3 billion into Japanese game maker Nintendo, led a \$400 million investment in car maker Aston Martin and acquired stakes in regional companies valued at \$1.5 billion. The fund has also poured money this year into an initiative upending the professional golf industry.

Aramco said Sunday it would keep paying a quarterly dividend of \$18.75 billion, a figure to which it committed before listing in 2019. At its full-year results in March, the company said it would recommend issuing one bonus share for every 10 shares owned and distributed those in the second quarter.

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WORLD NEWS

Grain-Export Accord Shows Initial Success

By JARED MALSIN

ISTANBUL—An international agreement to restore Ukraine's Black Sea grain exports is showing early progress, with 18 ships moving to and from ports in Odessa nearly six months after Russia's invasion bottled up a chunk of the world's agricultural products.

On Saturday, the grain initiative passed a key milestone when the first inbound ship to arrive in Ukraine under the agreement safely departed Odessa after loading 12,000 tons of corn bound for Turkey. Before the ship's departure, all the other outbound ships leaving Odessa had been vessels that were stranded in Ukraine when Russia attacked in February.

The ships' departure has proved the agreement can work and provided hope for further food exports from Ukraine, which supplied about 10% of the world's wheat before the war. The country's inability to sell its grain has hurt its wartime economy and raised fears of a global food crisis in poor countries.

But the future of the deal remains uncertain. Russian missiles struck the Port of Odessa hours after officials signed the agreement in late July, highlighting the risk that the war could still disrupt vital grain shipments.

"It is right now a viable plan," said Anna Nagurney, co-chairwoman of the board of directors at the Kyiv School of Economics and a department chairwoman in the Isenberg School of Management at the University of Massachusetts Amherst. "The momentum has begun. It has to continue and the pace has to increase."

Officials from Ukraine, Russia, Turkey and the United Nations signed the grain agreement in Istanbul on July 22 following months of diplomacy brokered by the U.N. and Turkish President Recep Tayyip Erdogan.

U.N. Secretary-General

António Guterres pushed for the agreement in hopes of alleviating a global hunger crisis caused by the Covid-19 pandemic, rising global energy prices and the Russian invasion of Ukraine, which trapped millions of tons of grain in the country. Ukraine was a crucial supplier to countries in the Middle East, Africa and Asia where the food crisis has been most severe.

Both Ukraine and Russia are to refrain from attacking ships or the three ports covered by the agreement. Ukrainian pilots are helping guide ships through Russian and Ukrainian mines while a team of inspectors from both countries along with Turkey and the U.N. search each of the vessels when they enter and exit the Black Sea through the Bosphorus.

Ships carrying some 438,331 metric tons of corn, wheat, soybeans, sunflower oil and other products have left Ukraine since the signing of the agreement, according to the U.N.

Eighteen ships have sailed from Ukraine since the deal was signed this month.

The 18 ships that sailed under the initiative this month are nowhere near a goal of about 100 ships a month set by the Ukrainian government. U.N. officials say the aim is for Ukraine to resume its prewar level of exports of five million metric tons of grain a month. Officials say they are still accelerating shipments to restore a prewar level.

The current challenge, U.N. officials say, is clearing a backlog of ships that were stranded in Ukraine when Russia launched its full-scale assault on the country. In early August, the U.N. had information on 37 vessels stranded in the three Ukrainian ports covered by the agreement.

By IAN LOVETT

KROPYVNYTSKIY, Ukraine—The Russian soldiers who showed up at Rev. Sergey Chudinovich's church put a bag over his head, took him to the police station, then made him an offer.

Let us distribute aid at your church, they said, which is located in Russian-occupied Kherson in the south of Ukraine. Or make a video telling residents to accept Russian aid.

He refused. The Russians tied him up, tossed him in the basement and tortured him for the next two days, he said.

In Russian-occupied parts of Ukraine, clergy members are targets. Dozens of priests from the Orthodox Church of Ukraine, the country's largest denomination, have been kidnapped or killed since the invasion began, church officials said. Still more pastors from other denominations have been chased from their pulpits and imprisoned. Some have had their church property seized.

The Russians have accused detained clergy of organizing protests, working as U.S. agents or aiding the Ukrainian military. But as Moscow worked to consolidate its hold on occupied territory, priests say it was their influence within the local population that made them targets for Russians to try to turn to their side—or eliminate.

"They've tried to find those who have power and authority among the local people—who are able to be leaders of resistance," said Archbishop Evstratiy of Chernihiv, a spokesman for the Orthodox Church of Ukraine. "Clergy of the Ukrainian church, unfortunately, are in the first row."

Russia has made religion a central pillar of its war effort. Patriarch Kirill, leader of the Russian Orthodox Church, has called the war a metaphysical conflict between the faithful of God and a decadent West. Both he and Russian President Vladimir Putin have assailed the establishment of the autonomous Orthodox Church of Ukraine in 2019 as a devious Western scheme to divide the

turn yellow and fall, he said, blaming "the strong and persistent stress suffered."

"The physiology of the plant is basically blocked," Mr. Coffele added.

When vines endure extreme conditions, they do everything they can to survive, sucking up any water they can. That, though, means less water gets to the grapes, sometimes leading to smaller berries and possibly lower yields.

At Michel Gassier's two family-operated wineries in France's Rhone Valley, the latest ripeness checks found berries at the smallest since records started 30 years ago. In some batches, the berries and vines are burned up.

Other vineyards nearby that don't have as much irrigation set up are in even worse condition. "It would look like you took a blowtorch and you went on the leaves and you just burned them," Mr. Gassier said.

Mr. Gassier attributes weather changes in recent years to climate change. "Unfortunately, the change is so rapid that even nature has a hard time adapting to the drastic conditions that we have," he said.

Back in Italy, Mr. Salamini said he just needs time to adapt to the changing climate.

"The problem is not that it's impossible to make wine," he said. "The problem is that we need to change the way of cultivating our vineyards."

Some leaves had started to

Ukrainian Clergy Are Targeted



Rev. Sergey Chudinovich says Russian soldiers tortured him after he refused their demands.

two countries. The new church quickly overtook the local arm of the Russian Orthodox Church as the most popular.

Archbishop Evstratiy said the hunt for Ukrainian Orthodox priests began in the first days of the war.

In the Kyiv suburb of Bucha, he said, neighbors of one priest said Russians showed up at his house asking for him the same day they arrived in town. The priest had fled, Archbishop Evstratiy said, but another priest in the town was killed at a checkpoint.

In Ivankiv, north of Kyiv, a priest wearing his cassock was pulled out of his car and shot at a checkpoint where his body lay for several days, Ukrainian Orthodox officials said.

In Bohdanivka, a village east of the capital, Russian troops put bullet holes through a cross along the main road, and broke another cross inside Rev. Antonyi Pyasetskiy's Orthodox church. Fr. Pyasetskiy, who fought in the Soviet army in Afghanistan, said he and another priest were detained while checking on a local resident. The soldiers told them to strip and searched them for tattoos in the street, beat them and forced them to walk two hours

to a Russian base.

When allowed to leave later that day, Fr. Pyasetskiy said he had several teeth missing. The other priest, who had been beaten so severely that Fr. Pyasetskiy said his face was unrecognizable, had to walk home naked. "They kept saying, 'Where is your God? Why isn't he helping you,' " he said of the soldiers. "It was just a show of disrespect to damage the cross."

In the first month of the war, Fr. Chudinovich turned his Kherson church into a local aid center, where he and his members offered haircuts, medicine and food. A sign on the wall advertised two-tiered coffee prices: 1,000 hryvnia, equivalent to about \$27, if you ordered in Russian, no charge if you spoke Ukrainian. A photo of the sign wound up on social media in late March. The Russians showed up at the church the next morning.

After Fr. Chudinovich declined to let them distribute aid at his church, he said, they found some numbers of Ukrainian soldiers and policemen in his phone. They blindfolded him, he said, and took him to the basement.

Over the next two days, Fr. Chudinovich said, the Russians

grilled him about his acquaintances. They left him in the cold without shoes, beat him in the knees and chest with a police baton, choked him until he passed out, and taunted him, saying: "Your God doesn't exist." At one point, he said, they tried to rape him with a stick.

On March 30, they released him after forcing him to make two videos, in which he said he was treated well by the Russians, and he pledged to make another one once home and post it on social media.

He did so, then fled to Ukrainian territory, where his family had been since the start of the war. A few weeks later, he posted another video to Facebook, detailing what had really happened to him.

Fr. Chudinovich said he has tried to continue his work sending humanitarian aid to Kherson. But the videos have shaken associates' trust in him.

"I have no job. I had partners in Mykolaiv who I used to work with to get medicine. After the interrogation, 80% of them stopped working with me," he said. "I understand. Once someone is picked up, who knows what they will say."

—Marta Sydoryak and Nikita Nikolaienko contributed to this article.

Sweltering European Weather Leaves Vintners High and Dry

By SARA RUBERG

Lucio Salamini has witnessed the weather patterns around his family's vineyard in northern Italy change dramatically over the past 30 years. But he says he has never seen anything like this summer before.

After scorching days, the heat doesn't let up at night, causing stress on his vines. Almost every month this year has seen less rainfall than average, with the nearby Po River—a key freshwater source for surrounding farms and vineyards—seeing record low water levels in recent weeks.

"Weather is changing and it's changing a lot," said Mr. Salamini, 47 years old. This year, his Luretta winery is set to start harvesting on Aug. 16, a month earlier than what was normal a generation ago.

Grapevines are usually able to adapt to hot, dry climates but conditions across Southern Europe have become so severe this summer that many winemakers worry yields will fall and that the quality of their wine could suffer.

Some analysts say lower yields could prompt some producers to raise prices, though they will likely be wary to do so at a time when some consumers are tightening their belts amid rising inflation.

While there is still time for vines to improve in some regions, vineyards spanning Italy, France and Spain—the world's three largest wine producers—say they need to adapt to rapidly changing climates.

Several record-breaking heat waves and drought have hurt various European crops in recent months. Some parts of Portugal, Spain and Italy broke 100 degrees Fahrenheit several times throughout the summer. Officials in France have declared this year's drought the worst ever on record and placed restrictions on water use. Some regions in Spain did the same, as reservoir levels declined to historic lows.

While forecasts can still change, the best-case scenario



Hot weather withered grapes in Caissargues, southern France.

for wine production in Spain this year is a decline of 5% to 10% on last year's historic low, said Jose Saiz, a wine-market analyst at Mintec, a data provider. If the drought continues, parts of Spain could see a 25% reduction, he said.

French officials said this month that while they expect wine production to rebound this year from last year's numbers, which were also historically low because of frost, drought threatened to limit the recovery.

Vineyard owners in central and northern Italy say their vines are hurting but that they can't be certain if it will be a good or bad year until harvest begins in mid-August. It will continue through September.

Axel Heinz, estate director of Italy's Ornellaia vineyards, said every year since 2017 has brought unpredictable conditions, though most vintages had ended up turning out well in different ways. Still, while he had been pleasantly surprised by the wines, he said changing weather "means that we'll be in a state of uncertainty until the end of our careers."

Alberto Coffele said he hoped that recent rainfall and a drop in temperatures could be enough to recover the harvest at his vineyard in the Veneto region of northern Italy.

But until recently, his grapes weren't swelling and some leaves had started to



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WORLD NEWS

Kyiv Accuses Moscow of Nuclear Blackmail

By Isabel Coles
and Bojan Pancevski

KYIV, Ukraine—Ukraine’s President Volodymyr Zelensky accused Russia of using Europe’s largest nuclear-power plant to blackmail Kyiv and its allies, urging tougher sanctions against Moscow after recent shelling in the vicinity of the facility prompted warnings of a nuclear accident.

Fighting around the Zaporizhzhia plant has intensified as Russia and Ukraine struggle to make meaningful gains on the battlefield almost six months into a war that has worn down both sides.

Russian troops, dug in around the plant since the early days of the invasion, have repeatedly lobbed artil-

lery at Ukrainian positions across the Dnipro River near the city of Nikopol, which came under fire again overnight. Valentyn Reznichenko, the head of the Dnipropetrovsk regional military administration, said 20 Russian artillery rounds had landed in Nikopol, damaging housing and infrastructure. The nearby towns of Maharnets and Zelenodolsk were also struck, he said.

Officials in Kyiv say the Russian attacks seek to goad Ukrainian forces into responding. They also accuse Russian forces of shelling the territory around the plant, creating the specter of a nuclear catastrophe to force Kyiv to the negotiating table.

“They arrange constant provocations with shelling of the territory of the nuclear

power plant and try to bring their additional forces in this direction to blackmail our state and the entire free world,” Mr. Zelensky said in an address late Saturday.

“Every Russian soldier who either shoots at the plant or shoots under the cover of the plant must understand that he is becoming a special target for our intelligence, for our Secret Service, for our army,” he said.

Russian officials say that Ukrainian forces are shelling the plant, and Moscow has repeatedly warned of the danger of a major nuclear incident.

Russia must withdraw from the power plant and allow Ukrainian authorities to resume control of the facility and re-establish proper radiation controls, a coalition of 42 coun-

tries including the U.S., Canada, Britain, South Korea, Japan, Australia and all European Union members said on Sunday.

“We urge the Russian Federation to immediately withdraw its military forces and all other unauthorized personnel from the Zaporizhzhia Nuclear Power Plant, its immediate surroundings, and all of Ukraine so the operator and the Ukrainian authorities can resume their sovereign responsibilities within Ukraine’s internationally recognized borders and the legitimate operating staff can conduct their duties without outside interference, threat, or unacceptably harsh working conditions,” the statement read.

The United Nations’ nuclear regulator, the International

Atomic Energy Agency, has lobbied for months to negotiate safe passage to inspect the plant, which is still being operated by Ukrainian workers.

Ukraine’s energy regulator Energoatom said periodic shelling near the plant since last week had caused a serious risk to its safe operation. One of three operating power units has been disconnected as a result, it said, and emergency protection of one of the power units was activated.

Plant staff and Ukrainian officials and diplomats following the case said Russia appears to be trying to effectively steal the nuclear plant by disconnecting it from Ukraine’s national electrical grid and eventually connecting it to Russia’s, and abducting

and assaulting technicians who oppose that project.

The changeover would be costly, time-consuming and of limited benefit to Russia, which already has a considerable supply of nuclear power. But it would be a potent symbolic victory for President Vladimir Putin.

On Sunday, Russia’s invading force made renewed small gains in the northeast, capturing the settlement of Udy in the Kharkiv region, the Defense Ministry in Moscow said.

In eastern Ukraine, where Moscow threw its weight after pulling back from Kyiv in March, Russian forces have made slow progress.

Kyiv, meanwhile, has been laying the ground for a counteroffensive in the south.

Attack Aims at Electricity

Continued from Page One
supply of cheap and reliable power would ripple through energy markets, leaving Ukraine dependent on the European Union, where electricity prices last week hit record highs. “Russia stealing a nuclear-power plant is a problem for Europe,” she said.

In the 10 days since the launch of the attack, more than a dozen missiles and rockets have struck the grounds around the nuclear plant, a 6.7 gigawatt facility that provided about a fifth of Ukraine’s electricity before the war.

The blasts have triggered Ukraine’s latest and most perilous nuclear safety crisis since the disaster in 1986 at Chernobyl, and left the International Atomic Energy Agency scrambling for details on conditions inside a plant that it now says is “out of control.” The U.S. and the EU have called for a demilitarized zone around the complex. A coalition of 42 countries on Sunday said Russia should withdraw from the power plant and allow Ukrainian authorities to resume control.

Early capture

Ukraine and Russia are blaming each other for firing shells at the facility, trading alternative narratives about a plant that Russia has largely closed off from the world since it was captured in the first days of the war. Russian forces controlling the facility have repeatedly cut internet connections around the plant and confiscated the cellphones of Ukrainian workers, who still operate it, during their shifts. The region is now shelled, spottily, by Russian telecoms.

The Kremlin didn’t respond to a request for comment.

In a written statement, Rosatom, the Russian state atomic energy company, contested the workers’ statements, without elaborating. The company said its staff were present to provide technical advice for the safety of the plant and played no role in its management or defense.

This reconstruction of the battle is based on interviews with plant workers, family members and colleagues who fled to safety. Satellite imagery, pictures taken by drones and cellphone photos and videos captured by bystanders also show the damage the plant has sustained and the deployment of Russian artillery around it and in nearby towns.

Plant workers, backed by European officials and independent nuclear analysts, said the shelling came from Russian positions. They said it serves the Kremlin’s broader goal of severing Zaporizhzhia’s power connection to Ukraine’s remaining territory and rerouting it into Russian-held areas.

According to Energoatom, Ukraine’s state nuclear-power company, the strikes were targeted to destroy infrastructure, damaging power transmission lines and, as a result, cutting off power across the south of Ukraine.

The power line struck by shell fire on Aug. 5 was in what Ukrainians call “the gray zone” between Russian and Ukrainian positions and was the third transmission line from the plant damaged in fighting since the war began, leaving just one working line. Ukrainian energy



A Russian soldier stands guard near the Zaporizhzhia nuclear-power plant this month. Ukraine says Russia wants to reroute the plant’s electricity to Russian areas.

ministry officials said engineers have been trying to repair the damaged line but wouldn’t name the location of the strike due to security concerns.

Several Zaporizhzhia employees said Rosatom technicians have openly discussed rerouting electricity to territories occupied by Russia and eventually back into Russia. Senior Russian officials, including deputy prime minister Marat Khusnullin, have publicly pledged to integrate Zaporizhzhia with Russia’s energy system, or force Ukraine to pay for the electricity.

On Saturday, Mykhailo Podolyak, a top adviser to Ukrainian President Volodymyr Zelensky, said in a tweet: “The Russian goal—to disconnect us from ZNPP and blame the Ukrainian army.”

At the plant, Russian forces have been fortifying their control for the long haul since seizing it in early March.

The complex is defended by anti-personnel mines alongside the reservoir that feeds water into the reactor and the ponds that cool its spent rods. Heavy weaponry in place has included Smerch missile launchers and Grad rocket launchers, according to plant workers, Ukrainian officials and satellite and cellphone imagery of the complex.

On Saturday, a worker photographed a 203-millimeter self-propelled Russian artillery unit along the road to the plant—emblazoned with the Russian “Z” symbol. The photo was viewed by The Wall Street Journal.

Some 500 Russian soldiers live in makeshift barracks around the plant and in the nearby town of Enerhodar.

Ukraine’s government said in a letter to the IAEA last week, reviewed by the Journal, that Rosatom executives were leading Russian efforts to sever the nuclear plant from the Ukrainian grid. “To destroy the plant’s infrastructure, cause damage to transmission lines...and to cause a blackout in the south of Ukraine,” the letter said.

President Zelensky warned in his Saturday address that any Russian soldiers who shoot at Europe’s largest nuclear-power station or use it as a base to shoot from would become a “special target” for Ukrainian forces.

Petro Kotin, president of Energoatom, said in an interview with Ukrainian television that Rosatom staff were initiating a “special procedure that will al-

low them to reconnect the plant’s electricity to Crimea,” through substations in territories occupied by Russian forces.

Asked about that accusation, Rosatom said: “We categorically and unequivocally deny these allegations. They are completely untrue.”

Ukrainian security officials said Russian engineers in occupied territories have been quizzing managers at substations on how to best reroute Zaporizhzhia’s power.

When Rosatom technicians arrived shortly after Russian forces seized the plant on March 1, they asked Ukrainian workers if it would be possible to redirect its electricity to existing lines in Crimea.

“They were open about it,” said a technician who fled across the front line with his family earlier this month. “They asked us for schemes of electricity systems.”

Rosatom is the successor of the state-owned entities responsible for the civilian nuclear program in the former Soviet Union, where huge investment in power generation allowed Communist leaders to rapidly industrialize their agrarian empire.

Soviet Ukraine was a key hub for electricity generation through giant hydroelectric turbines along the Dnipro River early in the 20th century and nuclear power later in the century.

When the Soviet Union broke apart, Russia, Belarus and Ukraine retained connections among their electrical grids and traded power.

After Russia’s annexation of Crimea in 2014, Ukraine and the European Union began re-

tooling the country’s high voltage transmission system to disconnect from Russia’s grid and reconnect them into Europe’s. On Feb. 24, the day the war began, Ukraine was conducting a test to see how its grid would fare if entirely disconnected from Russia’s.

Since then, Zaporizhzhia has continued to feed power across battle lines to Ukrainian-held ground.

Russia can’t simply shut the plant down, nuclear analysts said, because it would be too hard to restart. The plant’s total staff numbered 11,000 before the war sent many fleeing for safety, and a shutdown could accelerate that exodus.

‘What Russia is trying to do is the utility equivalent of annexation.’

Russia doesn’t have the manpower to recruit thousands of skilled workers needed to run a nuclear station near an active front line, independent nuclear analysts say.

What it can do, the analysts said, is slice off the plant’s connections to the rest of Ukraine—the transmission line hit Aug. 5 supplied unoccupied Ukraine—while over coming months install the infrastructure to reroute power to occupied territories, Russia and even export markets, where the price of electricity is surging.

“This would be the biggest electricity heist ever,” said Thomas Popik, chairman of the

Foundation for Resilient Societies, a U.S.-based nonprofit group dedicated to the protection of critical infrastructure. “These attacks on the plants are very carefully calibrated to damage but not destroy.”

On Friday, Russia’s Federation Council said Ukraine’s alleged strikes on the plant had ruled out the possibility of ever returning it to Kyiv. “The only way to ensure safety at a nuclear-power plant is 100% control over its activities,” said Konstantin Kosachev, vice speaker of the council. Asked whether it would be possible to return the plant to Ukraine, he said: “No, and again no.”

Russia’s ambassador to the United Nations Security Council, Vasily Nebenzya, said Ukraine was responsible for the shelling, risking a “nuclear catastrophe it is impossible even to imagine...In this case, all responsibility for this will fall on the Western sponsors of Kyiv.”

IAEA Director General Rafael Grossi said on Thursday there was “a real risk of nuclear disaster” unless the fighting stops and inspectors are urgently allowed inside the facility.

In addition to risks to the physical integrity of the building from shelling, the IAEA said the lack of regular off-site monitoring of radiation, the blockage of spare parts, fuel and supplies, and a short-handed and exhausted staff collectively amount to a nuclear safety crisis.

On Aug. 5, the first shells began exploding shortly after lunch. A voice on the public address system ordered workers to leave open areas to head for shelter inside the better-

protected buildings.

Ukrainian workers noticed Russian soldiers moving calmly toward their bases. “During this shelling, their behavior was totally different,” said one Ukrainian technician. “When there is a single Ukrainian drone flying above the station, Russians run away in panic.”

Transmission targets

The first artillery shell landed near an electrical switchboard. The plant needs backup power to keep emergency systems running, either from on-site generators or from transmission lines from other plants.

Employees couldn’t call their families in the neighboring Enerhodar, where people could hear the explosions. Cellphones brought to work had been confiscated, as usual, by guards.

Shelling in recent days has hit other installations around the plant, knocking out pumps for sewage, transmission lines and a nearby neighborhood of five-story apartments built to house staff. Analysts say many of those targets are designed to hurt the transmission of energy to Ukrainian-held territory.

The back-to-back explosions have been a shock even for workers injured to the pressure of safeguarding the station during nearly six months of occupation.

The station, a proud symbol of Ukrainian industry—much of it built after the country’s independence—has become an occupied garrison.

Russian flags and a picture of President Vladimir Putin now hang in the hallways where soldiers have been hunting for spies. In May, they shot a 53-year-old maintenance technician, Sergey Shvets, for allegedly passing information to Ukraine. Mr. Shvets survived and last month was recovering in a hospital in Enerhodar.

As reports arrived of mass rape by Russian soldiers during their brief occupation of the central Ukrainian town of Bucha, Ukrainian managers asked female employees not to wear makeup or revealing clothes, afraid of predation from the troops patrolling town or checking purses, bags and pockets at the entrance to the plants.

The Russians have begun to park materiel near strategically important places, such as water pipelines and electricity transformers, apparently to deter a Ukrainian response.



Vasily Nebenzya, Russian ambassador to the U.N., says Ukraine is responsible for the shelling.

PERSONAL JOURNAL.

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FROM TOP: PHOTO ILLUSTRATION BY MARYSIA MAGULSKA; JEREMY GEHRKE, ALEXANDRA FRENCH

By ANDREA PETERSEN

Meghan Gehrke is counting the days until she flies to Italy for a vacation with three friends—leaving her husband and three kids at home.

“I’m going to wake up when I want, drink hot coffee, eat whatever at whatever restaurant without having to worry whether they have a kids’ menu,” says Ms. Gehrke, a pharmaceutical manager from Darien, Conn. Ms. Gehrke has a 7-year-old daughter and 5-year-old twin sons.

After a grueling couple of years of extreme family togetherness, more people are taking vacations with their friends. One luxury-tour operator has posted a 50% increase in the number of friend groups traveling together in 2022 compared with the same period in 2019, while a resort in Puerto Rico has experienced a 25% rise in friend groups over the same time. Other tour companies and hotels report similar upticks.

Some vacationers, including Ms. Gehrke, are taking longed-for breaks from spouses and kids to bond with friends. Many people are meeting with far-flung buddies from around the country that they haven’t seen since pre-Covid times.

“It’s going to be a break where we can connect deeper in person and just celebrate all the things we’ve gotten through over the last couple of years,” Ms. Gehrke says. Backroads, which operates bik-

Forget the Kids, I’m Going on a Real Vacation

ing and hiking trips, says the number of trips it originally planned as regular group tours this year that turned into private trips for friends traveling together is 67% higher compared with the same period in 2019.

At Mission Point Resort in Mackinac Island, Mich., so many big groups of friends have been staying at the hotel this summer that the property reconfigured its three restaurants, adding long tables normally used for buffets, says Liz Ware, the resort’s vice president of sales and marketing.

Abercrombie & Kent, which operates high-end guided trips and safaris, says that during the first two years of the pandemic, its travelers were almost all couples and families. But this summer, the company has seen a growing number of groups of friends, often consisting of several couples, says Beth Sherer, director, product development and operations. The friends’ trips are usually longer and more

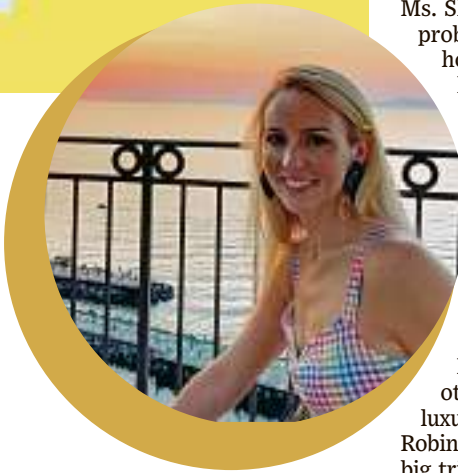


Meghan Gehrke, above, and friends plan to visit Italy this fall. Alexandra French, center right, and classmates reunited in North Carolina.

got married in January, but a Covid surge caused several friends to miss the wedding. Since the group’s last vacation together in 2019, all of the other women on this year’s trip have had babies. (The babies—and their dads—weren’t invited on the vacation.)

lavish than family vacations.

For Alexandra French, 33, a recent trip to North Carolina with her high-school buddies highlighted how much their lives have changed during the pandemic. Ms. French



tor, launched a new discount this spring. When 10 people sign up for a trip together, one person is free. The company has experienced a 50% increase in the number of friend groups traveling together in 2022 compared with the same period in 2019, says Edward Piegza, its founder and president. “People are now reconnecting with the friends you only saw on Zoom the last couple of years,” he says.

La Concha Resort in Puerto Rico offered a promotion this spring that waived the fee for the third and fourth adult staying in a room. Groups of friends tend to stay longer and spend more money at the resort’s restaurants and bars compared with couples and families, says Luz González, the property’s director of sales and marketing. Friend groups also reserve more day beds by the pools—at a price of \$200 a bed a day.

Seasoned friend-trip travelers and tour companies say there are things you can do to make a buddy journey go smoothly.

Abercrombie & Kent’s Ms. Sherer advises people to discuss potential conflict points in advance, such as which meals and other activities will be done as a large group versus independently. Ms. Sherer says she has seen more problems arise over shopping—how often to do it and for how long—than anything else.

Chuck Fry, a 63-year-old housing developer in Orange County, Calif., with two adult children, often does skiing and cycling trips with friends. He and his wife also frequently travel with other empty-nesters. In June, they did a hiking trip in the Dolomite Mountains in Italy with two other couples, organized by the luxury-tour operator Butterfield & Robinson. Before embarking on a big trip with new travel companions, Mr. Fry recommends doing a dry-run weekend jaunt to make sure everyone is compatible.

“Are they late-night people or early-morning people? Are they energetic or do they just lay by the pool the whole day?” Mr. Fry says.

Terri and Chris Smith of Chevy Chase, Md., organize an annual vacation for their five grown children, ages 27 to 35, their children’s spouses and partners, and their three grandchildren. Mr. and Ms. Smith usually rent a house, arrange activities, grocery-shop, cook and babysit.

“We love our family, but it’s not necessarily a relaxing vacation,” says Mr. Smith, 62, who works in the home-renovation business.

This July, the Smiths joined five other couples for a Backroads biking trip to Brittany and Normandy in France. They cycled, toured historical sites and spent afternoons lounging by the pool.

“It’s nice to treat yourself and your friends and grow those relationships,” Mr. Smith says. “We’re hooked.” The group is already planning their next trip for 2024.

How to Turn Down a Dream Job

You can say no to a new role, gracefully—and keep your options intact



WORK & LIFE
RACHEL FEINTZEIG

The plum opportunity you dreamed of is yours: a new job, a stretch assignment, a move to that big office abroad.

What happens if you don’t want it anymore?

- Our ambitions are changing. Some of us are rethinking our relationship to work, prioritizing the rest of our lives over that next rung up the ladder. Others are concerned about a potential recession, the sense that if you’re last in, you’ll be first out.

- “None of us have felt in control for a long time,” says Daisy Dowling, the chief executive of Workparent, a coaching and consulting company that serves organizations from law firms to sports leagues. “There’s a real sense of, gosh, darn it, I’m going to do the thing that’s right for me. I’m not going to get pushed around by circumstances anymore.”

- Still, declining an opportunity you raised your hand for, or one that used to be your dream, differs from saying no to pointless busywork or another 6 a.m. meeting. There’s the puzzle of what to say, how to say it. And sometimes there’s an identity crisis.

- “Am I not a move-to-London person? Am I unambitious? If I put my hand down for this, will I ever be able to recover the lost ground?” Ms. Dowling says she’s hearing from clients.

It’s totally normal to wade through those questions. But don’t

drag the boss or hiring manager along with you. Once you’ve made your choice, be definitive and emotionally neutral. “Upon further reflection, I’ve realized I need to take myself out of the process for personal reasons. This is not right for me,” Ms. Dowling suggests saying.

Share a few details if you’d like. Then pivot, Ms. Dowling says. How can you smooth this transition or help solve this leader’s problem? Maybe you can’t move to Los Angeles full-time, but you’ll fly out once a month to help integrate the new client.

In early 2020, Raul Lorenzana told himself that it was time to move up and make more money. Though he loved his job managing a restaurant in Louisiana, he enrolled in his company’s training program to become a director, a more corporate role that would require extensive travel.

Enter Covid-19. Stuck at home, Mr. Lorenzana discovered the joy of spending more time with his daughters, now 3 and 13, after years of working a busy, unconventional restaurant schedule. “That year made us realize—made me realize—how little we needed to have a happy life,” he says. “Before that, it was always drive-drive-drive, push-push-push. But there was never a final number, never a goal. It was just more.”

The family crunched numbers to see what they really needed to live on. Mr. Lorenzana opted out of the training program. They moved to Houston to be closer to extended family. There, he turned down several jobs in favor of one that paid 20%-30% less than other offers but featured a more-flexible schedule.

He took one recruiter out for tea to decline, explaining that it was a difficult decision related to his family, not the opportunity. He followed up with a formal letter to his contacts at the company, praising the process and the recruiter’s interactions with him.

He doesn’t regret giving up the climb, for now. “I was actually scared of it. If I get too far up the ladder, what’s expected of me, how could I

be with my family?” he says.

If you can, bow out early in a search process, or mention your hesitation upfront, says Paul Pompeo, a recruiter based in Carlsbad, Calif. Bringing up concerns could eliminate you from consideration, but there’s also a chance being transparent would prompt the company to tweak the role in a way that makes it your dream job. The worst possible outcome is to have your “no” come as a total shock after rounds of interviews, he says. That makes you more likely to burn a bridge with that company, or even in the industry at large.

Christine Alemany was initially annoyed when a candidate turned down the marketing role she was of-

fering at a technology company years ago. But the woman had been candid about how conflicted she felt about switching industries, and Ms. Alemany says she appreciated the honesty. That created a trust between them, she says, so she left the door open, telling the candidate to contact her if she changed her mind.

The candidate did, and Ms. Alemany felt comfortable accepting her “yes.” The two went on to work together for several years, says Ms. Alemany, who now runs her own marketing firm in New York City.

Saying no to an opportunity can be agonizing when it shatters long-time aspirations. For years, Felami Burgess, who works as a media-studies professor and runs her own production company, dreamed of ascending to a C-suite role at another organization. After spending much of the pandemic caring for her mother, who suffers from Alzheimer’s disease, she began applying for jobs this spring. Soon, she was four interviews deep in the running to oversee a nonprofit in Pennsylvania.

“This is an executive-leadership role. I can do this,” she told herself. But as she prepared presentations and traveled from her home in New York to meet with the board, she began to worry about a move, the possibility of burning out and less flexibility to care for her mother.

In July, she drafted a note to the directors, telling them she couldn’t continue with the process. As she pressed send, she began to tremble, she says, and then cry. Would an opportunity like this come again? For now, she’s holding fast to the belief that there’s nothing wrong with taking a career timeout.

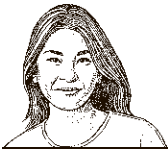
“It is OK to put your mental health and well-being above all else, above money, above position, above obligation,” she says. “We certainly are free to change our minds.”



MARGAUX WALTER FOR THE WALL STREET JOURNAL

PERSONAL JOURNAL.

How to Make Your Old Phone Last Longer



PERSONAL TECHNOLOGY
NICOLE NGUYEN

“SHOULD I GET A NEW PHONE?” season has officially started, with **Samsung** unveiling its latest Galaxy foldables. **Apple’s** iPhone event typically takes place in mid-September, followed by Google’s Pixel launch. The temptation to upgrade can be strong, as the tech giants power up their marketing machines and carriers promote wild trade-in deals.

But the devices they sold us over the past few years are still good, and holding on to older phones longer benefits our wallets and the environment.

Phones are more durable. Their larger batteries provide longer life for more years, and the display glass is stronger, too. Unless you want to jump to folding phones—which we don’t yet recommend—a new model will feel incremental at best.

The market reflects this. With the exception of \$900-and-up models, phone sales are down, especially in the past four quarters, according to analytics firm IDC.

If your phone is less than five years old and still kicking, you can improve its speed and extend its longevity with this four-step program.

Step 1: Check software compatibility

Fall is my favorite time of year, not because of new phones but because it’s when the latest versions



batteries will start to see decreased performance after two or three years, or about 500 charge cycles. Getting a replacement once your battery health percentage drops below 80% of its original capacity could increase performance.

► **iPhone:** Go to Settings > Battery > Battery Health to see your battery’s capacity.

► **Android:** There isn’t a readily accessible built-in feature, but apps such as AccuBattery and MacroPinch show insights into your device’s battery health.

These tips from Mr. Allenolson can also improve performance:

- **Restart your phone** every other day. “Leaving a phone on for an extended period can cause a build up of unusable memory and errors,” he said.
- **Free up space.** Think of your phone like an office, Mr. Allenolson said. When it gets crammed with stuff, it’s harder to move around. See what’s hogging storage in iPhone or Android settings. Delete unnecessary media or use a photo cloud service that automatically removes locally stored images once they’re backed up.
- **Prevent apps** from running in the background. Too many running apps is a common culprit, Mr. Allenolson said. Turn off background app refresh in iOS or Android.
- **Use websites instead of apps.** Apps not only take up space, but they can also run in the background, which can clog performance, he said.

Step 4: Protect your investment

A solid, grippy case with raised edges can add years to your phone’s lifespan. I like Speck’s cases because they’re protective without adding too much bulk and Otterbox’s screen protectors for their touch responsiveness. A phone holder, such as the PopGrip Slide, can also make your device easier to grip, and prevent falls. And while many phones are protected from short exposure to water, don’t take them snorkeling. “Water-resistant is not the same as waterproof,” said Mr. Allenolson, who emphasizes that moisture can still damage sensitive components.



Switching out apps for website icons can boost the life of your iPhone.

of Apple’s iOS and Google’s Android software ship. These updates can make old devices feel new again, and come with critical security and bug fixes. Only use phones supported by the most recent software, and consider an upgrade (or a recent-model refurbished) if not.

► **iPhone:** Currently, the iPhone 6S (released in 2015) and newer are supported by the latest iOS, 15.6. However, iOS 16, due this September, will drop support for older models. Only the iPhone 8 (released in 2017) and newer will get it.

► **Android:** System and security updates are separate. Check and update your Android version in the settings app. The exact flow differs by manufacturer.

Step 2: Assess your charging habits

If you have a damaged or frayed cable, replace it. Charging gear endures a lot of stress, and getting a new setup can charge your device more efficiently and safely. Consider upgrading to a braided nylon cable or, if your device supports it, a wireless charger.

Lithium-ion batteries—the kind

in your phone and most other electronics—decay over time, and the way you charge or use the battery can speed up that decay. Repeatedly charging your battery to 100% or using your phone below 15% isn’t good for your battery’s health, says Skyler Allenolson, a technician at the on-demand tech-support service Nerd App. Many phones now have settings to monitor and improve battery life.

► **iPhone:** Go to Settings > Battery > Battery Health, then enable Optimized Battery Charging to reduce battery aging.

► **Samsung:** Go to Settings > Device Care > Optimize Now. Galaxy Phones have a “Protect Battery” option, which limits the charge to 85%. Go to Settings > Battery and Device Care > Battery > More Battery Settings > Protect Battery to enable. Just remember, with this setting, you’ll extend your battery’s lifespan, but you’ll have shorter battery life after each charge.

Step 3: Boost your speed

Sluggish devices might be the result of older batteries. Typically,



Travis Scott and Kylie Jenner, below, were criticized for their private jets, as was Taylor Swift.

Celebrities Star in Backlash Over Jets

By CHAVIE LIEBER

Jack Sweeney, 20, has become an unexpected authority on the flight paths of the rich and famous. When Kylie Jenner’s Bombardier BD-700 flies from Van Nuys, Calif., to nearby Camarillo, or Taylor Swift’s Falcon 7X takes off in Nashville, Mr. Sweeney’s Twitter bot @CelebJets shares the private jet’s whereabouts, flight duration and estimated carbon emissions.

With his tweets, Mr. Sweeney, a sophomore at the University of Central Florida who also runs the Elon Musk jet-tracking account @ElonJet, has propelled a global conversation about the role celebrities play in the warming of the planet. After @CelebJets shared that Ms. Jenner’s plane had completed a 17-minute flight in July, she was branded a “climate criminal” by online commenters. And for several weeks, Ms. Swift’s jet has been the subject of memes about needlessly flying private: to Starbucks, Target, the fridge.

A spokesperson for Ms. Swift said, in an email, “Taylor’s jet is loaned out regularly to other individuals. To attribute most or all of these trips to her is blatantly incorrect.” Ms. Jenner declined to comment through a representative.

Mr. Sweeney said he hopes that his @CelebJets

account, which has 112,000 followers and relies on public data gleaned from a network of ground-based receivers, will push private fliers “to be more efficient.” So far, they have primarily stoked outrage among climate-conscious millennials and Gen Z’ers.

After Ms. Jenner shared a photo to Instagram of her and rapper Travis Scott’s private jets (caption: “you wanna take mine or yours?”), fans condemned the post as a display of excessive wealth and environmental indifference.

As more visible fliers, celebrities have been subject to the bulk of scrutiny when it

“I’ve been in the private-jet market for the last 10 years, and on the aviation commercial side for 22, and I’ve never seen the private-jet business like this,” said Darren Banham, chief executive of Discovery Jets, a charter and jet management company.

Now, for every celebrity or influencer, industry executives say there are many more discreet passengers. They rent jets at rates that run from about \$3,000 to \$10,000 an hour.

Using data from Mr. Sweeney’s @CelebJets account, Yard, a sustainability marketing firm, published a list of the celebrity jets that had generated the greatest carbon emissions this year. All of them weighed in at more than 3,000 metric tons to date; according to the U.S. Environmental Protection Agency, most cars emit fewer than five metric tons of



comes to the environmental impact of jet emissions. But they are hardly the only people who have made a habit of private air travel. Since the pandemic began, the private aviation industry has seen record growth, executives and analysts say, despite surging fuel prices and mounting environmental concerns. Monthly flights of private jets have jumped nearly 30% since 2019, according to the flight-tracking firm Flightradar24, and charter services are reporting sharp increases in demand.

carbon in a year.

Jet-chartering companies say they have made efforts to offset those emissions.

Such measures prompt jokes on social media. In one TikTok video, a creator named Zev Burton parodies a Swiftie standing up for Ms. Swift’s environmental considerations. He points out that her album art features images of the woods and that she retains a publicist named Tree.

“She rerecorded and rereleased all of her albums,” he says. “That’s recycling.”

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ARTS IN REVIEW

By PETER PLAGENS

When I walked into the packed “Takashi Murakami: Stepping on the Tail of a Rainbow” exhibition at the Broad Museum in Los Angeles (the show runs through Sept. 25), it was selfie city. A decidedly young crowd, a plurality of Asian-Americans dressed to celebrate, was snapping pictures of each other like crazy, mostly in front of Murakami’s large-to-gigantic, often dizzying paintings, along with a few sculptures.

No wonder. As the museum puts it in press materials: “In these works, spanning sculpture, painting, wallpaper, and immersive installations, [Murakami] explores subject matter such as globalization, postwar Japan, pop culture, and religious iconography. . . . He has interpreted the aftermath of World War II, turbulent economic booms and busts, and natural and human-made disasters.” It’s recent history reimagined for manga comics and J-pop music devotees—not necessarily a bad thing, but for viewers without a fanzine approach to art, something to be regarded at considerable critical distance.

Mr. Murakami, born in 1962, grew up in the psychological shadow of the atomic bomb. His mother supposedly told him that if a third nuclear weapon had been dropped on Japan he wouldn’t exist. Nevertheless, his parents encouraged him in art and made him go to exhibitions and write reports about them—going to bed without eating the punishment for noncompliance. He went on to study traditional Japanese painting at the Tokyo University of the Arts, where he obtained bachelor’s and master’s degrees, and even a doctorate.

Never one to be relegated to the archetypal lonely outsider role of a modern artist, Mr. Murakami created, in the mid-1990s, a large company that not only produced art, but managed other artists’ careers. He was enthusiastic, if not shameless, about turning his art into pricey merchandise, working with Marc Jacobs and Louis Vuitton on high-end handbags. He’s collaborated, the Broad notes, with “anime artists, fashion houses, chefs, musicians, ceramists, as well as innovators in the fields of gaming, augmented reality, nonfungible tokens (NFTs), and the metaverse.” Mr. Murakami is also credited with being the founder of the “Super-flat” style, a—for lack of a better term—cartoonish approach to art and design that has permeated contemporary Japanese art.

No surprise then that Mr. Murakami is a flashpoint for much of the contemporary art world, some regarding him as an exploitative publicity monger, others as successfully melding fine art and low-brow fare. One’s opinion of all that depends on seeing Mr. Murakami’s art as overproduced spectacle devoid of subtlety, or as



ART REVIEW

Culture and Chaos at the Broad

In Takashi Murakami’s show, recent history is reimagined for devotees of manga comics and J-Pop



Takashi Murakami’s ‘DOB in the Strange Forest (Blue DOB)’(1999), left; a detail of his ‘In the Land of the Dead, Stepping on the Tail of a Rainbow’ (2014), top; and an installation view of the current exhibition, above

The show is accessible and a bit of fun, a slightly subversive Disneyland for the eyes.

satyr in a bright blue kimono), endless spiral waves, Ben-Day type dots, sea creatures with somewhat human features, a big brown sailing ship, horrid-looking little children, a literal white elephant, and paint applied in thousands of meticulously hard-edge shapes like micro-camouflage. The effect is, well, effect-ridden. As to its referring to an earthquake and tsunami: This encyclopedic, mural-size painting could be about almost anything under the sun, which is both the virtue (every viewer gets his or her own take-

away) and vice (the picture says everything and yet nothing) of Mr. Murakami’s biggest paintings.

One sculpture is an exception to his all-or-nothing approach to art: “Nurse Ko2” (2011)—whose credits bear the fingerprints of Mr. Murakami’s typically corporate authorship: “Original rendering by Nishi-E-Da, modeling by BOME and Genpachi Tokaimura, advised by Masahiko Asano, full scale sculpture by Lucky-Wide Co., Ltd.” The large-busted young lady stands a little over 6 feet tall and looks—in a disturbingly adolescent way—like something out of the beginning of a porn movie, particularly since she has a bare bottom beneath her miniskirted uniform. Compared to the rest of the exhibition, however, she’s an island of calm.

“Tail of a Rainbow” (the exhibition) is accessible and a bit of fun, a slightly subversive Disneyland for the eyes. And in parts—you have to look selectively—some of the work does snap and crackle.

On the other hand, the show’s freneticism starts to weigh on you. (I kept imagining Andy Warhol in a hospital, delirious with radiation sickness, having fever dreams.) “A key feature of Murakami’s work,” says a wall label at the Broad, “is the oscillation between joy and pain, between one extreme state of being and another.” Which is a way of saying that Mr. Murakami is the master of an aspect of current Japanese visual culture: pushing the cute into the monstrous. It’s tempting to say that whether one goes for Mr. Murakami’s excess is a matter of taste, but mere taste is only part of the story. Something bigger is at work here, behind the hysteric comedy, something a little frightening.

Takashi Murakami: Stepping on the Tail of a Rainbow
The Broad Museum, through Sept. 25

Mr. Plagens is an artist and writer in Connecticut.

ART REVIEW

In the Eyes of The Gods

By LEE LAWRENCE

Birmingham Museum of Art’s “Expanding Darshan: Manjari Sharma, to See and Be Seen” revolves around nine large (about 6-by-5-foot framed) color photographs, each portraying a Hindu deity—from the paunchy, elephant-headed Ganesha and the loyal warrior-monkey Hanuman to the stately, blue-skinned Vishnu, the wealth-bestowing Lakshmi, and the fearsome Kali adorned with the heads and hands of her enemies.

In all nine, the colors are vivid and the imagery iconic. Hanuman raises a mountain and wields a hefty, gold mace. Durga perches serenely on a growling tiger, as her multiple hands wield an arsenal of weapons. The four-headed creator god Brahma sits on a giant lotus, the sun itself acting as his halo. At a passing glance, we might assume these to be large-scale versions of posters that have been popular in India ever since artist Raja Ravi Varma began to disseminate color lithographs of gods in the late 1800s. But these are not stylized representations. They are portraits of people whom Manjari Sharma, an

Indian-born artist who now lives in the US, asked to take on the guise—and what they felt was the spirit—of a particular deity. (The audio guide includes revealing interviews with most of the sitters, who include the artist’s family priest, a journalist and TV anchor, artists and a body-builder.)

When she began this series in 2011, she wanted to use her camera to explore *darshan*, a core part of religious practice for Hindus as well as many Jains and Buddhists. In India, it often takes place at a temple where, at prescribed times, priests open the doors to a shrine housing a statue believed to host the divine. The rush of pilgrims can be so great they funnel through the temple gate and into halls, moving as one. As they pass the shrine, heads crane to glimpse a statue often so smothered in garlands only the face is visible. Light from oil lamps glints off the whites of eyes. Dark pupils look straight at the pil-



Manjari Sharma’s ‘Maa Durga’ (2011-13)

grims who, however brief or long the visual exchange, experience seeing and being seen by the deity.

In this show, Katherine Anne Paul, the museum’s curator of Asian art, uses Ms. Sharma’s photographs as anchors for small clusters of works that relate to the deity portrayed. Drawn from the museum’s South and Southeast Asian collection, the selection deftly guides us to different

ways of seeing Hindu deities, Hinduism more generally and the art created in its service.

In Vishnu’s case, through sculptures from India, Thailand and Cambodia we see a god who, like humans, has several sides to him. Bronze and stone sculptures show him variously reclining on a cobra as he dreams the world into existence, perching atop the raptor Garuda ready to fight, and playing a flute as Krishna, the hero in many a tale and heart-throb of many a lass.

In the grouping of Ganesha portrayals, on the other hand, the give-and-take between regional and more generally shared traits stands out. A small 16th-century metal sculpture exemplifies both the *repoussé* technique Nepalis particularly excelled at and a pose popular across Asia—one leg drawn up, the other languidly dangling over the lotus throne. While this “royal ease” also appears in an ornate sculpture of Shiva carved around 1150 in southwestern India, 10th- to 14th-century stone statues of Ganesha display a form found only in Java, Indonesia—knees splayed, soles of his feet pressed together, lending the deity a dis-

arming, almost childlike appeal.

The selection also thwarts any tidy vision of Hinduism or Hindu imagery. Alongside statuettes of Hanuman in characteristic battle poses, for example, a 14th-century stone relief from Cambodia illustrates a regional variation of the monkey warrior’s tale. Here he is embracing a mermaid with whom he falls in love and has a child according to Thai and Cambodian versions of the Ramayana. Similarly, the border between faiths is fluid. A mid-12th-century sculpture of the Hindu goddess Saraswati was part of a Jain temple, while the Buddha appears in a late-ninth-century sandstone sculpture glorifying Vishnu.

At one level, Ms. Sharma’s photographs infuse the surrounding sculptures with some of the color and vibrancy of the world they once inhabited. More significantly, they repeatedly evoke the experience of *darshan*. Is it because we automatically respond to a fellow human’s direct and intense gaze? Is it something about the immediacy of photography as a medium? What we can say is that we leave with a better understanding of a visual exchange held sacred by many and alerted to the effect we feel, in our daily encounters, from seeing and being seen.

Expanding Darshan: Manjari Sharma, to See and Be Seen
Birmingham Museum of Art, through Jan. 15, 2023

Ms. Lawrence writes about Asian and Islamic art for the Journal.

SPORTS

Tatis' Suspension Hits Padres Hard

The team will have to make a playoff run—and begin 2023—without their star, after he tested positive for a banned steroid

By Bruce Orwall and Jim Chairusmi

Just two weeks ago, the San Diego Padres were awash in optimism after making the biggest splash possible at Major League Baseball's trade deadline.

The Padres won the sweepstakes for 23-year-old superstar outfielder Juan Soto by sending a huge package of prospects to the Washington Nationals for Soto and first baseman Josh Bell. The team also boosted the roster by adding All-Star closer Josh Hader from the Milwaukee Brewers and infielder Brandon Drury from the Cincinnati Reds.

The pieces were put in place by Padres general manager A.J. Preller not just to set up a long post-season run this season, but to create a dream lineup for the future: Soto and two of the most talented sluggers in the game, Manny Machado and Fernando Tatis Jr.

But on Friday, the new-look Padres were staggered by a new reality when Tatis was suspended for 80 games by MLB after testing positive for a banned performance-enhancing substance.

The news came as Tatis, who has not played in the major leagues in 2022, was in Double-A San Antonio as he continued his rehab from surgery to repair a broken wrist that he reportedly suffered this past offseason in a motorcycle accident. (When Tatis was asked by reporters in spring training when the accident had occurred, he replied, "Which one?")

The Padres had been hopeful the 23-year-old shortstop would return to the lineup later this month. Now, he'll miss the remainder of this season as the Padres fight for one of the National League's three wild-card spots. And Tatis will also spend the opening stretch of the 2023 season on the sidelines as he serves his suspension.

The supremely talented slugger rose to prominence with bat-flipping bravado that some saw as arrogance and others embraced as the face of a new generation in a staid game. Now, the combination of the motorcycle accident and the suspension have quickly raised bigger issues about Tatis.

Those concerns are being voiced even in the Padres' front office. Speaking to reporters late Friday, Preller said: "We were hoping that from the offseason to now that there would be some maturity, and obviously with the news today, it's more of a pattern and it's something that we've got to dig a bit more into."

He added: "At the end of the day, it's one thing to say it. You've got to start showing by your actions."

The chain of events also received a frosty response in the Padres' clubhouse this weekend.



San Diego Padres star Fernando Tatis Jr. was suspended for 80 games by MLB after testing positive for a banned performance-enhancing substance.

"Very disappointed," Padres pitcher Mike Clevinger said. "It's the second time we've been disappointed. You just hope he grows up and learns from this and it's about more than just him right now."

Clevinger added, "Look at this clubhouse. We don't need anyone else. We have everyone we need right here."

Commissioner Rob Manfred's office said late Friday that Tatis was suspended without pay, effective immediately, after testing positive for Clostebol, an anabolic steroid.

Tatis sounded a tone of contrition in accepting the penalty, even as he declared he had ingested the banned substance accidentally.

In a statement released by the Major League Baseball Players Association, Tatis said he "inadvertently took a medication to treat ringworm that contained Clostebol. I should have used the resources available to me in order to ensure that no banned substances were in what I took. I failed to do so."

Tatis apologized for "my mis-

take" and added: "I have no excuse for my error, and I would never do anything to cheat or disrespect this game I love." He described himself as "completely devastated" and said that, after initially appealing the suspension, he had "realized that my mistake was the

An offseason motorcycle accident and the suspension have raised bigger issues about Tatis.

cause of this result, and for that reason I have decided to start serving my suspension immediately. I look forward to rejoining my teammates on the field in 2023."

The Padres said they were "surprised and extremely disappointed" to learn of the test result and added: "We fully support the Program and are hopeful that Fernando will learn from this experi-

ence."

On Saturday, Padres manager Bob Melvin said Tatis sounded "re-morseful" in a phone call.

Tatis' popularity has exploded since reaching the major leagues in 2019. With immense talent, blond dreadlocks and epic bat flips, he quickly became one of the game's breakout stars and a face of its hopes to draw a younger and more diverse audience. In parts of three seasons, he has hit 81 home runs and has a career batting average of .292.

While some baseball purists have been put off by what they consider his showboating, Tatis, the son of a former major leaguer himself, has owned his showmanship.

"I feel like when fans see a player that plays the game with love and shows he really respects the game and all he's doing is having fun and showing how it feels in the moment, they just embrace it," Tatis told The Wall Street Journal in 2021.

His potential was spectacularly rewarded. Before the 2021 season,

agreed to a 14-year contract worth an eye-popping \$340 million, which then was the third-highest total in MLB history.

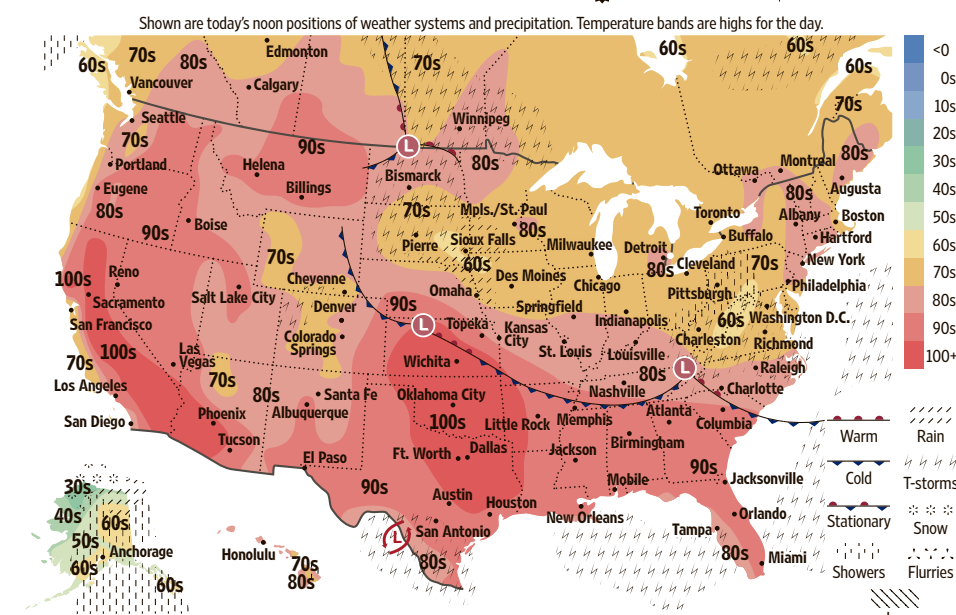
This year, the Padres have seemed intent on maximizing their long-simmering postseason hopes. With Tatis and Machado already on the roster, the team this month made a huge deal to acquire another generational talent, Soto, in hopes of breaking the rival Los Angeles Dodgers' grip on the National League West.

It isn't working, yet. After Soto joined the lineup, the Dodgers swept the Padres last week. Los Angeles held a 17-game lead over San Diego heading into Sunday's play, and the Padres are currently clinging to the final wild-card slot in the National League.

And now, Tatis won't be available at all for the season's stretch run. The Padres have little option but to try to shrug it off.

"He hasn't been part of our team all year, and we've gotten this far without him," Machado said. "We've been doing it all year. Just continue doing it."

Weather



Forecasts and graphics provided by AccuWeather, Inc. ©2022

U.S. Forecasts

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

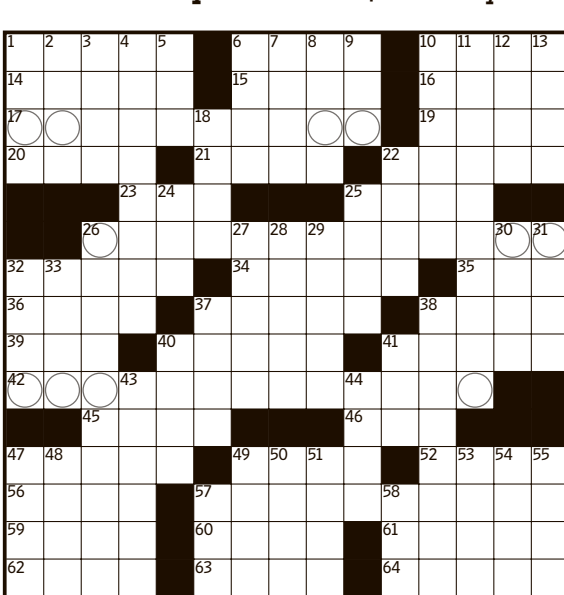
City	Today	Tomorrow
Anchorage	60 54 r	60 52 r
Atlanta	90 72 t	88 69 t
Austin	98 72 pc	98 75 s
Baltimore	75 64 c	78 64 pc
Boise	98 65 s	100 69 s
Boston	79 63 pc	75 64 pc
Burlington	81 60 pc	80 62 pc
Charlotte	87 66 t	78 66 t
Chicago	76 65 pc	79 64 pc
Cleveland	77 61 c	76 61 c
Dallas	101 80 s	102 82 s
Denver	82 61 t	83 60 t
Detroit	81 63 pc	79 63 s
Honolulu	89 74 pc	87 76 pc
Houston	96 76 s	98 77 s
Indianapolis	79 62 pc	79 61 pc
Kansas City	88 68 c	70 63 r
Las Vegas	97 82 t	98 82 t
Little Rock	97 73 pc	92 71 t
Los Angeles	91 67 s	92 68 s
Miami	90 78 t	89 78 t
Milwaukee	75 64 pc	76 64 pc
Minneapolis	79 65 pc	79 64 t
Nashville	88 69 pc	81 68 c
New Orleans	90 77 t	90 77 t
New York City	80 67 pc	80 66 c
Oklahoma City	100 75 s	101 72 s

International

City	Today	Tomorrow
Amsterdam	79 65 t	79 64 pc
Athens	88 73 s	91 76 s
Baghdad	110 83 pc	111 83 pc
Bangkok	92 79 t	91 78 sh
Beijing	97 69 pc	87 69 s
Berlin	83 66 t	88 66 pc
Brussels	76 62 t	82 63 pc
Buenos Aires	61 47 pc	63 49 pc
Dubai	105 92 pc	107 91 c
Dublin	69 54 t	64 51 sh
Edinburgh	68 56 pc	62 48 sh

City	Today	Tomorrow
Frankfurt	85 65 t	88 67 pc
Geneva	78 58 t	86 62 pc
Havana	88 72 t	89 72 t
Hong Kong	90 81 t	89 81 t
Istanbul	82 73 t	86 74 s
Jakarta	89 77 t	90 76 t
Jerusalem	85 64 s	88 67 t
Johannesburg	58 39 pc	63 46 s
London	83 65 t	74 62 sh
Madrid	91 63 s	87 61 s
Manila	85 78 t	87 78 t
Melbourne	59 50 pc	60 48 sh
Mexico City	72 57 sh	71 57 sh
Milan	87 66 t	85 70 pc
Moscow	83 63 c	83 64 c
Mumbai	85 79 t	83 79 t
Paris	80 65 t	80 62 pc
Rio de Janeiro	80 68 s	80 70 c
Riyadh	109 86 s	109 87 s
Rome	85 70 t	86 71 pc
San Juan	90 78 sh	90 79 pc
Seoul	86 76 t	86 71 t
Shanghai	103 86 pc	100 83 t
Singapore	88 79 t	87 79 t
Sydney	67 51 pc	66 50 pc
Taipei City	94 82 t	95 82 t
Tokyo	89 82 pc	92 82 pc
Toronto	79 62 pc	78 62 pc
Vancouver	74 61 pc	76 63 s
Warsaw	82 66 t	83 66 t
Zurich	79 56 t	85 60 pc

The WSJ Daily Crossword | Edited by Mike Shenk



NEBULOUS | By Priyanka Sethy & Ajeet Singh

- Across**

1 Juice chain since 1990

6 Pride parade letters

10 Elementary school learning

14 German sub

15 Neighbor of Azerbaijan and Afghanistan

16 Garr of "Young Frankenstein"

17 Birthplace of three major religions

19 "That's the long and the short ____"

20 Appropriate rhyme for sneak

21 Impolite
- 22 Rebuffs disdainfully

23 Thrilla in Manila champion

25 It's found between the shoulders

26 Small, bat-eared pooch

32 Tennis star Osaka

34 Got on

35 "Shang-Chi and the Legend of the Ten Rings" star Simu

36 "...and to ____ good night"

37 Some chorus members

38 Common toothpaste flavor
- 39 Brynner of "The King and I"

40 Beer from Japan

41 "Forrest Gump" star

42 Charmingly persuasive

45 Fay of 1933's "King Kong"

46 Do simple math

47 Go on a spree

49 Mammal with flippers

52 Scandinavian capital

56 "M*A*S*H" star

57 Stored on a remote server, and a hint to three answers

59 Boor

60 Scarecrow's fear

- 61 Spotted horse

62 Sort

63 Academics acronym

64 Furious feeling
- 27 B equivalent

28 Yoga system whose name is Sanskrit for "force"

29 Cook under a hot flame

30 Sow sound

31 Fortitude

32 Opposition votes

33 Person with a diploma, for short

37 Pale

38 Pear-shaped instrument

40 Just slightly

41 Wasn't a seeker

43 Like the inlay on the Taj Mahal

44 Healthy green

47 Shaker fill

48 Sneaky tactic

49 Huff

EMIR	ASTO	PUZO
RARE	SHEL	ERROR
IPOS	PEPSI	LOGOS
ELCID	MEETS	EMO
PIEZ	DISPENS	ER
ASSEEN	SIESTA	
NED	ANY	USA
BLUE	FINT	UNTAIS
AMORAL	OUTRAGE	
ACURAL	INTEGRA	
IDIA	AVERT	OREOS
DICK	DURBIN	NOTE
EERIE	TIONA	ANTI
STEM	GRAB	LEON

The contest answer is AFRICA. One word in each theme answer is the name of an African city with one letter changed: LAGOS, FEZ, ORAN, TUNIS, ACCRA and DURBAN. The changed letters spell the contest answer.

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

OPINION

The Semiconductor Boondoggle



INSIDE VIEW
By Andy Kessler

President Biden last week signed the \$280 billion Chips and Science Act, or Chips+, to subsidize domestic semiconductor production and ease shortages. Big mistake. This comes on the heels of China's banning exports of natural sand to Taiwan in retaliation for Speaker Nancy Pelosi's visit. Sand! There should never be a shortage of semiconductors. Semiconductor chips are made by melting sand and slicing it into thin wafers for processing. Shortages? Just go to the beach. Yet shortages still happen, though the current one is almost over. You can't just throw money at the problem. Yes, to process those wafers companies spend billions on fabrication facilities, or fabs, and expensive ultraprecise machines that stay state-of-the-art for maybe five years. They spend constantly on lithography, implanting, annealing, sputtering and polishing, with constant tinkering to improve yields. In semiconductor manufacturing, a tiny fleck of dust is like an asteroid hitting a city. One speck can ruin months of work. Intel founder Andy Grove once told me the story of someone who accidentally spilled ink into a fab's distilled-water supply. Engineers freaked out, but bizarrely yields went up. Making chips is more art than science. It isn't only sand plus capital;

brains play a huge role. I once visited a fabrication plant in Dayton, Ohio, where General Motors had decided to make its own chips. GM was shocked when the plant couldn't produce any usable chips. Nothing worked. It turned out the tweezers that employees used to hold and move wafers were kicking up contaminants. In the early 1990s in Taipei, I met with Morris Chang, founder of the new fab-for-hire Taiwan Semiconductor Manufacturing Co. He proudly showed me enclosed carriers for their wafers, no tweezers needed. That's really how TSMC got its start. A new "fabless" semiconductor model emerged. Rather than own fabs, companies could design chips in California and have them made in Taiwan and assembled in the Philippines or Indonesia. Of course, those with expensive facilities protested. Advanced Micro Devices founder Jerry Sanders declared "real men have fabs." Yet today, AMD is fabless—its processors are made by TSMC in Taiwan—and AMD is worth more than Intel. Amazing. Intel, with huge profit margins on its Pentium microprocessors, could spend more than its competitors on state-of-the-art fabs, but innovation eventually was pushed aside for predictability. Intel would get one fab working and then "copy exactly" new cookie-cutter fabs. For smaller feature sizes, Intel looked at the new Extreme Ultraviolet technology from Dutch equipment company ASML

and thought it too expensive and risky to use. TSMC embraced ExtremeUV and won, especially for lower-power chips for mobile devices. TSMC can now spend more than anyone else on fabs. With the Chips+ Act chock full of \$52 billion in subsidies and tax credits for chip makers, Congress is saying that real countries have fabs. **The Chips+ Act is simply swing-state pork for lackluster tech companies.** The act also authorizes \$1 billion for carbon removal— weird, because chips are made from silicon. Worse, the U.S. is rewarding Intel, which just announced a disastrous quarter, for coming in third place behind TSMC and Samsung. Nothing is free. Even Commerce Secretary Gina Raimondo admitted "there's a lot of strings attached" in the 1,054-page law. National Economic Council director Brian Deese endorsed command-and-control industrial policy: "The question should move from 'Why should we pursue an industrial strategy?' to 'How do we pursue one successfully?'" This is as wrong as Soviet or Chinese five-year plans. Industrial policy eventually leads to disaster. Japan's Ministry of International Trade and Industry micromanaged the country's domestic semiconductor industry and ended up presiding over its decline.

Today no Japanese semiconductor company sits in the global top 10. Because China doesn't have access to ASML ExtremeUV equipment, it has made little progress in advanced chips. Yes, we need domestic supplies of advanced chips in case China invades Taiwan. But subsidies are the wrong approach. Handouts are almost always allocated based on what's good for politicians rather than on sound economics. Money often ends up in swing states. Lo and behold, that's where Intel is building its new fabs, Ohio and Arizona. Concerning subsidies, Elon Musk told the Journal's CEO Council Summit (yes, hypocritically): "Just delete 'em all." Instead, the U.S. could enable suppliers to place large orders for chips for the military, intelligence agencies, whatever. They could even prepay. Silicon Valley was originally built on orders for transistors for intercontinental missiles and the space program. Ask nicely and maybe Apple and Alphabet would prepay for domestic-made processors and machine-learning chips as well. Don't let lobbyists allocate capital, because Wall Street always views handouts as a huge negative, resulting in lower valuations and higher costs of private capital. Last week I noted that chips were the magic beans that fed the stampeding 40-year super-bull market. They don't work as pork and beans. It's a mistake we make again and again. Don't "copy exactly" bad policy. *Write to kessler@wsj.com.*

BOOKSHELF | By Gerard Helferich

Magellan Maligned

Straits
By Felipe Fernández-Armesto (California, 361 pages, \$29.95)

If you ask most people to name the first person to circumnavigate the globe, they will likely answer Ferdinand Magellan, the Portuguese mariner who sailed on behalf of Spain in 1519. But Magellan never even attempted the feat, and he didn't live to see it accomplished by members of his crew. As we approach the 500th anniversary of their achievement next month, Felipe Fernández-Armesto, a professor of history at the University of Notre Dame and author of contrarian works such as "1492," "Amerigo" and "The Spanish Armada," takes exception to the "tradition of hero worship" that persists around Magellan. In "Straits: Beyond the Myth of Magellan," he launches his broadside.

Magellan was born to an aristocratic family around 1480 on Portugal's rocky coast. As a boy, he served as a page in the court of Manuel I in Lisbon, where he absorbed the chivalric ethos of the times and prepared for a military career. Starting in 1505, he joined campaigns to India and Africa, as Portugal claimed a share of the fantastically lucrative spice trade.

After falling out with King Manuel, Magellan defected to Portugal's archrival, Spain, and in 1519 launched his celebrated



voyage, destined for the fabled Spice Islands in present-day Indonesia. Because the 1494 Treaty of Tordesillas had divided the world into two zones of influence, with Portugal claiming everything east of a line drawn in the Atlantic Ocean and Spain everything to the west, Magellan would approach Asia via the Americas.

On Sept. 20, 1519, the fleet left Spain with five ships, some 240 men and boys, provisions for two years and a stock of trade goods. From the start, as

Mr. Fernández-Armesto relates, the company was rent by tension between its Spanish and Portuguese members, and a power struggle between their captain and his second in command, the Spaniard Juan de Cartagena. After a stormy two-month crossing, the flotilla sighted Brazil and veered southward, probing for a rumored strait through the continent.

In April 1520, Magellan ordered winter quarters in the harbor of San Julián, in eastern Patagonia. Faced with months of freezing weather and dwindling rations, a faction of Spanish officers mutinied, demanding to return home. Magellan quashed the uprising with characteristic decisiveness and brutality, killing a pair of the offenders, torturing others and marooning two, including Cartagena, on a deserted island. Also that dismal winter, one ship, the Santiago, was lost when it ran aground in a storm.

In August, with the approach of spring, the expedition continued to reconnoiter the forbidding coast. Nearing the tip of the continent, they finally discovered the channel that today bears Magellan's name. But to negotiate its 350 miles of treacherous shoals and devilish currents required more than a month, not to mention fortitude, superb seamanship and outright luck. For commercial utility it would never rival the routes already established by the Portuguese.

While still in the strait, another band of mutineers seized the armada's largest ship, the San Antonio, and bolted for Spain, carrying essential provisions as well as reports of their captain's cruelty and recklessness. The three remaining vessels entered the Pacific, which Magellan named for its initially gentle seas, then caught the trade winds and rocketed westward. "But," Mr. Fernández-Armesto writes, "the benignity of the weather was like a villain's smile," luring the fleet into an ocean immense beyond their comprehension. Over nearly four months, as their numbers declined from starvation and scurvy, the men sailed for more than 7,000 excruciating miles without landfall until, on March 6, 1521, they spied the islands of Rota and Guam, in the Marianas. When some islanders made off with a skiff and other goods, Magellan retaliated mercilessly, killing several villagers and burning scores of houses and boats.

The explorer never lived to complete the first circumnavigation of the globe for which he is famous—but that doesn't justify such broadsides.

Later that month, the fleet reached the Philippines, which Mr. Fernández-Armesto, in one of the many contrarian arguments he makes throughout the book, suggests was Magellan's secret destination all along. The strangers were well received on the island of Cebu, but imposing himself in a conflict between rival chiefs, Magellan made an ill-advised attack on neighboring Mactan, where he and several of his men were slain in battle on April 27, 1521.

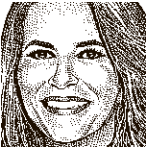
Although it seems to run counter to the fierce determination that Magellan had shown throughout the expedition, Mr. Fernández-Armesto believes that the captain, preferring to die a hero rather than return a failure, "crafted his death to suit a narrative he composed in his own mind before the event, imagining a knightly consummation in a battle sanctified by crusading ideals."

Taking stock of their situation, the survivors scuttled the Concepción for lack of crew and, under the command of the Spaniard Juan Sebastián Elcano, steered their remaining two vessels to the Moluccas, where they loaded the hulls with precious spices. The Trinidad was captured by the Portuguese, whose zone of influence the expedition had violated, but the battered Victoria navigated the treacherous waters around the tip of Africa and arrived in Spain on Sept. 6, 1522, with 18 of the 240 souls who had sailed three years before.

Mr. Fernández-Armesto's assessment of Magellan is unusually strident, but other recent biographers agree that the man was a deeply flawed combination of courage, decisiveness and perseverance, along with obsession, recklessness and brutality. The author's estimation of the voyage is similarly harsh, judging it "an unmitigated failure," although it did (at a great price) complete the first circumnavigation, demonstrate that the earth and the Pacific were far vaster than generally believed, and return with a cargo valuable enough, or nearly so, to defray its costs. "Straits" resonates with the author's copious research, commanding expertise, elegant prose and tart opinions. But Mr. Fernández-Armesto's broadside, though thunderous, at times misses the mark. General readers looking for a more measured assessment and a more lucid narrative may enjoy Laurence Bergreen's well-researched and eminently readable "Over the Edge of the World."

Mr. Helferich's most recent book is the historical novel "Hot Time," published under the pen name W.H. Flint.

Cuba Faces a Power Vacuum



AMERICAS
By Mary Anastasia O'Grady

funeral pyre for the 1959 revolution.

Havana says the fire was caused by a lightning strike. That may be so. But without modern safety and maintenance protocols to mitigate the risks of an act of God, the aging tanks were an accident waiting to happen.

Images of billowing black soot drifting toward the heavens for nearly a week and of the charred remains of the facility are a metaphor for what six-plus decades of Castro tyranny and fraud has done to once-prosperous Cuba.

Cuban communism has gone up in smoke. That's the good news. But the corruption and gangsterism championed by the megalomaniac Fidel lives on. A new generation of Castro kleptocrats—think of Vladimir Putin's Russia—is trying to grab the baton. As if to prove the point, last week Fidel's grandson took to social media to announce that he and a group of "entrepreneurs" had arrived in Matanzas to "help" the Cuban people.

A better outcome isn't impossible. Cubans are clamoring for regime change. If they

get it, a transitional government will need technical support to shape a free Cuba. One reasonable worry is that the Biden administration isn't committed to Cuban freedom. The State Department recently reopened U.S. flights to two luxury resort destinations run by the military dictatorship desperate for dollars.

The Cuban economy has buckled. According to a paper by Emilio Morales of the Miami-based Havana Consulting Group, revenue generated by the nine most important economic sectors on the island was down 70% in 2021 from 2013. The Mariel Special Development Zone, financed by the Brazilian government, is a white elephant. Nine years after it was inaugurated, "only 32 of the 62 businesses approved by the government are still operating," Mr. Morales writes, and it has received only "13.3% of the projected investment."

There are severe shortages in transportation, food and basic medications like aspirin. A dengue epidemic is sweeping the island, the peso is worthless, and tourism isn't recovering from a steep pandemic contraction.

Three of eight fuel storage tanks at the Matanzas facility collapsed and a fourth caught fire, which means that the principal fuel supply for Cuba's electricity generation is now crippled. Even before the fire, daily power outages were routine and more than simply inconvenient. Without electricity, food spoils and

hospitals are without lights and reliable running water. "Living in the country has become a true hell for everyone: children, youth, adults and the elderly," Mr. Morales explains.

The political scene is no more stable. It's been 13 months since islandwide protests, sparked by extreme privatization, filled the streets with calls for liberty. The uprising stunned dictator Miguel Díaz-Canel. He unleashed paramilitary brigades and uniformed state security agents to beat demonstrators in the streets. Many received harsh prison sentences.

The revolution is dead, and so are its leaders. Can the nation break free?

But the regime's go-to methods for controlling dissent—like nightsticks and cockroach-infested jail cells—hasn't done the trick this time. As the online news outlet Diario de Cuba reported last week, "spontaneous protests have become a regular phenomenon in Cuba," and "it is no longer extraordinary for there to be, every night, especially in towns suffering protracted blackouts, people banging pots and pans and shouting anti-regime slogans." Those slogans feature vulgar personal insults directed at the ruling class. Farmers have engaged in a

notable act of defiance by selling their tobacco crop in the black market, where they reportedly get three times the price the government pays them, or by simply refusing to plant tobacco.

Overt disrespect for the dictator and his decrees was once enforceable. But Fidel's mystique is as dead as he is, and at 91 his brother Raúl is at most a symbolic figure.

The July death of Gen. Luis Alberto Rodríguez López-Calleja, Raúl's former son-in-law, at 62 adds to the looming anarchy. As head of the large conglomerate Gaesa, he had become the most powerful man in the country. Under his leadership, Gaesa seized control of some 70% of the economy. His businesses included tourism, finance, retail, real estate, remittances, the port of Havana, the Mariel project, the telecom company and Cuba's Banco Financiero Internacional.

López-Calleja was intelligent, worldly and ruthless. He also was Raúl's heir apparent. In the tradition of the Castro family, he used the country to make himself rich while Cuban misery deepened. As Mr. Morales notes, he leaves behind a bankrupt nation "bogged down between the stupidity of a bureaucracy that is incapable of reforming a proven obsolete model and the excessive ambition of a new mafia that has seized the country's wealth."

He also leaves behind a power vacuum, and we know how nature feels about that.

Write to O'Grady@wsj.com.

Salman Rushdie's Resolve to Stay Normal

By Bob Greene

It was a weeknight in Manhattan in 2001, and a few of us were out to dinner at a restaurant on Lexington Avenue called the National. Across the room, sitting in a banquetette talking with a woman as they had their meal, was Salman Rushdie.

The extraordinary thing about the moment was its seeming ordinariness. In 1989, Mr. Rushdie's prospects for a long life had been widely assumed not to be auspicious. A fatwa—an edict—had been issued against the author by Iran's Ayatollah Ruhollah Khomeini, and a multimillion-dollar bounty had been placed on his head. He was forced into hiding, although he was said to object to that word—he felt there was really no hiding place in a situation like his.

But he eventually re-emerged into daily living, and by that night in Manhattan it should perhaps not have been surprising to see him out and about. Still, the unanticipated sight of Mr. Rushdie dining next to a large window was a piquant reminder of what he had been through, and of his resilience.

Three decades under death threat required uncommon resilience.

Since abandoning seclusion he had spoken publicly of his resolve, comparing it to standing up to a playground bully: "The best thing I can do is to go on being the best writer I can be and to lead as open a professional and personal life

as I can. And that's just a way of saying that there may be this danger and it's a terrible thing and it's an ugly thing, and we need to fight it and we need to defeat it. But we don't have to hide under the bed."

That attitude is what took him to Chautauque, N.Y., to speak before an audience last Friday, where a man rushed onstage and stabbed him repeatedly, hurting him so grievously that he would be placed on a ventilator. As Mr. Rushdie, 75, lay hospitalized, Hadi Matar of Fairview, N.J., was charged with attempted murder and assault. He pleaded not guilty to the charges.

On that night in Manhattan in 2011, Mr. Rushdie appeared relaxed and at ease. He was one diner among many in the bustling restaurant, passing a pleasant evening. If he had

any security personnel, they weren't evident, and he wasn't figuratively or literally looking over his shoulder. That was what was so striking—the illusory commonplaceness of it all.

After the attack on him last Friday, one detail in the news reports stood out to me. In 1989, when the death order was placed on Mr. Rushdie, he could have been forgiven for being suspicious of just about every person in the world. But the man who would stand accused of trying to kill him 33 years later had not been one of them. The police said he is 24. When Mr. Rushdie had first been forced to fear for his life, the man had not yet been born.

Mr. Greene's books include "Duty: A Father, His Son, and the Man Who Won the War."

OPINION

REVIEW & OUTLOOK

The Government’s Stealth Health Takeover

The Health and Human Services Department recently made news with a report touting that “National Uninsured Rate Reaches All-Time Low in Early 2022.” Sounds encouraging, but look beneath the covers and what you find is a quiet but enormous shift from private to government-subsidized coverage.

HHS estimates there are 5.2 million fewer uninsured Americans than in 2020. Yet Medicaid rolls during the pandemic have swelled by 24 million—a 34% increase—while two million more adults have enrolled in ObamaCare exchange plans.

Why are so many more people on Medicaid when the U.S. unemployment rate has reached a near-record low? A large part of the answer: The Families First Coronavirus Relief Act from March 2020 barred states from removing people who become ineligible from their Medicaid rolls for the duration of the public-health emergency in return for a bump in federal funding.

If not for Mr. Biden’s recurring emergency declaration, about 20 million Medicaid enrollees would no longer be eligible, most because their incomes exceed the threshold for qualifying. Many could now get coverage through their employers, but why pay insurance premiums when Medicaid is “free”?

Taxpayers are thus getting slammed with a huge surprise medical bill. Annual Medicaid spending has increased by \$198 billion during the pandemic. That’s about as much as Medicaid spending grew from 2012 to 2019 during the first seven years of the ObamaCare expansion. As long as the Biden Administration continues the public-health emergency—now set to end on Oct. 13—the taxpayer Medicaid tab will continue to grow. And what are the odds the Administration won’t renew the emergency again before the election?

The other explanation for the government insurance takeover is Democrats’ expansion of

ObamaCare exchange subsidies in March 2021. As a result, millions of Americans pay no premiums, and households making more than 400% of the poverty line receive generous subsidies. The Congressional Budget Office initially estimated the two-year subsidy expansion would cost \$22 billion. Actual cost: \$50 billion.

More Americans enrolled in the exchanges than CBO predicted, and insurers have taken advantage of the sweetened subsidies by raising premiums. Yet CBO bizarrely forecasts that the Schumer-Manchin bill’s three-year subsidy extension will cost a mere \$33 billion.

How does CBO figure that three years of subsidies will cost 34% less than two years? Maybe it expects healthcare spending to fall as the pandemic recedes, but insurers are now raising premiums to cover Covid treatments they expect the feds to stop paying for.

By the way, CBO doesn’t account for the Administration’s proposed regulation to fix ObamaCare’s so-called family glitch, which limited exchange eligibility for many individuals offered family coverage through their employers. The Administration estimates the change could make an additional five million Americans who currently have access to employer coverage eligible for more generous subsidies on the ObamaCare exchanges.

The Administration appears to want to drive more people into Medicaid and tightly regulated ObamaCare plans, and thus make more Americans dependent on government for healthcare. Government also subsidizes employer coverage through the healthcare tax deduction, but this is significantly less expensive for taxpayers.

Annual Medicaid and ObamaCare spending has increased by about \$230 billion during the pandemic, which comes out to about \$44,000 per newly insured American. Alas, taxpayers can’t challenge this overcharge.

Medicaid and ObamaCare are replacing private insurance coverage.

Middle Class Won’t Escape the Audit Wave

Democrats spent last week swearing that only high earners would be squeezed under their plan to beef up the Internal Revenue Service. It took only a few days for the Congressional Budget Office to put that narrative to rest. A quick analysis from the budget scorer confirms that the audit expansion will ensnare the middle class.

The CBO made the point in an Aug. 12 letter to Sen. Mike Crapo, who had sought to bind Democrats to their promise to limit audits to high earners. If the IRS expansion plan “is not about folks who make less than \$400,000,” as White House press secretary Karine Jean-Pierre claimed, why not make that clear in the bill? Mr. Crapo proposed an amendment to ensure new audits would exclude taxpayers earning less than \$400,000, but Democrats voted it down 51 to 50.

Mr. Crapo then asked the CBO to calculate the effect his amendment would have had. The agency found that increased scrutiny on filers earning less than \$400,000 would account for \$20 billion over 10 years, out of a total of about \$204 billion that Democrats hope to collect through a bigger, badder IRS. In other words, the IRS expansion as it’s currently designed could collect billions in revenue from new middle-class audits.

The problem is that for every tax cheat the IRS identifies, several more compliant tax filers will be subjected to needless scrutiny. Many of the hundreds of thousands of people audited each year are chosen at random, and most taxpayers can’t afford a lawyer to go to Tax Court to contest IRS claims of tax liability.

They write the check to end the relentless IRS pursuit, whether or not they think it’s fair. Cracks had already emerged in the White House narrative before CBO weighed in. Treasury Secretary Janet Yellen, who oversees the IRS, wrote to the agency’s commissioner last week to clarify the funding plan.

The additional \$80 billion, she wrote, “shall not be used to increase the *share* of small business or households below the \$400,000 threshold that are audited.” [Emphasis added.] Contrary to the White House, Ms. Yellen promised only that new audits wouldn’t be directed disproportionately at the middle class. She didn’t dispute that thousands more middle and low earners will face scrutiny.

On Friday House Democrats passed the tax-and-spending bill that includes the supersize IRS on a party-line vote, and President Biden will sign it this week. Good luck to readers as the tax-man cometh.

A CBO analysis belies a White House claim about new IRS funding.

Alex Jones’s Sandy Hook Reckoning

He built a business on red-faced ranting, which is protected by the First Amendment, but he’s paying for defamation, which isn’t. Alex Jones used his talk show to spread theories that the Sandy Hook massacre was a hoax perpetrated by actors. A Texas jury this month awarded Neil Heslin and Scarlett Lewis, the parents of a slain 6-year-old, \$49 million in damages.

That amount could drop on judicial review, but Mr. Jones also has been held liable in other Sandy Hook cases, which aren’t yet at the damages stage. He has lost by default judgment, after failing to turn over documents or comply with the judicial process. One of his companies has filed for bankruptcy. Mr. Jones’s reaction to this month’s jury, his lawyer said, was that “the First Amendment is under siege, and that he looks forward to continuing to fight.”

This is worth about as much as his other pronouncements. The U.S. has strong constitutional protections for speech and press, with no exclusion for ill-considered opinions by internet talking heads. Facts that are true aren’t defamation, which is one reason that careful journalists check their work. But the First Amendment is not a license to spew malicious lies and falsehoods.

“I can’t even describe the last nine and a half years,” Mr. Heslin testified, “the living hell that I and others have had to endure because of the recklessness and negligence of Alex Jones.” Sandy Hook families have been threatened and harassed by conspiracy theorists. “I don’t think you understand the fear that you perpetuate,” Ms. Lewis told Mr. Jones from the witness stand. “The ripple effect is enormous

because of the platform that you have, and the fear that comes from that, the fear stops the healing and the mourning process.”

Mr. Jones finally conceded in court that the massacre was “100% real,” while insisting that he believed otherwise at the time. The jury’s accountability nonetheless included damages for reputation injuries and emotional distress. With any luck, the verdict will convince mainstream political figures that it’s wrong to play footsie with Mr. Jones’s audience by going on his show, as some Republicans have done.

The verdict also seems to vindicate internet platforms that gave Mr. Jones the boot. Apple removed his podcasts in 2018. Many conservatives are fed up with Big Tech, but should Apple have been compelled to keep disseminating Mr. Jones’s Sandy Hook bile? If Congress hacks apart the Section 230 liability shield, won’t platforms get even more cautious? If a podcast today can turn into a massive payout in 2026, content reviewers will turn the sensitivity dial up to 11.

As journalists and citizens, we say thank goodness for the First Amendment. Political debate is at the core of free speech, and the government needs to give it a wide berth. Yet courts also provide a way for someone who’s damaged by publicized falsehoods to seek compensation. The law applies regardless of politics, and the pro-life Covington Catholic graduate Nick Sandmann has won undisclosed settlements from big news outlets.

Maybe Mr. Jones will be back at it tomorrow, but at least there’s finally a cost for his Sandy Hook garbage. As the lawyer for the parents told the jury: “Speech is free. Lies, you pay for.”

There’s a price for harming the families of murdered children.

LETTERS TO THE EDITOR

NATO’s Front Line Is Treated as Second Class

In “NATO Is Hedging on Its Promise to Protect the Baltics” (op-ed, Aug. 11), John Deni and Michael O’Hanlon point accurately to the shortcomings of the plan adopted at the Madrid Summit for defending the Baltic states. The commitment to defend these countries is not only less than meets the eye, but also reflects a nearly two-decadeslong division of NATO into two unequal tiers.

Estonia had already encountered this second-tier status when countries far less digitally developed than us brushed off our concerns about the DDoS (Distributed Denial of Service) attacks by Russia that shut down and isolated our country in 2007.

Typically, after joining NATO in 2004, the Baltic countries were not given contingency plans—the detailed planning that “old” allies have in case NATO must respond to an Article 5 conflict. Thanks to the objections of at least one large NATO member, apparently more concerned about commercial relations with Russia than the security of NATO allies, the Baltic states were denied contingency plans until the 2008 Russian invasion of Georgia, which at minimum should have led NATO to reassess Russia’s intentions more broadly.

But contingency planning is not enough. Eastern-flank allies are the ones most vulnerable. They need earmarked units tasked to defend against these contingencies. The logistical challenges in reinforcing the Baltic counties will improve with Swedish and Finnish accession to

NATO, but it is nevertheless necessary to position in advance some capabilities (equipment, ammunition) in the front-line states.

The deficiencies of the Madrid Summit conclusions are real. If implemented, they would represent an improvement from the current state of affairs but provide little genuine defense if an aggressive Russia should attack the three Baltic states—allies with considerably less defense depth than Ukraine. Best, however, would be to end NATO’s second-tier defense for countries that are front-line states bordering a hostile Russia.

TOOMAS HENDRIK ILVES
Center for European Policy Analysis
Mulgi vald, Estonia
Mr. Ilves was president of Estonia, 2006-2016.

Messrs. Deni and O’Hanlon propose forward deployment of NATO brigade-level forces. For that to succeed, NATO countries must immediately replenish their own inventory of military equipment and other supplies that have been provided to Ukraine.

With major supply-chain problems even for civilian items, lead times for military equipment are significantly longer than normal. If NATO countries aren’t already in near-emergency-replenishment mode, deploying brigades of troops will be a hollow effort. It would also endanger those troops, who must be rapidly resupplied to defend themselves if attacked.

ELLERY BLOCK
Westerville, Ohio

Can Garland Justify the Raid on Mar-a-Lago?

Attorney General Merrick Garland proclaimed that he will not tolerate the “unfounded attacks” on the FBI generated by his action at Mar-a-Lago (“Merrick Garland’s Warrant Gambit,” Review & Outlook, Aug. 12). That’s certainly fair. But of course his statement fails to address the many well-founded attacks on the FBI and its current and recent leadership.

MICHAEL MUELLER
Hampton Falls, N.H.

You write that “Mr. Garland has broken a political norm that has stood for 232 years.” That may be be-

cause we have never had a president like Donald Trump.

KHALID REHMAN
New York

Gerald Ford likely lost his re-election with his pardon of Richard Nixon, but he did what was right for the nation. We are forever in his debt. President Biden could have joined the ranks of statesmen with a similar action to halt the continuing chain of retribution against Mr. Trump. But he didn’t. It says much about the man.

MALCOLM DICK
Shelton, Wash.

Fed Should Target Inflation, Not Dollar Value

In “Floating Currencies Compound Uncertainty” (op-ed, Aug. 9), Prof. Steve Hanke advocates a target zone between the dollar and the euro, and actions by the Federal Reserve and European Central Bank to keep the dollar-euro exchange rate within such a zone. Although well-intentioned, this could lead to more, not less, volatile inflation across borders.

Right now the Fed is tightening monetary policy. If it were mandated to maintain an exchange-rate zone vis-à-vis the currently weak euro, it would have to ease up on tightening,

letting inflation run higher than it otherwise would. Conversely, if the dollar were very weak with respect to the euro (it does happen occasionally), the Fed would have to tighten policy, even if the U.S. economy was weak and growth too low.

As far as emerging markets go, Mr. Hanke’s preferred policy of currency boards would lead to more of the banking crises, debt defaults and high inflation that he rightly seeks to minimize. Emerging markets face challenges in our globalized financial system, but most such countries have achieved low inflation with floating currencies, having abandoned the fixed exchange rates that led to crises in the 1980s and 1990s, and instead targeted inflation, not the value of the dollar or euro.

PROF. WILLIAM MILES
Wichita State University
Wichita, Kan.

Could the IRS Enter ‘Beast Mode’ on Customer Service?

I read with interest your editorial “The IRS Is About to Go Beast Mode” (Aug. 3) and the subsequent letters (“The IRS: Aggressive, Impartial or Opaque?” Aug. 10). I wish the Internal Revenue Service could go into “beast mode” to actually help taxpayers.

My 20-year-old daughter received a letter three weeks ago noting that she should have received the \$1,400 refund payment in 2021. The letter claimed that a check had been sent but not cashed, and added that calling the number provided would fix the problem. When she called the number and worked through the phone tree, however, a recorded message explained that the IRS was too busy and asked the listener to call back later.

Weeks later, after multiple calls hearing this same message, my daughter remains unable to talk to an IRS agent. I guess once she earns enough to be audited by the IRS under its new beast mode, a different conversation will occur. In the interim, it would be great if IRS folks actually administered the tax laws.

MITCHELL STOCKWELL
Atlanta

Republicans Cast the Votes

I am from Pennsylvania, and Tim Roemer is right: “Democrats, Stop Helping Pro-Trump Republicans” (op-ed, Aug. 12). It is cynical, wrong and dangerous for Democrats to support pro-Trump politicians. Instead, could we have Republicans oppose these Trump sycophants?

RACHEL SOROKIN GOFF
Elkins Park, Pa.

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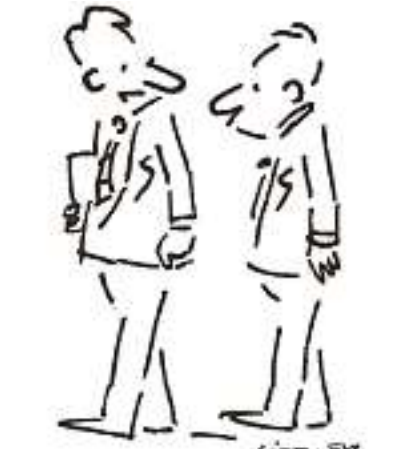
Playing Into China’s Hands

“Car Makers Seek Easier Path on EV Tax Credit” (U.S. News, Aug. 5) highlights China’s dominance in processing battery raw materials and manufacturing batteries. Our battery-dependent electrification agenda and stifling of domestic hydrocarbon production and distribution plays right into China’s critical-material and product choke hold. It is ever more apparent that China is not a trustworthy trading partner but a more likely adversary. Why would the Chinese want to sell their opponents batteries or materials to make their own?

BRUCE PFUND
Westerly, R.I.

Pepper ... And Salt

THE WALL STREET JOURNAL



“The facts speak for themselves, once we’ve negotiated what the facts are.”

OPINION

America’s Political Story Lines Need a Reboot

By **Lance Morrow**

In one version, Joe Biden’s banana-republic thugs invade the home of a blameless former president and ransack his wife’s dress closet. In an alternate version, representatives of Merrick Garland’s long-suffering Justice Department call at Mar-a-Lago to see if they might retrieve top-secret nuclear codes that Donald Trump pilfered from the White House, no doubt with intent to blackmail the world, like Dr. Evil.

Our partisan narratives have become so detached from reality that they bode ill for the nation’s future.

We are used to the media’s Rashomon Effect, named after Akira Kurosawa’s 1950 film that offered alternate and mutually contradictory accounts of a samurai’s murder. So which witness is the audience supposed to believe this time? MSNBC? Fox News? Someone isn’t telling the truth.

Americans have long since grown, as it were, nostalgic for reality. They grope for the truth in a labyrinth of outlandish story lines. A master theme of the left (stated approximately): The Orange Man is the Red Queen of White Supremacy. A favorite on the right: In regions of the left’s many weirdnesses, men are

women, and women men—whatever their hearts desire. Men have babies, and women probably don’t exist at all. The metaphysics of America’s political and cultural story lines have gone meta, which means that they have adapted new technologies (the trillion screens) to the oldest sleight-of-hand practiced by confidence men, totalitarians, intellectuals and the producers of cable television news.

Since the time of Herodotus, history has been shaped less by facts than by half-truths, rumors, outright lies, ideologies, daydreams and ardent misconceptions. These narrative energies weave themselves into story lines—self-myths and morality plays. Anyone trying to understand the American crisis should think about the trouble that story telling gets people into.

Consider the narratives that precipitated the American Civil War. The South had its story, a conviction of its own righteousness that was strong enough to keep the Confederate states fighting a war that left their plantations in ashes and their economy in ruins. Jefferson Davis kept repeating that the people of the South must be free to choose their own way of life. He and other slaveholders said they were “defending freedom.” And they believed it.

So the most consequential narrative line may be howlingly at odds with the truth. Abraham Lincoln’s story line turned Davis’s upside-down. Their stories were so mutually contradictory that the entire country went into convulsions and, by and



DAVID KLEIN

by, Gen. P.G.T. Beauregard found himself obliged to shell Fort Sumter.

But the heroic story line of one period may do mischief in the next. The narrative of the civil-rights movement of the early 1960s became powerful in shaping the country’s moral, political and cultural drama, not only in the ’60s but in its evolution over the next half-century.

The early civil-rights movement (a hero’s story that coalesced, at last, in the martyrdom of Martin Luther King Jr.) occurred at a moment when television news—a powerful new story-telling medium—began to reorganize the American conscience on a national basis and turned journalism into a medium of moral generalization.

Nearly every house had a set of rabbit ears. Television news rose to

the occasion of the new historical material: The Kennedys and their telegenic Camelot, the (briefly) terrifying Cuban missile crisis, the assassination in Dallas—and all the while, down South, a continuing drama of police dogs, fire hoses, church bombings and white racists screaming at valiant, frightened black children trying to integrate the public schools. Local whites beat the Freedom Riders bloody or murdered young idealists of either color.

That civil-rights morality play, unambiguous and righteous in its story lines, succeeded almost too well in its effects. It offered a titanic clash of archetypes. A consensus of the storytellers ordained that the Good Guys were of one type—the pure of heart, the selfless elites, saints and martyrs, all of them virtuously leftist

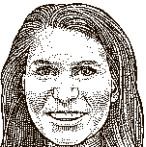
in their politics and soon, in the Vietnam time, to make up the armies of dissent against that misbegotten war. The Bad Guys represented another type: They were rednecks, bigots and white supremacists. They became, in the fullness of time and in the eyes of the left, the followers of Mr. Trump. The storytellers’ crude but powerful version said that the villains of that earlier time morphed, over generations, into the deplorables of MAGAland.

The stereotype represented unjust, inaccurate story telling, and it wronged about half the country. Beware. There’s an even deeper business at work: It is a truth of human nature and of story telling that you may, in the telling and retelling of a tale, conjure in reality the very demon that, a moment ago, you only imagined. The left, for example, might unconsciously contrive to make itself as awful and ridiculous as Tucker Carlson wants it to be. And the same thing might occur in the other direction. It’s strange how this happens—a fatal kind of wish-fulfillment. When a country gets overmastered by its narrative exaggerations, it may be doomed.

Update the archetypes. Ditch the sanctimony. A country may be destroyed by indulging its archaic premises and the smug, self-righteous stories it tells itself.

Mr. Morrow is a senior fellow at the Ethics and Public Policy Center. His latest book is “The Noise of Typewriters: Remembering Journalism,” forthcoming in January.

China Gets a Great Leap Forward From Congress



LIFE SCIENCE
By **Allysia Finley**

China’s economy is limping under the weight of government-created market inefficiencies, draconian Covid lockdown policies, an imploding real-estate bubble, and an aging population. But Congress’s self-defeating Inflation Reduction Act gives President Xi Jinping something to celebrate this November at the Communist Party’s 20th National Congress.

With a single legislative act, Democrats have increased Beijing’s geopolitical leverage, reduced American living standards and global economic competitiveness, and assisted Mr. Xi’s ambitions to dominate biotech. The kicker is that Democrats have told Americans their bill will deal a blow to China. Americans will be in for a rude awakening when they discover the truth.

Take the legislation’s effect on American energy production. The U.S. has become the world’s top oil and natural-gas producer owing to its abundant natural resources, hydraulic shale fracturing and other technological advances. The Inflation Reduction Act, however, effectively concedes American energy supremacy to China by turbocharging the government’s green-energy

transition with \$370 billion in climate spending.

Renewable energy requires vast amounts of critical minerals such as cobalt, nickel, manganese, lithium and graphite. China controls a large share of the world’s supply of each and also maintains a chokehold on their refining. Its near-total global monopoly extends to the manufacturing of lithium-ion batteries, cells and components as well as solar cells.

Consider that Russia produces about 10% of the world’s crude oil and accounted for 40% of Europe’s natural-gas imports before Vladimir Putin’s February invasion of Ukraine. By comparison, China refines 68% of the world’s nickel, 73% of cobalt, 93% of manganese and 100% of the graphite in lithium-ion batteries. Imagine the supply-chain chaos that Beijing could inflict if it were to use China’s mineral resources as a political weapon the way Mr. Putin has Russia’s natural gas.

Renewable plant construction and electric-vehicle production would grind to a halt. While Americans might not face the immediate threat of freezing during winter, Beijing could freeze a large part of the U.S. economy.

Foreshadowing how the Chinese Communist Party could use its new leverage, Chinese battery juggernaut CATL reportedly held off announcing a multibillion-dollar factory in

North America to supply U.S. auto makers such as Ford and Tesla after House Speaker Nancy Pelosi visited Taiwan in early August. No doubt U.S. reliance on China for its green-energy transition has contributed to the White House’s wariness of poking the panda.

Democrats might reply that their bill’s tax credits would encourage electric vehicle and renewable manufacturers to “on-shore” supply chains. But subsidies that encourage

The Inflation Reduction Act’s damage to American energy and innovation is a gift to Xi Jinping.

mineral extraction in the U.S. won’t help if the Biden administration continues to block projects such as a lithium mine in Nevada and a massive nickel, cobalt and copper mine in Minnesota.

Tax credits for U.S. green-energy manufacturing also won’t overcome China’s enormous cost advantage—a product of the country’s economies of scale, lower labor and energy costs, and government support. The U.S. has already tried—and failed—to beat China in a subsidy race to the bottom. President Obama’s 2009 stimulus also provided hefty government

loans and grants to U.S. manufacturers of solar panels, lithium-ion batteries and other green technologies. Many recipients, such as Solyndra, A123 Systems, Abound Solar and Beacon Power, later ran into technical problems or were undercut by lower-cost Chinese competitors.

At the same time, the Inflation Reduction Act will set off a subsidy chase by renewable-energy developers that will raise U.S. electricity prices and make it even harder for American manufacturers to compete with China.

Look at Germany, whose industrial output has declined since 2017 amid rising electricity prices owing to the hundreds of billions of euros it has spent boosting renewables. These subsidies have led to an expensive build-out of solar and offshore wind power, which must be backed up by coal and natural gas. Keeping fossil-fuel plants on idle to ramp up and down on demand is expensive—that’s why even before the Ukraine war Germany’s power prices were the second highest in Europe and about twice as high as those in the U.S. All this is making it harder for German manufacturers to compete globally, and some are planning to move production abroad.

Or consider California, which is further along in the green-energy transition than any state. Its electricity prices are double those in Arizona and Nevada and over the

past year have grown twice as fast as the national average as grid operators have scrambled to procure fossil-fuel power at high cost to back up solar. California’s energy-efficiency standards and spending—another focus of the Inflation Reduction Act—have done little to help. Faced with soaring electric bills, the nonaffluent have no choice but to raise their thermostats and find other ways to reduce their electric consumption.

The Democrats’ generous tax credits for alternative energy will also encourage U.S. oil and gas producers to shift more capital investment to biofuels, hydrogen and carbon capture. The result could be rising fuel prices—another dead weight on the U.S. economy.

Finally, the act’s Medicare drug price negotiations—i.e., price controls—will take a \$101 billion bite out of the pharmaceutical industry. More important, they’ll reduce the incentive to innovate while Beijing nurtures its home-grown biotech industry with the aim of surpassing U.S. and European drugmakers.

Capitalism and free markets made the U.S. the world’s leading innovator, energy producer and economic superpower. Though alarms about China’s supplanting the U.S. in recent years have probably been overplayed, they could wind up being a self-fulfilling prophecy if Congress keeps passing self-defeating laws.

‘But Her Emails’? A Defense of ‘Whataboutism’

By **Alan M. Dershowitz**

Attorney General Merrick Garland is a decent man, and he said the right things in his statement regarding the search of Donald Trump’s residence at Mar-a-Lago: “All Americans are entitled to the evenhanded application of the law, to due process of the law, and to the presumption of innocence.”

It is what he didn’t say that raises disturbing questions about the process. Why didn’t the Justice Department seek to enforce the subpoena it apparently had issued, rather than seek a search warrant? Was this consistent with the “standard practice” Mr. Garland articulated in his statement—“to seek less intrusive alternatives to a search” whenever possible?

Why was the matter handled so differently from the prior investigations of Sandy Berger and Hillary Clinton, who were also suspected of

mishandling classified material? Mrs. Clinton herself mocked that question by sporting a baseball cap with the logo “But her emails.”

Her hat is intended to deride the argument made by Trump supporters and some civil libertarians that the investigation of Mr. Trump’s alleged security breaches should be evaluated against the way in which earlier cases were handled. Berger and Mrs. Clinton were suspected of mishandling confidential materials—he by removing them from the National Archives in 2005, she by transmitting them over her private email server while serving as secretary of state. Berger was administratively fined, and Mrs. Clinton was rebuked by James Comey, then director of the Federal Bureau of Investigation, which might have cost her the 2016 election. But neither was subjected to broad search warrants or criminal prosecution.

Those who reject this comparison accuse those who make it of

“whataboutism.” But treating like cases alike is crucial to the equal protection of the laws. The way in which Berger and Mrs. Clinton were treated is highly relevant in determining whether Mr. Trump is being subjected to a double standard of justice.

The facts, especially the degrees of culpability, may be different; and if so, that would provide a good answer to the “what about” question. But if the facts are similar and the treatment is different, Americans are entitled to ask whether this constitutes the even application of the law that Mr. Garland promised. The shoe must fit comfortably on the other foot if justice is to be done and seen to be done. There can’t be one rule for Democrats and another for Republicans.

So the question “What about her emails?” is an appropriate one. Mocking it is no answer. Neither is the cliché “two wrongs do not make

a right.” A second wrong doesn’t justify or excuse the first, but unequal treatment of two comparable wrongs should raise concerns about fairness and equality. Unequal treatment of two equal wrongs is a third wrong.

Mrs. Clinton should take her hat off. Treating like cases alike is crucial to the equal protection of the law.

The “whataboutism” argument applies as well to the manner in which Trump loyalists such as Peter Navarro, Roger Stone and Paul Manafort were arrested. In comparable cases involving similar charges, the defendants weren’t handcuffed, shackled or subjected to restraints generally reserved for those who pose a risk of violence or flight.

“Whataboutism” is a new word for an old idea. There’s a 19th-century Yiddish expression: “a for-instance is not an argument.” Yet sometimes it is. If a pattern of nonenforcement can be demonstrated—as with the Logan Act, under which nobody has been prosecuted since 1852—it will be difficult to prove equal justice if it is suddenly and selectively invoked to target a political enemy. If, on the other hand, violation of the Classification or Records Acts were routinely prosecuted and alleged violators subject to a search warrant, then the case for equal application of the law will have been made.

Perhaps presidents should be treated differently. It is often argued that presidents aren’t above the law, but neither are they beneath deserving fair treatment, as Bill Clinton can attest. Mrs. Clinton should take off her hat. Just as her actions don’t excuse Mr. Trump’s, his don’t excuse hers. Her treatment of the emails and server were wrong even if they didn’t constitute a crime. Mr. Trump’s removal of possibly classified information might have been wrong too. Such two wrongs should encourage Congress to tighten up the laws governing such information and the Justice Department to enforce them equally and fairly, as Mr. Garland assured us it does.

But until Mr. Garland fully and specifically answers the hard questions about what appears to be unequal application of rules and practices, “what about her emails?” will be a pertinent question.

Mr. Dershowitz is a professor emeritus at Harvard Law School and author of “The Price of Principle: Why Integrity Is Worth the Consequences.”

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Notable & Quotable: Phonics

Belinda Luscombe reporting for Time, Aug. 11:

As a teacher in Oakland, Calif., Kareem Weaver helped struggling fourth- and fifth-grade kids learn to read by using a very structured, phonics-based reading curriculum called Open Court. It worked for the students, but not so much for the teachers. “For seven years in a row, Oakland was the fastest-gaining urban district in California for reading,” recalls Weaver. “And we hated it.”

The teachers felt like curriculum robots—and pushed back. “This

seems dehumanizing, this is colonizing, this is the man telling us what to do,” says Weaver, describing their response to the approach. “So we fought tooth and nail as a teacher group to throw that out.” It was replaced in 2015 by a curriculum that emphasized rich literary experiences. “Those who wanted to fight for social justice, they figured that this new progressive way of teaching reading was the way,” he says. . . . “We abandoned what worked because we didn’t like how it felt to us as adults, when actually, the social-justice thing to do is to teach them explicitly how to read.”

WORLD NEWS

China, Thailand Start Air-Force Drills

Exercises are aimed at building further trust, while U.S., Indonesia conduct maneuvers

By JAMES T. AREDDY

China's military dispatched jet fighters to Thailand for joint air-force training with the U.S. ally that started on Sunday, drills that come on the heels of Beijing's live-fire exercises around Taiwan and coincide with a large U.S. military exercise in Indonesia.

The Falcon Strike exercises mark the fifth time the Thai and Chinese air forces have practiced and are focused on building trust between the nations, China's Ministry of National Defense said.

In recent days, the U.S. has conducted its own live-fire drills in Indonesia along with regional allies, including Australia, Japan and Singapore.

The so-called Super Garuda Shield exercises have gathered 2,000 forces each from the U.S. and Indonesia, plus personnel from 12 other nations, some participating for the first time. A joint U.S.-Indonesia government statement described the exercises as "significantly larger in scope and scale than



Jets from China's aviation corps are taking part in the so-called Falcon Strike exercises with Thailand.

previous exercises," and "designed to strengthen interoperability, capabilities, trust, and cooperation built over decades of shared experiences."

High-profile wargames in Southeast Asia featuring the two global rivals are a stark reminder of how military tensions increasingly cloud a region known primarily for its economic dynamism. The U.S.

military footprint is extensive in Southeast Asia, but China's rising clout and expanding ambitions make it—on a limited scale—a challenger to traditional American dominance.

In addition to demonstrating their military capabilities, Washington and Beijing in recent weeks have dispatched top diplomats to Southeast Asian capitals, including to a

regional grouping in Cambodia where both sides described the other as a destabilizing force. President Biden and his Chinese counterpart, Xi Jinping, are expected in the region in November for back-to-back summits in Thailand and Indonesia, where The Wall Street Journal reported last week that efforts are being made to schedule bilateral talks.

The U.S. Defense Department says China's primary military objectives center on gaining control of the self-governed island of Taiwan—and tension ratcheted up significantly this month.

The People's Liberation Army last week concluded several days of live-fire exercises, naval and air patrols plus missile strikes around Taiwan aimed at deterring pro-independence moves on the island, which it fears will be stoked by a recent visit by U.S. House Speaker Nancy Pelosi. The island is self-governed by a democratically elected government, but China claims Taiwan as its territory, and the PLA's exercises simulated how Beijing might execute a blockade or invasion to gain control.

Russian President Vladimir Putin's strike into neighboring Ukraine this year stirred concerns that Mr. Xi could take a similar step to realize his Taiwan ambitions, though military analysts primarily cast doubt such a move is imminent, considering victory by Beijing would be difficult.

U.S. authorities described China's drills, which disrupted commercial shipping and raised military tensions, as an overreaction that risks destabilizing the region.

The Thai-Chinese Falcon Strike exercises are being hosted at Udorn Royal Thai Air Force Base, which has longstanding ties to the U.S. Air Force and was used extensively during the Vietnam War. The first Falcon Strike exercises, in November 2015, appeared as significant evidence of China's rising sway and followed by more than a year the toppling of Thailand's elected government in an Army-led coup.

The U.S.-Thai alliance dates to 1954 amid shared concern about expanding communism. The two militaries have drilled extensively, including in games called Cobra Gold that have since expanded to include other nations. China has had a role in humanitarian-focused activities.

It would be wrong to regard the Chinese-Thai exercises as a new sign Bangkok is veering toward Beijing, since Thailand has been hedging its bets between the two nations for many years, said Paul Chambers, a lecturer and special advisor on international affairs at northern Thailand's Naresuan University. Nevertheless, he said, "the exercises might strengthen those who want Washington to sell F-35 planes to Thailand as a way to encourage Bangkok to tilt further toward Washington."

WORLD WATCH



Rescue workers on Sunday cleared debris after an explosion at a retail market in the Armenian capital Yerevan killed at least two people.

ARMENIA

Fireworks Explosion Sparks Deadly Blaze

A strong explosion at a fireworks storage area tore through a popular market in Armenia's capital, killing at least two people, injuring 60 others and setting off a large fire.

Firefighters labored into the night after the early afternoon blast at the Surmalu market to put out the blaze that sent a towering column of thick smoke over the center of Yerevan. Rescue workers and volunteers searched amid still-exploding fireworks for victims who might be trapped under slabs of concrete and twisted metal.

Emergency Minister Armen Pambukhchyan said the ministry has received 20 reports from people who said they couldn't locate their relatives after the blast. Ten injured people and one dead victim were pulled from the rubble, said the national health ministry, which also gave the casualty toll.

There was no immediate word on what caused the fireworks to ignite.

—Associated Press

IRAQ

Top Judicial Body Rejects Cleric's Call

The country's top judicial body said it doesn't have the authority to dissolve the country's parliament, days after an influential Shiite cleric gave it one week to dismiss the legislature so new elections can be held.

The decision by the Supreme Judicial Council is likely to increase tensions between followers of cleric Muqtada al-Sadr and members of Iran-backed groups as Iraq sinks deeper into

its political impasse, now in its 10th month. The impasse is the longest in the country since the 2003 U.S.-led invasion reset the political order.

The Supreme Judicial Council said after a meeting on Sunday that political groups in the country shouldn't get the judiciary involved in their "rivalries and political competition."

Mr. Al-Sadr's political bloc won the largest number of seats in parliament but failed to form a majority government that excluded his Iran-aligned rivals. He called on his followers Saturday night to be ready to hold massive protests all over Iraq raising concerns of tensions. He didn't set a date for the planned protests.

—Associated Press

SPAIN

Wildfire Forces Mass Evacuations

A large wildfire in northeast Spain grew rapidly overnight and was burning out of control Sunday, forcing the evacuation of eight villages and 1,500 people in Zaragoza province, firefighters said.

The head of the local Aragon government, Javier Lamban, said the situation was critical in the town of Añon de Moncayo and the priority for the 300 firefighters fighting the blaze was to protect human lives and villages.

The wildfire, which began on Saturday, developed a 30-mile perimeter in less than 24 hours, the local forest chief said. Its estimated burned surface could be up to 20,000 acres, state news agency EFE reported.

Firefighters said the outlook for taming the blaze depends on the weather, but gusty winds of more than 35 mph were predicted.

—Associated Press

MEXICO

Bigger Policing Role Sought for Military

President Andrés Manuel López Obrador has begun exploring plans to sidestep congress to hand formal control of the National Guard to the army, a move that could extend the military's control over policing in a country with high levels of violence.

That has raised concerns because Mr. López Obrador won approval for creating the force in 2019 by pledging in the constitution that it would be under nominal civilian control and the army would be off the streets by 2024.

Neither the National Guard nor the military have been able to lower the insecurity in the country, however. This past week, drug cartels staged widespread arson and shooting attacks, terrifying civilians in three main northwest cities in a challenge to the state.

Still, Mr. López Obrador wants to keep soldiers involved in policing, and remove civilian control over the National Guard, whose officers and commanders are mostly soldiers, with military training and pay grades.

But the president no longer has the votes in congress to amend the constitution and has suggested he may try to do it as a regulatory change with a simple majority in congress or by an executive order and see if the courts will uphold that.

—Associated Press

INDIA

Billionaire Investor Dies at Age 62

Veteran stock-market investor and Indian billionaire Rakesh Jhunjhunwala, nicknamed India's own Warren Buffett, died on

Sunday in Mumbai, Press Trust of India news agency reported. He was 62.

Prime Minister Narendra Modi led the tributes for the business magnate, who had an estimated net worth of \$5.8 billion, according to Forbes. "Rakesh Jhunjhunwala was indomitable. Full of life, witty and insightful, he leaves behind an indelible contribution to the financial world," he tweeted.

Mr. Jhunjhunwala, a chartered accountant from the northern state of Rajasthan, began investing in the stock market while he was still in college, starting off with capital of just 5,000 rupees (around \$63). He went on to establish and manage RARE Enterprises, an asset-management firm. As his net worth steadily rose, he became one of India's richest men with investments in some of the country's biggest companies.

—Associated Press

ISRAEL

Eurovision Champion Perishes Aged 72

SVIKA Pick, a pillar of Israel's music industry who gained international attention after his song won the Eurovision Song Contest, has died. He was 72.

Mr. Pick, known as "the Maestro" in Israeli pop circles, was a singer, composer and prolific songwriter who penned dozens of No. 1 hits. After news of his death broke on Sunday, Israeli radio stations cut off regular programming to broadcast his music.

Among his best-known tunes was "Diva," written for the 1998 Eurovision Song Contest and performed by singer Dana International. That song won the competition and observers have repeatedly chosen it as among the contest's all-time best entries.

—Associated Press

Japanese Economy Tops Late 2019 Size

By MEGUMI FUJIKAWA

TOKYO—Japan's economy recovered its prepandemic size in the April-June quarter thanks to strong consumer spending and higher exports, but inflation may start to weigh on growth later this year.

The world's third-largest economy after the U.S. and China expanded 0.5% in the three months to June from the previous quarter and 2.2% on an annualized basis, which reflects what would happen if the pace continued for a full year.

Adjusted for inflation and seasonal factors, Japan's economy in the latest quarter was bigger than in the final quarter of 2019, the first time that has happened since the Covid-19 pandemic hit in early 2020. In the April-June period, private consumption increased 1.1% from the previous quarter as consumers returned to stores

and restaurants.

Economy Minister Daishiro Yamagiwa said Monday he expected growth to continue but was concerned about global trends.

"We need careful attention to destabilizing factors that could prevent our economic recovery," Mr. Yamagiwa said. He cited rising energy and food prices, monetary tightening in the U.S. and elsewhere and the uncertain course of the Covid-19 pandemic.

Economists expect solid consumption in the current July-September quarter because Japanese people are enjoying their first summer since the onset of the pandemic without government restrictions on travel or public activities. The government of Prime Minister Fumio Kishida has maintained its stance on reopening the economy despite a recent resurgence in Covid-19 cases.

Allegations Mount After Kenyan Vote

By NICHOLAS BARIYO AND MICHAEL M. PHILLIPS

NAIROBI, Kenya—Vote counting in Kenya's presidential election continued over the weekend amid politically charged allegations of ballot-box irregularities.

Allies of fifth-time candidate Raila Odinga, who trailed in unofficial counts, accused his opponent William Ruto, the current vice president, of meddling to boost vote counts in his own strongholds.

By law, Kenya's election commission has a week to announce official results from Tuesday's balloting, which drew some 14.4 million voters. Kenya has a history of violent and tainted elections. The willingness of one side to call foul—accurately or not—could raise the risk of unrest.

"As in the last elections, a vast array of allegations have been made, most of which have not—so far—been backed up with any evidence or proof at all," said Nic Cheeseman,

professor of democracy and international development at the University of Birmingham in the U.K. and author of "How to Rig an Election."

The election has turned two former allies into bitter rivals. Mr. Odinga, who has failed to win the presidency in four previous attempts, is seen by Kenyans as continuing the political dominance of dynasties that rose to power when the East African nation broke away from Britain in 1963.

Mr. Ruto, though currently No. 2 to President Uhuru Kenyatta, has cast himself as an outsider fighting for the country's working-class "hustlers," who struggle to patch together a living.

The winning presidential candidate must receive more than 50% of the vote nationally, as well as 25% or more in at least 24 of the country's 47 counties.

If no candidate reaches that threshold, a two-way runoff must be held within 30 days.



A supporter of Raila Odinga waves a Kenyan flag in Nairobi.

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HEARD ON THE STREET: ROBINHOOD LEARNS TO NAB INTEREST INCOME B10

BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

Monday, August 15, 2022 | B1

Last Week: **S&P** 4280.15 ▲ 3.26% **S&P FIN** ▲ 5.45% **S&P IT** ▲ 2.44% **DJTRANS** ▲ 3.74% **WSJ \$IDX** ▼ 1.05% **2-YR. TREAS.** yield 3.257% **NIKKEI** 28546.98 ▲ 1.32% See more at [WSJ.com/Markets](https://www.wsj.com/Markets)

Traders Fear a Short-Lived Rally

Outlook is clouded by debate over how far into future Fed rate increases will extend

By AKANE OTANI

Stocks reached another milestone in their comeback last week, with the Nasdaq Composite rising more than 20% from its mid-June low to end its longest bear market since 2008.

The rally has stirred a familiar debate: Will the rebound continue?

Some investors are starting to believe the worst of this year's rout might be behind them. Data last week showed gauges of both consumer and producer prices falling in July, offering some hope that inflation might be at or close to a peak.

The labor market also remains robust. Employers added more than half a million jobs in July, while the unemployment rate ticked down to close to a half-century low—hardly things investors would expect to see if the economy were in or on the brink of a recession.

On the flip side, the Federal Reserve isn't done raising interest rates, leaving richly valued parts of the market vulnerable.

Much of what has surged the past several weeks is precisely what led the market lower during its punishing selloff in the first half. Meme stocks such as AMC Entertainment Holdings Inc. and Bed Bath & Beyond Inc. have climbed 107% and 111%, respectively, since markets bottomed for the year on June 16. Shares of cryptocurrency-related companies such as Coinbase Global Inc. and triple-

leveraged exchange-traded funds tracking the technology-heavy Nasdaq Composite Index have also soared.

The S&P 500 is up 17% over the same period but remains down 10% for the year.

With inflation remaining near multiyear highs, some investors worry parts of the market are in for another punishing selloff, especially if the Fed has to raise interest rates for longer than expected. When interest rates were at historic lows, investors got big returns from piling into shares of richly valued, often unprofitable companies. The fact that bond yields were so low made even the riskiest stocks—as well as other investments, like cryptocurrencies—look like an attractive proposition for many investors. Rising rates reverse that dynamic.

"I can't argue that this pace [of market gains] is going to continue," said Nancy Tengler, chief investment officer of Laffer Tengler Investments. "Whether we are in recession now or are going to be in one in the third or fourth quarter, you know economic growth is going to slow."

That means it is prudent to be even more selective about what types of companies the firm is putting money into, she said.

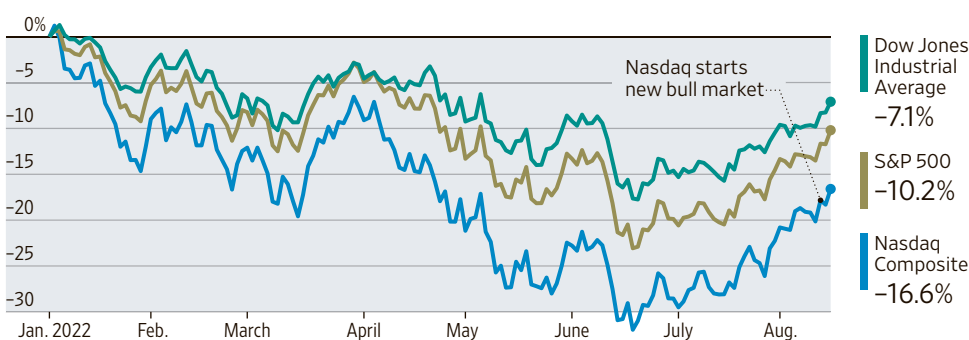
One factor that has clouded investors' outlook is debate over how far into the future the Fed will have to keep raising interest rates.

Since the Fed's July policy meeting, some investors have bet the central bank will pivot from raising interest rates to lowering them next year to boost economic activity again. That has helped spark a rebound in stock and bond prices. The 10-year U.S. Treasury yield, which falls as bond

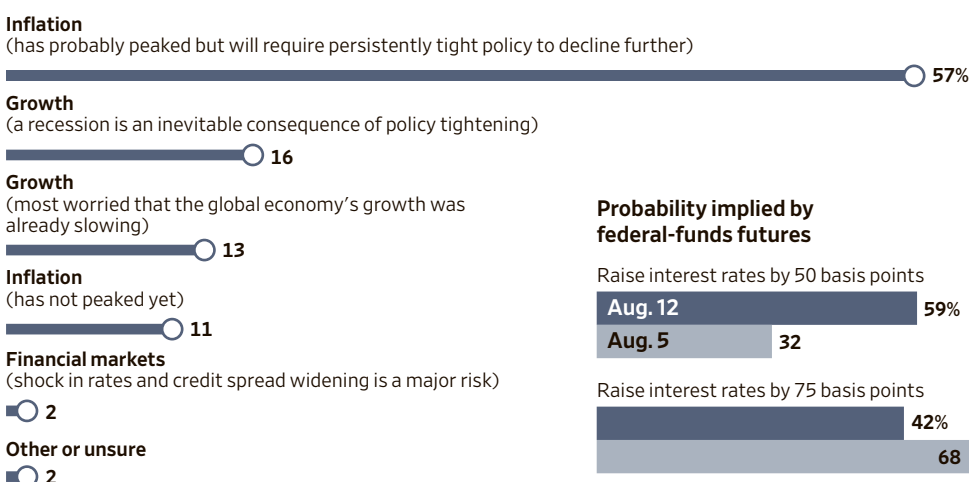
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Stocks are still down substantially for the year, but they have come well off of their mid-June lows.

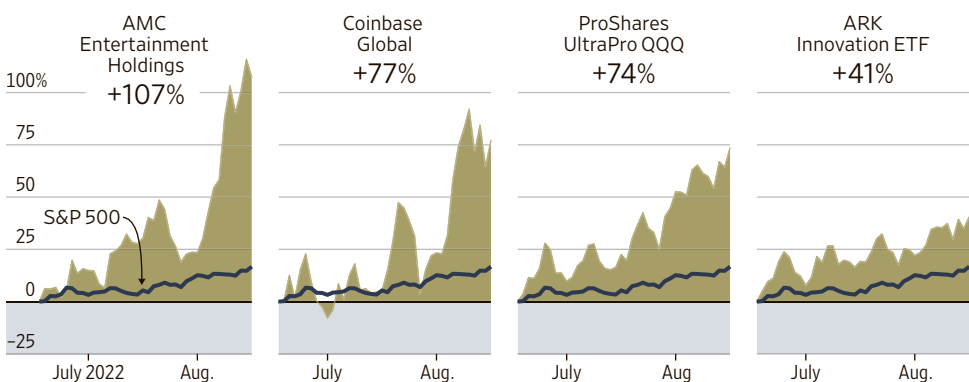
Index performance this year



What investors say is their biggest global macroeconomic concern at the moment*



Performance since S&P 500 bottomed out for the year on June 16



*Survey of fund managers in Europe, Asia and the U.S. was conducted between Aug. 5 and 10. Sources: FactSet (performance); Bank of America (survey); CME FedWatch tool (probability)

Meme Stock Investors Jump Back In

By CAITLIN MCCABE

Individual investors have waded back into the stock market after laying low through the worst of this year's selloff.

Retail investors in the last two weeks have ramped up purchases of stocks and bullish call options, helping send meme stocks, such as Bed Bath & Beyond Inc. and AMC Entertainment Holdings Inc., skyrocketing. So far in August, both stocks have logged gains of at least 68%, putting Bed Bath & Beyond on pace for its best month in history.

The excitement hasn't been limited to meme stocks. This month, small traders' purchases of bullish call options jumped to the highest level since April. Comments have also recently increased on Reddit's WallStreetBets forum, a popular online forum for amateur traders, according to TopStonks.

Individual investors have purchased an average of \$1.35 billion a day of U.S. stocks and exchange-traded funds on a net basis this month, according to Vanda Research. That puts their purchases on pace for their highest monthly average since January, the month when the recent bull market peaked.

The clamor is reminiscent of the speculative fervor that cascaded over markets in 2020 and 2021, when millions of Americans got hooked on trading stocks, options and cryptocurrencies. Stuck at home during the Covid-19 pandemic and flush with stimulus checks, newbie traders banded together on online forums, pushing up shares of favorite stocks. Some made small fortunes. Others lost big.

This month is different. For one thing, individual investors' activity is still well off the records notched last year. Fears about decades-high inflation and a possible future recession continue to loom, confounding professionals and rookies alike on where the stock market might go from here.

Patricia Steiding, a 59-year-old office manager in California, has her future retirement on her mind, and she worries about inflation eating into her savings.

Ms. Steiding scooped up shares of meme stocks like AMC and fuboTV Inc. last year. This year, when the market turned downward, she

Please turn to page B2

Wall Street Bets on Green Energy, Fossil Fuel

By AMRITH RAMKUMAR

The climate-and-energy legislation that Congress passed includes spending for both renewables startups and fossil-fuel producers—a seemingly contradictory, strategy that many on Wall Street are already pursuing.

While pouring money into projects geared toward lowering carbon emissions, Wall Street firms continue financing oil-and-gas companies through direct lending, debt underwriting or infrastructure investing. The amount of money raised through bonds and loans for green projects and by oil-and-gas companies was nearly identical at about \$570 billion last year, according to Dealogic. Although fundraising in both areas slowed during this year's mar-



Madrid-based Cepsha has drawn private-equity interest.

ket volatility, the ratio of green-to-fossil-fuel financing stayed roughly similar.

Fully avoiding fossil-fuel investments is impractical, many investors say, because oil, gas

and coal account for about 80% of the world's energy. Energy and food shortages driven by the war in Ukraine hammered home that reality while highlighting the risks of

haphazard shifts away from fossil fuels in some European countries.

The bill passed Friday by the House of Representatives appears to take a similar tack. Principal backer Sen. Joe Manchin (D., W.Va.) and others dubbed it an "all-in energy policy."

That philosophy is being reflected in many investment portfolios, even among those who want to direct money to address climate-change risks.

"The answer is not either-or," said Megan Starr, global head of impact at private-equity firm Carlyle Group Inc., which said it would work with portfolio companies such as Madrid-based Cia. Española de Petróleos SA—known as Cepsha—and Colombian oil-and-gas producer SierraCol Energy to bring down emis-

sions. "It's all of the above."

Officially part of what is called the Inflation Reduction Act, the energy spending package is expected to be signed into law by President Joe Biden this week. The legislation uses tax credits in hope of spurring investments in electric vehicles, renewable energy and batteries. Provisions supporting new oil-and-gas leases and tax credits for nascent technologies such as carbon capture and hydrogen are aimed at bolstering investments in those areas.

Republicans have said the legislation will hurt the economy. Some oil-industry trade groups criticized tax increases for leaks of methane and other provisions. The bill is seen by many as a boon for the largest fossil-fuel companies, banks

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Pension Funds Stung by Crypto Crash

By HEATHER GILLERS

Among the investors who bet on cryptocurrency over the past year are pension funds that manage public workers' retirement savings. Now those funds are navigating the crash.

A Quebec pension fund made a \$150 million equity investment in Celsius Network LLC last fall. In July, the cryptocurrency lender filed for bankruptcy protection.

A \$5 billion retirement fund serving Houston firefighters said last October it had put

\$25 million into bitcoin and ether. Since that announcement, both cryptocurrencies have fallen by more than 50%.

"Of course we would have preferred otherwise," Houston Firefighters' Relief and Retirement Fund investment chief Ajit Singh said in an email. But "volatility and large swings are expected."

Public pension funds have increasingly ventured into less traditional assets during the past two decades in response to low fixed-income yields. Unable to rely on bond returns to hit aggressive 7% investment

return targets and pay trillions of dollars in promised benefits, retirement officials have invested in private equity, real estate and even forestland.

Over the past few years, as crypto investments boomed alongside stocks during the stimulus-fueled economic recovery, some retirement-fund managers and advisers saw opportunity.

At two conferences last year, the Texas Association of Public Employee Retirement Systems held a series of panels on crypto, including one titled "Cryptocurrency in Your

Portfolio: Are Pension Systems Ready to Dive In?"

VanEck, one of the investment firms featured on the panel, has received inquiries about crypto investing from more than a dozen public pension funds around the country in the past few years, said Kyle DaCruz, director, digital assets product.

The association's executive director, Art Alfaro, called cryptocurrency "an asset class which should not be ignored."

"Our including them in our educational forums may some-

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INSIDE



BUSINESS NEWS
As travel insurance grows in popularity and more flights are canceled, claims rise. **B3**



EARNINGS
Companies catering to leisure time, from Disney to Caesars, show strong results. **B5**

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Brookfield Gains From Asset Sales

By LUIS GARCIA

Brookfield Asset Management Inc. said it has sold \$21 billion in assets since the end of the first quarter and expects to exit more investments soon, as inflation makes its infrastructure holdings more attractive.

“As we look forward, we have a number of sales processes under way and our monetization pipeline remains very strong,” Nicholas Goodman, managing partner and chief financial officer, said Thursday on an earnings call with analysts.

Interest in Brookfield’s renewable-power projects, real estate properties and other infrastructure assets increases in periods of inflation, partly because prices charged to users are adjustable, he added.

The firm said that is allowing it to reap strong returns when exiting investments, even as market volatility hits other sectors.

Asset sales since the end of the first quarter generated \$5 billion in gains, Brookfield said.

Asset sales during the period included container ports in Los Angeles, student-housing and office properties in the U.K., a toll-road portfolio in India and power-transmission lines in Brazil, according to a letter to shareholders from Chief Executive Bruce Platt.

The current market is also helping Brookfield raise capital, Mr. Platt said during the call.

“We were not the flavor of the day two years ago, but today [investors] are coming back to these types of businesses,” he said, referring to investor interest in the type of infrastructure operators Brookfield backs.

In the second quarter, Brookfield amassed a record of \$41 billion, and it has raised another \$15 billion since the quarter ended, according to a news release. The inflows helped the firm wrap up its first energy-transition fund with \$15 billion in June.

Brookfield said it also has raised roughly \$14.5 billion so far for its flagship real-estate fund and expects to close it during the third quarter.

Retail Investors Return

Continued from page B1 took a break from active trading. The best place for her extra cash, she thought? Her retirement account.

Now she feels ready to start adding positions again in her E*Trade self-directed brokerage account, and she is focused on finding beaten-down stocks that could benefit as consumers keep spending. She is considering buying shares of cruise line Carnival Corp., as well as some airline stocks.

There seems to be “a little more stability in the market,” Ms. Steiding said.

Another change from 2020 and 2021: Despite the recent rally, markets are still down for the year, preventing many investors from pouring in money in the same way they did last year. The average re-

The clamor is reminiscent of the speculative fervor of 2020 and 2021.

tail investor is sitting on a paper loss of 21% in their brokerage accounts this year, according to Vanda Research estimates as of Thursday. The S&P 500 is down 10% this year.

What’s more, some of the recent rallies in speculative investments have already fizzled. American depositary receipts of AMTD Digital, a little-known Asian fintech company that became a sensation among individual investors, finished Friday at \$192.27 after soaring to a closing peak of \$1,679 just a couple of weeks earlier.

Still, analysts say, there are other factors luring investors back in. Stock splits from companies including Amazon.com Inc. and GameStop Corp. have made it cheaper for small investors to scoop up popular stocks. Lower prices across the market have encouraged many to try to buy the dip.

Those factors may have helped lay the groundwork for individuals’ recent interest in speculative stocks, analysts say. And while some small traders have relished in the recent revival of meme-stock mania, others are instead focusing on what they believe will be longer-term wealth-building strategies.

Arian Adeli, an 18-year-old who is entering college in the



Shares of Bed Bath & Beyond are on pace for their best month in the company's history.

Netherlands, dabbled in meme stocks last year, and he is still plowing money into growth stocks and cryptocurrencies. But lately, he has also been focused on buying dividend stocks whose prices have tumbled this year—even if they aren’t the trendy investment strategy among young traders.

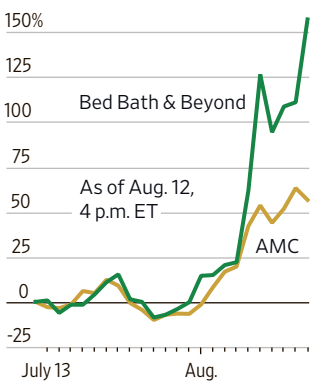
“It’s a very good opportunity to build a passive income stream,” Mr. Adeli said.

Much of the market’s recent rally—the S&P 500 has rebounded 17% since a June 16 bottom—has been driven by professional investors. Some of them have rapidly unwound bearish wagers. Other money managers are reshuffling portfolios and adding new long positions to capitalize on the recent comeback in growth stocks.

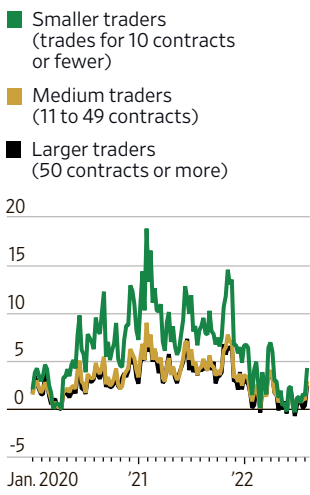
Jason Goepfert, president of Sundial Capital Research, said a more-staid approach by some individual investors could bode well for the strength of the continuing stock-market rebound, noting that frenzied sentiment among individual investors has often signaled that a rally has gone too far.

It’s a good and positive thing to see people come back into the market and that’s going to drive prices higher,” Mr. Goepfert said. “We just don’t want to see it get out of control.”

Share-price performances over the last month

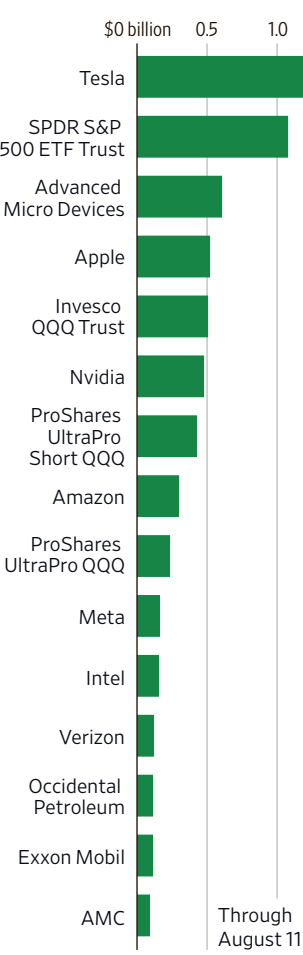


Net bullish open options volume per week*



*In millions of contracts. Includes single-stock, ETF and index options on U.S. exchanges Sources: FactSet (performance); Deutsche Bank Asset Allocation, Option Clearing Corp. (open options); Vanda Research (most purchased)

Most purchased stocks by individual investors on a net basis in August



The labor market remains robust. Employers added more than half a million jobs in July.

Traders Fear Selloff

Continued from page B1 prices rise, fell to 2.848% Friday, down from its mid-June peak of 3.482%.

Skeptics, however, warn that it might be too early to assume that the Fed will change tacks in 2023. July’s consumer-price index and producer-price index readings were good news for the markets.

And they certainly gave wind to the idea that the Fed will raise interest rates by half a point at its September meeting, instead of three-quarters of a point as initially expected.

But just one or two lower inflation readings won’t suffice in convincing the Fed that inflation is dissipating, said Nicholas Colas, co-founder of DataTrek Research.

Some factors driving inflation higher have also yet to ease. Last week’s CPI report showed grocery prices rose 13.1% in July from a year ago, the fastest pace since 1979. Housing prices also increased.

Given the way the Fed typically likes to see multiple consecutive economic readings before changing tack on policy, markets might be running ahead of themselves, Mr. Colas said.

Many investors are skeptical the recent rebound in more speculative investments will shake out differently this time.

“When something goes down 80% and then comes back up 20%, it still doesn’t

get you much,” said Rick Lear, chief investment officer of Lear Investment Management. “It’s just bouncing off its lows.

Rather than arguing semantics—whether the S&P 500 is about to break out into a bull market or is stuck in a bear market rally, or whether the economy is in a recession now or will be later—Mr. Lear said he is choosing to focus on picking companies that can weather a tough economic environment.

He is also steering clear of many of the stocks that have surged the most during the market’s comeback, wary of the possibility of being burned by stocks that appear to be trading mostly off momentum, instead of their earnings.

“This could be a real reset of the bull market,” Mr. Lear said. “But we don’t know. And it really doesn’t matter to us.”

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BUSINESS NEWS

Investment Veteran Led Deutsche Bank

By CHARLEY GRANT
AND PATRICIA KOWSMANN

Anshu Jain, a veteran investment banker who led Deutsche Bank AG during a tumultuous time in the German lender's history, has died. He was 59.

Mr. Jain has been credited with helping build Deutsche Bank's investment-banking business, making the once

OBITUARY
ANSHU JAIN
1963-2022

sleepy German bank into a global trading powerhouse.

When Mr. Jain became co-CEO in 2012 alongside Jürgen Fitschen, the investment-banking division he ran accounted for about 75% of the bank's profits.

But the bank's risk-taking and loose spending on banker bonuses backfired in the wake of the financial crisis, making Deutsche Bank a target for global regulators. The bank paid billions of dollars in fines for selling toxic mortgage-backed securities to investors and for its role in an interest-rate rigging scandal.

Mr. Jain died early Saturday after a five-year battle with cancer, his family said.

In 2015, Deutsche Bank paid about \$2.5 billion and pleaded guilty to resolve allegations that its traders tried to rig benchmark interest rates, including the London interbank offered rate. Regulators blasted the bank for misplacing or destroying evidence and not cooperating sufficiently with investigators. Mr. Jain, who was cleared of intentionally misleading regulators in the Libor probe, left Deutsche Bank shortly after.

Deutsche Bank in 2018 appointed its latest CEO, Christian Sewing, a longtime bank employee who promised to rein in risk. The investment bank Mr. Jain helped build has scaled back its ambitions.

"Anyone who worked with Anshu experienced a passionate leader of intellectual brilliance," Mr. Sewing said.

Mr. Jain was born to a mid-



MARTIN LEISS/BLOOMBERG NEWS

Anshu Jain

dle-class family in India in 1963. He earned a bachelor's degree in economics from the University of Delhi in 1983. At 20 years old, he moved to the U.S., where he earned a master's from the University of Massachusetts Amherst. Mr. Jain launched his Wall Street career at Kidder, Peabody & Co. in derivatives research. He then jumped to Merrill Lynch.

In 1995, he joined a mass exodus from Merrill Lynch to Deutsche Bank's London office, where his mentor, Edson Mitchell, was hired to build the bank's new investment bank.

Mr. Jain rose swiftly through the ranks. After Mr. Mitchell died in a plane crash in 2000, Mr. Jain was tapped to head Deutsche Bank's fixed-income business. In 2004, he was asked to help run the entire investment bank, a job he held until he became co-CEO in 2012.

In 2017, Mr. Jain landed at Cantor Fitzgerald in the newly created role of president.

Mr. Jain was an avid wildlife photographer and sportsman who enjoyed cricket and golf. He once advised business students to move around the world. "When you are a perpetual emigrant like that, you are never in your comfort zone," he said.

He is survived by his wife, Geetika, his mother, a son and a daughter.

Travel-Insurance Claims Jump

By ALICE URIBE

SYDNEY—Travel insurance is becoming more popular than ever as people get moving again. That isn't necessarily a good thing for the companies providing coverage.

Global insurers say they are selling more policies and at higher prices as travel rebounds from the pandemic, with take-up among young people particularly strong. Some insurers have expanded coverage to include epidemics and pandemics that were previously excluded, offering protection against flight cancellations, lost baggage and medical assistance overseas.

However, this shift is butting up against a travel industry that has hemorrhaged workers for two years and is experiencing major capacity constraints as it tries to ramp back up. Staffing shortfalls and training logjams are prompting some airlines to cut flights, while airports in Europe have become overwhelmed as travel demand surges.

Heathrow Airport, gateway to London, last month decided to limit the number of passengers departing the hub, requesting airlines cut flights to and from the airport. U.S. carriers including Alaska Air Group Inc. and JetBlue Air-

ways Corp. have reduced flights, partly due to shortages of staff.

Cover-More Group Ltd., a unit of Zurich Insurance Group, said a lack of flight availability is doubling claims costs to bring its customers home. Broadly, it estimates that the cost of expanding coverage to include Covid-19 now makes up 30% to 40% of overall risk costs associated with travel insurance.

Allianz SE said it is receiving more claims for post-departure problems than it had earlier in the pandemic. Around a quarter of cancellations and interruption claims are related to Covid-19, said Daniel Durazo, a spokesman for Allianz Partners, a unit of the insurer. "Operational challenges by travel suppliers have led to increased claims for travel delays and baggage issues," he said.

Another headache for insurers is inflation. Airfares have risen sharply this year as carriers seek to offset higher energy costs and employees' wage demands. Some business-class tickets are nearly twice what they cost before the pandemic. Higher fares hurt insurers when they must reimburse customers for canceled flights.

Repatriation and air-ambulance costs are significantly higher than before the pandemic, reflecting bigger fuel costs, additional regulatory requirements, and safety measures, said Cover-More.

The upshot is that travel insurance will likely be an unprofitable business line for most providers this year, said Marcos Alvarez, head of insurance at credit-rating firm DBRS Morningstar.

He thinks insurers could respond by raising prices 20% to 30% in the short term, building on increases implemented earlier this year, although it is unclear if even this would guarantee a profit. Some companies might decide to limit or charge extra for trip interruption and cancellation coverage amid the delays recently experienced by airlines worldwide.



STEVE PARSONS/PA WIRE/ZUMA PRESS

Heathrow Airport is limiting the number of departing passengers.

to data from DBRS Morning-

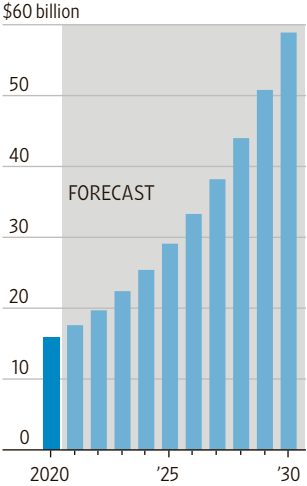
star. It now expects gross written premiums to rise to almost \$60 billion by 2030, which could translate to a higher profit for the industry if airlines and airports overcome operational stumbles.

French insurer AXA SA said most travel-insurance contracts industrywide now include Covid-19 coverage, and prices have gone up as a result. Still, it has seen the average take-up of travel insurance rise as much as 100% compared with 2019.

"As the crisis was global, lengthy and lethal, we expect this trend to continue in 2023 and maybe beyond," said Erick Morazin, senior vice president of global travel at AXA Partners, a unit of the insurer. "Travelers are very concerned by their safety and their security during their trips."

Cover-More pointed to its recent research that showed 87% of the 11 million Australians planning an overseas trip next year intend to take out travel insurance. The highest rates were among people over 60 years old, although 84% of travelers under 30 signaled they would buy policies.

Global travel insurance market size



Sources: Statista



A Weekly Look at the Daily Grind

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New Food Labels Aim to Reduce Waste

By Katie Deighton

Grocery stores are reducing their use of labels such as “best by” and “sell by,” which many customers don’t understand, in an effort meant to reduce food waste.

In the U.K., several supermarket companies this year abandoned various date labels on certain foods.

Wm. Morrison Supermarkets PLC, based in Bradford, England, in January removed “use by” dates from 90% of its own-brand milk, though the packages still carry a “best before” date. “Use by” is employed by many organizations to indicate the last date a product is safe to consume, while “best before” is an indicator of quality.

Milk is still safe to consume even after a “best before” date, the retailer said, encouraging customers to smell the milk they have at home to see if it passes the sniff test.

London-based **Marks & Spencer Group PLC**’s grocery business last month said it would scrap date labels across 300 of its fruit and vegetable lines, expanding the practice from its loose produce to items that come in packets, such as grapes. Packaged produce sold without date labels will feature a code that store workers will use to assess when to take products off the shelf, the company said.

Waitrose, the British super-



The U.S. has no federal law on date labels for food other than baby formula, making for a hodgepodge of state laws and guidance.

market owned by **John Lewis Partnership PLC**, has said it would remove “best before” dates from nearly 500 fresh produce items starting in September. Waitrose hopes customers will use their judgment when assessing freshness, rather than throwing away produce purely because it’s past its so-called best, said Ben Thomas, senior manager for sustainability and ethics, environment and food waste at John Lewis Partnership.

The U.K. requires food businesses to use the terms “best before” or “use by” on most pre-packed food products.

The U.S. has no federal law

on date labels for food other than baby formula, making for a hodgepodge of state laws and guidance. But federal agencies, trade groups and politicians are pushing for companies to stop using a range of labels with unclear meanings—from “enjoy by” to “expires on”—and instead come up with common standards, said Emily Broad Leib, founding director at Harvard Law School’s Food Law and Policy Clinic.

Some analysts said getting rid of date labels could backfire.

Labeling helps customers quickly scan for the freshest

items on the shelf, and easily keep track of the oldest and newest items in their fridges, said Andrew Busby, founder of U.K.-based retail-analyst firm Retail Reflections. Consumers without information about an item’s freshness may be pushed to shop elsewhere, he said.

“Consumers now more than ever need as much help and information as they can get from supermarkets, and this seems to be withdrawing something from them,” Mr. Busby said.

But other retail executives said simplifying date labeling would clear up confusion among people who unnecessarily toss food because they

assume anything past a printed date is unsafe to eat.

Research published in 2016 by the Harvard Food Law and Policy Clinic found 84% of consumers always or occasionally throw away food when it reaches a date printed on the label. Only 67% knew that “best by” dates are indicators of a food’s quality and freshness; 15% thought they are a food safety indicator and 12% thought they are for store staff.

The U.S. Food and Drug Administration in 2019 in a letter urged the food industry to adopt a single, standardized “best if used by” label on items that are safe to consume

even when their taste or smell may have deteriorated.

The Consumer Goods Forum, a global trade group, in 2017 similarly recommended that retailers and food producers go with a quality date for nonperishable items, such as “best if used by,” or an expiration date for perishable items, such as “use by.” The organization doesn’t track member companies’ progress on such calls to action, said Ignacio Gavilan, its sustainability director.

Walmart Inc., a member of the group, said about 91% of its private-label food sales come from items carrying “best if used by” or “use by” labels, up from 84% in 2020 and 70% in 2016.

U.S. lawmakers have long sought to pass legislation to simplify and standardize date labeling. The latest, the bipartisan Food Date Labeling Act introduced last year by Rep. Chellie Pingree (D., Maine), would mandate that manufacturers label foods with either a quality-assuring “best if used by” or a safety-oriented “use by” date.

“There’s a worry about Congress getting involved in labeling, and it being kind of a slippery slope leading to requirements on other things as well,” Harvard’s Ms. Broad Leib said. But the amount of companies paring back or clarifying their date labels of their own accord suggests a business case for doing so, she said.

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THE TICKER | MARKET EVENTS COMING THIS WEEK



Home Depot, which issues its quarterly report Tuesday, is expected to post earnings per share of \$4.95.

Monday			
Empire Manufacturing			
Jul, previous	11.1		
Aug., expected	5.0		
Earnings expected			
Estimate/Year Ago			
Thoughtworks Holding	0.11/n.a.		
Tuesday			
Building permits			
June, previous	1.685 mil.		
Jul., expected	1.700 mil.		
Capacity utilization			
June, previous	80.0%		
Jul., expected	80.2%		
Housing starts			
June, previous	1.559 mil.		
Jul., expected	1.500 mil.		
Industrial production			
June, previous			
	down 0.2%		
Jul., expected	up 0.3%		
Earnings expected			
Estimate/Year Ago			
Agilent Technologies	1.20/1.10		
Elbit Systems	1.88/2.30		
Home Depot	4.95/4.53		
Jack Henry & Associates	1.00/1.04		
Lumentum Holdings	1.33/1.06		
Walmart	1.62/1.78		
Wednesday			
Business inventories			
May, previous	up 1.4%		
Jun., expected	up 1.4%		
EIA status report			
Previous change in stocks in millions of barrels			
Crude-oil stocks	up 5.5		
Gasoline stocks			
	down 5.0		
Distillates	up 2.2		
Mort. bankers indexes			
Purch., previous			
	down 1.0%		
Refinan., prev.	up 4.0%		
Retail sales, ex. autos			
Jun., previous	up 1.0%		
Jul., expected	n.a.		
Retail sales	1.88/2.30		
Jun., previous	up 1.0%		
Jul., expected	up 0.1%		
Earnings expected			
Estimate/Year Ago			
Analog Devices	2.43/1.72		
Cisco Systems	0.82/0.84		
Lowe’s Cos.	4.59/4.25		
Synopsis	1.99/1.81		
Target	0.79/3.64		
TJX Cos.	0.67/0.79		
Thursday			
EIA report: natural gas			
Previous change in stocks in billions of cubic feet			
	up 44		
Existing home sales			
Jun., previous	5.12 mil.		
Jul., expected	4.80 mil.		
Initial jobless claims			
Previous	262000		
Expected	265000		
Leading indicators			
Jun., previous	down 0.8%		
Jul., expected			
	down 0.5%		
Philadelphia Fed survey			
Jul., previous	-12.3		
Aug., expected	-4.5		
Earnings expected			
Estimate/Year Ago			
Applied Materials	1.78/1.90		
Bill.com Holdings	(0.14)/(0.07)		
BJ’s Wholesale Club Holdings	0.79/0.82		
Estee Lauder Cos.	0.33/0.78		
Ross Stores	1.01/1.39		
Tapestry	0.77/0.74		
Friday			
Earnings expected			
Estimate/Year Ago			
Deere & Co.	6.65/5.32		
Foot Locker	0.85/2.21		

* 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

Freight Forwarder DSV Plans U.S. Acquisition Push

By Paul Berger

DSV AS is pursuing more business in the U.S. as the acquisition-focused freight forwarder consolidates its power among the world’s largest supply-chain companies.

The Danish forwarder has been among the most aggressive in the shipping sector in buying and integrating underperforming peers in the fragmented market for managing the freight transportation and logistics behind global trade.

Chief Executive Jens Bjørn Andersen has declined to comment on recent reports by Reuters that DSV is turning its attention to the global forwarding arm of C. H. Robinson Worldwide Inc., the largest freight middleman in the U.S. with more than \$23 billion in revenue last year. But he made clear in an interview this month at DSV’s headquarters outside Copenhagen that DSV has big ambitions and the U.S. market is a key target. “If you go fishing, you want to catch the biggest fish,” he said.

Mr. Andersen, 56 years old, became chief executive in 2008. The firm has grown through a series of multibillion-dollar acquisitions from the 10th largest forwarder in the world with 2010 revenue of \$7.6 billion to the third-largest in its sector with revenues last year of \$29 billion, according to research group Armstrong & Associates Inc.

Switzerland-based **Kuehne + Nagel International AG** and

DHL Supply Chain & Global Forwarding, a division of Deutsche Post DHL, ranked first and second, respectively. DSV kicked its growth strategy into gear in 2016 with the purchase of UTI Worldwide Inc., a U.S.-based contract logistics specialist with the largest share of its business in Europe, the Middle East and Africa, in a deal valued at \$1.35 billion. It bolstered its reach in the Asia-Pacific and the Middle East by buying the logistics division of Agility Public Warehousing Co.

The Danish firm has been aggressive in buying peers in the fragmented market.

in 2021 for about \$4 billion.

DSV’s biggest deal came in 2019 with the all-stock acquisition of Swiss logistics company Panalpina Welttransport Holding, then among the world’s top 10 ocean and air forwarders, for an enterprise value equivalent to about \$5.5 billion.

DSV’s workforce has grown some 61% over the past four years to 76,000 people.

“We are one of the largest in the world,” Mr. Andersen said. “But we are super humble about that. Our market share is still below 5%.”

DSV, like many of its peers, sees signs the freight market

is softening. It recently forecast that profits for the second half of 2022 will be lower than for the first half, the reverse of a typical cycle.

“We are in doubt to a great degree what the next six to 12 months will look like,” Mr. Andersen said.

Company officials say they are prepared for a down cycle and note they aren’t weighed down like ocean carriers with large capital costs.

C.H. Robinson’s global forwarding unit would be a big catch. The Minneapolis-based company last year was the second-largest forwarder by volume in the trans-Pacific ocean trade lane that carries imports to the U.S. from Asia, according to Panjiva, a unit of S&P Global Market Intelligence.

DSV’s ambitions are growing as shipping firms continue to reap profits from a global surge in cargo movements sparked by the pandemic.

DSV officials stress they could pursue acquisitions anywhere in the world so long as the target brings them more business tied to the U.S.

Gross revenues for international transportation management firms in the U.S. grew 75% in 2021 from the prior year, said Evan Armstrong, president of research group Armstrong & Associates.

“Just coming up with a price right now is a sticking point because valuations are so high,” he said. “Valuations are probably only going to come down from here.”

BUSINESS & FINANCE

Leisure Companies See Money Flow In

Businesses report strong results as consumers splurge on travel, entertainment

By Will Feuer
and Kathryn Hardison

Americans are splurging on summer travel and entertainment, putting money toward experiences outside of the homes where they spent the early years of the pandemic. Last week a range of businesses that cater to leisure time reported strong results. Hotel chains said tourists are shelling out top dollar for rooms, and cruise lines posted records in onboard spending. Theme parks said sales per visitor hit highs and casinos reported rising slot-machine gambling in Las Vegas. Pent-up demand and new-found wanderlust after being stuck at home during the pandemic is fueling big spending on vacations, said **Marriott International** Inc. finance chief Leeny Oberg recently. “We are not seeing any signs of any demand pullback at this point,” she said. “People want to get out there and travel.” Lodging companies reported strong revenue figures

for the recently ended quarter, as governments worldwide removed some of the remaining Covid-19 travel restrictions and people flocked to domestic and international cities and resorts. Executives said guests are willing to spend more than ever before on hotel rooms, even as they feel the sting of inflation across other household expenses. “We’re seeing pricing on luxury and lifestyle we’ve never seen before as an industry,” said Keith Barr, chief executive of **InterContinental Hotels Group** PLC. He added consumers might be cutting spending elsewhere to afford their long-awaited summer vacations. “They may decide not to buy a new television, but they are going to take their kids on holiday for the summer,” he said. Axel Hefer, CEO of travel-booking platform **Trivago** NV, said Americans are indulging in big trips this summer. “You’ve been telling your kids for two years that you’ll take them to Disneyland; at some time you need to actually take them to Disneyland,” he said. Mr. Hefer said he expects Americans to be more frugal with their summer 2023 travel planning.

The cost-saving potential of vacation rentals boosted their popularity in recent months, according to **Vacasa**, a vacation-rental management service provider. The company said this category of accommodation is well-positioned to weather demand or inflation challenges because vacation rentals can cost less than hotels. Chief Financial Officer Jamie Cohen said guests share rentals with friends or make dinner at their vacation home instead of dining out to save money. The CEOs of **Hilton Worldwide Holdings** Inc. and **Hyatt Hotels** Corp. said the return of business travel and group trips will drive demand for rooms even higher, while leisure travel levels could remain high for years. “This is not something that’s a flash in the pan,” Hyatt CEO Mark Hoplamazian said. “Our customer base is rock solid.” James Risoleo, CEO of **Host Hotels & Resorts** Inc., said the company is seeing strong demand from leisure travelers extending into the Thanksgiving and Christmas holidays, driven by demand for its resorts in the Sunbelt and Maui. “That stat in and of itself gives us comfort that there’s not going to be the pullback in



Disney said its recent quarter was the best ever for sales in its parks. A Magic Kingdom parade.

consumer spending at our resort properties that some folks have talked about,” he said. **Walt Disney** Co. said its recent quarter was the best ever for sales in its parks, experiences and products division, which includes Disneyland, Walt Disney World and four resorts in Europe and Asia. “Demand has not abated” at the parks, Disney Chief Financial Officer Christine McCarthy said. While attendance for the summer quarter failed to top prepandemic levels, **SeaWorld Entertainment** Inc. and **Cedar Fair** LP said spending per guest hit all-time highs. **Six Flags Entertainment** Corp. said attendance fell 22%

from a year ago. The visitors who came spent more, with per-capita spending up more than 50% from prepandemic levels, the company said. “They’re choosing the brisケット rather than the burger,” Cedar Fair CEO Richard Zimmerman said. **Norwegian Cruise Line Holdings** Ltd. similarly saw its “highest ever onboard revenue generation,” according to CEO Frank Del Rio. Still, the company posted a wider-than-expected loss, as well as disappointing overall revenue, and said it expects to post another loss in the current quarter. Casinos and resorts in Las Vegas have been bustling this

summer as leisure and business travelers return to slot machines. **Wynn Resorts** Ltd. said slot handle, the industry term for the amount wagered, in its recent quarter rose 63% above 2019 levels. **Caesars Entertainment** Inc. saw 97% occupancy in Las Vegas last quarter, and forward bookings show continued demand on the horizon. People over the age of 55 are returning to Vegas at levels not seen since before the pandemic, and there is a noticeable uptick in international travelers, says CEO Thomas Reeg. “There are not strong enough words to convey how well it’s going in Vegas for us,” he said.

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Affirm CEO Aims to Prove Fintech Doubters Wrong

By AnnaMaria Andriotis

Max Levchin says the market is wrong about **Affirm Holdings** Inc., the buy now, pay later company he co-founded a decade ago. It might just take a recession to prove it. Affirm’s stock is down 77% since hitting its peak in November, compared with a 9% decline in the S&P 500 during the same period. Investors are worried about future costs of borrowing, growing competition and whether Affirm’s borrowers will fall behind on payments during a downturn. The company’s total valuation stands at about \$11 billion, down from a peak of \$47 billion. Mr. Levchin is confident Affirm has safely cracked the code to underwriting more consumers than banks would. Like many lenders, Affirm tightened underwriting standards early in the pandemic. Last year, the company began loosening them. “I can swear on a stack of Bibles or your preferred book of choice, until we get through a full recession, I will get partial credit when I show the numbers that I said I will,” he said in a June interview with The Wall Street Journal. “But once we’re back in a rapidly expanding economy and we’re still here, still lending money, still controlling our delinquencies, I think I’ll get full recognition.” Affirm is one of the largest buy now, pay later companies in the U.S., offering payment plans that enable consumers to divide the cost over time

for purchases big and small, including makeup, clothing, furniture, travel and workout equipment. Walmart Inc. and Amazon.com Inc. are among the hundreds of thousands of merchants that offer Affirm plans to shoppers. Unlike credit cards, buy now, pay later plans are for a specific item, and the payments have a clear end date. Some plans don’t charge interest, helping to fuel a rise in their popularity over the past few years. Affirm said it doesn’t charge late fees. Affirm grew rapidly in recent years while touting its ability to approve more people who might be shut out by traditional lenders, including those with limited or no credit histories. The stock closed Friday at \$39.19, up from a low of \$14.63 in May but well below its peak of \$168.52 in November. Mr. Levchin said investors are lumping in his company with other fairly new fintechs despite big differences in their overall lending models. Affirm underwrites consumers based partly on their credit reports and scores. It also analyzes other information, including where they are shopping and what they are trying to buy. Items such as jewelry are potentially more prone to fraud, because a buyer could resell it at a profit and then default on the loan. Furniture and other big items that are used every day tend to be lower risk. The company typically charges merchants higher fees if they want Affirm to approve somewhat-riskier consumers.



CEO Max Levchin said Affirm remains committed to the same broad vision the company had when it launched: to chip away at credit-card use.

Those who miss a payment on an Affirm plan typically can’t be approved for another one until they have caught up. Riskier borrowers or those financing an expensive item can be required to make a down payment on an Affirm loan, but others can walk away with a new mattress for \$0 down. Affirm has been offering more payment plans for small-ticket purchases. That move, as well as easing underwriting standards since last year, helped increase Affirm’s volume growth—and placed the company at the center of

mounting concern regarding consumer credit. While missed consumer-loan payments overall have hovered near record lows for much of the pandemic, they recently began rising at a sizable clip at Affirm and other fintech lenders. “I think the biggest ill in this world is revolving credit,” Mr. Levchin said.

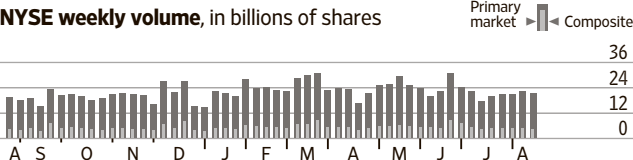
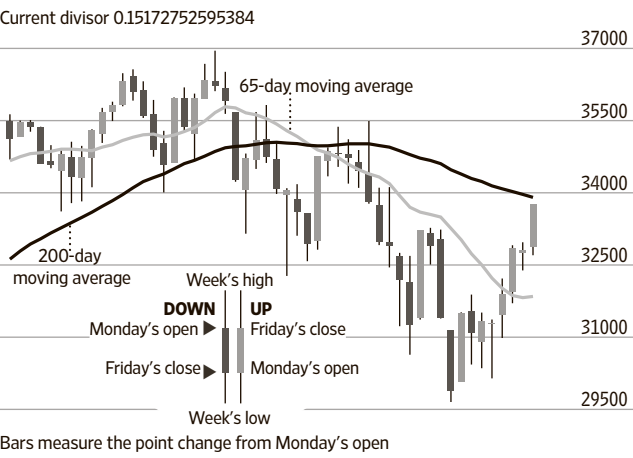
Rising interest rates are another challenge. Because Affirm isn’t a bank, it can’t fund itself with deposits. Instead, it relies on securitization deals, warehouse lines mostly from banks and selling loans to a range of investors, including insurance companies and asset managers. About 20% of its funding has variable interest rates, the company said. Cushioning the impact of rising rates and delinquencies is that most of its payment plans are short-term, according to Affirm. They range from six weeks to five years, but average five months.

The stakes are high if delinquencies surge. Affirm borrows from roughly 20 banks, pension funds and other companies, and its most-conservative lenders generally require that its three-month average for payments that are late by at least 30 days doesn’t exceed 6%. That figure was around 2% as of May, up from roughly 1% during its 2021 fiscal year, and in line with where it was prepandemic. That is “my primary thing that I watch like a hawk,” Mr. Levchin said. Competitors include Afterpay, Klarna Bank AB and PayPal Holdings Inc. Some big banks have introduced programs that look like installment plans. Mr. Levchin said Apple Inc.’s recent decision to enter the sector confirms that these types of payment plans will gain more traction. Affirm remains committed, Mr. Levchin said, to the same broad vision it had when it launched: to chip away at credit-card use. “I think the biggest ill in this world is revolving credit,” he said. A slowdown in retail sales could pose another challenge, especially since buy now, pay later firms often charge merchants higher fees than credit-card companies do. Merchants also have to pay more to offer Affirm payment plans that charge no interest, especially when rates are rising. Mr. Levchin said merchants and manufacturers will continue to want the Affirm plans as a way to boost their sales. “In a recession,” he said, “0% is very attractive.”

MARKETS DIGEST

Dow Jones Industrial Average

33761.05 ▲957.58, or 2.92% last week
High, low, open and close for each of the past 52 weeks
Last Year ago
Trailing P/E ratio 19.90 24.21
P/E estimate * 17.90 19.50
Dividend yield 2.11 1.80
All-time high 36799.65, 01/04/22



*Weekly P/E data based on as-reported earnings from Biriiny Associates Inc.; *Based on Nasdaq-100 Index

Major U.S. Stock-Market Indexes

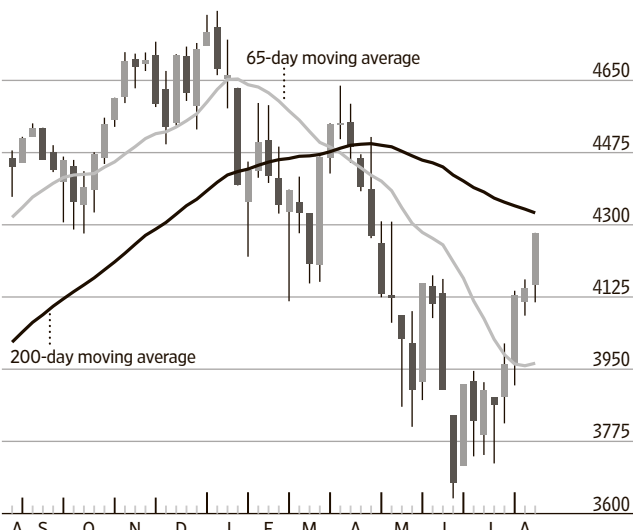
	High	Low	Latest Week Close	Net chg	% chg	Low	52-Week Close (●)	High	% chg	YTD	3-yr. ann.
Dow Jones											
Industrial Average	33767.09	32702.66	33761.05	957.58	2.92	29888.78		36799.65	-4.9	-7.1	9.2
Transportation Avg	15289.51	14486.69	15146.70	545.65	3.74	12868.60		17039.38	-1.5	-8.1	14.7
Utility Average	1041.83	1010.10	1041.56	27.60	2.72	869.74		1071.75	11.0	6.2	8.1
Total Stock Market	43210.55	41417.82	43209.34	1434.21	3.43	36759.60		48929.18	-6.6	-11.2	13.5
Barron's 400	994.13	948.25	994.13	41.33	4.34	852.16		1127.2	-4.0	-10.1	15.0
Nasdaq Stock Market											
Nasdaq Composite	13047.19	12438.86	13047.19	389.63	3.08	10646.10		16057.44	-12.0	-16.6	18.4
Nasdaq-100	13565.87	12945.60	13565.87	358.18	2.71	11127.57		16573.34	-10.4	-16.9	21.5
S&P											
500 Index	4280.47	4112.09	4280.15	134.96	3.26	3666.77		4796.56	-4.2	-10.2	14.1
MidCap 400	2615.01	2490.72	2615.01	110.73	4.42	2200.75		2910.7	-4.3	-8.0	11.8
SmallCap 600	1287.80	1224.07	1287.80	48.40	3.91	1087.48		1466.02	-4.6	-8.1	11.8
Other Indexes											
Russell 2000	2016.62	1904.97	2016.62	94.79	4.93	1649.84		2442.74	-9.3	-10.2	10.5
NYSE Composite	15805.77	15225.20	15804.38	531.15	3.48	14097.05		17353.76	-6.3	-7.9	7.9
Value Line	596.74	568.01	596.74	23.91	4.17	510.18		696.4	-10.3	-11.2	5.8
NYSE Arca Biotech	5145.88	4966.17	5051.63	-45.16	-0.89	4208.43		6019.57	-13.0	-8.5	3.7
NYSE Arca Pharma	809.81	795.03	805.39	4.28	0.53	732.23		887.27	1.4	-2.6	11.6
KBW Bank	114.88	107.74	114.86	6.30	5.80	98.36		147.56	-11.6	-13.1	7.5
PHLX [®] Gold/Silver	113.60	108.68	111.62	3.62	3.35	100.65		167.76	-17.5	-15.7	5.6
PHLX [®] Oil Service	69.49	63.79	69.47	5.433	8.48	48.31		88.37	30.9	31.8	2.2
PHLX [®] Semiconductor	3072.32	2832.61	3067.84	14.45	0.47	2458.46		4039.51	-8.0	-22.3	28.5
Cboe Volatility	22.34	19.12	19.53	-1.62	-7.66	15.01		36.45	26.4	13.4	-2.5

[®]Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

S&P 500 Index

4280.15 ▲134.96, or 3.26% last week
High, low, open and close for each of the past 52 weeks
Last Year ago
Trailing P/E ratio * 22.75 31.31
P/E estimate * 18.69 22.29
Dividend yield * 1.54 1.32
All-time high 4796.56, 01/03/22



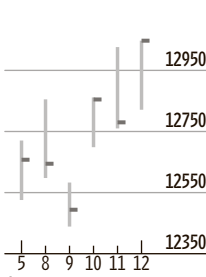
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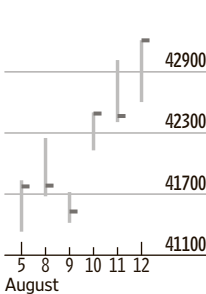
Nasdaq Composite

▲ **389.63**, or 3.08% last week



DJ US TSM

▲ **1434.21**, or 3.43% last week



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.

Lockup expiration	Issue date	Issuer	Symbol	Offer price(\$)	Offer amt (\$ mil.)	Through Friday (%)	Lockup provision
Aug. 16	Feb. 17, '22	Blue Water Vaccines	BWV	9.00	20.0	-73.6	180 days

Sources: Dealogic; Dow Jones Market Data

IPO Scorecard

Performance of IPOs, most-recent listed first

Company	SYMBOL	IPO date/Offer price	Friday's close (\$)	% Chg From Offer price	1st-day close	Company	SYMBOL	IPO date/Offer price	Friday's close (\$)	% Chg From Offer price	1st-day close
CopHousing Grp	CHG	Aug. 12/\$4.00	3.70	-7.5	...	Mobile Global Esports	MGAM	July 29/\$4.00	3.84	-4.0	-65.7
Forza X1	FRZA	Aug. 12/\$5.00	7.49	49.8	...	ECB Bancorp	ECBK	July 28/\$10.00	14.04	40.4	-0.4
Reborn Coffee	REBN	Aug. 12/\$5.00	4.80	-4.0	...	MAIA Biotechnology	MAIA	July 28/\$4.00	4.97	24.3	11.4
Hainan Manaslu Acquisition	HMACU	Aug. 11/\$10.00	10.00	Virax Biolabs Grp	VRAX	July 21/\$5.00	6.88	37.6	-62.2
Treasure Global	TGL	Aug. 11/\$4.00	8.40	110.0	-52.9	Intelligent Living Application Grp	ILAG	July 13/\$4.00	2.72	-32.0	-55.6
Embrace Change Acquisition	EMCGU	Aug. 10/\$10.00	10.04	0.4	0.1	Ivanhoe Electric	IE	June 28/\$11.75	9.94	-15.4	-8.0
Magic Empire Global	MEGL	Aug. 5/\$4.00	8.22	105.5	-91.5	SK Growth Opportunities	SKGRU	June 24/\$10.00	10.00	-0.0	0.8
Pono Capital Two	PTWOU	Aug. 5/\$10.00	10.05	0.5	0.2	Golden Sun Edu Grp	GSUN	June 22/\$4.00	48.43	1110.8	197.1
Mobiv Acquisition	MOBVU	Aug. 4/\$10.00	10.05	0.5	0.1	Feutune Light Acquisition	FLFVU	June 16/\$10.00	10.05	0.5	1.1
Brush Oral Care	BRSH	Aug. 3/\$4.16	1.85	-55.5	-14.0	Heart Test Laboratories	HSCS	June 15/\$4.25	2.98	-29.9	75.3

Sources: Dow Jones Market Data; FactSet

Public and Private Borrowing

Treasuries

Monday, August 15	Thursday, August 18
Auction of 13 and 26 week bills; announced on August 11; settles on August 18	Auction of 4 and 8 week bills; announced on August 16; settles on August 23
Wednesday, August 17	
Auction of 20 year bond; announced on August 11; settles on August 31	

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 gained 957.57 points, or 2.92%, 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 \$28,269, or a loss of 5.77%, on the \$30,000 investment, including reinvested dividends.

The Week's Action				\$1,000 Invested (year-end '21)		
Pct chg (%)	Stock price	Point chg in average	Company	Symbol	Close	\$1,000
14.01	14.94	98.47	Walt Disney	DIS	\$121.57	\$785
8.62	4.44	29.26	Dow	DOW	55.93	1,008
7.93	12.60	83.04	Travelers	TRV	171.56	1,108
6.18	11.45	75.46	Caterpillar	CAT	196.84	968
5.72	19.15	126.21	Goldman Sachs	GS	353.82	936
5.50	6.37	41.98	JPMorgan Chase	JPM	122.13	789
5.29	8.33	54.90	American Express	AXP	165.84	1,023
4.47	8.60	56.68	Honeywell	HON	200.87	978
4.46	5.64	37.17	Walmart	WMT	132.22	925
4.13	3.61	23.79	Merck	MRK	91.02	1,208
4.10	1.60	10.55	Walgreens	WBA	40.59	795
4.08	6.75	44.49	Apple	AAPL	172.10	973
4.04	6.21	40.93	Chevron	CVX	159.85	1,388
3.55	1.60	10.55	Cisco	CSCO	46.61	752
3.28	4.83	31.83	3M	MMM	152.24	874
3.18	9.00	59.32	Microsoft	MSFT	291.91	872
3.00	4.95	32.62	Boeing	BA	169.99	844
2.03	0.72	4.75	Intel	INTC	36.11	720
1.93	2.20	14.50	Nike	NKE	116.07	700
1.68	5.20	34.27	Home Depot	HD	314.89	768
1.61	8.64	56.94	UnitedHealth Group	UNH	543.70	1,090
1.35	1.95	12.85	Procter & Gamble	PG	146.67	912
1.15	1.53	10.08	IBM	IBM	134.01	1,040
1.14	2.95	19.44	McDonald's	MCD	262.18	989
0.87	2.14	14.10	Amgen	AMGN	248.39	1,123
0.50	0.32	2.11	Coca-Cola	KO	63.70	1,092
0.44	0.20	1.32	Verizon	VZ	45.15	901
-0.15	-0.28	-1.85	salesforce.com	CRM	189.89	747
-2.10	-4.54	-29.92	Visa	V	211.33	980
-3.40	-5.81	-38.29	Johnson & Johnson	JNJ	165.30	979

*Based on Composite price. DJIA is calculated on primary-market price. Source: Dow Jones Market Data; FactSet.

International Stock Indexes

Region/Country	Index	Close	Latest Week % chg	Low	52-Week Range	High	YTD % chg
World	MSCI ACWI	657.57	2.82	584.55	<div><div></div><div></div><div></div><div></div><div></div></div>	758.86	-12.9
	MSCI ACWI ex-USA	290.33	2.01	266.69	<div><div></div><div></div><div></div><div></div><div></div></div>	357.80	-15.7
	MSCI World	2834.51	3.00	2485.77	<div><div></div><div></div><div></div><div></div><div></div></div>	3248.12	-12.3
	MSCI Emerging Markets	1016.83	1.39	961.85	<div><div></div><div></div><div></div><div></div><div></div></div>	1325.65	-17.5
Americas	MSCI AC Americas	1631.73	3.36	1399.48	<div><div></div><div></div><div></div><div></div><div></div></div>	1836.68	-10.7
Canada	S&P/TSX Comp	20179.81	2.85	18329.06	<div><div></div><div></div><div></div><div></div><div></div></div>	22087.22	-4.9
Latin Amer.	MSCI EM Latin America	2259.19	5.34	1912.59	<div><div></div><div></div><div></div><div></div><div></div></div>	2761.97	6.1
Brazil	BOVESPA	112764.26	5.91	96120.85	<div><div></div><div></div><div></div><div></div><div></div></div>	121570.15	7.6
Chile	S&P IPSA	3324.62	3.50	2631.83	<div><div></div><div></div><div></div><div></div><div></div></div>	3360.42	18.5
Mexico	S&P/BMV IPC	48853.37	4.56	46657.88	<div><div></div><div></div><div></div><div></div><div></div></div>	56609.54	-8.3
EMEA	STOXX Europe 600	440.87	1.18	400.68	<div><div></div><div></div><div></div><div></div><div></div></div>	494.35	-9.6
	STOXX Europe 50	3666.47	0.69	3361.90	<div><div></div><div></div><div></div><div></div><div></div></div>	3866.60	-4.0
Eurozone	Euro STOXX	417.11	1.49	373.07	<div><div></div><div></div><div></div><div></div><div></div></div>	487.72	-12.9
	Euro STOXX 50	3776.81	1.38	3359.83	<div><div></div><div></div><div></div><div></div><div></div></div>	4401.49	-12.1
Austria	ATX	3087.54	2.09	2762.36	<div><div></div><div></div><div></div><div></div><div></div></div>	4057.59	-20.0
Belgium	Bel-20	3844.21	2.16	3647.22	<div><div></div><div></div><div></div><div></div><div></div></div>	4402.32	-10.8
France	CAC 40	6553.86	1.26	5794.96	<div><div></div><div></div><div></div><div></div><div></div></div>	7376.37	-8.4
Germany	DAX	13795.85	1.63	12401.20	<div><div></div><div></div><div></div><div></div><div></div></div>	16271.75	-13.2
Greece	Athex Composite	878.76	3.48	779.20	<div><div></div><div></div><div></div><div></div><div></div></div>	971.09	-1.6
Israel	Tel Aviv	2042.21	4.36	1700.69	<div><div></div><div></div><div></div><div></div><div></div></div>	2071.10	3.2
Italy	FTSE MIB	22970.73	1.70	20554	<div><div></div><div></div><div></div><div></div><div></div></div>	28163	-16.0
Netherlands	AEX	725.76	0.42	635.75	<div><div></div><div></div><div></div><div></div><div></div></div>	827.57	-9.0
Portugal	PSI 20	6167.77	1.50	5213.55	<div><div></div><div></div><div></div><div></div><div></div></div>	6349.21	10.7
Russia	RTS Index	1116.32	4.10	742.91	<div><div></div><div></div><div></div><div></div><div></div></div>	1919.58	-30.0
South Africa	FTSE/JSE All-Share	70731.32	1.74	61453.42	<div><div></div><div></div><div></div><div></div><div></div></div>	77536.12	-4.0
Spain	IBEX 35	8400.40	2.85	7644.6	<div><div></div><div></div><div></div><div></div><div></div></div>	9182.6	-3.6
Sweden	OMX Stockholm	822.38	2.49	733.43	<div><div></div><div></div><div></div><div></div><div></div></div>	1045.27	-20.7
Switzerland	Swiss Market	11128.24	0.05	10451.31	<div><div></div><div></div><div></div><div></div><div></div></div>	12970.53	-13.6
U.K.	FTSE 100	7500.89	0.82	6903.91	<div><div></div><div></div><div></div><div></div><div></div></div>	7672.40	-1.6
Asia-Pacific	MSCI AC Asia Pacific	163.08	1.45	154.1	<div><div></div><div></div><div></div><div></div><div></div></div>	207.2	15.6
Australia	S&P/ASX 200	7032.50	0.24	6433.4	<div><div></div><div></div><div></div><div></div><div></div></div>	7628.9	-5.5
China	Shanghai Composite	3276.89	1.55	2886.43	<div><div></div><div></div><div></div><div></div><div></div></div>	3715.37	-13.0
Hong Kong	Hang Seng	20175.62	-0.13	18415.08	<div><div></div><div></div><div></div><div></div><div></div></div>	26391.62	-10.8
India	S&P BSE Sensex	59462.78	1.84	51360.42	<div><div></div><div></div><div></div><div></div><div></div></div>	61765.59	2.1
Japan	NIKKEI 225	28546.98	1.32	24717.53	<div><div></div><div></div><div></div><div></div><div></div></div>	30670.10	-0.9
Malaysia	FTSE Bursa Malaysia KLCI	1506.19	0.31	1411.32	<div><div></div><div></div><div></div><div></div><div></div></div>	1618.54	-3.9
Singapore	Straits Times	3269.27	-0.41	3041.29	<div><div></div><div></div><div></div><div></div><div></div></div>	3445.01	4.7
South Korea	KOSPI	2527.94	1.49	2292.01	<div><div></div><div></div><div></div><div></div><div></div></div>	3207.02	-15.1
Taiwan	TAIEX	15288.97	1.68	13950.62	<div><div></div><div></div><div></div><div></div><div></div></div>	18526.35	-16.1

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-ends 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.

Source: Lipper

Friday, August 12, 2022

Fund (SYM)	NAV	Close	Prem	52 wk	Ti	Ret
			Disc			
General Equity Funds						
Adams Diversified Eq Inc	ADY	20.25	17.29	-14.6	-2.6	
Central Secs	CET	NA	38.46	NA	-1.3	
CohenStersCEOppFnd	FOF	12.13	12.34	+1.7	-9.7	
EVTXAdvDivIncm	EVT	NA	26.44	NA	-0.4	
GabelliDiv&InclTr	GDV	26.05	23.14	-11.2	-9.5	
Gabelli Equity Tr	GAB	5.60	6.43	+14.8	5.1	
General Amer	GAM	47.24	39.85	-15.6	-2.5	
JHancodStarAdvDiv	HTD	26.19	25.51	-2.6	6.2	
Liberty All-Star Equity	USA	6.63	6.90	+4.1	-9.2	
Liberty All-Star Growth	ASG	6.08	6.90	+13.5	-10.0	
Royce Micro-Cap Tr	RMT	10.98	9.84	-10.4	-5.8	
Royce Value Trust	RVT	16.90	16.36	-3.2	-3.0	
Source Capital	SOR	42.48	39.68	-6.6	-3.8	
Sprott Focus Trust	FUND	8.89	8.37	-5.8	7.5	
SRH Total Return	STEW	15.36	12.96	-15.6	-4.3	
Tri-Continental	TY	32.94	29.73	-9.7	0.7	
Specialized Equity Funds						
abrdn Gbl Prem Pp	AWP	5.62	5.37	-4.4	-12.9	
Adams Natural Res	PEO	24.62	21.42	-13.0	-48.2	
ASA Gold & Prec Met Ltd	ASO	NA	15.93	NA	-25.4	
BR Enh C&I	CII	20.15	20.25	+0.5	0.9	
BlackRock Energy & Res	BGR	13.19	11.60	-12.1	36.9	
BlackRock Eq Enh Div	BDJ	9.60	9.71	+1.1	4.1	
BlackRock Enh Gbl Div	BOE	11.72	10.54	-10.1	-10.7	
BlackRock Enh Intl Div	BGY	5.88	5.29	-10.0	-10.8	
BlackRock ESG Cap Alloc	ECAT	18.16	15.40	-15.2	-18.5	
BlackRock Hlth Sci Tr	BMEZ	20.06	17.38	-13.4	-34.7	
BlackRock Hlth Sciences	BME	42.93	44.73	+4.2	-2.6	
BlackRock Innov & Grow	BIGZ	10.90	9.45	-13.3	-47.2	
BlackRock Res & Comm	BCK	10.59	9.50	-10.3	-6.1	
BlackRock Sci&Tech Tr	BS7Z	22.50	22.99	-8.0	-36.5	
BlackRock SubTch Tr	BS7	37.10	38.73	+4.4	-20.6	
BlackRock US Int'l & Pwr	BOW	23.69	23.84	+0.6	-3.0	
CLEARBRIDGE GENIUS MDS OPP	EMO	NA	29.35	NA	46.8	
CLEARBRIDGE MLP&MidstM Tr	CTR	NA	30.56	NA	38.6	
ClearBridge MLP & Midstm	CEM	NA	34.99	NA	39.0	
ChnStrlnfr	UTF	27.97	28.19	+0.8	1.3	
Cohen&SteersQualinc	RQI	16.13	15.94	-1.2	2.6	

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Country/currency	Fri	YTD	US\$/
	in US\$	per US\$	(%)
Americas			
Argentina peso	.0074134	6029	31.1
Brazil real	1970	5.0753	-8.9
Canada dollar	.7826	1.2778	1.1
Chile peso	.001142	875.76	2.8
Colombia peso	.000240	4167.34	2.5
Ecuador US dollar	1	1	unch
Mexico peso	.0504	19.8492	-3.2
Uruguay peso	.02487	40.2050	-10.1
Asia-Pacific			
Australian dollar	.7125	1.4035	2.0
China yuan	.1483	6.7429	6.1
Hong Kong dollar	.1276	7.8375	0.5
India rupee	.01256	79.629	6.9
Indonesia rupiah	.0000682	14668	2.9
Japan yen	.007493	133.45	15.9
Kazakhstan tenge	.002096	477.06	9.6
Macau pataca	.1238	8.0770	0.5
Malaysia ringgit	.2250	4.4445	6.7
New Zealand dollar	.6453	1.5497	6.0
Pakistan rupee	.00455	219.50	24.6
Philippines peso	.0180	55.690	9.2
Singapore dollar	.7291	1.3715	1.7
South Korea won	.0007678	1302.37	9.5
Sri Lanka rupee	.0027778	360.00	77.4
Taiwan dollar	.03338	29.958	8.1
Thailand baht	.02829	35.350	6.4
WSJ Dollar Index	97.34	0.27	0.28
			8.69

Sources: Tullett Prebon, Dow Jones Market Data

Insider-Trading Spotlight

Trading by 'insiders' of a corporation, such as a company's CEO, vice president or director, potentially conveys new information about the prospects of a company. Insiders are required to report large trades to the SEC within two business days. Here's a look at the biggest individual trades by insiders, based on data received by Refinitiv on August 12, and year-to-date stock performance of the company

KEY: B: beneficial owner of more than 10% of a security class CB: chairman CEO: chief executive officer CFO: chief financial officer CO: chief operating officer D: director DO: director and beneficial owner GC: general counsel H: officer, director and beneficial owner I: indirect transaction filed through a trust, insider spouse, minor child or other O: officer OD: officer and director P: president UT: unknown VP: vice president Excludes pure options transactions

Biggest weekly individual trades

Based on reports filed with regulators this past week

Date(s)	Company	Symbol	Insider	Title	No. of shrs in trans (000s)	Price range (\$)	\$ Value (000s)	Close (\$)	Ytd (%)
Buyers									
Aug. 4-5	Exxon Mobil Corp	XOM	J. Ubben	DI	1,000	86.86-88.77	88,445	94.00	53.6
Aug. 9	Energy Transfer	ET	K. Warren	OD	1,591	10.94	17,407	11.67	41.8
Aug. 8			K. Warren	OD	1,159	10.93	12,667		
Aug. 8	RVL Pharmaceuticals	RVLDP	D. Burgstahler	DOI	8,000	1.55	12,400	1.98	83.3
Aug. 8			S. Venkataraman	DOI	8,000	1.55	12,400		
Aug. 8			B. Markison	CEO	850	1.55	1,318		
Aug. 9	Tidewater	TDW	R. Robotti	DI	560	17.85	10,000	20.58	92.2
Aug. 9	Health Catalyst	HCAT	D. Burton	CEO	177	11.62	2,051	13.28	-66.5
Aug. 9-10	Civitas Resources	CIVR	M. Doyle	CEO	34	59.46-59.66	2,006	64.96	32.7
Aug. 10	Quantexir	QTXI	P. Meister	D	234	8.51-8.61	1,998	10.46	-75.3
Aug. 10			D. Walt	D	150	8.62	1,293		
Aug. 4	TransUnion	TRU	C. Cartwright	CEO	25	79.42	1,985	83.73	-29.4
Aug. 9-11	Offerpad Solutions	OPAD	R. Sella	D	1,000	1.68-1.70	1,692	1.19	-65.8
Aug. 8	Gannett	GCI	M. Reed	CEO	500	2.44	1,220	2.56	-52.0
Aug. 8-10	Greenhill Co.	GHL	S. Bok	CEOI	120	8.64-8.96	1,064	8.98	-49.9
Aug. 3-4	Woodward	WWD	P. Donovan	D	11	92.46-95.86	1,049	103.07	-5.8
Aug. 4	Match Group	MTCH	B. Kim	CEOI	16	63.58	1,017	67.97	-48.6
Aug. 8	Ball	BALL	S. Morrison	CFO	18	57.59	1,008	59.47	-38.2
Sellers									
Aug. 9	Tesla	TSLA	E. Musk	CEOI	3,020	838.57-871.20	2,570,601	900.09	-14.8
Aug. 5			E. Musk	CEOI	2,278	857.54-886.96	1,985,394		
Aug. 8			E. Musk	CEOI	1,524	867.91-896.56	1,339,673		
Aug. 5			E. Musk	CEOI	1,022	887.91-911.75	920,168		
Aug. 8			E. Musk	CEOI	60	897.88-901.40	53,605		
Aug. 9			E. Musk	CEOI	20	872.47-876.63	17,302		
Aug. 8	MP Materials	MP	J. Litinsky	CEOI	4,000	37.75	151,000	38.02	-16.3
Aug. 8	Definitive Healthcare	DH	D. Winn	DI	2,200	24.03	52,855	22.91	-16.2
Aug. 8	MACOM Technology Solutions Holdings	MTSI	P. Chung	CEO	850	59.00	50,168	61.41	-21.6
Aug. 8-9	Motorola Solutions	MSI	G. Brown	CEO	200	244.42-250.62	49,729	255.97	-5.8
Aug. 8-10	Harmony Biosciences Holdings	HRMY	A. Wicki	DI	579	52.61-53.94	31,106	52.15	22.3
Aug. 4-5	Rollins	ROL	G. Rollins	CEOI	826	37.49-37.73	31,079	36.97	8.1
Aug. 4-9			G. Rollins	CEOI	651	37.17-37.79	24,407		
Aug. 8-9	SBA Communications	SBAC	J. Stoops	CEO	89	345.09-347.38	30,594	350.04	-10.0
Aug. 3	BlackRock	BLK	L. Fink	CEO	45	684.61	30,465	751.83	-17.9
Aug. 5-8	Confluent	CFLT	M. Volpi	DI	637	33.40-33.77	21,402	33.30	-56.3
Aug. 8-9	Arista Networks	ANET	J. Ullal	CEO	170	121.31-125.55	21,096	126.86	-11.7
Aug. 9	EPAM Systems	EPAM	B. Fejes	O	48	423.30	20,238	444.91	-33.4

* Half the transactions were indirect ** Two day transaction p - Pink Sheets

Buying and selling by sector

Based on actual transaction dates in reports received this past week

Sector	Buying	Selling	Sector	Buying	Selling
Basic Industries	3,458,810	25,153,179	Finance	13,149,063	105,494,477
Capital Goods	3,204,249	91,922,585	Health care	9,782,882	220,023,639
Consumer durables	835,853	10,389,062	Public Utilities	199,174	7,220,579
Consumer non-durables	1,368,499	33,210,138	Technology	11,291,910	297,988,910
Consumer services	7,630,800	140,527,400	Transportation	104,720	39,440,031
Energy	14,833,708	20,600,157			

Sources: Refinitiv; Dow Jones Market Data

Fund (SYM)	NAV	Close	Prem	52 wk	Ti	Ret
			Disc			
Prem 12 Mo						
Ares Dynamic Crdt Alloc	ARDC	NA	13.45	NA	9.0	
BlackRock Mlti-Sctr Inc	BIF	15.58	16.35	+4.9	9.6	
BlackRock Tax Muni Bd	BBN	19.12	20.10	+5.1	7.4	
DoubleLineOppor Crdt Fd	DBL	15.94	16.08	+0.9	8.6	
EV LmtDurlncm	EVV	NA	11.12	NA	10.9	
Franklin Ltd Durlncm	FTF	7.59	7.07	-6.9	12.5	
J Han Investors	JHI	15.21	14.85	-2.3	10.0	
MFS Charter	MCR	7.22	6.85	-5.1	9.5	
NuvCorePlusImpact	NPCT	14.25	12.64	-11.3	9.8	
Nuveen Taxable Muni Inc	NBB	17.98	18.29	+1.7	7.0	
Nuveen Tax Muni Inc	NTY	NA	14.29	NA	10.6	
PIMCO Corp & Inc Strat	PCN	NA	14.38	NA	9.8	
PIMCO Hilnco	PHK	4.96	5.32	+7.3	11.2	
PIMCO IncmStrFd	PFL	NA	9.72	NA	10.5	
PIMCO IncmStrFd II	PFN	NA	8.35	NA	10.8	
Putnam Prem Inc	PTI	4.16	3.95	-5.0	8.0	
Western Asset Dvsfsl Inc	WDI	NA	14.93	NA	9.8	

Fund (SYM)	NAV	Close	Prem	52 wk	Ti	Ret
			Disc			
World Income Funds						
abrdn AP IncFd	FAX	3.40	2.98	-12.4	11.8	
MS EmMktDomDebt	EDD	5.34	4.65	-12.9	7.9	
PIMCO Access Income	PAXS	18.13	16.69	-7.9	9.5	
PIMCO Dynamic Income	PDI	20.20	22.10	+9.4	12.2	
PIMCO Dynamic Inc	PDO	15.84	15.60	-1.5	11.6	
PIMCO Stratg Inc	RCS	4.78	5.60	+17.2	11.4	
Templeton Em Inc	TEI	5.92	5.59	-5.6	14.8	
Templtn Gbl Inc	GIM	4.85	4.82	-0.6	9.2	
WestAstEmergDebt	EMD	NA	9.74	NA	11.5	
Western Asset Gld Crd Op	GDO	NA	14.50	NA	8.4	

AllierNational Muni Bond Funds						
AlIBerNatMunicip	AFB	13.08	12.25	-6.3	5.0	
BlackRk Inv Q Mun	BKN	13.76	16.19	+17.7	5.5	
BlackRock Muni 2030 Tgt	BTf	24.20	23.40	-3.3	3.1	
BlackRock Muni	BTK	12.10	11.41	-5.7	6.0	
BlackRock Muni II	BLE	12.52	11.90	-5.0	5.9	
BlackRk Muni Inc Qly	BYM	13.41	13.59	+1.3	5.2	
BR MuniAssets Fd	MUA	14.25	12.58	+1.0	4.4	
BR MH Qly 2	MUE	12.02	11.75	-2.2	5.5	
BR MuniHoldings	MHD	14.23	13.60	-4.4	5.4	
BR MuniVest Fd	MVF	8.32	7.84	-5.8	5.1	
BR MuniVest 2	MVT	12.81	12.07	-5.8	5.6	
BR MuniVest Fd	MYD	12.63	11.89	-5.9	5.4	
BR MuniYield Qly	MQY	13.80	13.32	-3.5	5.6	
BR MuniYld Qly2	MYT	12.20	12.70	+4.1	5.4	
BR MuniYld Qly 3	MYI	12.97	12.38	-4.5	5.0	
BNY Mellon Muni Bd Infra	DMB	12.71	14.58	+14.7	4.9	
BNY Mellon Str Muni Bond	DSM	7.08	6.70	-5.4	5.4	
BNY Mellon Str Muni	DSM	7.08	6.70	-5.4	5.3	
Deli Natl Muni Income	KLF	12.99	12.67	-2.5	4.2	

MARKETS

Firms Bet On Green, Fossil Fuels

Continued from page B1 and investment firms that have the money to back all types of energy projects.

There is criticism that the legislation doesn't do enough and that more aggressive action will be needed to meet climate goals.

"We are getting to a point where it's inconceivable that you can continue to have your cake and eat it, too," said Rachel Kyte, dean of the Fletcher School at Tufts University and a climate adviser to the United Nations secretary-general.

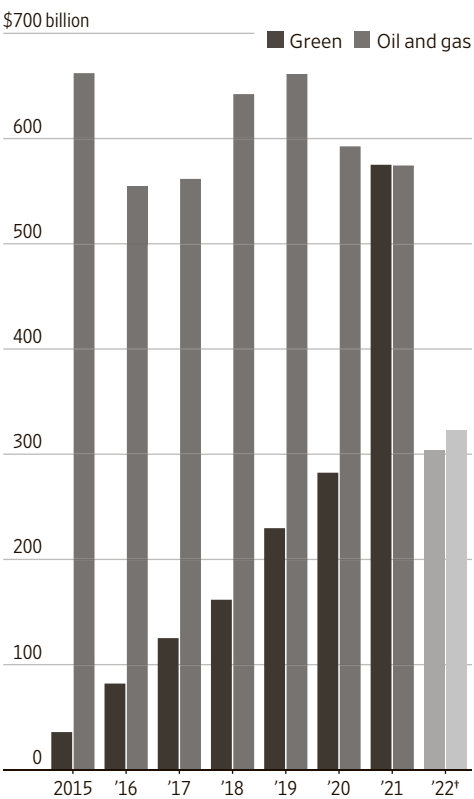
Still, many climate investors support the legislation's mixed approach because they think it will level the playing field between renewables and fossil fuels, let markets decide what solutions to favor and lower emissions over time.

Funds designed to address environmental, social and governance concerns and which are managed by giant asset managers such as **BlackRock** Inc. and **State Street** Corp. hold shares of oil-and-gas companies such as **Exxon Mobil** Corp. and **Chevron** Corp. That is to maintain some investments across industries and avoid missing out when oil-and-gas assets outpace the market, as they have for much of the year.

Some investors say working with energy firms to lower emissions is one of the best ways they can fight climate change. Some firms such as **BP** PLC and **Shell** PLC are major players in renewables, including wind and solar. Many investors are betting oil-and-gas companies will become leaders in new areas such as renewable fuels and storing carbon underground.

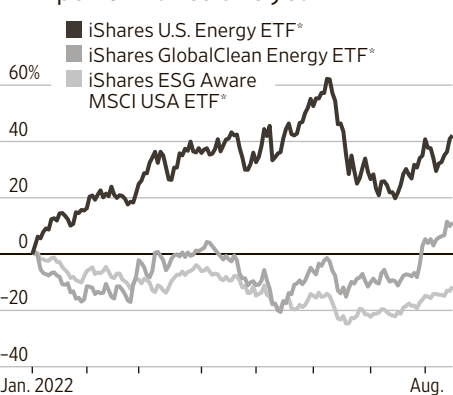
It isn't just Wall Street betting on a gradual transition. Many clean-energy startups also plan to use natural gas for several years and are backed by established energy

Amounts of bonds and loans issued by category

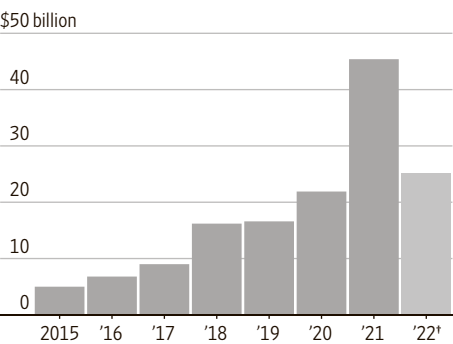


*Energy ETF holds oil-and-gas companies; clean-energy ETF holds renewable-energy firms; ESG ETF generally tracks the stock market
†Through early August
Sources: Dealogic (bonds and loans issued); FactSet (performance); PitchBook (amount raised)

ETF performance this year



Amount raised privately by climate and sustainability startups



and utility companies.

"You can't just switch overnight," said Shannon Miller, CEO of **Mainspring Energy** Inc., which sells cleaner power generators that can run on different energy sources including natural gas, hydrogen and ammonia.

Mainspring partners with utilities such as **NextEra Energy** Inc. and **American Electric Power** Co. and counts Bill Gates among its investors.

The bill could help Wall Street meet its clean-energy spending commitments. Reports from groups such as the Institutional Investors Group on Climate Change concluded banks aren't doing enough to meet their climate goals.

Bank executives say they can do only so much as financial intermediaries subject to broader business trends. Selling fossil-fuel assets or ending profitable business relationships that will be taken over by smaller financial firms doesn't benefit the climate,



Many investors are betting oil-and-gas companies will become leaders in new areas such as renewable fuels.

they argue.

Private conversations with companies and technological breakthroughs resulting from their investments often aren't captured in climate assessments, they say.

Watch a Video



Scan this code for a video on who gets tax credits in the climate bill.

Pensions Stung by Crypto Fall

Continued from page B1 day be considered like including educational sessions on the internet in the mid-90s, or the iPhone introduction in 2007, or electricity in the early 1900s," Mr. Alfaro wrote in an email.

Federal regulators are less enthusiastic. The Labor Department in March told 401(k) plans to exercise extreme care in allowing participants to invest in cryptocurrency, and a senior labor official said in April the crypto market isn't ready for people's retirement savings.

"Both the returns and the risk are at a different order of magnitude than traditional well-regulated assets," said Gil Luria, a strategist at D.A. Davidson who has been studying cryptocurrency for years.

Still, Mr. Luria said, "yield chasing has been the sport of pension funds for a while and technology crypto assets overall have had such spectacular returns over the past 12 years that it's not surprising that yield chasers would at least dip their toes into the water."

The prices of bitcoin and other cryptocurrencies have plunged repeatedly from their November peak as stocks have fallen and investors have pulled back on risk. Individual investors have lost their savings, major crypto firms are laying off workers, and roughly \$2 trillion in cryptocurrency value has disappeared.

The **Caisse de dépôt et placement du Québec**, which serves more than six million workers and retirees, backed away from Celsius after the crypto lender paused withdrawals in June.

CDPQ has hired a lawyer to represent it in the bankruptcy filing, according to court documents. As an equity investor, it would typically fall in line behind the crypto lender's creditors in recouping any lost money.

The roughly \$330 billion

Canadian pension fund viewed the original investment as a way of getting familiar with a potential new wave in finance while risking little investment capital, according to a person familiar with the matter. The total investment was \$150 million, the person said.

Mr. Singh said the Houston firefighters' fund views its cryptocurrency holdings—made through bitcoin company NYDIG, a subsidiary of alternative asset manager Stone Ridge—as a long-term investment, and intends to hold them for three to five years.

The pension fund, which serves more than 7,000 current and retired firefighters, remains interested in crypto, he said, but it isn't making any additional investments at the moment.

Some pension officials looked at crashing crypto prices and saw an attractive entry point, however.

In May, two pension systems in Fairfax County, Va., approved a three-year, \$70 million commitment to two funds that provide short-term loans to crypto-related financial firms offering services like crypto trading. The funds are managed by VanEck and Parataxis Capital.

"The yields are more attractive right now given that some people are less willing to do this given the crypto winter that we've endured," said Katherine Molnar, investment chief of the Fairfax County Police Officers Retirement System.

The Fairfax police fund and its sister fund, the Fairfax County Employees' Retirement System, have a total of \$6.6 billion under management and about 30,000 beneficiaries. They have about 4.5% and 2.5% of assets, respectively, committed to crypto-related holdings, after rapid gains on a 2018 investment.

That holding, a stake in a venture-capital fund invested mostly in crypto technology, has already paid out more cash than the Virginia funds put in, according to the manager, Morgan Creek Capital Management, and its book value has quadrupled as of June 30.

—Vipal Monga contributed to this article.

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