

What's News

Business & Finance

◆ **Foreign companies** long used to plowing the profits they made in China back into the country for hiring and investment are pulling those earnings out as growth slows and tensions between Beijing and Washington increase. **A1**

◆ **WeWork** filed for bankruptcy under chapter 11, capping the flexible-office-space venture's remarkable collapse after once being the nation's most valuable startup, valued at \$47 billion at its peak before vacancies soared. **B1**

◆ **U.S. stocks** built on a rally that pushed major indexes sharply higher over the past week. The S&P 500, Nasdaq and Dow rose 0.2%, 0.3% and 0.1%, respectively. **B11**

◆ **Intel** is the leading candidate to potentially receive billions of dollars in government funding for secure facilities producing microchips for U.S. military and intelligence applications, according to people familiar with the development. **B1**

◆ **Tesla** boosted factory worker pay in Germany amid an aggressive unionization drive, a move that comes as Chief Executive Elon Musk may face similar organizing attempts in the U.S. **B1**

◆ **Jurors** heard opening arguments from "Fortnite" maker Epic Games that Google used its dominant position to squeeze excess profits from app developers. **B1**

◆ **Telecom Italia's** board approved the sale of the former monopoly's fixed-line network to KKR for more than \$20 billion, part of the company's plan to reduce increasingly unmanageable amounts of debt. **B4**



Donald Trump arriving for trial Monday in Manhattan to testify about his businesses' financial statements.

Trump in Fraud Trial Spars With Judge, Defends Business

By CORINNE RAMEY AND JACOB GERSHMAN

A defiant Donald Trump offered a combative defense of his business empire in sworn testimony Monday, trading jabs during his civil fraud trial with a New York State Supreme Court justice who repeatedly rebuked him for veering off on tangents.

The former president, who is the 2024 front-runner for the Republican nomination, took the witness stand in a Manhattan courtroom to face about four hours of question-

ing from lawyers with the state attorney general's office, which alleges he and his business engaged in a lengthy scheme to inflate his worth for financial gain.

Trump testified that his financial statements, far from overstating his worth, didn't capture how rich he actually was, and that banks that made loans to him didn't care about the statements anyway.

While Trump began the day calmly answering questions, by midmorning the former president grew more emotional, at times lashing out at New York

Attorney General Letitia James, a Democrat who was sitting in the courtroom gallery, and jabbing his finger at State Supreme Court Justice Arthur Engoron, who is presiding over the nonjury trial.

"It's a terrible thing you've done, you know nothing about me," Trump said to the justice. "You believed that political hack back there!"

"Done?" Kevin Wallace, a lawyer for James, asked calmly.

"Done," Trump replied.

Trump's appearance was his first as a witness at the

trial, although he has previously attended the proceedings and sparred with the justice. For Trump, the stakes are high. James is seeking about \$250 million in financial penalties in addition to measures that would cripple Trump's business from operating in New York. And while Trump sought to defend his personal identity as a real-estate mogul and the professional practices with which he built his family business, he also faced the prospect of significant penalties for untruthful testimony.

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Israel Deepens Push Into Gaza City

Hamas commanders and tunnels are troops' big targets in urban stronghold

By DAVID S. CLOUD AND DOV LIEBER

TEL AVIV—Israel pushed farther into Gaza City, sending troops into an urban Hamas stronghold that is still packed with civilians after one of the most intense bombing barrages of the monthlong war.

Israeli military spokesman Rear Adm. Daniel Hagari said Israeli forces "are continuing to deepen the pressure into the depths of Gaza City."

Hagari said the engineering corps is focusing on destroying Hamas's tunnels wherever they find exit points, some of which he said are near civilian structures such as hospitals and schools. He said the Israeli military continues to focus on killing Hamas commanders.

"The elimination of Hamas's ground command has a significant impact on Hamas's ability to mount counterstrikes," he said.

Israeli forces were making a push southward along the coast toward the densely populated Al Shati Camp, which was hit hard Sunday night by Israeli airstrikes, said Michael

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- ◆ **U.S. presses Israel to pause Gaza assault**..... A8
- ◆ **Families often split trying to flee Gaza**..... A9
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World-Wide

◆ **Israel** pushed farther into Gaza City, sending troops into an urban Hamas stronghold that is still packed with civilians after one of the most intense bombing barrages of the monthlong war. **A1**

◆ **A daily list** of foreigners allowed to leave Gaza is splitting up families and causing bureaucratic headaches. **A9**

◆ **The U.S.** increased pressure on Israel to ease its intense bombardment of the Gaza Strip, deploying top diplomats to the Middle East in recent days, even without the release of hostages taken by Hamas, which Israel has set as the condition for any pause in its military operations. **A8**

◆ **A defiant Trump** offered a combative defense of his business empire in sworn testimony, trading jabs during his civil-fraud trial with a New York judge who repeatedly rebuked him for veering off on tangents. **A1**

◆ **A group of Senate** Republicans has made a crackdown on asylum claims at the southern border a condition for backing Biden's \$106 billion request for supplemental funding for Israel and Ukraine. **A3**

◆ **Federal health officials** expanded their recall of children's fruit pouches to include two more brands over fears of possible lead contamination. **A3**

◆ **The father of a man** accused of killing seven people and wounding dozens during a Fourth of July parade in Highland Park, Ill., pleaded guilty to seven misdemeanor counts of reckless conduct for helping his son get a gun license. **A2**

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Xi Tries to Lure Nation's Youth To Countryside

Party seeks to deploy hundreds of thousands to rural communities

By BRIAN SPEGELE

ZHAOQING, China—During the Cultural Revolution, a teenage Xi Jinping was sent down to the countryside, where he spent years in the late 1960s and early '70s toiling on farms and reading books in a cave.

Half a century later, China's leader wants more young people to follow his lead.

With youth unemployment recently hitting record levels—and deepening concern in Beijing about the hollowing out of rural

China—Xi is calling on students and college graduates to embrace hardship and consider giving up city life for the countryside.

Officials have rolled out a number of programs to lure young people to rural areas, where they are tasked with promoting the quality of local crops, painting walls and extolling the Communist Party's leadership to farmers. The government hopes that deploying hundreds of thousands of young people to Chinese backwaters will give underemployed young

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Foreign Firms Stop Reinvesting In China, Pulling Billions Out

By JASON DOUGLAS AND WEILUN SOON

SINGAPORE—For years, foreign companies plowed the profits they made in China back into China, using the cash to finance new hiring and investment as its giant economy expanded rapidly.

Now, as growth slows and tensions between Beijing and Washington rise, they are pulling those profits out.

Foreign firms yanked more than \$160 billion in total earnings from China during six successive quarters through the end of September, according to an analysis of Chinese data, an unusually sustained run of profit outflows that shows how much the country's appeal is waning for foreign capital. The torrent of earnings leaving China pushed overall foreign direct investment in



the world's second-largest economy into the red in the third quarter for the first time in a quarter of a century.

The outflows add to pressure on the yuan when the central bank is battling to slow its decline as investors

sour on Chinese stocks and bonds and new investment in China is scarce. The yuan has depreciated 5.7% against the

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Debate Heats Up Over Fate Of Famous Berkeley Hot Tub

* * *

Real-estate deal has town bubbling about preserving a local hangout

By KIRSTEN GRIND

Berkeley, Calif.—For nearly five decades, Deward Hastings hosted a secret, no-clothing-allowed hot tub here in the backyard of his home.

The hot tub became an institution in Berkeley, a famously crunchy, liberal city known for its political activism and overpriced housing. The tub enticed Grateful Dead-loving hippies in its early years, and later turned into something of a wellness

Berkeley, 78, remained anonymous and became locally known as "the hot tub guy" for those in the know. (Even

some of his guests never met him.)

Then last year, Hastings died.

Now the fate of his hot tub, located in a middle-class neighborhood of families and college students, has become the subject of a steamy debate.

The house, a two-bedroom bungalow with chipped red paint and green trim, went up for sale in September, prompting a cadre of hot-tub fans to try to raise money for the \$899,000 purchase price.

Before they could, however, a limited liability company swooped in with an offer—

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INSIDE

JASON GAY
Michigan's sign-stealing scandal consumes college football. **A14**

BUSINESS & FINANCE
Tesla raises wages in Germany under pressure from union. **B1**

Bosses' New Problem: Employees Won't Quit
By CHIP CUTTER
The white-collar labor market is softening to a point that companies are encountering an issue that would have been unthinkable in the era known as the Great Resignation.
These days, too few people are voluntarily leaving their jobs.
Turnover has declined so steeply at some large employers that companies now find themselves over budget on certain teams, requiring leaders to weigh whether to postpone projects or to cut additional staff as the end of year approaches. Other bosses worry about how to keep star employees engaged when there are far fewer vacant positions internally, making it harder to move people into new roles.
Some companies add they have seen fewer employees leave their jobs this year. In some cases, executives said, turnover is returning to prepandemic levels following years of upheaval in the labor market.
"The attrition level is going down, that's for sure," said Denis Machuel, chief executive of global staffing firm Adecco Group, which works with large employers. "People feel it's probably a bit cold outside with the macroeconomics not being so good. And with this last-in, first-out typical scheme, they're more likely to stay in their current role."
The decline in quitting would seem like a welcome development for bosses who spent years bemoaning high levels of job hopping and rapidly rising salaries. But some executives said they have been caught by surprise at how quickly the labor-market dynamics flipped, posing new challenges.
Hiring slowed sharply in October, with U.S. employers adding
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U.S. NEWS

AI Deepfakes Draw Scrutiny in Congress

New bills could help people fight against scam marketing, their sponsors say

By Patrick Coffee

Some TikTok users recently encountered an ad in which the YouTube star known as MrBeast appeared to offer 10,000 new iPhones for just \$2 each.

The deal sounded too good to be true, and it was. MrBeast last month joined film star Tom Hanks and CBS anchor Gayle King in a growing cohort of celebrities who say scammers have made unauthorized use of their likenesses in convincing, AI-generated deepfake ads hawking phones, fake dental plans and dubious weight-loss solutions.

"Are social-media platforms ready to handle the rise of AI deepfakes? This is a serious problem," MrBeast, whose real name is Jimmy Donaldson, wrote on X, formerly known as Twitter.

Some politicians are trying

to take on the issue. In recent weeks members of both houses of Congress have introduced bills that would create a national standard prohibiting unauthorized deepfakes in a commercial context.

If passed into law, their sponsors say, these bills could help celebrities and ordinary citizens alike take action against scam marketers using their likenesses.

But it is unclear if these efforts can counter a coming wave of malicious deepfakes.

Nor is it clear how effective social-media companies will be at blocking the spread of deepfakes, since the ads featuring Hanks, King and MrBeast appeared to bypass their filters.

Meta Platforms policies prohibit manipulated videos and content that uses public figures' likenesses in a deceptive way, according to a spokesman who declined to provide specific data regarding deepfakes.

A TikTok spokesman referred to internal data suggesting that 1.3% of the 106 million posts removed from the platform between April

and June fell into the integrity and authenticity category, and 0.4% of that total violated bans on synthetic or manipulated media, such as deepfakes.

By contrast, 39% of all videos removed in that period were pulled for posting prohibited adult content, according to the data.

Shadowy entities like the ones behind these scam ads often disappear as quickly as they pop up, then move on to other targets, said Hilary Krane, chief legal officer at talent firm Creative Artists Agency.

The increasing accessibility of free online deepfake tools means that anyone who has publicly shared content featuring his or her likeness could join megastars like Hanks on scammers' target lists, said Rijul Gupta, chief executive and co-founder of DeepMedia, a firm that helps developers and government agencies detect deepfakes.

"The future of those robo-calls, the future of the Nigerian prince scam, is the deepfake scam," Gupta said.

Celebrities have for decades

relied on state-level right-of-publicity laws, which prohibit the unapproved use of a person's name or likeness for marketing purposes, to take action against advertisers.

These laws, along with existing prohibitions on copyright infringement, defamation and harassment, preclude the need for a deepfake law, said David Greene, civil liberties director at digital-rights advocacy group Electronic Frontier Foundation.

EFF has expressed skepticism about federal deepfake laws, arguing that they could curtail both freedom of speech and productive uses of AI technology.

Yet right-of-publicity laws vary widely, with many states offering no such protection, said Sen. Chris Coons (D., Del.).

Coons and three other senators in October introduced the bipartisan No Fakes Act, which would create a nationwide standard for individuals to bring civil action against parties using their AI-generated likenesses without permission.

The bill proposes holding

offenders liable for fines of up to \$5,000 for each individual violation unless the damage to the offended party is determined to be greater than that.

Any punitive damages and attorney's fees would also have to be paid, according to a draft version.

"This helps protect individual rights, and the balance I'm trying to strike in this bill is fostering innovation in artificial intelligence and promoting and protecting creativity in the United States," said Coons.

In the House, Rep. Yvette Clarke (D., N.Y.) in September reintroduced the Deepfakes Accountability Act, first proposed in 2019, which would criminalize using a person's likeness without permission in a way that could potentially harm the person.

The House bill proposes harsher penalties than its Senate counterpart, including civil judgments of up to \$150,000 per violation and as much as five years in prison for criminal violations. It would also require creators and distributors to clearly mark any manipulated content.

"It's not just the harm that's done to the individual whose likeness has been captured. It's also the deception of the public," Clarke said.

The bills would grant both public figures and private citizens more power to defend themselves.

But enhanced protections go only so far, and the rapid evolution of deepfake technology could quickly make these bills obsolete, said Krane, the CAA chief legal officer.

"I think that technology runs ahead of policy, so this is going to have to be an ever-green process," she said.

Processed-meat brand Steak-umm, which made a name for itself during the pandemic by countering misinformation on social media, recently made light of the technology with an ad campaign in which a group of vegans agree to participate in a filmed focus group, only to see deepfake versions of themselves talk about how much they love meat.

The ad then urges viewers to sign a petition supporting Clarke's bill.

U.S. WATCH



TRAGIC LOSS: A memorial in Cincinnati honors the life of Dominic Davis, 11 years old, who was killed by gunfire. Police Chief Terri Theetge said a shooter in a sedan fired 22 rounds into a crowd of children Friday night. The victim who died was identified Monday as Dominic. Five other people were wounded. No suspect has been arrested.

CALIFORNIA
Captain Guilty in Boat-Fire Disaster

A federal jury on Monday found the captain of a scuba dive boat criminally negligent in the deaths of 34 people killed in a fire aboard the vessel in 2019, the deadliest maritime disaster in recent U.S. history.

The U.S. attorney's office in Los Angeles confirmed Jerry Boylan was found guilty of one count of misconduct or neglect of ship officer, a pre-Civil War statute colloquially known as seaman's manslaughter that was de-

signed to hold steamboat captains and crew responsible for maritime disasters. Boylan could get 10 years behind bars when he is sentenced Feb. 8.

The Conception was anchored off Santa Cruz Island when it caught fire before dawn on the final day of a three-day excursion, sinking less than 100 feet from shore. Thirty-three passengers and a crew member perished, trapped below deck.

Boylan was the first to abandon ship and jump overboard. Four crew members who joined him also survived.

—Associated Press

COLORADO
Officer Acquitted In McClain's Death

A second Denver-area police officer was acquitted in the 2019 death of Elijah McClain, who was put in a neck hold and injected with ketamine after being stopped by police as he walked home from a convenience store.

The jury found Aurora officer Nathan Woodyard not guilty of homicide and manslaughter Monday following a trial in state district court.

The case received little attention until protests over the 2020 killing of George

Floyd in Minneapolis sparked renewed outrage over McClain's death. The 23-year-old Black man's pleading words, "I'm an introvert and I'm different," were captured on police body-camera video.

An earlier trial of two other officers resulted in split verdict, with one convicted of homicide and third-degree assault and the other acquitted.

Woodyard testified that he put McClain in the neck hold because he feared for his life after he heard McClain say, "I intend to take my power back" and another officer say, "He just grabbed your gun, dude."

—Associated Press

ILLINOIS
Father Pleads Guilty Over Gun License

The father of a man accused of killing seven people and wounding dozens during a Fourth of July parade in Highland Park, Ill., pleaded guilty to seven misdemeanor counts of reckless conduct for helping his son get a gun license.

As part of the plea deal with prosecutors, Robert Crimo Jr. will serve 60 days in jail, two years probation and 100 hours of community service. Crimo announced his plea in a Lake County, Ill., court-

house on Monday before his trial was scheduled to begin.

Crimo was charged last year with seven felony counts of reckless conduct for signing an application in 2019 for a firearm owner's identification card for his son, then 19 years old. The card is required to purchase a firearm legally in the state.

Lake County State's Attorney Eric Rinehart said Crimo was aware that his son—who is awaiting trial—had suicidal thoughts and expressed interest in conducting a mass shooting, but still helped him apply for the license.

—Joseph Pisani

Employees Aren't Quitting

Continued from Page One
ing half as many jobs as they did in September, according to the Labor Department. The unemployment rate rose to 3.9% from 3.8%, but is still hovering near historic lows.

Morgan Stanley had layoffs in recent months in part because of low attrition within the 80,000-person Wall Street firm, CEO James Gorman said

on a call with investors in mid-October.

"Really high performers are in demand across the Street, but we've actually had the opposite issue," Gorman said. "We've had very low attrition, which is why we did some of the expense initiatives."

Wells Fargo's Chief Financial Officer Mike Santomassimo told investors this summer that attrition has been slower than expected at the company and that the bank planned to record higher severance expenses to reduce its head count. He reiterated the message in mid-October, telling investors that the company believed it still had more jobs to cut, as attrition has remained low, which

will likely result in additional severance costs next year.

At Pitney Bowes, where the attrition rate also is down in the year to date, the shipping and mailing services company has had a few instances in which it hired an intern, expecting a vacancy to open in the company, only for the existing employee to remain in the position. The Stamford, Conn., company found other spots for the interns and has generally managed the lower turnover rate, said Andrew Gold, chief human resources officer at the company, which had 11,000 employees at the end of 2022.

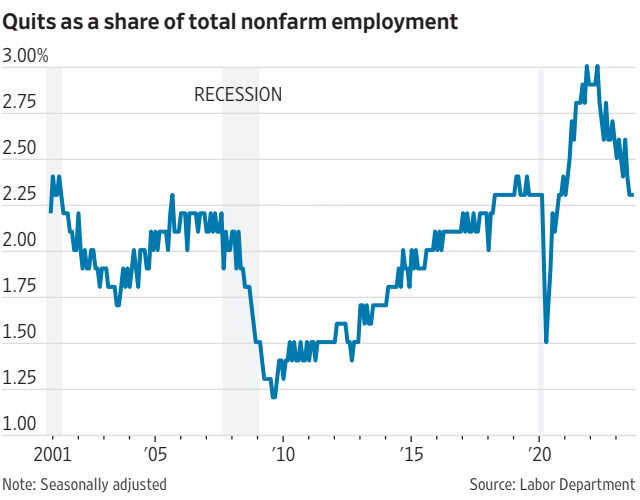
Employers try to accurately predict how many staffers will quit in a given year to help set budgets for teams and establish

hiring plans. Software provider ServiceNow uses a machine-learning model to anticipate the number of employees that will step down each quarter. Voluntary turnover this year has fallen below levels forecast by those models, said Sarah Tilley, senior vice president of global talent. She didn't cite specific figures, but attrition among top-performing employees in 2023 is less than half of what it was in 2022.

Nationally, what is called the quits rate—the number of resignations as a share of total employment—remained at 2.3% in September for the third month in a row, down from a peak of 3% in April 2022, the Labor Department said Wednesday. The level of quitting hit a record during the pandemic as Covid-19 lockdowns eased and workers sought out better pay or working conditions, leading to a phenomenon that became widely known as the Great Resignation.

In surveys of workers, many show a newfound commitment to their current employers. This year, 73% of workers said they planned to stay at their jobs, up from 61% last year, according to a survey released in October by Adecco.

Some movement among employees at a company is healthy and necessary, said Purvi Tailor, U.S. vice president of human resources at Ferring Pharmaceuticals. Turnover creates promotion opportunities for high-performing employees and



allows employers to bring in new staffers with fresh perspectives or in-demand skills.

If bosses want to get rid of employees, they can generally fire them, but layoffs can harm morale. In periods of low turnover, veteran HR leaders said they typically follow a different playbook before resorting to broader job cuts. When too few employees leave, companies will often get tougher in performance appraisals, pushing employees to quit. Cash can be another alternative. During periods of low attrition, companies tend to offer incentives, such as buyouts, to motivate employees to leave.

Bank of America told investors in January that it planned to cut its head count this year through slower hiring and attrition. But that task became more

challenging, executives said, as fewer employees left the bank.

"Over the course of 2023, we've seen moving from 2022's Great Resignation to a current level of a record low attrition in our company," CEO Brian Moynihan told investors last month. "All that meant the team had to work harder to manage that head count down."

Since January, Bank of America's workforce has shrunk by about 6,000 full-time employees, to roughly 213,000 people.

Morgan Stanley's Gorman told investors that he saw the lack of turnover as a reflection of the firm's culture and its stability. "I guess we should feel flattered," he said, before quickly adding: "The broader message is attrition has been remarkably low, and that's something that we've just got to work through."

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CORRECTIONS & AMPLIFICATIONS
 The name of Zenith Wealth Partners was given incorrectly as Zenith Partners in a Business & Finance article on Saturday about Citigroup.
 FLJ Group's American depositary receipts had a 1:100 reverse stock split. The Dividend Changes table in the Nov. 1 Business & Finance section incorrectly said a 100:1 split.
 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

Senators
Seek to Tie
Aid Deal
To Asylum
Changes

By Michelle Hackman
And Lindsay Wise

WASHINGTON—A group of Senate Republicans has made a crackdown on asylum claims at the southern border a condition for backing President Biden’s \$106 billion request for supplemental funding for Israel and Ukraine.

The proposal, put forward by senators including James Lankford (R., Okla.), Lindsey Graham (R., S.C.) and Tom Cotton (R., Ark.), represents the opening bid in negotiations with Senate Democrats and the White House, which has signaled some openness to immigration-policy changes.

“These are things that we think are very critical,” said Sen. John Thune of South Dakota, the No. 2 Senate Republican. “If you’re going to do a supplemental [bill] that deals with national security, this is a national security issue.”

Democratic Sen. Dick Durbin of Illinois, chair of the Senate Judiciary Committee, criticized the Republican plan, calling it a poor starting point for any negotiations and noted it would hurt efforts to help Ukrainian refugees. But Durbin said he is willing to talk to anyone in either party “who wants to move past the partisan bickering on this issue.”

White House spokesman Angelo Fernández Hernández said, “If Republicans want to have a serious conversation about reforms that will improve our immigration system, we are open to a discussion.” He said the White House disagreed with many of the policies in the proposal, highlighting that it contains no pathway to citizenship for Dreamers, immigrants brought to the U.S. illegally as children.

The GOP-controlled House last week passed a bill providing \$14.3 billion for Israel—offset by stripping money from the Internal Revenue Service—but it left out funding for Ukraine, Taiwan and other parts of the Biden proposal. Senate Democrats have called the bill dead on arrival, and are working with Republicans including Senate Minority Leader Mitch McConnell (R., Ky.) on a broader package based on the Biden request.

Illegal border crossings have reached record highs over the past two years, and a large number of immigrants have been depending on housing provided by cities including New York and Chicago.

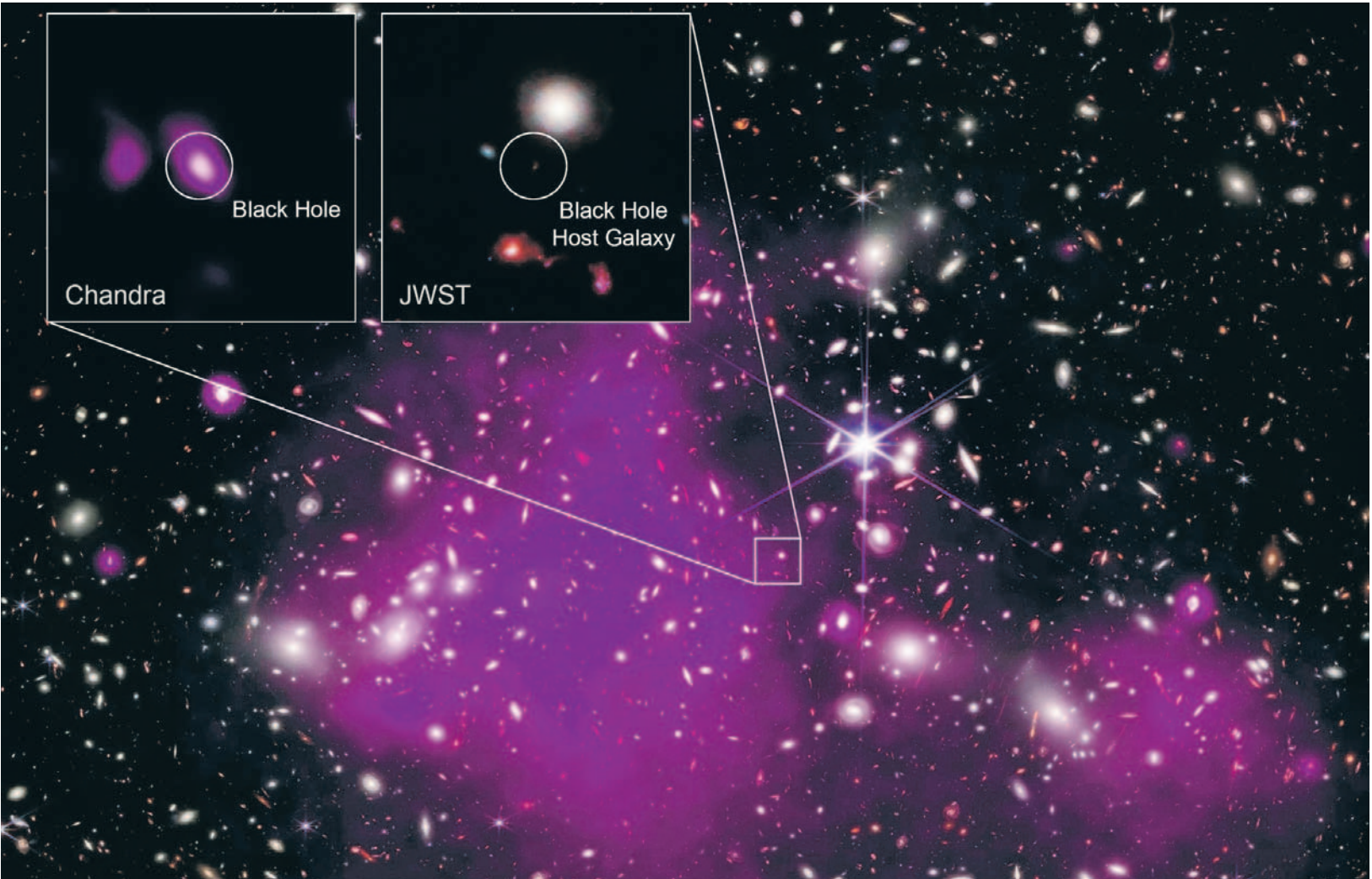
The changes the Republican group seeks would make it tougher for a migrant to make an asylum claim and more difficult to win a case. They would largely codify programs tried by the Trump administration—for example, requiring the government to first try to send an asylum seeker to a third “safe” country to make an asylum claim. If that isn’t possible, it would require the government to send asylum seekers to live in Mexico for the duration of the cases.

If neither is possible—for example, if the U.S. is unable to strike deals with other countries—migrants would be allowed to make asylum claims only at ports of entry, which the government can close or limit at will. Migrants also would be subject to a higher initial asylum-screening standard, which would mean more could be quickly deported. Migrant families traveling with underage children could be detained indefinitely, overturning a 2015 court decision saying children must be released from federal custody after about 20 days.

Separately, the Republican proposal should shut down use of “humanitarian parole,” which allows migrants to make appointments to enter at a legal port of entry. The Biden administration has used it to bring in classes of immigrants who don’t have visas, quickly resetting 80,000 evacuated Afghan refugees, more than 150,000 Ukrainians fleeing war and, most recently, hundreds of thousands of migrants from countries including Venezuela, Cuba and Haiti.

—Annie Linskey
contributed to this article.

NASA Finds Most Distant Black Hole in Galaxy Far, Far Away



HOLY MOLY: Some 13.2 billion light-years away in the galaxy UHZ1, the most distant black hole ever detected has been spotted by NASA telescopes.

Gun Rights of Felons Set for New Court Test

By Jess Bravin

WASHINGTON—Zackey Rahimi pulled a gun on his ex-girlfriend in a parking lot and shot at a witness who saw them arguing, prompting a Texas family court to issue a protective order in 2020 temporarily forbidding him from possessing firearms.

Rahimi ignored the order, authorities say, going on to threaten another woman with a gun, fire an AR-15 into the house of one of his narcotics customers, and shoot into the air at a Whataburger drive-through after his friend’s credit card was declined. That led to his conviction under a 1994 federal law prohibiting people under domestic-violence orders from possessing guns—and set up the latest chapter in the modern history of the Second Amendment.

Earlier this year, a federal appeals court in New Orleans struck down the 1994 federal law for violating the constitutional right to keep and bear arms. On Tuesday, the Supreme Court will consider the Biden administration’s appeal in U.S. v. Rahimi, which argues that the law—and similar measures in nearly every state—not only is constitutional, but has helped protect vulnerable women, children and bystanders from deadly violence.

“The presence of a gun in a

household with a domestic abuser increases the risk of homicide fivefold,” according to research cited by the Justice Department’s brief. “Abusers also use guns to threaten, pistol-whip, and shoot their partners or their partners’ children, relatives, and pets,” the brief argues, enabling them “to perpetuate their pattern of abuse.”

Rahimi’s lawyer, federal public defender Matthew Wright, says the system lacks enough safeguards to ensure that only people who are genuine threats are disarmed. The Second Amendment takes policy choices like the 1994 law off the table, he argues. The constitutional approach to domestic abusers is to “prosecute and jail people who commit violence” rather than take away their guns before they are convicted of a crime, Wright asserts.

There is little dispute that felons can be stripped of their gun rights, but the 1994 law was aimed at people like Rahimi, whom courts considered dangerous but hadn’t been convicted of crimes.

Absent such a conviction, Rahimi remained “among ‘the people’ entitled to the Second Amendment’s guarantees, all other things equal,” the Fifth U.S. Circuit Court of Appeals said in a March decision striking down the law disarming domestic abusers. The court said

its ruling was compelled by a 2022 Supreme Court precedent placing new limits on government power to curb gun violence, New York State Rifle & Pistol Association v. Bruen. The majority opinion, by Justice Clarence Thomas, declared that only laws analogous to weapons regulations common during America’s founding era can pass constitutional muster.

Bruen was the court’s widest expansion of Second Amendment rights since 2008, when for the first time the justices found the provision entitles an individual to armed self-defense within the home rather than simply maintaining the right of state governments to maintain militias.

Gun-rights advocates set up test cases like Bruen and District of Columbia v. Heller, which kicked off the 21st century revolution in Second Amendment law to demonstrate how regulations could frustrate law-abiding, responsible citizens interested in self-defense and recreational shooting. But public defenders also have been watching legal developments closely and have quickly moved to apply the Supreme Court’s more permissive

approach to firearms on behalf of suspected criminals who often run afoul of gun laws.

That is how Rahimi, who the Fifth Circuit acknowledged was “hardly a model citizen,” became the unlikely face of the gun-rights movement. After the parking-lot argument, his ex-girlfriend sought a restraining order from the family court in Fort Worth. The court, finding he had “committed family violence” and that it was “likely to occur again in the future,” issued an order that

A more lenient approach to guns is applied to suspected criminals.

suspended his handgun license and forbade him from possessing firearms for two years.

Rahimi, authorities say, quickly flouted the order. He was arrested for approaching the woman’s house in the middle of the night, threatened another woman with a gun, and was involved in at least five shooting incidents. Police investigating the shootings searched Rahimi’s house and found a .45 caliber Glock pistol, a .308 caliber semiautomatic rifle, magazines and ammunition.

Charged in federal court with violating the 1994 law, Rahimi argued that he had a Second Amendment right to

possess the weapons. The trial judge rejected the argument, and, on June 8, 2022, the Fifth Circuit, applying precedent then in force, affirmed that decision. Rahimi, who after his constitutional argument was rejected had pleaded guilty to violating the 1994 law, was sentenced to more than six years in prison.

But when the Supreme Court issued its Bruen decision 15 days later, Wright asked the Fifth Circuit to reconsider the case. The circuit court withdrew its previous ruling and threw out Rahimi’s conviction.

The question “is not whether prohibiting the possession of firearms by someone subject to a domestic violence restraining order is a laudable policy goal,” wrote Judge Cory Wilson. Rather, it was whether the 1994 law violated the Second Amendment.

Under the Bruen rule, he wrote, it did, because no analogous laws disarming violent domestic partners were applied in 1791, when the Second Amendment was ratified, or in 1868, when the 14th Amendment, which prohibits states from violating federal rights, was adopted. On appeal to the Supreme Court, the Justice Department argues that the domestic-abuser law fits within the government’s traditional authority to keep weapons out of untrustworthy hands.

Alabama Death-Row Inmate
Fights New Execution Method

By Talal Ansari

Alabama is battling with a death-row inmate over an untested execution method.

After several botched execution attempts last year, the state wants to use a new method known as nitrogen hypoxia. Lawyers for the inmate say their client shouldn’t be the state’s test subject.

The all-Republican Alabama Supreme Court, in a 6-2 vote last week, granted the state’s request to allow the execution of Kenneth Eugene Smith, who was convicted of murder decades ago, to move forward. If carried out, he would be the first person in the U.S. to be executed by nitrogen hypoxia.

Nitrogen hypoxia, which is permitted under Alabama law, causes death by forcing an inmate to inhale only nitrogen gas, depriving the body of oxygen.

For decades, states have primarily used lethal injection to kill inmates on death row. But public pressure against the method has increased, the necessary drugs have become harder to obtain and a rash of botched executions has drawn scrutiny. With few other options, a small number of states turned to nitrogen hypoxia,



Alabama Attorney General Steve Marshall, shown in 2022, has pushed for the execution of Kenneth Eugene Smith.

putting them against those who say it is unsafe and immoral to test the unproven method on inmates.

Drug manufacturers such as Pfizer and Roche Holding have publicly opposed use of their drugs in lethal injections in recent years, making it harder for states to obtain the drugs.

Smith’s lawyers said in court documents that Smith was strapped to a gurney for hours on Nov. 17, 2022, and repeatedly jabbed with a needle in an attempt to find a vein, causing him severe physical and psychological pain. His ex-

perience and other failed executions led Alabama to pause lethal injections.

Smith’s lawyers have fought to prevent Alabama from using the gas, arguing their client would be a “test subject for the first ever attempted execution by an untested and only recently released protocol.”

Smith was convicted of the 1988 murder-for-hire of Elizabeth Dorlene Sennett. Alabama Attorney General Steve Marshall, who has been pushing for Smith’s execution, argued in court filings that Smith is long overdue for his sentence.

Lead Fears Widen Recall
Of Kids’ Fruit Pouches

By Alyssa Lukpat

Federal health officials expanded a recall of children’s fruit pouches to include two more brands over fears of possible lead contamination.

Grocery store chains Weis Markets and Schnucks were added to the recall after the Food and Drug Administration said certain brand-name cinnamon applesauce pouches sold in their stores could contain too much lead.

The initial recall in late October included one brand of apple cinnamon fruit purée pouches, made by WanaBana. The agency warned parents not to buy the pouches, which are often fed to young children.

Even a small amount of exposure to lead—a chemical element—can be dangerous, according to the Centers for Disease Control and Prevention. Children are especially vulnerable to the effects of lead exposure, which can slow their development and damage the brain and nervous system.

Lead can also cause problems with learning, behavior, hearing and speech, according to the CDC.

The FDA said last month it was notified by North Carolina health officials of four

children with elevated levels of lead in their blood. Officials in the state traced the cases to WanaBana pouches, which had high concentrations of lead. The FDA said WanaBana was cooperating with the health agency.

The FDA reported seven cases associated with the applesauce pouch recall, in North Carolina, Arkansas, Louisiana, Maryland and Missouri.

The WanaBana pouches were sold on Amazon and across the country at stores including Sam’s Club and Dollar Tree, according to the FDA. WanaBana said last week that it voluntarily recalled the pouches.

Schnucks, which is based in Missouri, said last week that a supplier notified the company of elevated lead levels found in cinnamon used by the manufacturer of the pouches.

Schnucks said it sold the cinnamon applesauce pouches in multipacks and variety packs.

Schnucks declined Monday to comment further.

The FDA declined Monday to comment further. Representatives for WanaBana and Pennsylvania-based Weis didn’t return requests for comment on Monday.

U.S. NEWS

Ohio Is Test for Abortion-Rights Backers

State is tougher spot for groups that want to cement right to have the procedure

By Julie Bykowicz
And Laura Kusisto

In the aftermath of the Supreme Court's decision to overturn Roe v. Wade, abortion-rights supporters have put their opponents on defense by spending more money on advocacy, passing state-level protections through ballot measures and helping elect Democrats.

On Tuesday, two states will test whether the abortion-rights movement can keep up its momentum. In Ohio, a ballot measure will ask voters to protect abortion access, while in Virginia, the issue could help decide which party controls the state legislature.

Abortion is expected to feature prominently in 2024 elections. Efforts are under way in at least six states to ask voters next year to consider abortion's legality. That includes Arizona, which could be pivotal to controlling the White House and the Senate.

After the Supreme Court's Dobbs v. Jackson Women's Health Organization decision wiped out Roe's federal protection for abortion, some 16 states with Republican legislatures have banned or sharply restricted the procedure. Yet in five states where voters have been asked to weigh in directly, including Republican-heavy Kansas and Kentucky, they have favored abortion rights.

Alexis McGill Johnson, president of Planned Parenthood,

said abortion will dominate elections for the foreseeable future, contrasting the issue's resonance with concerns about inflation and Republican infighting in Congress. "People don't often forget when their rights have been taken away," she said.

Abortion gave Democrats a significant boost in last year's midterms, raising confidence among abortion-rights activists and candidates alike. Anti-abortion organizations, by contrast, are struggling to develop a politically attractive message and raise the \$100 million or more they plan to spend next year.

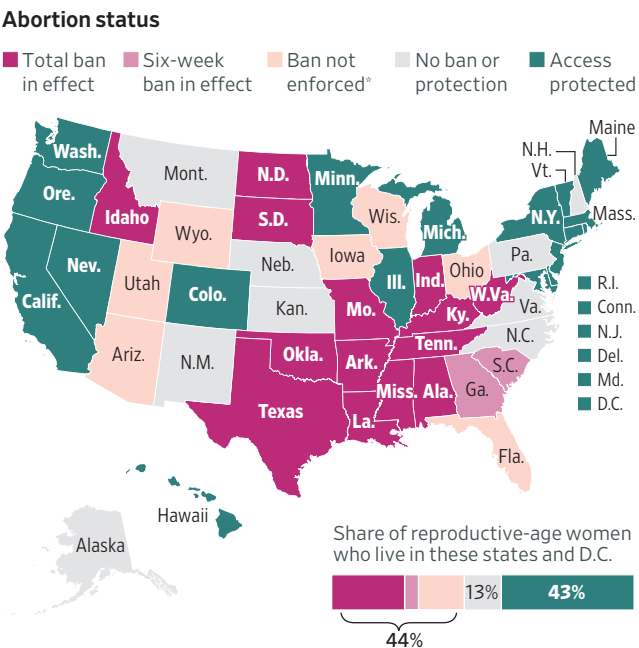
"We've never been good at the state level," said Marjorie Dannenfelser, president of Susan B. Anthony Pro-Life America, an antiabortion group. "We have a very diverse country. It makes sense that each state deciding what to do about abortion will be a cumbersome process with fits and starts."

"That's what I say to our team, and to candidates who are freaked out," she said.

As antiabortion groups work to turn the tide, they have piled millions of dollars into Ohio, spending more than they have on any state ballot initiative since Dobbs. They are still being outspent by more than 2 to 1, campaign finance reports filed at the end of October show.

It is perhaps the toughest battle yet for abortion-rights proponents because it is their first attempt since Dobbs to pass protections for abortions in a more conservative state. Abortion opponents argue that voter passions have cooled since that decision more than a year ago.

One thing "no one anti-



*Temporarily blocked or not immediate
Note: Bans refer to those with a gestational limit of six weeks or less and may have limited exceptions, such as medical emergencies. Protections refer to state laws or constitutional amendments that safeguard the right to an abortion.
Sources: Guttmacher Institute and staff reports (bans, protections); Census Bureau (women)

pated was how much the fear of change would dominate that first year post-Roe," said Dave Zanotti, chief executive of the Ohio-based conservative American Policy Roundtable. "The climate of 2023," he added, "is profoundly different."

The Ohio ballot measure would enshrine in the state constitution the right to have an abortion throughout much of pregnancy, preventing the Republican-dominated legislature from passing laws that strictly limit the procedure. Abortion-rights supporters are optimistic: Ohio voters rebuffed an effort largely funded by antiabortion groups this August to make constitutional amendments harder to pass.

In Virginia, Democrats trying to hold on to control of the

state Senate and flip the Republican house of delegates have made abortion the heart of their advertising campaigns, far outpacing other topics such as healthcare, guns and the economy.

Portraying themselves as a crucial block on potential restrictions or a total ban in a state led by Republican Gov. Glenn Youngkin, Democratic candidates have aired more than 38,000 abortion-relation spots at a cost of roughly \$14.5 million, an analysis by AdImpact shows. By contrast, abortion barely registers as a topic in Republican ads, which instead largely focus on crime and policing.

A frequently aired ad in recent weeks features Democratic House candidate Josh

Issue Becomes a Focus in Kentucky

In GOP-heavy Kentucky, the end of Roe v. Wade triggered a law that bans abortion except when a doctor deems the woman's life to be at risk. But last November, voters by 4 percentage points rejected a ballot measure that would have explicitly stated that the Kentucky constitution doesn't protect a right to an abortion.

Emboldened by that vote, Democratic Gov. Andy Beshear, who is seeking reelection Tuesday, has repeatedly criticized his op-

ponent, Republican Attorney General Daniel Cameron, for defending the state's abortion ban in the courts, and called him out for refusing to clearly answer whether he believes abortion should be legal for victims of rape and incest.

In one ad, a woman says she was raped by her stepfather at age 12. "Anyone who believes there should be no exceptions for rape and incest could never understand what it's like to stand in my shoes," she says.

Cole saying, "If you listen to her story, a woman facing an impossible decision to have an abortion, you'd know taking away her right to control her own body is just wrong."

For 2024, President Biden's re-election campaign is already highlighting Democrats' commitment to protecting abortion rights. One of his first campaign ads included audio of former President Trump saying, "I'm the one that got rid of Roe v. Wade" and advocating punishment for women who get abortions.

Trump, who has a commanding lead over other GOP primary candidates, has recently advised Republicans not to take a hard line against abortion because that makes it difficult to win elections. He called Florida Gov. Ron DeSantis's decision to sign a six-week abortion ban this April "a terrible thing."

Voters have grown more

supportive of legalized abortions since Dobbs, polls by The Wall Street Journal and others have found. Some surveys also show that Americans are open to restricting abortion after 15 weeks of pregnancy.

The Ohio constitutional amendment would protect the right to abortion up to the point that a fetus can live outside the womb, generally at about 23 weeks of pregnancy.

Republican supermajorities in the general assembly passed a six-week ban in 2019, GOP Gov. Mike DeWine quickly signed it into law, and it briefly went into effect when the Supreme Court issued its Dobbs decision last summer.

The law has been blocked in court for most of the past year, but the Ohio Supreme Court this fall heard arguments about whether to allow the ban to go into effect. A decision is expected in the coming months.



A court sketch of Donald Trump questioned by Kevin Wallace of the New York Attorney General's Office, right. Defense lawyer Chris Kise, left, and Justice Arthur Engoron looked on.

Trump Jabs At Judge in Fraud Trial

Continued from Page One

Trump repeatedly defended his estimation of his wealth, saying he had very little debt, a lot of cash and the ability to look at buildings and know how much they are worth.

He said financial statements he submitted to lenders underestimated his worth by billions of dollars because they didn't capture the value of his brand and undervalued properties such as Mar-a-Lago, his Florida estate. He insisted he couldn't be held liable for the estimates in the statements because they included disclaimers about their reliability. "We have a disclaimer clause which every court in the country holds up except for this particular judge," Trump said, referring to Engoron.

Trump twice acknowledged directing his staff to make changes to errors in financial statements, once on the size of his Trump Tower triplex apartment and again on a \$291 million valuation of Seven Springs, an estate north

of New York City. "I thought it was too high and we lowered it," Trump said, before adding the property was a magnificent one.

When Trump spoke at length about how much banks wanted to work with him—"They liked me very much," he said—the justice had had enough.

"Stricken!" Engoron said of Trump's comments.

Earlier in the day, as Trump offered a series of lengthy digressions, Engoron implored him to answer questions directly and ordered Trump's lawyers to contain their client.

"Control him if you can," Engoron said. "If you can't control him, I will."

Trump, who has offered blistering insults of Engoron outside the courtroom and on social media, aired some of the same kinds of criticisms during Monday's proceedings. "I'm sure the judge will rule against me because he always rules against me," the former president testified.

Chris Kise, a lawyer for Trump, asked that his client be given room to explain his answers. "I think you can afford the former president of the United States a little latitude," he said.

"This is not a political rally," Engoron said during one of his exchanges with Trump's lawyers. "I don't need editorializing. We'll be here forever."

The former president occasionally referenced his prior job.

After Wallace asked if Trump was involved in the preparation of his company's 2021 financial statement, Trump said he was busy dealing with China, Russia and keeping the country safe. Wallace in response noted Trump wasn't president at the time.

Wallace also asked Trump about the previous New York

criminal tax-fraud case against the Trump Organization, which was convicted late last year following a jury trial. Former chief financial officer Allen Weisselberg, who spent several months in jail after pleading guilty to tax crimes, testified during that trial that he was part of an off-the-books benefits scheme to evade taxes while at the company.

Wallace asked if after the trial the former president had gone over other work done by Weisselberg, who played a role in preparing the financial statements at issue in the current case. "I don't know, perhaps someone did," Trump said. "I really don't know."

James said outside the courthouse that she expected the insults and that Trump sought to distract from evidence that he and his family falsified assets to enrich themselves. "The numbers don't lie," she said.

The New York civil suit came before the former president, 77 years old, was indicted in four different criminal cases, all of which are now playing out in the middle of the presidential campaign. Trump is facing indictments in New York and Georgia and in two federal cases.

Trump's two adult sons testified last week, and his elder daughter, Ivanka Trump, is set to be questioned Wednesday. The attorney general's office is expected to rest its case after her testimony, clearing the way for the Trump lawyers to call witnesses next week.

—James Fanelli
contributed to this article.

Vows to Repeal Obamacare Vanish From GOP Campaigns

By Stephanie Armour
And Aaron Zitner

One of the most revealing debates in the Republican Party is one that is disappeared from the campaign trail: the fight over repealing Obamacare.

This presidential election marks the first in more than a decade in which no GOP candidates are pledging to eviscerate the landmark Affordable Care Act, ending a standoff between the parties over whether the government is responsible for providing access to healthcare.

When it comes to medical coverage, at least, the debate is largely settled: Americans want their government to help, rather than leaving it to insurers and market forces to try to provide the best coverage for the most people.

The silence today from the leading GOP candidates—nearly all of whom played central roles in their party's efforts to repeal Obamacare during Donald Trump's presidency—comes as many Republicans in Congress are pushing for the government to become more active in other business sectors to help workers and families. Often working with Democrats, they have proposed new social-media regulations, railroad safety rules, caps on credit-card interest rates and limits on noncompete clauses that make it hard for workers to switch jobs, among other measures.

Accepting an expanded government role in healthcare is part of that broader shift, said Peter Wehner, who served in the three Republican administrations before Trump's. "It's a significant change from 'markets can solve everything,'" he said. "From the Republican perspective, markets are viewed in much more qualified terms" than in prior years.

Joe Grogan, director of the White House Domestic Policy Council during part of Trump's term, said the government's role in providing coverage has become woven into the fabric of the U.S. healthcare system. "The goal of universal coverage, or for as many people as possible—that principle, there's no going back from that," Grogan said.

The ACA has been under GOP attack since its inception, surviving more than 50 Republican-led repeal efforts and

three trips to the U.S. Supreme Court. The law expanded the number of people eligible for Medicaid, a program for the low-income and disabled. It established a health-insurance marketplace where people can buy individual or family coverage and qualify for subsidies that reduce monthly premiums.

It also barred insurers from denying coverage to individuals with pre-existing conditions, set limits on the amount consumers must pay for in-network services, and established a floor of minimum benefits such as for preventive care and pregnancy that most health plans must cover.

Initially unpopular after its passage in 2010, the health law is now viewed favorably by some 60% of Americans, though by only one-quarter of GOP voters, a poll by KFF, formerly the Kaiser Family Foundation, found this year. More than 16 million people selected health plans on the law's insurance exchanges during the last sign-up round, a record high.

Some of the law's most haggled-over provisions, such as making more people eligible for Medicaid, are largely now a part of the healthcare landscape, with North Carolina this year becoming the 40th state to embrace expansion. The national uninsured rate reached an all-time low of 7.7% in early 2023.

Repealing the law was one of the top applause lines in front of Republican audiences after Congress approved the act—with votes from no Republican lawmakers—and President Barack Obama signed it into law.

Among current Republican presidential candidates, Sen.

Tim Scott of South Carolina and then-Rep. Ron DeSantis, who is now Florida's governor, voted for measures to repeal the law. As South Carolina governor, Nikki Haley declined to accept the law's funding for Medicaid expansion.

Today, the GOP candidates offer all but silence on whether the law should be changed or replaced.

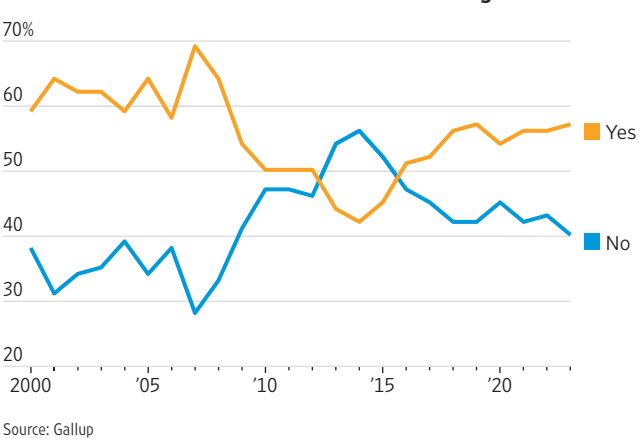
In nodds to the remaining GOP opposition to the law, Haley notes on her campaign website that she opposed Medicaid expansion in her state under the ACA. Trump's campaign site points out that he helped to essentially eliminate the ACA mandate that most Americans buy insurance or pay a penalty.

The repeal effort faltered in large part because three key GOP lawmakers balked at supporting the effort after analysts estimated more than 20 million people would lose health coverage. Republicans never coalesced around a replacement plan.

Yuval Levin, who served on President George W. Bush's domestic policy council, said that the ACA had changed healthcare less than expected, with the individual mandate now gone and the expansion in coverage resulting more from Medicaid growth than changes in private insurance.

"But Republicans have clearly been changing their mind about the role of government," said Levin, who is now with the American Enterprise Institute, a conservative think tank. "The party is less libertarian and now more open to a role for government in all areas, so that the next time there's a healthcare debate, it could look very different."

Do you think it is the responsibility of the federal government to make sure all Americans have healthcare coverage?



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WORLD NEWS

Bangladesh Garment Workers Press for Raises, but Who Pays?

Factory owners say Western companies need to spend more on clothes they order

By Jon Emont
and Refayet Ullah Mirdha

DHAKA, Bangladesh—The armies of people who make clothes for Western brands—some of the lowest-paid factory workers in the world—are protesting for better wages, a fresh sign that the era of ultracheap labor, and ultracheap clothes, on which many companies rely is increasingly under strain.

Garment workers in Bangladesh make as little as \$75 a month. In recent days, tens of thousands have refused to work, calling for the minimum wage to be raised to nearly three times that amount. Demonstrations have spiraled, with factories set ablaze and machines smashed. Some 300 factories were forced to stop operations.

The core of the protests, that workers need higher wages to make even a basic living, has drawn widespread support, including from fashion giants H&M, Gap and Zara parent Inditex, which source from the country. But no one can agree on who should foot the bill.

Factory owners in Bangladesh say that for them to raise wages in a big way, Western brands that are their top buyers need to pay more for the clothes they order. Although the big names in fashion publicly support higher pay, they balk when costs go up and threaten to shift their orders to other countries, said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association.



Garment workers demanding higher pay clashed with riot police in Dhaka last week.

In a late-September letter, Hassan urged the American Apparel & Footwear Association, an industry body, to persuade clothing brands and retailers to raise prices for clothing orders. “This is important for a smoother transition to a new wage scale,” he wrote, saying that factories were in a “nightmare situation,” facing weak global demand.

Part of the problem is that international clothing brands are also under pressure and grappling with stiff competition, said Rubana Huq, chairperson of Mohammadi Group, a Bangladeshi conglomerate that supplies many of them. “Every time we ask for even 1 cent [more] from the buyer, it is very difficult to get their support,” she said.

Bangladesh’s minimum-wage board is holding negotiations involving both labor and industry representatives

to settle on a new minimum wage for garment workers. Factory owners say that if workers’ demands for a roughly \$205 minimum monthly wage are met, Bangladesh would lose its competitive edge. Their proposal for a \$95 minimum wage was dismissed as unworkable by the government.

Western brands say they support a boost in the minimum wage, though most haven’t said by how much. Workers sewing clothes for them often make substantially more than the minimum wage but far less than what unions are demanding and what international organizations that benchmark living-wage standards consider to be enough.

The American Apparel & Footwear Association said its members are committed to responsible purchasing practices.

An H&M spokesman said

the company supports a new minimum wage to cover the living costs of workers and their families. He declined to say if H&M would pay higher prices to facilitate higher wages, but pointed to a document about its purchasing practices that shows it has a mechanism to allow improved wages to be reflected in the price offered to factories.

An Inditex spokeswoman pointed to recent public statements it made about its commitments to support a living wage for workers in its supply chain. Gap didn’t respond to a request for comment.

Mosammat Champa Khatun, who works in a garment factory and is protesting for higher pay, says she opted for inexpensive Islamic schooling for her child. Even so, her earnings of \$110 a month go toward rising transport, food and housing costs.

“I cannot save,” she said.

China Resists Attempts To Free Held Americans

By James T. Aredy

A crusading mother. Legal challenges. Human-rights campaigns. Corporate appeals. Congressional resolutions. Pressure from the White House. A United Nations agency plea.

For more than a decade, China has resisted impassioned requests to release Mark Swidan, a Texan imprisoned under murky and unusual circumstances. His case speaks to how the U.S., like other Western powers, has limited leverage in its efforts on behalf of citizens it says are arbitrarily detained in China’s opaque justice system.

The families of Americans detained in China, including some not imprisoned but blocked from leaving the country, hope this year’s halting resumption of high-level Washington-Beijing engagement can spur the release of their loved ones. China’s leader, Xi Jinping, is planning to travel to the U.S. for the first time since 2017 to meet President Biden in San Francisco. Sometimes summits have featured goodwill gestures by Beijing, including amnesty for detainees.

But families also worry the halting bilateral engagement has relegated individual Americans ever-lower on the long list of weighty issues that confront the rivals.

“It was very common in advance of a trip either way for prisoners...to be released,” said John Kamm, who heads San Francisco human-rights organization Dui Hua Foundation. “That’s the past.”

China’s government says it applies laws equally regardless of nationality and opposes what it calls foreign interference in its legal affairs.

The State Department has publicly classified three Americans as “wrongfully detained” in China: 48-year-old Swidan and two China-born, naturalized U.S. citizens in their 60s, Long Island businessman Kai Li

and California pastor David Lin, all of them serving lengthy prison sentences. All three have health issues, their families say.

The “wrongful” designation indicates the U.S. believes such people are held at least in part because of their American citizenship. U.S. diplomats are empowered to press harder for their release than they might on behalf of ordinary detainees. The State Department says American officials continually raise the cases when engaging with Chinese officials.

Swidan’s detention has appeared arbitrary since Chinese police first grabbed him around 11 years ago, according to his supporters. In 2019, a U.N. Human Rights Council working group on arbitrary detention agreed and called on China’s government to immediately release Swidan. This year, a Chinese court rejected Swidan’s appeal.

His odyssey began at the tail end of his first-ever trip to China, in 2012, when Swidan had gone to buy flooring and furniture. He was on the phone telling his mother about the deals he had seen when police burst in and cut the phone line, she says. Authorities had found methamphetamine on Swidan’s local driver and translator, and police told Swidan he was being detained as a possible witness in a drug case.

More than a month later Swidan was indicted on charges that he participated in a drug-manufacturing and distribution ring, though prosecutors described him as having a secondary role and recommended a light sentence, according to the U.N. account.

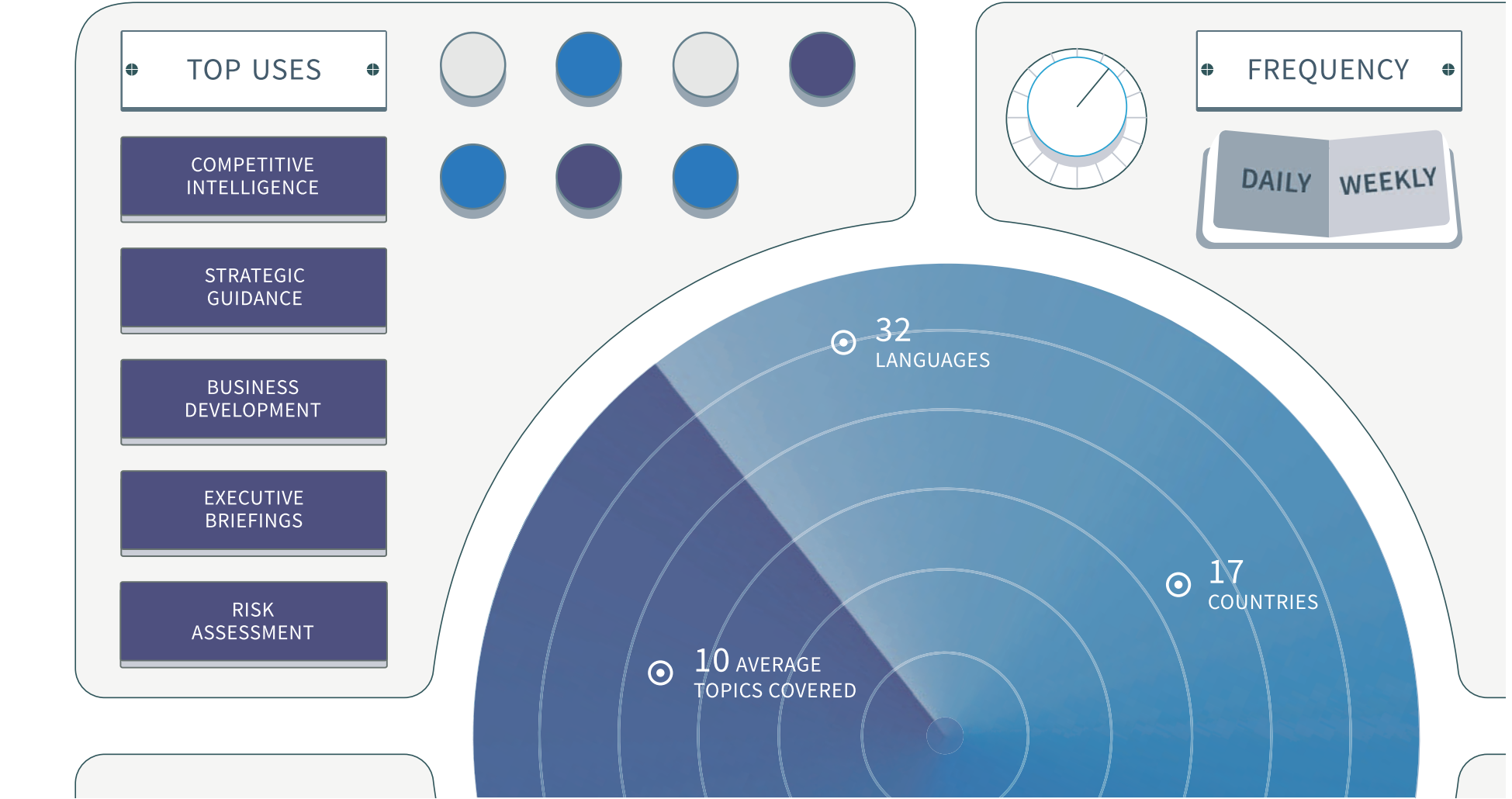
A year later Swidan was put on trial. It then took the court more than five years to return its verdict: guilty—with a new description he was the drug operation’s principal. He was sentenced to death but under rules that make it an effective life term. Swidan has maintained his innocence.

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WORLD NEWS

Next Argentine Leader to Face Economic Crisis

By RYAN DUBÉ
AND SILVINA FRYDLEWSKY

BUENOS AIRES—This once-prosperous nation known for its baroque architecture and robust cattle is grappling with its most debilitating economic crisis in a generation as Argentines prepare to choose a new president this month. And it is only getting worse.

Grocery-store shelves increasingly lack basics such as toilet paper, coffee and rice as triple-digit inflation accelerates. Factories can't import supplies because of dollar shortages, which forced General Motors to suspend production. Doctors say they don't have materials to perform CT scans. Recently, long lines formed outside gas stations after drivers were told they could buy only a few dollars of fuel at a time.

"This is an exhausting country," said Gabriel de Raedemaeker, a farmer in central Cordoba province who recently waited 40 minutes to pump about \$5 of fuel, forcing him to go searching for gas at another filling station.

Pollsters say anger about the broken economy has spurred the rise of Javier Milei, a libertarian outsider who pledges to reduce inflation by slashing public spending and ditching the peso for the dollar. His rival is Economy Minister Sergio Massa of the ruling Peronist coalition, who came out on top in a first round of voting in October despite overseeing the turmoil.

Some polls show Milei in the lead, while others give Massa, who can count on the powerful Peronist machine, a populist movement popular in working-class areas of Buenos Aires, the edge ahead of the Nov. 19 runoff.

Whoever takes office on Dec. 10 will inherit inflation that is expected to reach nearly 200% by year's end and interest rates of 130%, which are the world's highest. The central bank has virtually no



People collect vegetables discarded by vendors in Buenos Aires as the country endures a debilitating economic crisis.

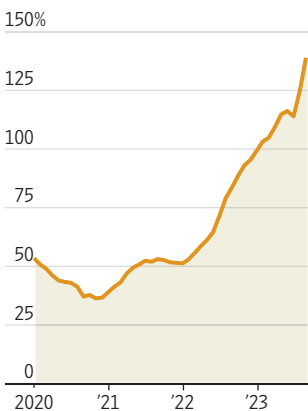
reserves, and Argentina owes \$44 billion to the International Monetary Fund. Cut off from global financial markets, the government relies on ramped-up money printing to cover a widening budget deficit while turning to China for billions of dollars in loans.

"We might end up in a situation where the next government inherits hyperinflation," said Alejandro Werner, former director of the IMF's Western Hemisphere department. "The first six months are going to be dreadful."

On the streets, people complain of everything from unemployment to food prices so high it is hard to feed children.

An estimated \$250 billion in dollars has been stashed abroad, multiple times that of other big Latin American countries, according to the Institute of International Finance. Others have unloaded

Argentina's consumer-price index, change from a year earlier



Source: Central Bank of Argentina

their pesos by turning to cryptocurrencies that have lost their allure elsewhere. Argentina has the sixth-largest crypto-adoption rate in the world, according to data and survey firm Statista.

Others have turned to crypto to circumvent currency controls after President Alberto Fernández's government has little by little created more than a dozen exchange rates against the dollar, a major challenge for the next administration to unravel. One is for soy farmers to motivate them to sell, one is for foreign credit cards, aimed at tourists, while another still is the "Qatar rate" for Argentines who attended the World Cup there.

It isn't just ordinary people who can't rely on the peso. The automotive sector hasn't been able to import parts as a result of a shortage of dollars to pay suppliers abroad.

In August, French carmaker Renault briefly suspended operations at its factory in Cordoba. GM closed production at its Santa Fe plant for nearly three weeks

in October. The company resumed operations last week, even though payments to suppliers are still delayed, a GM spokesman in Argentina said.

"It is becoming increasingly difficult to get supplies," said Norberto Taranto, a businessman who leads an association of Argentine auto-parts manufacturers. "We're in a critical moment."

Milei, an economist who calls himself an anarcho-capitalist, says that by replacing the peso with the U.S. dollar, Argentina would control inflation by preventing politicians from printing money.

Massa, considered more moderate than his leftist Peronist allies, blames the economic troubles on an IMF bailout under the previous center-right administration and a severe drought that hurt agricultural exports. He projects a fiscal surplus next year.

"The Argentine economy

Some Embrace Crypto Solutions

After losing his job during the pandemic, Juan Manuel Vives moved to Argentina's remote south from Buenos Aires to mine for bitcoin.

He now operates a computer the size of an oven to churn out bitcoin, earning a few dollars a day, more than he could have earned working in the capital. Wild price spikes and crashes buffet the crypto market globally, but Vives said crypto is a better safeguard for his savings than the peso, which has shed 90% of its value since 2019.

"People don't trust the peso," Vives said. "Between the volatility of the peso and the volatility of bitcoin, I prefer bitcoin."

and exports are going to post stellar growth," Massa said. Economists counter that his recent elimination of the income tax for nearly all Argentines along with cash handouts to drum up voter support will make any adjustments more painful.

Investors say Argentina has strong economic potential as a powerhouse grains exporter, along with supplying lithium and natural gas.

But they also worry that Massa would maintain the same Peronist policies, from capital controls to money printing and subsidies, that have stifled foreign investments.

"It all begins with management before being able to think about potential growth," said Malcolm Dorson, who tracks Argentina as senior portfolio manager at Global X, an exchange-traded fund provider in New York.

dog•ged


/ˈdɒɡəd/

adjective

Despite spending my early life in a shelter, there's no dog more determined than me. Thanks to the National Disaster Search Dog Foundation, if you're ever trapped under rubble after a disaster, I'll find you. That's my job, and what I was born to do. You'll never find a dog more *dogged*.


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Victor

Active Search Dog
Rescued from Redding, CA.
Photographed by Shaina Fishman
at SDF's National Training Center.



JOURNALISTS DON'T
'JUST WRITE STORIES.'

THEY RECORD HISTORY.





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WORLD NEWS

Pressure Escalates To Pause Assaults

U.S. steps up calls for Israel to temporarily halt Gaza attacks so aid can get into strip

By Vivian Salama
And Stephen Kalin

The U.S. is dialing up pressure on Israel to ease its intense bombardment of the Gaza Strip, deploying a wave of top diplomats to the Middle East in recent days, even without the release of hostages taken by Hamas, which Israel has set as the condition for any pause in its military operations.

President Biden, in a phone call on Monday with Prime Minister Benjamin Netanyahu, urged the Israeli leader to declare a humanitarian pause, said John Kirby, spokesman for the White House National Security Council.

The conversation came hours after Central Intelligence Agency Director Bill Burns arrived in Israel, following a visit to the region by Secretary of State Antony Blinken. Biden's special envoy for the Middle East, David Satterfield, also returned to Israel, seeking to negotiate the terms of a temporary pause to allow more humanitarian aid into Gaza.

For Washington, the diplomatic campaign demands a delicate balance between supporting Israel—its closest ally in the region—in its objective of de-

stroying Hamas, and easing a humanitarian crisis that threatens to destabilize neighboring Arab countries that are also U.S. allies. Few American presidents have embraced Israel at war as Biden has, but recent polls show his stance has eroded support in his Democratic base, so the White House is walking a line in its messaging.

"We're not sitting down next to them [Israel] as they develop the target lists and how they're going to prosecute each target," Kirby said. "This is their fight. We're going to continue to urge them to be careful."

However, Israeli defiance over a humanitarian pause has been a source of contention with Washington—including with Biden, who has grown increasingly frustrated by Israel's refusal, officials said.

The sense among some U.S. officials is that Israel eventually will agree to a pause, but that could take days or weeks, frustrating Washington's Arab partners, who fear that the longer the conflict continues the greater the risk of spill-over into their countries.

"Things are getting worse rather than better for the civilians in Gaza," said Jordanian political analyst Osama Al Sharif. "So definitely Jordan and the rest of the Arab countries are not very happy."

He said Arab governments were insulted and embarrassed before their people by how, in their view, the U.S. has

adopted Israel's perspective and ignored their concerns.

"The longer this war continues and the suffering of Palestinians continues, regardless of the outcome, I think it's going to have a damaging effect on these so-called alliances," Sharif said.

The U.S. is stressing to Israel that it has a moral imperative to pause the fighting while humanitarian relief—in particular fuel—is delivered to those in Gaza who are desperately in need. Israel has remained defiant, saying it would only consider a pause if all the hostages are released, U.S. officials said.

Israel might consider allowing fuel deliveries to southern Gaza, outside the focus of its military assault, U.S. officials said, but Israeli officials continue to discuss terms and logistics with U.S. counterparts. Israel has said fuel could be diverted by Hamas militants for their own purposes.

There is a sense among some U.S. officials that Netanyahu is pushing the U.S. and other allies to publicly demand and pressure him to accept a humanitarian pause so as to avoid political backlash at home from his cabinet and coalition if he were to seem weak in the face of pressure to pause the fight.

Blinken, speaking to reporters in Baghdad, where he made an unannounced visit on Sunday, said: "Israel's raised important questions about how



Secretary of State Antony Blinken spoke with reporters as he left Turkey on Monday.

humanitarian pauses work."

"We agreed that our teams would get together and they are doing just that...to work through the specifics of the practicalities of these pauses," he said.

Burns, the CIA director, arrived for talks with his counterparts in other intelligence agencies, on the hostages, efforts to keep the conflict from spreading, and opening a border crossing between Gaza and Egypt.

Burns has earned a reputation as the Biden administration's go-to man in tricky diplomatic situations. He has longstanding ties to the region, having served as a senior State Department official on Middle Eastern affairs and ambassador to Jordan during the Clinton administration.

U.S. officials say time is of the essence to offer some relief to Gaza civilians caught in the crossfire, and worry that the catastrophe playing out in Gaza will get worse.

Israeli officials contend that

a pause would allow Hamas to regroup and retaliate. U.S. officials share that concern, but said that the crisis in Gaza has reached a point where it is virtually impossible to sustain the current level of attacks. U.S. officials say they aren't telling the Israelis what to do but they are pressuring them about how their military campaign is conducted to minimize civilian casualties to the maximum extent possible.

Netanyahu and other Israeli officials have said they would relentlessly pursue Hamas until it releases more than 200 people taken hostage on Oct. 7. Netanyahu has said Israel would consider a pause in its assault as part of a hostage deal.

A senior European official said that even for international aid workers to visit and check on hostages would require a pause in fighting.

A senior Israeli security official said on Monday that the military's goal was to destroy

Hamas's command structure in Gaza City, which could entail striking hospitals and civilian structures. Israel has said Hamas uses them to cover or hide its military assets. The official said military leaders are concerned that their government will face pressure from the U.S. and other countries to curtail combat before Israel's war aims are accomplished.

Hamas has struggled to agree on a unified position on how to handle the hostages. In talks with Egypt and Qatar, Hamas political leaders expressed willingness to release some civilian hostages, while leaders of the group's military wing opposed the idea, officials familiar with the talks said.

Watch a Video



Scan this code to watch a video on Blinken's Mideast efforts.

Push Into Gaza City Intensifies

Continued from Page One

Horowitz, the Israel-based head of intelligence for the consulting firm Le Beck. Horowitz said the troops seemed to be working methodically to clear out Hamas tunnels on the perimeter of the city before moving deeper. Horowitz said he saw no evidence to place Israeli soldiers in the heart of Gaza City.

Israel's ground operations around Gaza City were accompanied by continued strikes, with the military saying on Monday that its jet fighters had struck around 450 targets over the previous 24 hours. The targeted sites included Hamas military compounds, observation posts and firing positions for antitank missiles, the military said. Navy warships positioned in the Mediterranean Sea had also bombarded Hamas facilities, the military said.

The latest push coincided with a third major communications blackout in the enclave, with phone and internet services cut off from the Israeli side on Sunday and only gradually restored on Monday, said Patel, the telecommunications company that services Gaza.

Israeli officials didn't respond to a request for comment on the communications blackout. Aid agencies said such blackouts disrupt emergency services, including calls to ambulances, and prevent Gaza residents from checking on family members.

Hamas, which the U.S. designates as a terrorist group, said on its Telegram channel that it used mortars to attack Israeli troops entering Gaza City from the northwest and south. It later posted on the same channel that it had bombed "a dismounted infantry force" in "the Al-Maqousi area in Gaza City with dozens of mortar shells."

A senior Israeli security official said the military's goal was to destroy Hamas's command structure in Gaza City. But doing so will require difficult decisions about whether to strike hospitals and other civilian structures and about fighting inside an underground tunnel system where Israel contends many of Hamas's senior members—and possibly hostages taken by Palestinian militants—are located.

The latest drive coincided with a third major communications blackout.



People in Gaza City on Monday searched through buildings that were destroyed during an Israeli bombardment of the Al Shati refugee camp.

The official said that once the military had taken out Hamas's commanders, the group's rank and file would pose less of a threat and could be defeated as the conflict evolves from the heavy-combat phase to one of lower intensity.

Although some Israeli officials said they believe defeating Hamas could take as long as a year, the senior security official said there is concern in the military that Israeli Prime Minister Benjamin Netanyahu's government is likely to face growing pressure even from the U.S. to curtail combat before its war aims are accomplished.

Gaza residents and doctors said airstrikes also hit close to Al-Shifa Hospital, where, in addition to patients, thousands of civilians have been sheltering, and a crowded refugee camp in the north of the enclave. Israeli military commanders have said in recent days that Hamas has put command facilities, ammunition stockpiles and firing positions near and underneath hospitals—a claim Hamas has denied.

Since Hamas's Oct. 7 attacks, in which the group's fighters killed some 1,400 people inside Israel, the Israeli



A woman touched a poster showing a kidnapped relative outside the Knesset on Monday.

military has carried out thousands of airstrikes in Gaza, bringing down high-rises, transforming neighborhood blocks into rubble and prompting more than half of the strip's 2.2 million residents to flee their homes.

The Hamas-controlled health authorities in Gaza said on Monday more than 10,000 Palestinians had been killed in the war, the majority of whom are women and children. The fig-

ures don't distinguish between civilians and combatants. Israel said 31 soldiers have been killed since it launched the ground war on Oct. 27.

President Biden spoke Monday morning with Netanyahu, the White House said, a conversation that included a discussion of "the possibility of tactical pauses to provide civilians with opportunities to safely depart from areas of ongoing fighting, to ensure as-

sistance is reaching civilians in need, and to enable potential hostage releases."

The conversation came hours after Central Intelligence Agency Director Bill Burns arrived in Israel, while Secretary of State Antony Blinken discussed the war with Foreign Minister Hakan Fidan of Turkey in Ankara on Monday.

President Ebrahim Raisi of Iran, meanwhile, plans to attend an extraordinary summit

of the Organization of Islamic Cooperation in Riyadh, Saudi Arabia, on Sunday that is aimed at discussing the war. His visit would be the first to the kingdom by an Iranian head of state since 2012.

Netanyahu has resisted pressure from the U.S. to pause Israel's airstrikes to facilitate humanitarian-aid deliveries unless an estimated 241 hostages taken by Hamas fighters from Israel are released. He has also dismissed calls for a broader cease-fire from the United Nations and increasingly alarmed Arab countries.

The U.N. on Monday said more than 88 workers in its Relief and Works Agency, the largest humanitarian organization in the Gaza Strip, have been killed since Oct. 7, the highest number of U.N. workers who have died in any single conflict.

Amid Israel's intensifying offensive, scores of residents of northern Gaza on Monday took advantage of a corridor opened by the Israeli military to flee south.

An Israeli government spokesman said Monday that one of its airstrikes had killed Wael Asefa, a Hamas commander who was "personally responsible" for ordering the Oct. 7 attacks.

—Chao Deng, Anas Baba, Omar Abdel-Baqi and Catherine Lucey contributed to this article.

WORLD NEWS

Families Often Split Trying To Flee Gaza

CAIRO—On the wall of the border crossing between bombed-out Gaza and Egypt’s Sinai desert there is a list. The names on it have been a source of hope, despair and confusion for the hundreds of foreign families wanting to escape the Palestinian enclave under Israeli fire.

By *Chao Deng, Summer Said and Stephen Kalin*

When American sisters Jana and Mena Timraz appeared on the list on Thursday, they rejoiced. But their parents, their brothers and Jana’s husband, who aren’t U.S. citizens, weren’t on the roster.

“My husband said ‘Go save yourself and son—that’s the most important thing,’ ” said Jana, cradling her 3-month-old son in a Cairo hotel, having left the rest of her family behind in Gaza. “Our bodies are here, but our hearts are with them,” the 19-year-old said.

Their story is among the heart-rending dilemmas emerging from those fleeing Gaza. After a weekslong diplomatic wrangle to get the frontier open for foreign nationals and the injured, the task of choosing who goes through the Rafah crossing is arguably more arduous.

The exodus was complicated further by the suspension of crossings Saturday morning, when Hamas, the U.S.-designated terror organization that runs the Gaza Strip, said it wouldn’t open the border unless Israel agreed to the safe passage of ambulances heading to the crossing. An ambulance near the largest hospital in Gaza City was hit on Friday by the Israelis, who said they were targeting Hamas militants using the vehicle. The border re-

opened on Monday.

Compiling foreigner-departure lists involves a complicated exchange of personal details submitted by embassies for vetting by Israeli authorities, Egyptian officials and Hamas.

Children have been listed and not parents. For those who have made the cut, getting to the exit has proved dangerous at times. The Rafah crossing itself came under fire at least three times in the run-up to its opening for humanitarian aid, and there was a blast there on Thursday, an American waiting to leave said.

A U.S. official telephoned Noha Abuolba, who lives in Pennsylvania and was visiting family in Gaza when the war broke out, to notify her when her name appeared on Thursday’s list. She waited until Friday when her sister and brother-in-law’s names also showed up on the list, then headed to Rafah with them and her children.

Abuolba and her relatives had to run for half an hour to reach a hospital, said Atta Abuolba, Noha’s brother-in-law, who was with her when the bus came under fire. One of her daughters was shot and suffered shrapnel wounds to her back, and another daughter had to get her fingers amputated because of her injuries, the brother-in-law said.

“We tried to get to the Rafah border but it is very difficult and dangerous,” he said.

The State Department said it was following up with the family.

About 60 nations have asked Egypt for around 7,600 foreign nationals—many of Palestinian heritage—to be allowed to leave Gaza, senior Egyptian officials said. Among them are between 500 and 600 Americans. In its first three days of



Jana Timraz, wearing a red top, and her sister Mena, wearing a printed top, at a hotel in Cairo after leaving the Gaza Strip

Four-Year-Old Waited for Relatives to Cross the Border

Families have frantically called U.S. offices in Cairo, Tel Aviv and Jerusalem about getting their names on a list of those cleared to leave the Gaza Strip and enter Egypt.

Hammam Alyazji said his 4-year-old son—the only U.S. citizen in the family—appeared on a list on Thursday. It would have been im-

possible for the boy to go alone, so the family of four anxiously waited for another day before all their names appeared, and they crossed.

Still, the boy’s grandparents’ names were missing. “I don’t know if I’m lucky or not,” Alyazji said.

From Cairo early Saturday, they checked the list online and saw Alyazji’s

name listed four times, even though he had left Gaza. His parents still weren’t included.

“The ones who put together these lists don’t care about Gaza or people,” he said.

U.S. officials said they are advocating for families to be listed together, but noted that the U.S. doesn’t control the registers.

other family members joined them, but the Egyptian government has given evacuees only three-day visas.

Mohammed Abu Hamad, a British father of five, was left off the register that contained his American wife and children. Undeterred, he talked his way through the Gaza side of the border, his wife Emilee Rauschenberger says.

Officials in Gaza warned he might be turned back at the Egyptian side, but when he showed his British passport they waved him through and the family rode an overnight bus to Cairo, from where they plan to fly home to the U.K. Abu Hamad’s name appeared on a U.S. section of the Palestinian-administered list the next day.

Others are still waiting, including Adam Al alami, an 11-year-old American whose parents weren’t on the same departure roster as him. Adam’s mother said her son cried when his cousins, aunt and uncle went through the border without him on Friday. The family returned to the house in southern Gaza where they are sheltering with 50 other people.

—Anas Baba contributed to this article.

U.S. Plans Big Transfer of Weapons

By JARED MALSIN

The Biden administration is planning a \$320 million transfer of precision bombs for Israel, a major weapons deal that comes amid heightened concerns in Congress and among some U.S. officials about the rising civilian death toll during the Israeli military campaign in Gaza.

The administration sent formal notification on Oct. 31 to congressional leaders of the planned transfer of Spice Family Gliding Bomb Assemblies, a type of precision guided weapon fired by warplanes, according to correspondence viewed by The Wall Street Journal.

Under the agreement, weapons manufacturer Rafael USA would transfer the bombs to its Israeli parent company Rafael Advanced Defense Systems for use by the Israeli defense ministry, the correspondence says.

The plan also includes the provision of support, assembly, testing and other technology related to the weapons use. It follows a \$402 million transfer of the same weapons that the administration first sought congressional approval for in 2020.

The weapons were requested by Israel before the Oct. 7 Hamas attack on Israel, with an initial, informal notification sent to congressional leaders earlier this year, said officials familiar with the process.

The planned weapons deal comes as the death toll in Gaza from Israel’s continuing assault on the enclave surpassed 10,000 people on Monday, according to the local Health Ministry in the Hamas-run enclave. The figure doesn’t

distinguish between civilians and combatants, but more than two-thirds of those killed in Gaza have been women, children and the elderly, according to the ministry.

Officials at the State and Defense departments didn’t respond to requests for comment on the matter.

The Pentagon has refused to say how much military weaponry, equipment and other aid it has provided Israel since the Oct. 7 attack.

After being the recipient of widespread Western and other international support in the aftermath of the Hamas attack, Israel is now facing a growing international outcry over killings of civilians and the deepening humanitarian crisis in Gaza. Senior U.S. officials have

urged Israel in recent days to ease its bombing of Gaza to alleviate the humanitarian crisis in the strip.

Some security analysts said the potential weapons transfer could undercut those efforts toward a pause in the military assault.

“The Biden administration has been urging the Israeli government to allow for humanitarian pauses, but this sale and other similar military assistance being rushed to Israel completely undermines that effort,” said Seth Binder, director of advocacy and an expert on weapons sales to the region at the Project on Middle East Democracy, a policy institute in Washington.

“The administration may be asking for pauses but its actions say it is supporting the bombing campaign,” Binder said.

—Nancy A. Youssef and Gordon Lubold contributed to this article.

The Biden administration would send Israel \$320 million in precision bombs.

Sale of Guns to Police Spurs Concerns

By JARED MALSIN AND GORDON LUBOLD

The Biden administration has approved the transfer of some 24,000 rifles to the Israeli national police, raising concerns among some U.S. officials that the small arms could end up in the hands of Israeli settlers and be used indiscriminately against Palestinian civilians.

The decision, made in recent days, includes the transfer of roughly \$30 million worth of automatic and semiautomatic weapons through licenses approved by the State Department. It comes as U.S. support for the campaign Israel is waging against the Palestinian-Islamist militant group Hamas inside Gaza gets new scrutiny.

The international community has grown increasingly alarmed as thousands of innocent civilians caught up in the conflict have been killed as part



Far-right National Security Minister Itamar Ben-Gvir, center, inspected weapons last month in Ashkelon, Israel.

of the Israeli ground incursion.

The sale of the small arms underscored what to many, including members of Congress and human-rights groups, is U.S. support for the use of indiscriminate targeting of individuals inside Gaza.

Lawmakers, including U.S. Sen. Chris Van Hollen (D, Md.),

fear that the small-arms weaponry could end up in the wrong hands, including in community groups that aren’t as tied to Israeli government policy.

Since the far-right National Security Minister Itamar Ben-Gvir began to oversee the Israeli national police, Van Hollen “has been concerned about

the possible diversion of military rifles to settlers in the West Bank,” said a Senate staffer. Van Hollen is seeking assurances from the administration that weapons sales not be used to fuel extremist violence against innocent Palestinians.

State Department officials confirmed the sale by Colt Manufacturing of Hartford, Conn., and other companies, and said the concerns raised have been addressed through assurances the U.S. has received from the Israeli government. Colt Manufacturing didn’t respond to a request for comment.

Administration officials said the concerns that the weaponry could fall into the hands of community-based groups in the West Bank are effectively moot because the Israeli National Police doesn’t operate in the West Bank and therefore the weaponry shouldn’t surface there.

WORLDWATCH



A woman looks for her belongings after a quake hit Nepal.

GERMANY Manufacturing Lift Beats Forecasts

New orders at German factories rose slightly in September, beating expectations.

Manufacturing orders were 0.2% higher than a month before, according to seasonally and calendar adjusted-data released Monday by German statistics office Destatis. Orders had been expected to slip 1.5%, according to economists polled by The Wall Street Journal.

Orders in August had risen 1.9%, Destatis said, reducing a previous estimate of a 3.9% rise.

—Joshua Kirby

NEPAL Aid Trickles In After Earthquake

Survivors of an earthquake that flattened villages in Nepal’s northwest mountains searched through debris for any salvageable belongings on Monday as aid trickled into the remote area.

The relatively shallow 5.6-magnitude tremor on Friday killed 157 people, injured scores and left thousands homeless when it struck just before midnight, unleashing landslides and collapsing homes in an area of steep slopes centered around the district of Jajarkot.

—Associated Press

EAST AFRICA Floods Kill 29 in Kenya, Somalia

Heavy rains and flash flooding have killed at least 29 people and displaced tens of thousands in Kenya and Somalia, aid agencies reported on Monday.

In Somalia, the federal government declared a national emergency after the extreme weather killed at least 14 people and destroyed homes, roads and bridges. Emergency and rescue workers were trying to reach an estimated 2,400 residents trapped by floodwaters. In neighboring Kenya, the Kenya Red Cross said the death toll had risen to 15 since the heavy rains began on Friday.

—Associated Press

AUSTRALIA Central Bank Hikes Rates After Pause

The Reserve Bank of Australia raised interest rates in response to stubbornly high inflation, ending a five-month pause and diverging from other major central banks that have signaled they may have price pressures under control.

The increase takes Australia’s official cash rate to 4.35% from 4.10%, the highest in more than a decade. It was widely expected by economists: Consumer prices in the three months through September were up 5.4% from a year earlier, almost twice the U.S. rate and significantly higher than the eurozone’s.

—James Glynn

FROM PAGE ONE

Foreign Firms' Cash Exits China

Continued from Page One

dollar this year and touched its lowest level in more than a decade in September.

A range of factors has contributed to the profit exodus, economists and corporate executives said. Those include a widening gap between China's interest rates and those in the U.S. and Europe that has made it more attractive to park earnings in the West. While the Fed and other central banks have been raising rates to fight inflation, China has been cutting them as policy makers battle a prolonged downturn in real estate.

But many foreign firms are looking for better uses for their money, as China's economy slows and geopolitical tensions rise. Chilly relations between Beijing and the U.S.-led West

have pushed global companies to rethink their supply chains and exposure to China.

"Corporates are beginning to de-risk from China," said Peter Kinsella, global head of foreign-exchange strategy at Union Bancaire Privée.

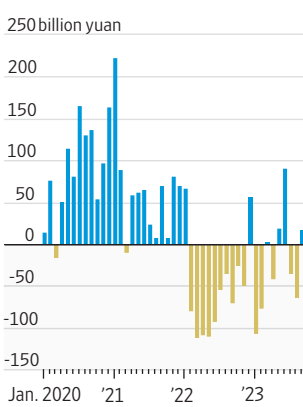
Firan Technology Group, an aerospace-electronics company based in Toronto, pulled around 2.2 million Canadian dollars, equivalent to \$1.6 million, from China in 2022 and the first quarter of 2023, Chief Executive Brad Bourne said. The company invested between 8 million and 10 million Canadian dollars to expand in China over the past decade.

The main reason for withdrawing cash from China was to help finance two recent acquisitions in the U.S., Bourne said. But he said that deteriorating ties between Washington and Beijing are a concern for the company. "For sure, there are more uncertainties as to what will happen regarding tensions between China and the West/U.S.," he said.

"So having large sums of money there has some risk."

Unlike most other major

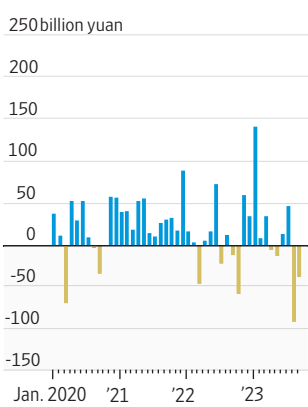
Monthly change in foreigners' holdings of Chinese bonds



Note: 10 billion yuan=\$1.37 billion

Sources: Wind, Shanghai Clearing House, China Central Depository and Clearing

Monthly net flows to mainland China stocks via Hong Kong



economies, China doesn't distinguish between reinvested profit and new or "greenfield" foreign investment in its balance of payments, a record of a country's international transactions.

China's Ministry of Commerce, however, does publish monthly data on greenfield investment. By subtracting those data from the direct-investment sums recorded in China's balance of payments,

economists can get a rough estimate of the flow of profits being reinvested in China or being pulled back overseas.

The data show that for all but two quarters between 2014 and the middle of last year, foreign firms were reinvesting more in China than they were transferring abroad. In 2021, for instance, firms re-invested a net \$170 billion.

That shifted in the middle of 2022, when China was under

sporadic lockdowns and the U.S. Federal Reserve began raising interest rates to combat inflation. Outflows have continued in each quarter since.

"Could this be a canary in the coal mine for future investment intentions? It's possible," said Alex Etra, senior macro strategist at Exante Data, which tracks global capital flows.

Recent surveys of U.S., European and Japanese companies in China show executives are souring on new investments there, unnerved by the prospect of conflict with Taiwan and China's efforts to tighten oversight of foreign firms operating within its borders. Overall foreign direct investment in China was negative in the third quarter, with outflows of capital exceeding inflows by \$11.8 billion—the first negative quarter in balance-of-payments data that start in 1998.

The U.S. has imposed restrictions on U.S. investment in China in sensitive sectors such as artificial intelligence and has prohibited the export to China of high-end computer chips, fearing they could be used by its military.

China has imposed exit bans on certain employees of foreign companies and this year raided the offices of some consulting firms providing services to multinational companies. The government has also broadened its anti-spying laws in ways that could encompass routine corporate activities.

Some firms have disclosed that they are taking profits out of China. Swiss materials-technology company Oerlikon said in February it pulled 250 million Swiss francs, equivalent to \$276 million, from China in 2022. A spokeswoman described the transfer as routine.

Georgia-based Chart Industries, which makes cooling systems, said in October it repatriated \$35 million of cash from China in the first nine months of the year. The company didn't respond to a request for comment.

The repatriation of companies' earnings is part of a broader outflow of foreign capital from China. Higher rates and bond yields in the U.S. have also made Chinese stocks and bonds far less attractive to global investors.

Xi Makes Push for Countryside

Continued from Page One

people work while rejuvenating villages left behind by China's economic rise.

In reality, many young people are using the programs to postpone the potentially painful process of searching for jobs today in China's big cities. The work they are doing often falls short of fixing the underlying problems of rural China, which include a lack of business and investment.

In a village west of the southern city of Guangzhou, a group of college volunteers recently painted an antidrug slogan on a wall. The village, which has been earmarked by the government for revival, was all but deserted, with businesses closed and some of its homes abandoned and overgrown with weeds.

By volunteering to paint the wall—and registering the work via an official app—several of the students said they believed they would have a leg up in later applying to join the Party. The students figured that would bolster their chances of eventually landing government work, a highly desirable path for its job security.

In another village, a different group of young people working with the Party passed time by teaching children to read the expiration dates of food labels. One of the women leading the class said the full-time volunteer program bought her time to figure out a career. "I didn't know what else to do," she said. Then officials arrived and she declined to say more.

While China has rolled out many rural poverty-alleviation programs over the years, the latest push stands out for the way in which young people are being enlisted to advance some of Xi's signature political goals.

The effort has picked up steam since Xi called on officials to steer more graduates to the countryside during a speech last December.

Xi detailed his concerns that mass migration from rural to urban areas over the past 40 years is putting the country's food supply at risk and making China vulnerable in its growing rivalry with the West. "The main reason some villages lag behind in development is that they lack talent," Xi said.

His vision is for more young people to settle in the countryside for the long run—not just for a year or two. With more than one in five young urban Chinese unemployed as of this summer, resettling people into towns and villages can take some of the heat off cities that haven't produced enough of the white-collar jobs that many graduates want.

But many young Chinese would still rather scrape by in cities with low-wage work, often as shop assistants or delivery drivers. Others simply live off their parents' money.

"Life here is dull, unlike the colorfulness of the cities," said Chen Lingmin, another graduate who has been working as a Party volunteer in rural



FROM TOP: THE WALL STREET JOURNAL; LI XIEREN/XINHUA/ZUMA PRESS

Above, students volunteered to paint an anti-drug slogan on a village wall in rural Zhaoqing. Left, Chinese President Xi Jinping has urged young people to leave city life.



Guangdong since 2021.

An art major in college, she is now teaming up with the Party's Youth League to produce videos to promote the rural town where she has been stationed north of Zhaoqing, home to more than 4 million urban and rural residents in southern China.

The Party is eager to tap the digital sensibilities of young people such as Chen, tasking some with setting up e-commerce channels to hawk local products from shrimp to peanuts. The thinking is that distinctive branding for these products will appeal to China's urbanites, convincing them to buy more of the rural products and generating income for poorer regions.

Such a strategy is unlikely to work for every village in China, however, with many villages lacking the sorts of local specialties that appeal to Chinese from the big cities.

Chen redesigned the packaging of local rice, in an attempt to boost sales beyond the immediate area where she works, with script printed on the new packaging stressing

the rice was naturally grown in rural Zhaoqing. She said the rebranded rice so far is mostly being consumed by the local government itself as well as some villagers.

Chen praised the administrative skills she developed through the volunteer program, as well as the unique experience of living in the countryside. Yet she didn't plan to stay there long-term, and was planning a return to city life when her service ends later this year.

Echoes of Mao era

The idea of sending young people to the countryside has roots deep in the Party's history. In the 1960s and 1970s under Mao Zedong's leadership, more than 16 million people were sent down by the Party to work in rural China.

Among them, 15-year-old Xi was dispatched from a privileged Beijing upbringing to a barren village in northern China. He slept in a sparse cave dwelling, herded sheep and tended fields with farmers, according to official me-

dia accounts.

As China's leader, he has invoked this time as a life-altering experience that taught him the value of sacrifice in service of the nation. Today, besides the practical considerations of making China stronger agriculturally and creating jobs for unemployed youths, Xi's belief that young people should be grittier also undergirds the rural-work push.

"The 'self-pursuit of hardship' is the most important thing I ask of myself," state media has quoted Xi as saying.

The campaign today differs in crucial ways from what Xi endured. For one thing, the state is seeking volunteers to go to the countryside rather than sending them forcibly.

And unlike in the Cultural Revolution, when the Party expected urbanites to learn from farmers, officials now say they need college graduates to help rural areas modernize.

State media has depicted some volunteers such as Li Yueyang as advocates for the Party, traveling to the fields to promote the country's agricultural policies. "Three years of grassroots work has let me reap a full harvest," Chinese media quoted Li telling fresh graduates this summer.

Instilling Party ideology in young people is especially important at a time when the Party fears many unemployed youths are becoming disenchanted with China's direction. The expectation is that graduates will more closely

align their careers with the needs of the state, even if that means settling for lower-paying jobs in rural areas.

In Guangdong, provincial officials say they aim to lure 200,000 young people to rural areas by the end of 2025. Their plans include encouraging young people who have moved to the cities for jobs to return to work in their rural hometowns.

In one program, fresh graduates agree to stay in rural areas for two or three years. While formally dubbed volunteers, the participants are vetted for political loyalties, and get paid a stipend of around \$300 a month as well as help with housing and food. Many work with local officials inside town governments.

Upon completing their terms, participants who choose to then sit for China's highly competitive civil service exam receive extra points for their scores. Participants are also promised preferential treatment if they apply for jobs at state companies.

'Chinese dream'

This spring, professors and officials gathered students in lecture halls to promote Guangdong's initiative, which has already sent nearly 10,000 graduates to work in rural areas. Before shipping out in August, the latest batch of recruits raised their right hands and pledged to do their best to serve their communities and "to contribute to the realization of the Chinese dream



A train station in a rural part of Zhaoqing where youth volunteers have been active.

Fun Things Now Give Buyers Remorse

The steeper price we pay for tickets, travel and other experiences changes our standards for a good time

By Joe Pinsker

As the cost of having fun goes up, so do the odds that you'll feel let down. Isa Jones paid \$375 for a ticket to a local music festival, more than twice what she remembers paying more than a decade ago. "It's like my happy place," she said, justifying the expense. Midway through the three-day festival last month, the 33-year-old copywriter from Austin, Texas, felt she wasn't really getting \$375 worth of fun. It was more like \$200 of fun, she said. "The price keeps going up but nothing about the experience improves," she said. And, she couldn't help but think of ways she could have squeezed more pleasure out of that sum—using it to pay for a few days of skiing, for one. "My brain is putting everything in those terms right now whenever I spend money," she said.

The cost of admissions and fees for entertainment rose faster than the cost of many staple goods last year, according to data from the Bureau of Labor Statistics. That has helped raise standards for the amount of fun we expect for our money—and triggered quick disappointment when our experiences don't live up to the price. Someone who scores cheap flights to Europe may give the trip five stars before the plane even boards. Someone who spends half their paycheck on playoff tickets may get cranky about it by half-time.

And people are spending for now. Corie Barry, Best Buy's CEO, said at a conference last month that "experiences are really where people are willing to pay" and that this was dragging on demand for expensive electronics.

Studies on money and happiness tell us that paying for experiences tends to bring us greater pleasures than buying stuff, because those experiences can deliver payoffs before, during and after they happen.

If a pricey experience can't live up to its own hype, the answer isn't to give up on going to shows or traveling. Instead, look for cheaper pleasures, said Amit Kumar, a marketing professor at



Calandra Coone's view at a Beyoncé concert this summer. Coone spent about \$200 for her seat and was hoping there would be monitors that allowed her to see more of the action.

the University of Texas at Austin.

"You might go to a tasting menu and have an exquisite meal at a fine dining restaurant, but some of the best stories you have

might be about the hole-in-the-wall restaurant that you happened across," Kumar said.

People report enjoying more-expensive purchases more, according to a study in The Journal of Positive Psychology from 2016. The relationship between price and satisfaction isn't as strong for experiences as it is for material purchases.

"Virtually everyone will get more out of driving a Lexus than a Camry, and more out of driving a Camry than a Corolla," the researchers wrote. "But a stay at the Ritz-Carlton in Vienna can easily be eclipsed—because of bad weather, bad news from home, or a bad companion—by a stay in a Holiday Inn."

Dissatisfaction is more likely when money is tighter, a 2022 study in the Journal of Consumer Research found. People feel worse about purchases of both things and experiences and write more negative reviews, researchers found. This regret often stems from thinking about all the other ways the money could have been used instead.

Paying too much for a meal can add bitterness to each bite. Jones recently canceled a \$20 monthly pass she had at a movie theater because its food prices have spiked.

The thing that convinced her was a \$45 bill for a pepperoni pizza and two hard ciders after

seeing "Killers of the Flower Moon." "I got my check and was like, 'You know, I think I'm gonna cancel,'" she said.

Calandra Coone paid about \$400 total for her and her niece to see Beyoncé in Atlanta in August. Leading up to the show, Coone, who is 42 and works at a non-

Paying too much for a meal can add bitterness to each bite.

profit, avoided videos from other tour stops on her social-media feeds so that she could see the performance for the first time in person.

When she got to the stadium, she found she couldn't see what was happening on the enormous screen behind the singer, to her a central part of the show.

"It cost a lot of money to not see anything," Coone said. "People were just sitting there mad with their arms folded."

Beyoncé put on a great show, Coone noted, but it wasn't the experience she'd hoped to give her niece. "You have to push through and enjoy yourself anyway so you don't feel like you wasted your

money," she said.

Coone said she's grown more discerning about what she spends on, especially as tickets for food festivals, museums and other attractions get more expensive.

"Everybody just wants to start at, like, \$39.99," she said. "That doesn't include parking. And heaven forbid you got to get something to eat afterward."

With prices for both material goods and experiences running high, Kumar said, people might be less likely to regret their spending if they shifted more of it to the experience side of the ledger.

Even if outings to concerts or games don't go as planned, people can mentally reframe them afterward.

"If it ended up raining when you went to see Taylor Swift, that seems like it could be a disappointment," Kumar said. "But it's pretty easy for people to find some silver lining there—you know, 'Wasn't it funny when we took the train back after the show and everyone was still in their outfits but they were totally drenched?'"

Some letdowns just can't be spun. Coone said she would love to feel like the concert in August was worth what she paid for it.

"I've been trying to talk myself into that for all of these three months," she said. "But even when I think back on it, I just still cannot escape the disappointment."

Expect Some Bumps On Vegas Road Trip

By Jacob Passy

Las Vegas BRAVING TRAFFIC on the Strip might be the riskiest bet a person can make in Sin City these days.

Las Vegas is gearing up to host the Formula One Grand Prix next week, which will feature cars hurtling down Las Vegas Boulevard past some of the city's most famous casinos. Construction work to repave roads and build grandstands and stanchions has taken place over several months.

For visitors and locals, this construction has made navigating the city an exercise in patience. Driving or walking from one resort to another can take much longer than usual. Many visitors are complaining that the construction has ruined views of popular attractions.

Repeat visitors and locals worry that obstruction will become an annual fall happening, especially since many of the structures built for the race are temporary. Las Vegas and F1 have agreements that will allow the race to happen annually for at least two and as many as nine more years. Some regular visitors are rethinking their future travel plans.

Will Hudgins, a firefighter from Houston, says he has visited Las Vegas in October every year for more than a decade to play golf with friends. Driving from the airport to his

hotel, the Cosmopolitan, took almost three times longer than normal, Hudgins says. Faced with the prospect of race preparations being a regular occurrence in the weeks before the November event, the group is debating whether to go a different time of year or to another city altogether, such as Phoenix, in 2024.

"The whole point of going to Las Vegas is for the logistics," Hudgins says. "When it starts to be congested like that, there's no way. All of the perks of Vegas are going away."

New routes each day

Construction isn't just clogging the road and walkways on Las Vegas Boulevard. The race's route will take drivers down side streets that cabs typically rely on. This means the usual detours people take to avoid traffic are often unavailable or backed up. Closures vary each day and are listed on the event's website. People can also sign up for text-message notifications regarding construction updates.

"If you're coming to Vegas for anything other than F1, it's been a pretty significant inconvenience," says Jennifer Gay, a Las Vegas-based influencer who doles out travel advice to more than 1.5 million followers on TikTok.

Dean Lenaburg, a ride-share driver who has lived in the Las Vegas area for more than two de-



Extensive road work to prepare for the Las Vegas Grand Prix later this month has snarled traffic on the famed Strip for months. Some visitors are rethinking plans.

cades, says he can accommodate half as many rides an hour as he did before race construction began. Surge pricing on rides through Uber and Lyft periodically offset the loss in income, but he is still taking the hit.

"Most passengers seem to understand that it's not our fault, but it doesn't make passengers happy either, and unhappy passengers don't tip as much," he says.

Tourism officials predict that the city will feel the race's impact less in the future. Certain projects, like repaving, don't need to happen annually. Residents and visitors to cities like Monaco and Singapore have grown used to hosting F1 races in their streets.

While construction for the inaugural event took nearly six months, it may last six to eight weeks in the future, says Steve Hill, president and chief executive for the Las Vegas Convention and Visitors Authority.

Hill expects that the race will help draw visitors during November, which can be a slower time for the city.

"That marketing internationally is just really invaluable," Hill says.

A spokeswoman for the Las Vegas Grand Prix says that organizers have worked to communicate with officials, emergency services, resorts and other businesses and the general public while preparing for the event.

The F1-related construction isn't the only hurdle Vegas travelers have faced recently.

A September cyberattack at MGM Resorts complicated hotel and casino operations.

And workers in the Culinary Workers Union have recently picketed outside of major hotels on the Strip. The union has warned that thousands could go on strike before the race.

Spreading the word

Holiday Inn Club Vacations at Desert Club Resort is located near the newly opened Sphere, putting the timeshare property close to the construction. Over the past year, the resort has attended monthly and weekly meetings with F1 offi-

cials to go over construction plans, says John Staten, chief executive and president of Holiday Inn Club Vacations. Based on those meetings, the resort's staff has developed messages it sends to guests before they arrive, he says.

Hotels outside the race's path also have needed to guide guests to keep them from getting caught off-guard by potential bottlenecks.

"If they're going to a show on the Strip, we may say to allow an extra 20 or 30 minutes, because traffic could get a little hairy there," says Cami Christensen, president and general manager of Westgate Las Vegas Resort and Casino.

At the Sahara, on Las Vegas Boulevard north of the racecourse, employees often advise guests to take the monorail rather than relying on a taxi or Uber because of the traffic, says Paul Hobson, the hotel's general manager.

Janet Whitson and her husband visited Las Vegas in October to celebrate their birthdays. It was the first time both of them had ventured to Sin City. Their visit included attending a Vegas Golden Knights NHL game and walking through the various resorts.

While they enjoyed their stay, they were dismayed to see that scaffolding and structures obstructed the view from many vantage points along the Strip. Whitson, who lives in LaSalle, Ontario, was particularly looking forward to watching the Bellagio fountains while dining at a cafe at the Paris hotel across the street.

"I definitely do feel like it took away from the experience overall," she says.

PERSONAL JOURNAL.

A Steamy Debate Over Hot Tub

Continued from Page One
and it's unclear if the group plans to keep the hot tub.

Some neighbors are hoping it goes away. They are tired of the 24-hour stream of strangers coming and going on their residential street, and view the property more as a nuisance than an oasis. "It was horrible," said Deborah Barer, who shares a fence with Hastings's house, and raised three children in the neighborhood. "That tub caused a lot of anguish."

Hastings, a self-described former hippie, started his communal hot tub in the 1970s when he first moved to Berkeley. Disappointed with the lack of hot springs in town, Hastings decided to build his own.

"I planned from Day One that it would be open," he told the San Francisco Chronicle in a 2000 interview, in which he was identified only as "hot tub guy." "It would be a natural hot spring in Berkeley."

The tub is round and made of wooden slats, located in the back of Hastings's house in a semi-open area. It can't hold more than five at a time. Hastings kept it unusually toasty for sanitary reasons and to limit visit lengths. (He also cleaned the tub regularly, neighbors and friends said.)

The Four Seasons this wasn't. But the simple nature of the enterprise made it that much more alluring. In the early days, anyone privy to the hot tub was invited. College rugby teams showed up, and free spirits immersed themselves amid clouds of marijuana.

Over the years, Hastings adopted strict rules that were well-known to users. Men were allowed if they were brought by a female guest or knew Hastings personally—and never past 9 p.m. Soakers couldn't wear clothing or bathing suits. No drugs or alcohol. And absolutely no talking.

Guests lounged in the hot tub peacefully, sometimes with sage burning. After, they could walk the small wooded paths that wound through the backyard.

To reach the hot tub, a user needed a coveted code—which was specific to individuals—to get through a gate into the backyard. Sometimes a member's code would be deactivated without explanation, and it was hard to get a new one, attendees said.

Liz Cahill still remembers when she got a code in 2017, initially passed down from a roommate. Several times a week after work, she rode her bike to Hastings's



FROM TOP: BLUE SKY PHOTOGRAPHY; GREG CALLAHAN



The hot tub at the home of Deward Hastings in Berkeley, Calif., became a local institution. Hastings, left, with his friend, Greg Callahan.

said, "was both exciting and made me really uncomfortable."

He grew to love the experience, and was disappointed when his code inexplicably stopped working in the early 2000s. Later a house Tertes rented had a hot tub. It wasn't the same.

Barer, the neighbor who lived next to Hastings for more than 30 years, has a different perspective. She recalls a chaotic atmosphere. Sometimes people jumped over her fence, or knocked on her door, lost, asking if it was "the hot tub house."

Barer said she tried to get the city of Berkeley to try to mediate issues between the property owners, and complained to the city.

The Berkeley Police Department says there are no notable complaints associated with the property or Hastings on file. The city of Berkeley's main customer-service line has no records of complaints.

Asked whether operating a communal hot tub is legal at a single family home, city spokesman Matthai Chakko offered that he has been a guest. In regards to the legality question, he said, "many people in Berkeley have hot tubs, and people have guests."

Hastings was soaking alone in September 2022. A friend found him there, face down and unresponsive, according to a coroner's

report, which concluded he died of heart disease.

For the first time, Hastings's name and the address were made public. Even the real-estate listing advertised it as the Berkeley "Hot Tub" house, saying: "It was an oasis of peace and calm that made city life bearable for so many, for so long."

Maria Gerstley, a friend of Hastings, sought to raise \$380,000 from the community to buy the property by Nov. 1. By mid-October, she had raised \$30,000.

"This haven has served as not only a source of comfort, it has served as an offering that transcends the typical definitions of what it is to offer and create a communally cherished space," a post to prospective donors read.

Real-estate agent Michael Stephens, who listed the property through Corcoran Icon Properties, said he had never heard of the house's history before he offered it for sale. He hasn't asked whether the limited liability company, whose offer has been accepted, will keep it going. He declined to give more details about the group, but said LLCs often represent developers.

"There are wishes and hopes," he said, "and then there's money."
—Jim Oberman contributed to this article.

Guests lounged in the hot tub peacefully, sometimes with sage burning.

Steps to Save You Money—and Misery—on Benefits

By ALEX JANIN

The best way to make sure your doctors are still covered under your health insurance plan? Pick up the phone and call them.

Each year, many workers learn the hard way that solely relying on your insurance provider's online search tool to check on coverage during open enrollment doesn't work. Those websites aren't always up-to-date, benefits professionals caution.

Millions of employees are gearing up for their companies' open enrollment period right now, and many of them will spend less time on it than they do commuting one way to work. Roughly two-thirds of benefits-eligible employees spend 30 minutes or less reviewing information during this period, according to survey data from financial-services company Voya Financial.

That's a mistake, especially this year with costs for employer health coverage expected to jump. In addition to rising costs, there are also coverage changes that can vary year to year on the same plan.

"It's confusing. It's complicated. But it's really important," says Nate Black, vice president of health solutions product at Voya.

Esther Bergdahl, a 39-year-old freelance writer in Chicago, says she checked her insurance provider's website to ensure her therapist was still covered during the Affordable Care Act's open enrollment last fall. There was a bright green check mark

next to the words "in-network."

Then, in January, she got a notification from her insurance company: Her claim had been denied. It took months of back and forth to figure out the discrepancy, Bergdahl says. The therapist had previously been fully covered under the same plan, but she now owes a \$15 copay per visit.

Make sure your doctors and drugs are still covered

The first mistake most people make is assuming their healthcare plan will have the same costs and coverage year-over-year, says Roy Ramthun, a consultant who specializes in high-deductible plans and health-savings accounts.

"I don't know of any plan that stays the same," says Ramthun. "Even if you think they're staying the same, the doctors and the drugs may not be the same."

Costs, including premiums, deductibles, out-of-pocket maximums, copays and coinsurance, are most likely to change. But a plan's network of providers can also shift, especially in narrow network or HMO plans, which tend to require lower monthly payroll contributions, says financial coach Arianne McSellers.

Doctors aren't required to tell patients in advance that they're no longer accepting their insurance, so it's a good idea to call them directly and ask, says Ramthun.

Human-resources departments often give employees a heads-up about changes in costs, networks or insurance

providers before open enrollment begins. But it's up to the employee to figure out if their medications are still covered and their doctors are still in-network.

Employees can check whether the price of their medications has changed by looking at the plan's formulary—a list of covered prescription drugs—on their insurer or pharmacy-benefit manager's website. Medications can move up or down tiers, making them more or less expensive.

Assess your circumstances

If your life or household is changing in any major way this year, evaluate whether a different healthcare plan or set of benefits could better serve you.

Planning a wedding? Newlyweds or domestic partners who are eligible to be on the same plan can use open enrollment to compare their options. Keep an eye out for monthly fees, and do the math to calculate how much you would owe in copays and deductibles on one plan versus two. Having a baby? Some health plans

have added maternity support. If you're anticipating more doctor's visits during pregnancy, it might make sense to switch to a plan with a wider network and lower deductible.

Turning 65? It might make sense to waive your employer's coverage and go with Medicare, says Kim Buckey, vice president of client services at employee benefits company Optavise.

Anticipating a surgery? A higher-premium plan may allow you to pay less in coinsurance, says McSellers, the financial coach.

McSellers also recommends looking at your medical claims from last year to determine whether you can cut back to a lower-premium plan, or you might benefit from wider coverage. Checking whether you met your deductible or out-of-pocket maximum can help you decide, she says, as can calculating how much in total you spent on copays.

Make use of HR benefits managers and interactive tools on your company's benefits website, such as chatbots and cost calculators.



Make the most of supplementary benefits

Employees are confronting a dizzying list of voluntary benefits, which employees can purchase at a discount through payroll deductions during open enrollment.

These may include basics like dental and vision care to more modern additions such as identity-theft protection, legal assistance and pet insurance.

Among employers surveyed in 2022, 64% said they offered new voluntary benefits over the past 12 months, according to MetLife.

Most of the time, these benefits are priced at a better deal than you can get on the open market because they are offered at a group discount, benefits professionals say. Pet insurance can be an exception.

But don't pay for what you don't need. For example, if you don't plan on getting braces or Invisalign, don't pay for orthodontia, says McSellers.

If you do enroll in voluntary benefits, do the math on the total price tag rather than just looking at the bi-weekly or monthly costs. If a benefit costs \$1,000 a year, would you likely spend \$1,000 out-of-pocket on that category?

Employees tend to regret their elections when they don't spend enough time to understand them during open enrollment, says Jamie Madden, senior vice president of workforce engagement and benefits connectivity at MetLife.

"Have a conversation with a family member about how they've used theirs," she suggests. "Talking to others about their experiences and how they used a benefit and now how it helps them gives an employee a different perspective."

PHOTO ILLUSTRATION BY THE WALL STREET JOURNAL ISTOCK

ARTS IN REVIEW

Chan Marshall, who records and performs as Cat Power, has been a quiet force in underground music for almost 30 years. At first, around the time of her 1995 debut album, “Dear Sir,” she was loosely associated with indie rock’s burgeoning lo-fi movement, which included artists like Lou Barlow’s Sebadoh and Bill Callahan’s Smog, which made hushed and strange music and often recorded at home on four-track cassettes. But by 1998’s “Moon Pix,” she had established a singing and songwriting style that didn’t fit neatly into any existing categories. She’s a longtime favorite of critics, and has also proved to be influential on a new generation of female songwriters steeped in intimacy—Lana Del Rey, with whom she has collaborated, regularly cites her as an inspiration.

Part of what makes Ms. Marshall unique is how her many recorded cover songs are just as important as her own work. Her 2000 LP, “The Covers Record,” featured an unforgettable reading of the Rolling Stones’ “(I Can’t Get No) Satisfaction” with just her voice and acoustic guitar, and she omitted the chorus, as if to deny herself (and the listener) the song’s titular sensation. Bob Dylan has been a touchstone throughout her career, and she’s covered his work on albums and in concerts. Ms. Marshall’s new record, “Cat Power Sings Dylan: The 1966 Royal Albert Hall Concert,” out Friday, pays tribute to the elder’s work and is also her first live record. It’s an excellent showcase of her interpretive abilities.

The new set is a particularly audacious concept. In May 1966, Mr. Dylan, backed by members of what would later be called The Band, was touring England. He played a show at the Manchester Free Trade Hall—misidentified on bootlegs as Royal Albert Hall, and the name stuck—on the 17th of the month, and it turned out to be one of the most famous shows in rock history. An irate fan yelled “Judas!” during the electric second set, expressing the not-uncommon opinion that Mr.



Chan Marshall, who performs as Cat Power

MUSIC REVIEW | MARK RICHARDSON

Cat Power’s Electric Ode to Bob Dylan

The singer covers one of the folk and rock icon’s most famous concerts

Dylan had abandoned the purity of folk music for the mainstream appeal of rock.

Here, Ms. Marshall replicates the structure of the legendary show—acoustic set first, with just guitar and harmonica, followed by a full-band set, with each track played in order. This concert happened in November 2022, at the Royal Albert Hall. Beginning with the opening “She Belongs to Me,” Ms. Marshall’s readings seem less overtly personal than Mr. Dylan’s—you never really imagine the singer

is recounting something that happened to her—while foregrounding the lyrical narrative. So we hear these songs as stories rather than poetry or confessions, and she turns out to be exceptionally good at spinning yarns. This is particularly tricky with Mr. Dylan’s work from the mid-’60s, when his imagery was often surreal and dreamlike and he pursued unusual rhymes that might have been beamed directly from his subconscious. One has to make every word seem like it logically follows the

next, almost as if taming the language so that every wild phrase fits into the overall conception.

We can hear this happening on the epic “Desolation Row,” which Ms. Marshall animates with notes that bring to mind quiet howls and cries from the doomed residents of the apocalyptic scene. And we can hear it in “Visions of Johanna,” which originally appeared on the 1966 album “Blonde on Blonde.” “Visions” is a fractured dreamscape built from fragments that tell only parts of the tale, but Ms. Marshall’s

measured presence and creative phrasing bind it into something that unfolds like a short story. She takes a stanza like “See the primitive wallflower freeze / When the jelly-faced women all sneeze / Hear the one with the mustache say, ‘Jeeze / I can’t find my knees’” and brings it to life through careful pauses and subtly shifting intonation. Her version is less eerie than any Mr. Dylan has offered, casting the song in a warmer, more comforting light.

While the acoustic set has an undercurrent of sadness, which is partly due to the songs’ subject matter and partly because of the poignancy with which Ms. Marshall sings a ballad, the electric half of the album has a wider range of moods. “Just Like Tom Thumb’s Blues,” a highlight from 1965’s “Highway 61 Revisited,” was memorably covered by Nina Simone in 1969, and her relaxed and weary reading seems like an influence on the version here. The spiky blues “Leopard-Skin Pill-Box Hat,” a hilarious sendup of fashion and pretension, finds Ms. Marshall letting loose and having a ball.

One quality Mr. Dylan has as a performer, which isn’t really part of Ms. Marshall’s toolkit, is a kind of cathartic nastiness, where he addresses a barbed lyric to someone he doesn’t respect and makes you feel his contempt. “Ballad of a Thin Man” is one of the most well known of Mr. Dylan’s kiss-offs, and Ms. Marshall feels a little lost in it, unable to summon the required venom. But she acquits herself well on the next track, “Like a Rolling Stone,” which concludes the show. It’s 6½ minutes of glorious release, as the singer finds herself carried along by the arrangement’s energy, perhaps conveying empathy for the woman the song is directed to, whom Mr. Dylan wasn’t interested in. While “Cat Power Sings Dylan” isn’t as revelatory as the best of Ms. Marshall’s past covers, it’s a must for fans of her breathtaking ability to inhabit a song.

Mr. Richardson is the Journal’s rock and pop music critic. Follow him on Twitter @MarkRichardson.

ARTS CALENDAR

HAPPENINGS FOR THE WEEK OF NOVEMBER 7

By WSJ Arts in Review Staff

Film

“The Marvels” (Nov. 10)
Girlpower takes flight in this superhero film featuring Captain Marvel, Monica Rambeau and Ms. Marvel as the three struggle to fight evil only to have their powers switch among one another due to an incident with a wormhole. Nia DaCosta directs a cast that includes Brie Larson, Teyonah Parris, Iman Vellani, Zawe Ashton, Park Seo-joon and Samuel L. Jackson.

TV

“The Buccaneers” (Apple TV+, Nov. 8)
Edith Wharton never finished the final novel she

cret-agent package, but a hefty purse nonetheless.

Theater

“Ode to the Wasp Woman” (Actors Temple Theatre, New York, Nov. 9-Jan. 31)
Rider McDowell directs his off-Broadway play, starring Sean Young in her New York stage debut, which explores the final hours of the lives of four B-movie stars: Susan Cabot, Barbara Payton, George “Superman” Reeves and Alfalfa Switzer.

Music

Beirut, “Hadsel” (Nov. 10)
Zach Condon’s project is back with its first album of all new material since 2019, a record created on the Norwegian island from which it

York, Nov. 10-Feb. 18, 2023)

The Belgian illustrator and draftsman, a descendant of Holocaust survivors, had his career cut short at age 25 when he was murdered by a criminal syndicate in 1986. The drawings collected here capture his brief, tumultuous life: portraits of those he interacted with in Brussels’ underground scenes; grotesqueries of Nazi figures and the horrors of the 20th century; fantasies drawn from Rimbaud and Pasolini.

Videogames

“Call of Duty: Modern Warfare III” (PC, PlayStation 4 & 5, Xbox One and Series X/S, Nov. 10)

The ubiquitous first-person-shooter franchise returns with a direct sequel to 2022’s Modern Warfare II that again throws players into contemporary kinetic situations. Its story sees special-ops soldiers hunting down a Russian terrorist, but many will be more interested in its multiplayer mode, which brings back maps from the 2009 CoD, the popular Zombies mode, and introduces a 3 vs. 3 game called Cutthroat.

Last Call

“The Refuge Plays” (Laura Pels Theatre, New York, through Nov. 12)
Nathan Alan Davis’s latest, a Roundabout Theatre Company production directed by Patricia McGregor, is a generation-spanning tale that follows the story of a single black family that, according to the company, re-invents the idea of the American “family play.”

For additional Arts Calendar listings visit [wsj.com](#). Write to [brian.kelly@wsj.com](#).



Iman Vellani, Brie Larson and Teyonah Parris in ‘The Marvels’

worked on, but comedian Katherine Jakeways has stepped in to create this eight-part adaptation about wealthy American expats in London, on the hunt for husbands and status in the 1870s debutante scene.

“007: Road to a Million” (Prime Video, Nov. 10)

As the question of who will play the next James Bond remains as mysterious as any M16 mission, this Brian Cox-hosted series throws a platoon of contestants into a globe-trotting, spy-themed challenge with a million-pound prize at stake. Maybe not enough to buy an Aston Martin with the se-

takes it name and where Mr. Condon grappled with his mental health while creating it.

Art

“Dorothea Lange: Seeing People” (National Gallery of Art, Washington, through March 31, 2024)
With over 100 photographs, this exhibition provides much more than a snapshot of Lange and her practice, exploring the ways she used portraiture as a medium for social change, highlighting issues such as poverty, migration and racism.

“Stéphane Mandelbaum” (The Drawing Center, New

The WSJ Daily Crossword | Edited by Mike Shenk

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MIDTERMS | By Mike Shenk

Across

- 1 First letter in Hebrew
6 Meal in a shell
10 Reggae cousin
13 Seller of Colour Riche makeup products
15 Pulitzer-winning author Jennifer
16 Stroller occupant
17 “By the same token...”
19 Kind of meal or milk
20 Spots on shows
21 Bigwig, initially
22 Alternative to a paper clip
24 1993 Robert Townsend superhero comedy film
27 It might be catered

- 30 Ultimately totaled, as a cost
31 Maker of Keytruda and Gardasil
32 Ruler unit
34 Rte. with tolls
37 Open-mic night player, perhaps
41 Scathing review
42 Midterm, e.g.
43 Honker in the air
44 French noble
47 In the present term
48 Publisher’s symbol on a book’s title page
52 Day after Holy Saturday
53 Parisian pal
54 Red Sox, on scoreboards
57 Photog’s shot
58 Platitude

- 62 Its Election Day is in Nov.
63 Honker on the face
64 Boring and old-fashioned
65 Signing tool
66 Money sources
67 Legislative body involved in this puzzle’s midterms
Down
1 First letter in NATO phonetics
2 Blaring
3 Screws up
4 Cockatoo or cockapoo, say
5 Spiteful laugh
6 Arizona State city
7 In the past
8 Spots for young passengers


- 9 Weight limit of some pickups
10 Film technique used in “Coraline” and “Fantastic Mr. Fox”
11 Australian marsupial
12 When some evening news shows air
14 Feature of an old voting machine
18 Border
23 Critic’s focus
24 Diplomatic skill
25 Walk in the woods
26 Fly-fishing catch
27 “Do I need to draw you ___?”
28 Disaster relief grp.
29 Member of a religious order begun in Assisi
32 Less constrained
33 Meditation chants
35 El ___, Texas
36 Was aware
38 Poppycock
39 Lab assistant of horror movies
40 Bubbly popper
45 Ottawa’s prov.
46 Sicilian high pt.
47 Expos
48 Invigorate
49 Worker’s demand
50 Fills fully
51 Mrs., in Marseille
54 Grammy winner Erykah
55 Assns.
56 Inner Hebrides island
59 Belief suffix
60 Ordinal number suffix
61 Cow call

Previous Puzzle’s Solution

C	O	P	P	E	R	B	C	S	O	L	D					
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C	R	A	N	K	I	U	G	U	P	F	I	N	S			
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► Solve this puzzle online and discuss it at [WSJ.com/Puzzles](#).

SPORTS

 Will the Big Ten act—or won't they? Jim Harbaugh in—or Jim Harbaugh out? College football is closing in on its bowl and playoffs extravaganza and the entire sport remains in a maize and blue tizzy. The undefeated 9-0 Michigan Wolverines are one of the mightiest teams in the land—as a Wisconsin Badger, it pains me to acknowledge this depressing truth—but a championship run feels on the edge because of allegations of illicit spying allegedly involving a mysterious attaché with military background.

Illicit spying allegedly involving a mysterious attaché with military background. It sounds so dramatic, glamorous, a little cloak-and-dagger John le Carré, until you realize it involves allegedly sneaking behind enemy lines to get an advance peek of the torpid, deeply unglamorous offenses of the Big Ten.

It also involves allegations that the alleged attaché may have dressed in a disguise as a member of another school's coaching staff in order to take a peep at a future Michigan opponent's sidelines.

This isn't le Carré, sorry. It's a caper directed by the Coen Brothers.

A nation of Michigan fans sit on the edge of their Big House seats. The Michigan haters are in a full froth. A Big Ten punishment for the Wolverines could come at any moment—or not at all.

We wait, refresh, wait, then refresh again. It's as if the entire sports world is slowly turning the crank on one of those evil Jack in the Boxes Will Ferrell tested in "Elf."

Is it all about to go...POP? Or do we keep on cranking? Opponents have long tried to steal offensive and defensive signals used on the sidelines in college football—it's a practice as old as Wisconsin running it up the middle for 2 yards on a third-and-8. But the sport's rules say the signal-cracking has to happen in-person, during game play, in real time, not by sending people on the road to observe opponent sidelines and crack codes in advance. That's potentially a mighty advantage, and that's what Michigan is alleged to have done, and that's why there's this brouhaha we can't stop typing about.

The entire practice of sign-stealing could be eliminated by the simple technology of installing radio headsets in helmets—this is what the NFL does, allowing coaches to talk to players. But this is college football, and that solution makes way too much sense. Besides, we wouldn't have this scandal to fill hours of programming! We are hours away from Paul Finebaum putting on a Sher-

JASON GAY

The Sign-Stealing Scandal Consuming College Football

Michigan requests due process on an investigation as the Big Ten demands punishment



Big Ten opponents have been haggling the conference's leadership to punish Michigan. Coach Jim Harbaugh denies knowledge of wrongdoing.

lock Holmes deerstalker hat, smoking a pipe and referring to sleeveless Pat McAfee as Watson. Big Ten teams are crabby—they believe what's being alleged is over the line...because what's being alleged is over the line, the rules are quite specific about banning advance sign-stealing. Big Ten opponents have been haggling the conference's leadership to punish Michigan pronto. Wolverines head coach Jim Harbaugh denies knowledge of wrongdoing—and continues to act like there isn't a swarm of pterodactyls in Big Ten letter jackets swirling around his program.

Meanwhile, the person at the center of this imbroglio, a former Michigan team analyst named Connor Stalions, has resigned, not wanting to be a distraction (eh,

too late) but stating through his counsel that neither Harbaugh or any other coach "told anyone to break any rules or were aware of improper conduct regarding the recent allegations of advanced scouting."

Is that it? Of course that's not it. People in this sport fight about penalties that weren't called 60 years ago.

We've yet to get a conclusion from Central Michigan, where photos showed a human who looked like Stalions to be on their sideline of an early season game opposite of Michigan State.

I didn't think much of this allegation when it first surfaced on social media, but Central Michigan is looking into it, and we got this incredible paragraph in a recent ESPN story:

Anil Jain, a professor in the De-

partment of Computer Science and Engineering at Michigan State and a nationally recognized facial recognition expert, believes it's "highly likely" that the images of the man wearing sunglasses and a hat on the Central Michigan sideline and a photo of Stalions on the Michigan sideline are the same person.

When we start consulting facial recognition experts in a college football story, count me in. Also: if you're scoring at home, that's a Michigan State prof...consulting on an alleged Michigan employee...allegedly masquerading the Central Michigan sideline. This is known as a "Great Lakes State Love Triangle" and I only wonder why Eastern Michigan, Western Michigan and Ferris State can't get in on this party.

Could Michigan be sanctioned? Could Harbaugh be suspended to sit at home in his khakis, his team allowed to play on? Michigan's president, Santa Ono, has warned

the Big Ten to hold off on punishment, telling them that "due process matters."

Could this whole dilemma charge off to the courts if the hammer falls? You bet. The NCAA is investigating, but their verdict might not come in until the year 4050. Handing the NCAA an investigation is like throwing a frisbee to an elderly dog. Maybe you get something back. Maybe the dog lies down and chews a big stick.

So we wait. This furious show-down is a nightmare for a low-energy Midwest conference that takes pride in its football style putting fans to sleep on Saturday afternoons. If you think I'm just being a crank because Wisconsin somehow lost to Indiana again, you're right. What's happening with Michigan is a controversy with equal parts of seriousness and absurdity—and so far, without clarity or resolution. So we turn the crank, waiting, waiting, waiting for a POP.

9-0
Record of Michigan's football team heading into Saturday's game at Penn State.

Houston, We Have a Solution. It's a Quarterback.

By Andrew Beaton

WHEN C.J. STROUD got the ball back with less than a minute left Sunday, it looked like his magical game had just gone to waste.

The rookie quarterback for the Houston Texans had just watched from the sidelines as his defense let the Tampa Bay Buccaneers march down the field for a late touchdown to rip the lead away. Stroud had just 46 seconds and would have to make history to put the Texans back on top.

That's when Stroud did what he has done for most of this season. With the poise of a seasoned veteran, the 22-year-old shredded the Tampa Bay defense and threw the game-winning touchdown pass with six seconds to spare. The passing yards he racked up on that drive gave him 470 for the day, a single-game record for a rookie quarterback.

More than that, Stroud showed why a floundering franchise finally has hope again.

"We have a guy who can really throw it and make some plays," coach DeMeco Ryans said.

Sunday's 39-37 victory gave the Texans a 4-4 record, which hardly means they're a lock for the playoffs, but also shows how wildly Houston's trajectory has boomeranged in the right direction this year. The club hasn't won more than four games in an entire season since 2019.

The three seasons that followed that year were characterized by disappointment, scandal and then hopelessness—all centering around the team's woes at the most important position in football. Houston had a problem, and C.J. Stroud was the solution.

The Texans appeared set for the foreseeable future at quarterback not too long ago. They selected Deshaun Watson in the first round of the 2017 draft, and the Clemson star quickly emerged as one of the most promising young passers in



C.J. Stroud set a single-game passing record for a rookie quarterback with 470 yards in a win over Tampa Bay.

the NFL. In his second and third seasons, he led Houston to consecutive playoff berths.

But that success cratered in 2020, when the club slumped to 4-12, and soon after that season the situation changed even more dramatically. Around the same time Watson began indicating that he wanted to be trade away from the Texans, numerous women accused him of sexual assault or misconduct during massage therapy sessions. While both law-enforcement authorities and the NFL investigated, there was an awkward impasse: Watson didn't want to play for Houston, but the team couldn't recoup significant value in a trade because of the allegations. So he simply sat out the season while his team fizzled on offense.

Once Watson was cleared by a

grand jury in Texas, demand surged for him and the Texans eventually traded him to the Cleveland Browns for an enormous haul that included three first-round draft picks. That didn't solve their hole at quarterback, though. The 2022 draft was viewed as a weak one for passers, and they didn't draft one even though they had an early selection. The team limped to another poor finish last year.

In this past draft, the Texans had the second overall pick, and this time they didn't pass on a quarterback. After the Carolina Panthers selected Heisman Trophy winner Bryce Young out of Alabama, Houston picked Stroud from Ohio State and finally had a new quarterback to build their team around.

Stroud wasn't viewed by many

evaluators as a sure thing for a number of reasons. One of them: while the Buckeyes are a perennial college football powerhouse, they have struggled to produce quality NFL quarterbacks.

New coach DeMeco Ryans, a longtime linebacker for Houston who was once named defensive rookie of the year after being drafted by the Texans in 2006, didn't hesitate to install Stroud as the team's starter for the first game.

What Stroud quickly showed was a maturity beyond his years by avoiding the types of costly mistakes that can plague rookies. He began his career by throwing 191 passes before tossing his first interception, a record to begin an NFL career. That stretch included back-to-back wins over the Jacksonville

Jaguars and Pittsburgh Steelers, during which the Texans scored a combined 67 points. Stroud's first pick didn't come until his sixth game.

Then on Sunday, Stroud was having the game of his life before he had to lead the drive of his life. When Houston got the ball back for its last possession down 3, Stroud had already thrown for 395 yards with four touchdowns. He had also been forced to navigate a peculiar situation after the Texans kicker got hurt, forcing the offense to go for 2-point conversions after touchdowns. Later in the game, one of the team's running backs, Dare Ogunbowale, stepped in and hit a short field goal.

Still, Stroud had to make it 75 more yards. He made it look simple. After five plays, he had the offense on Tampa Bay's 15-yard-line. On the next one, he hit wide receiver Tank Dell for the game-winning touchdown. Stroud's only incompletion on the drive was when he spiked the ball to stop the clock.

"I had complete confidence," Stroud said afterward. "I knew that we needed a touchdown."

The possession showcased what makes Stroud a bit of a throwback these days. In an era when so many quarterbacks are prized for their mobility and ability to take off with the ball, Stroud excels when he's inside the pocket. The way he did that against the Bucs would make Tom Brady beam.

Over the course of this season, Stroud has now put together a stat line that any quarterback would be proud to boast, rookie or not. He has thrown 14 touchdowns with only one interception while averaging 284 passing yards a game—one of the highest rates in the league.

And midway through this season, the Texans are back in the mix for a playoff spot once again. Stroud is the main reason why.

"I don't think we can be stopped when we're on our A-game," he said.

OPINION

Joe Biden’s Hamas Caucus



MAIN STREET
By William McGurn

When Joe Biden picked Chicago as the venue for his party’s 2024 convention, the thought was that this heavily unionized Democratic city provided a perfect stage to showcase how Bidenomics was making life better for American workers. Illinois Gov. J.B. Pritzker, who’d lobbied the president hard, was thrilled. Chicago is “your kind of town,” he told the president.

Suddenly that theme is in jeopardy. The anti-Israel demonstrations breaking out all over—including one that left blood-red painted handprints on a White House gate over

Could the Democratic convention in Chicago turn out to be an ugly rerun of 1968?

the weekend—are transforming the narrative. They’re also putting front and center the split between traditional Democrats who support Israel, like Mr. Biden, and a younger, more radical cohort that sees the conflict as colonialist Israelis warring on Palestinian innocents.

Rep. Rashida Tlaib (D., Mich.) on Friday expressed this dramatically by posting a video featuring footage of various protests mixed with clips of the president stating his support for Israel. The video ends with this message: “Joe Biden supported the genocide of the Palestinian people.”

If something doesn’t change, the rift will be on full view at next summer’s convention, raising uncomfortable parallels to the troubled 1968 convention in Chicago that nominated Hubert Humphrey. There the tensions over Vietnam played out on Windy City streets in pitched battles between Mayor Richard Daley’s police and the thousands of antiwar protesters who had flocked to Chicago to make their point. It was a disaster.

The signs this time around aren’t good. Already the war crimes committed against Israeli grandmothers, mothers and children—all the more grotesque because they were planned—are being deliberately erased. This is being done by advocates who hope to use Israel’s response to Oct. 7 to shift the narrative from Hamas’s barbarities to Palestinian victimhood.

Israel’s problem—and Mr. Biden’s—is that if Israel does what it has to do, the war for Gaza will get uglier. How can it be otherwise, with the Israel Defense Forces above ground, Hamas hiding in its tunnels, and civilians forced to act as human shields? Every day, the reporting becomes more hostile toward Israel.

Those who outright excuse Hamas are a minority in America, and they remain a minority in the Democratic Party. So like Humphrey in 1968, Mr. Biden will prevail in any fight inside the convention. But these activists don’t have to win to be successful. The aim is to disrupt and undermine. The president is no doubt aware that while Humphrey emerged from the 1968



Rep. Rashida Tlaib at a protest.

convention winning both the nomination and the platform fight over Vietnam, he lost to Richard Nixon in November.

Like Humphrey, while Mr. Biden has enraged the party’s antiwar wing, he isn’t entirely trusted by the hawks. For Humphrey, the price of getting President Lyndon B. Johnson to back him for the nomination was embracing LBJ’s war policy. For Mr. Biden, the pro-Israel wing appreciates his unequivocal rhetorical support but worries whether he’ll bail out when things get rough.

A recent Quinnipiac poll highlights Mr. Biden’s dilemma inside his party. When asked about Israel’s response to the Oct. 7 attack, Democrats disapproved 49% to 33%. There is also a big divide by age: voters 18 to 34 disapprove of Israel’s response 52% to 32%.

It isn’t only protesters wearing keffiyehs and waving Palestinian flags, or members of “The Squad” like Ms. Tlaib. HuffPost reports that 51 Democratic National Committee employees signed a letter demanding that Mr. Biden publicly call for a cease-fire.

Barack Obama is also twisting the knife. During a get-together with his former staff-

ers, he condemned what Hamas did. But he also declared the need for “an admission of complexity.” This is the sophisticated way of saying moral equivalence, as the former president made clear when he added that “nobody’s hands are clean.”

An email from Politico Playbook characterized his words this way: “The remarks are a striking jab at not only Israel, but against Obama’s own former VP: Joe Biden’s longstanding and relatively closer relationship with Netanyahu has led the current president to underscore Israel’s right to defend itself first and foremost. It also bucks the company line Democratic leaders have been using on this matter.”

In other words, Mr. Biden’s fight for the soul of America may have to take a back seat to the fight for the soul of the Democratic Party.

In 2012, Democratic delegates at the convention in Charlotte, N.C., booed a platform vote recognizing Jerusalem as the capital of Israel. Mr. Obama intervened personally to get that language in. Does any Democrat really believe Mr. Biden has the authority to quell any effort by anti-Israel protesters bent on ruining his convention?

Because it’s coming. In 1968 antiwar protesters marching through Chicago’s Loop chanted “Hey, hey, LBJ, how many kids did you kill today?” This weekend a new generation gathered outside the Biden White House.

Their chant? “Hey hey, ho ho, Genocide Joe has got to go!”

Write to mcgurn@wsj.com.

BOOKSHELF | By David A. Shaywitz

Wonders Ahead, Trouble Too

The Coming Wave

By Mustafa Suleyman, with Michael Bhaskar
Crown, 352 pages, \$32.50

In 1837, a blacksmith in Grand Detour, Ill., came across a broken steel saw at a mill; he took the blade home—steel was scarce at the time—and fashioned it into a plow that proved to be perfect for the region’s dense soil. He mass-produced the instrument, and soon the name John Deere became synonymous with agriculture products. Today the company increasingly builds autonomous tractors and combines, driverless machines that inhale and process data to optimize yield. “Farming robots aren’t just coming,” Mustafa Suleyman exalts. “They’re here.”

Mr. Suleyman knows a thing or two about emerging technology. In 2010, with Demis Hassabis and Shane Legg, he founded DeepMind with an immodest goal: to “solve intelligence”—that is, replicate human cognition with computers—and “make the world a better place.” Acquired by Google in 2014 for its development of a type of artificial intelligence called deep learning, DeepMind has produced a series of dazzling achievements. One of its programs, AlphaFold, was able to predict the three-dimensional structure of proteins based on their amino-acid sequence, a scientific breakthrough. It comes as no surprise that Mr. Suleyman believes deeply in the promise of artificial intelligence. But spending so much time envisioning the future—and working

to create it—has left him shaken. In “The Coming Wave,” he hopes to unsettle us as well.

The good news, Mr. Suleyman tells us, is that AI—together with synthetic biology, a technology aimed at engineering organisms—is poised to “usher in a new dawn for humanity.” He foresees a universe of beneficial prospects. AI is on track, he says, to “help run our businesses, treat our ailments, and fight our battles.” There “seems no obvious upper limit on what’s possible.”

But he is terrified that the diffusion of these technologies will empower “a diverse array of bad actors to unleash disruption, instability, and even catastrophe on an unimaginable scale.” His fear is driven by his conviction that technology tends to get “cheaper and easier to use, and ultimately it proliferates, far and wide.” (The automobile is one example, the smartphone another.) Emerging technologies, Mr. Suleyman says, are “fragility amplifiers,” potentially placing “a lever with global consequences” into the wrong hands. Already, he writes, deepfakes—manipulative mimicry of image or voice—are spreading fast, poisoning local elections in India and enabling bank fraud in Hong Kong. Soon, he fears, the ability to synthesize a bioweapon or deploy armed drones will be widely dispersed—among other worrisome scenarios.

Alongside the irrepressible nature of the technology itself, there is the difficulty of figuring out how best to modulate our drive to expand and exploit it. A confluence of powerful forces work against any such an effort: e.g., nations fiercely competing for strategic advantage or desperately addressing shared concerns, like food supply, climate change and disease. Technology alone may not be the answer to such concerns, Mr. Suleyman allows, but it’s still “the single most powerful” tool we have. Also making containment difficult: the drive for profit, especially since the “coming wave” of technology represents “the greatest economic prize in history.”

But technology is hard to restrain for another reason: our own volatile mix of curiosity and ego, our hardwired inability to “leave fruit on the tree,” as Mr. Suleyman puts it. He recognizes in his colleagues—and in himself—the sentiment expressed by J. Robert Oppenheimer, the director of atomic-bomb research at Los Alamos, N.M. “When you see something that is technically sweet, you go ahead and do it, and you argue about what to do about it only after you have had your technical success.”

Artificial intelligence and other tech advances promise great things—a new dawn for humanity. But will they fall into the wrong hands?

So what is to be done? To start, Mr. Suleyman suggests, we must get past our reflexive first reactions: to deny that there is a problem or turn immediately to regulation. The size of the challenge, he says, may give rise to a response he calls the “pessimism-aversion trap”: Overwhelmed by fear, we look the other way. Or we may demand regulatory fixes. Yet effective regulation takes a long time to develop, and the technology is simply evolving too fast.

Our goal, Mr. Suleyman argues, shouldn’t be to arrest emerging technologies so much as to “sculpt” them and ensure that they are adapted to our needs. He suggests making them subject to oversight and enforceable rules, including audits and external review, and he favors a “more licensed environment,” where the most sophisticated AI systems would be produced “only by responsible certified developers.” He advocates pressure at critical choke points—limiting the export of advanced computer chips, for example, or throttling the data passing through high-volume fiber-optic cables—to put a check on the speed of development. Yet he acknowledges that even if his lengthy wish list were adopted, it might not be enough.

The futurist Roy Amara once said that “we tend to overestimate the effect of a technology in the short run and underestimate the effect in the long run,” and Mr. Suleyman’s view that we’re poised on the precipice of both nirvana and doom seems to confirm this tendency. AI and synthetic biology may be advancing faster than many of us grasp but not quite as fast as he thinks. Particularly when describing progress in biology, he tends to leap from early successes—like creating a synthetic bacterial genome—to what he sees as the inevitable end state: “a world of cheap, personalized drugs,” say, or food manufactured on demand. Realistically this future is much further away than he imagines.

But even if Mr. Suleyman’s timing is off, his sense of the future seems directionally correct: AI and synthetic biology are creating transformative opportunities and existential dangers. As he plaintively asserts, now is the time to reckon with both possibilities. How can we guide technology in a way that allows us to benefit from its extraordinary promise without being destroyed by its exceptional power?

Dr. Shaywitz is a physician-scientist at Takeda Pharmaceuticals, a lecturer at Harvard Medical School and an adjunct fellow at the American Enterprise Institute.

Iran Might Have Miscalculated in Gaza



GLOBAL VIEW
By Walter Russell Mead

Most news and commentary describes the war in Gaza as the latest brutal episode in the conflict between Israelis and Arabs. That is one dimension, but from the perspective of world-power politics, it isn’t the most important. What really matters in the Middle East is the battle between Iran, increasingly backed by Russia and China, and the loose and uneasy group of anti-Iranian powers that includes Israel and the American-backed Arab states.

There is much about the Gaza war that we still don’t know: how long it will last, what the death toll will be, how many hostages can be rescued or returned, and how successful Israel will be in its declared objective of destroying Hamas.

But so far, from a global perspective, the most important fact is that Iran isn’t getting what it wanted from the war. Iran’s objective in arming, training and encouraging Hamas wasn’t solely to cause Israel pain. The real goal was to disrupt the gradual deepening of the strategic ties between Israel and its most important Arab neighbors.

The picture has been clear for some time to those not hypnotized by the conde-

scending Iran apologists who lulled a generation of credulous Democratic foreign-policy officials into seeing Tehran as a possible American partner. Iran’s rulers, believing that controlling the Middle East’s energy resources and religious sites would make the country a world power, want to establish themselves as the dominant force in the region.

Sunni Arabs have long viewed Iran as a religious rival and a security threat. More recently, as Iran’s march to hegemony left a trail of ruined countries and bloody corpses, suspicion solidified into terror and loathing. Tehran’s support for Bashar al-Assad in Syria is responsible for many times more deaths and refugees than all the Israeli-Palestinian wars combined. Iran’s support for Hezbollah converted once-prosperous Lebanon into a poverty-stricken Iranian satellite. Tehran’s allies keep Iraq in a state of miserable unrest while Iranian support for Houthi forces in Yemen drove one of the greatest humanitarian disasters of our time.

We don’t yet know how closely Iran was involved in the planning and timing of last month’s attacks, but it’s clearer what the mullahs hoped the attacks would accomplish. At one level, Iran wanted to remind everyone how savage and powerful the country and its proxies have become. Terror serves Iranian

state interests.

Beyond that, Tehran hoped to disrupt the emerging anti-Iran bloc in the Middle East. The idea was that Hamas’s dramatic attacks would electrify public opinion in the region against Israel, the U.S. and the Arab rulers willing to work with them. This, Tehran hoped, would drive a wedge between the Arabs and Israelis as Arab rulers sought to placate their angry publics by abandoning any plans to work closely with Israel.

It had an interest in dividing Israel from Arab states. So far that hasn’t happened.

So far, this plan has failed. Bahrain, the United Arab Emirates, Saudi Arabia and Egypt have all signaled that they intend, once the storm has passed, to go on working with Jerusalem for a safer, more stable Middle East. Worse from Iran’s point of view, the Arabs are committing to a revived form of Palestinian governance that can exclude Iran’s proxies from both the West Bank and Gaza.

This isn’t because the conservative Arab states love Israel or the U.S. It is because their survival requires checking Tehran.

This isn’t only about deter-

ring Iranian aggression. It is about building a regional environment in which their countries can flourish. Arab leaders may not care for Western-style democracy, but they need to develop their economies. With populations and expectations rising, and with the long-term future of fossil fuels uncertain, the Gulf states need to do more than pump oil out of the ground.

Instead of dividing Israel from the Arab states, the Hamas attacks reminded sensible people across the Middle East how important it is to hold Iran in check. The Gulf states need stability, and Iran and its murderous proxies are mortal threats to the economic future that Arab rulers want and their people need.

The real question in the Middle East these days isn’t what Israel or Hamas will do next. It is whether Team Biden has finally awakened from its enchanted sleep. Does the White House understand that the Israeli-Palestinian problem, while real and consequential, pales before Iran’s unappeasable drive for power as the region’s leading cause of war and unrest? Has it learned that every penny that goes to the mullahs feeds their ambitions?

If so, better days are coming for a region that could use some hope. If not, the insane ambitions of a brutal regime will produce more horrors in years to come.

How to Handle Domestic Abusers and Guns

By Kerry Slone

You wouldn’t want to live next door to Zackey Rahimi. According to court documents, he has a history of dealing drugs. In 2019, he assaulted his girlfriend and fired a gun at a passerby who witnessed the attack. Months later, he had a traffic accident and shot at the other driver. In 2020 he threatened another woman with a gun. In 2021 he fired a gun when his friend’s credit card was declined.

After the 2020 assault, his girlfriend obtained a domestic-violence restraining order, and thus, under federal law, Mr. Rahimi may not legally own guns. He challenged that law as an infringement of his Second Amendment rights, and the U.S. Supreme Court will hear his case on Tuesday. A ruling in his favor could also affect extreme-risk protective

orders, known as red-flag laws, which authorize judges to confiscate firearms without a hearing based merely on a written complaint.

States began wildly adopting domestic-violence restraining orders in the 1970s. The Second Amendment was ratified in 1791 and applies to the

It’s unjust to deny constitutional rights without a trial.

states under the 14th Amendment, which was ratified in 1868. To help understand what the framers intended, the Supreme Court looks to see what laws were in place then—and the briefs supporting Mr. Rahimi’s position point out that there is no historical evidence of restrictions similar to those

we have today prohibiting ownership or even confiscating guns on the sole basis of a complaint.

As a victim of domestic violence, I know how important it is to protect victims. But the current legal regime goes too far. Mr. Rahimi isn’t the sort of person who should be carrying a gun, but his case will have legal implications for many people who aren’t like him.

The question before the Supreme Court concerns the standard of evidence needed to strip people of their constitutional rights. There is a big difference between the standard required in criminal cases and the standard in civil cases. Americans can lose their right to a gun when convicted of felonies and some violent misdemeanors. But should they lose that right after a noncriminal proceeding, which may not even involve a

public hearing or a lawyer?

Academic research shows that domestic-violence protection orders don’t reduce the number of domestic gun murders. Truly dangerous people often ignore them. Mr. Rahimi, for example, obtained a gun despite its illegality.

Mr. Rahimi’s violence could have been prevented in other ways. If he was so violent that he had to have his guns taken away, why wasn’t he in prison? Even before the restraining order, he had assaulted a woman and misused a gun. The legal system fails when it doesn’t lock up violent criminals. Trying to patch up the bad result with domestic-violence restraining orders harms innocent people and gives a false sense of security to victims.

Ms. Slone is director for education at the Crime Prevention Research Center.

REVIEW & OUTLOOK

Will Trump Be Indicted Into Office?

“The people call Donald J. Trump.” So began Monday’s episode of the Democratic Party’s favorite legal drama, as Mr. Trump took the witness stand in Manhattan court. The judge in this civil case has already ruled that Mr. Trump’s business empire gave inflated asset numbers to lenders, including by almost tripling the square footage of his Trump Tower residence.

“They were not really documents that the banks paid much attention to,” Mr. Trump told the court, according to news accounts. He argued that his assets, including his brand value, were actually higher than reported. Why was his Trump Tower triplex claimed as 30,000 square feet, instead of the actual 11,000? He speculated that perhaps the bigger figure didn’t exclude elevator shafts and other nonusable space, or maybe it included the building’s roof, to which he has access.

The trial has consequences for Mr. Trump’s business and net worth, but it won’t matter much politically. New York Attorney General Letitia James campaigned on a promise to launch an investigation into Mr. Trump, and most GOP voters have already dismissed the case as an example of politicized justice.

For Mr. Trump’s critics who believe the legal system can knock him out of the 2024 presidential election, his civil testimony Monday was a light amuse-bouche. The four-course meal to follow is the criminal process, after Mr. Trump’s state indictment in New York, two charge sheets from the feds, and then another in Georgia. Yet despite it all—or more accurately, because of it all—Mr. Trump is dominating the Republican primary polling.

Is Mr. Trump’s candidacy really being floated by his prosecutions? Check out the recent reporting on Win It Back PAC. An article in Politico last week says the group tested four TV ads focused on Mr. Trump’s legal travails. “All four ads tested failed to move support away from Trump,” a research memo concluded. Even more

fascinating, three of the commercials increased Mr. Trump’s support.

Two of the TV ads “backfired across almost all demographic groups.” One of those was the most pointed argument tested. “I’ve been with Trump from the start,” the narrator says. “But truthfully, I don’t know what happens if he is convicted while

he is running.”

Those TV ads never ran, no surprise. Can President Biden now pay to air them? That’s a joke, but it fits the strategy of Mr. Biden, who is counting on a 2020 rematch nearly as much as Mr. Trump. This could be a serious blunder.

The Win It Back PAC ads were tested among Republican primary voters, but the backfire effect was larger with respondents who identified as “NOT Very Conservative.” It isn’t so hard to believe that some independents might agree that the prosecutions are politically motivated and unfair.

Throw in this weekend’s Siena College-New York Times poll, which shows Mr. Biden losing to Mr. Trump in five key swing states. The political reality is hard to deny. Mr. Trump’s conduct is often lamentable, self-destructive, inexplicable, and sometimes all three. Why did he refuse to turn over those classified files, and did he in fact send a henchman to delete Mar-a-Lago’s security tapes after getting a subpoena? If true, it’s foolish beyond words.

But Mr. Trump’s antagonists, instead of trying to defeat him politically, have unleashed the criminal justice system against him in every way possible. The former President received a polling boost in April when Manhattan District Attorney Alvin Bragg brought criminal charges that even some of Mr. Trump’s fiercest critics admit are legally dubious.

Mr. Trump’s opponents thought that prosecuting him would bring him low. Instead it is powering his candidacy, as he runs as a political martyr. It is helping him in the campaign for the GOP nomination, and it could yet get him back to the White House.

TV ads focused on his legal troubles backfired, so they never aired.

Biden Regulators Fine a Christian College

The liberal press frets with some cause that Donald Trump will target his political opponents if he wins the White House in 2024, but why aren’t they bothered by the Biden Administration’s weaponization of government? Consider the Education Department’s record fine last week against Grand Canyon University (GCU).

The Education Department dunned GCU, the nation’s largest Christian college, \$37.7 million for allegedly deceiving prospective students about the cost of its doctoral programs. Its specific beef is that GCU charged students for taking courses while they complete their dissertation, and that these costs weren’t included in a table estimating the degree’s total cost.

But the number of continuation courses varies. Its disclosures make clear that doctoral degree earners require continuation courses—9.5 on average for psychology, which cost \$2,175 per course. The department claims this disclosure is buried

in “fine print.” GCU’s disclosure is in full-size, red type above its Degree Program Calculator.

The school’s accreditor, the Higher Learning Commission, praised GCU’s transparency in 2021: “Their recruitment and marketing materials are clear and transparent, and financial information presented to students throughout the student lifecycle is robust,” adding that information on its doctoral program provides prospective students “a clear picture of their academic and financial path.”

GCU says it is being targeted because it has sued the department for refusing to recognize it as a nonprofit college. That’s plausible. Progressive regulators might also resent that the school’s vocational training programs are rapidly growing while community colleges are losing students. Progressives oppose private competition in education, and they’re willing to use the government to punish schools that won’t bow to their wishes.

Josh Hawley’s Unoriginal Constitution

Since the Supreme Court unleashed independent political spending in 2010’s *Citizens United v. FEC*, progressives have forecast the ruin of American politics by corporate spending. More than a decade on, elections are competitive and no doom has come to pass, but the same false alarm is now making the rounds on the political right.

Missouri Republican Sen. Josh Hawley has introduced legislation to reverse *Citizens United* as a way to punish corporations whose progressive politics he dislikes. He told RealClearPolitics that his “goal is to get corporate money out of our politics,” and to stop companies from “controlling our elections.”

So big government to the rescue. The Ending Corporate Influence on Elections Act would ban contributions or donations by publicly traded corporations. That includes donations to political committees, independent expenditures and any “disbursement for an electioneering communication.”

The bill proposes no changes to the political activities of labor unions, which also had their speech rights affirmed by *Citizens United*. That’s a telling omission that suggests Mr. Hawley is looking for allies on the left. Mr. Hawley knows the bill has little chance of becoming law in the current Congress and that the Supreme Court wouldn’t look fondly on this rewrite of the First Amendment. But the current Court majority may not last, as Justices Samuel Alito and Clarence Thomas are both in their 70s.

Mr. Hawley’s exercise aligns with the progressive notion that money is corrupting and that too much of it rigs elections and leads hapless voters to the wrong decision. In April 2022, Sen. Sheldon Whitehouse (D., R.I.) tweeted that *Citizens United* “super-charged the schemes of big corporate and right-wing donors to rig our government in their favor.”

The Supreme Court addressed that conceit directly in *Citizens United*. In his majority opinion, Justice Anthony Kennedy wrote that “when Government seeks to use its full power . . . to command where a person may get his or her information, or what distrusted source he or she

The Missouri Senator wants to rewrite the First Amendment.

may not hear, it uses censorship to control thought.” That’s “unlawful” because the First Amendment “confirms the freedom to think for ourselves.”

Mr. Hawley says he’s the real constitutional “originalist” because he believes there is no independent personhood for corporations. That was the argument made in the *Citizens*

United partial dissent by liberal Justice John Paul Stevens. He wrote that corporations “have no consciences, no beliefs, no feelings, no thoughts, no desires” and that corporate personhood is a “legal fiction.”

It’s not that simple. Corporations are made up of citizens, as Justice Antonin Scalia noted in his *Citizens United* concurrence. The Framers guaranteed free speech for individuals, Justice Scalia wrote, but “the individual person’s right to speak includes the right to speak *in association with other individual persons*,” and that is as true for a corporation as for a political party. Corporations are assemblies of employees and shareholders who share an interest in political decisions that could harm their business.

Mr. Hawley knows this, but he is picking up the issue because he also knows corporations are unpopular these days. Some corporations have rightly earned conservative disdain, but there are other ways to pick a fight with woke America than by selling out basic conservative values such as free speech and the First Amendment’s explicit right to “petition the government for a redress of grievances.”

Mr. Hawley wants to deny corporations their right to influence laws or regulations that affect them. Bernie Sanders goes to sleep at night dreaming of such a political world.

Campaign spending is a form of political speech, as the Supreme Court has ruled in multiple cases. The left wants to rewrite the First Amendment so it can limit who can speak. “If speech can be prohibited because, in the view of the Government, it leads to ‘moral decay’ or does not serve ‘public ends,’” Justice Scalia wrote, “then there is no limit to the Government’s censorship power.”

This is the philosophy that Josh Hawley now embraces.

LETTERS TO THE EDITOR

The Democratic Party’s Sordid Past on Race

In “The Democrats and Anti-Semitism” (Wonder Land, Nov. 2), Daniel Henninger examines the rupture in the Democratic Party that has pit pro-Israel liberals against an ascendant progressive wing that accuses Israel of ethnic cleansing and genocide. He provides a brief history lesson on the Nazis and the Holocaust that began 90 years ago and implies that members of the party under Franklin D. Roosevelt then would be appalled by today’s anti-Semitic views.

But let’s not give the Democratic Party of the 1930s a pass on anti-Semitism. Jonah Goldberg’s 2008 book “Liberal Fascism” is a useful primer for understanding the thin line that separates fascists from the far left. Adolf Hitler and many Nazi leaders were socialists before they began prioritizing nationalism and racial purity. Wilsonian progressives earlier in the 20th century were also fixated on race, and former Ku Klux Klan members were at home in the Democratic Party. Democrats have a sordid history of playing the race card for or against groups based on prevailing political winds.

With media cover, Democrats can play down the anti-Semitic component of their coalition while attacking

Republicans as racists who ignore Israel’s oppression of Palestinians. Israelis understand the ruse and see clearly that progressives are working to undermine U.S. support for a Jewish homeland.

D. ANN DAVIS
St. Augustine, Fla.

Mr. Henninger states, “Maybe Democrats never expected Jew-hatred to be a feature of their coalition. Now it is.” He should have clarified: Maybe Democrats never expected the Jew-hatred that has festered for decades at varying levels across their coalition—academia, media, entertainment and among Democrat-supported organizations such as Black Lives Matter—to be so explosively and unequivocally exposed. Now it is.

ERIC TYLER
The Villages, Fla.

We are all in this together, until you have no further use. The enemy of my enemy is my friend, until he has no further use. Jews are the friends of the Democratic Party, until they have no further use.

BILL BOLES
Broomfield, Colo.

Reasons to Question the Biden Family Loans

Kimberley Strassel’s “Moving the Hunter Goal Posts” (Potomac Watch, Nov. 3), regarding President Biden’s loan to his brother, surprised me. Is no one in Washington aware that interfamily loans have to be carefully documented and require that a rate of interest be set that is not less than a Treasury of comparable maturity?

Importantly, the interest on the loan has to be reported by the lender to the Internal Revenue Service on his tax form. I know this because I have made a number of loans to my own children.

It should be easy to confirm the existence of other Biden family loans, so House Republicans should follow up on this very aggressively. To do any less would be to betray the rule of law.

RICHARD CHAPMAN JR.
Brookline, Mass.

In estate planning, there is often mention of “family loans.” Parents with assets loan money to their children. A child uses that money to start a business or buy a home, and the loan payments are made to the parent or estate. These loans have very specific IRS rules and are highly scrutinized if your last name isn’t Biden.

Loan terms, interest rates and repayment schedules need to be clearly stated and records kept. A fabricated “loan” like the one Ms. Strassel describes, when repaid, has no interest and no profit, and thus no income tax. As Mr. Biden and his team love to say, the super rich and politically connected get to avoid paying their “fair share.” The Biden family gets tax-free income while normal people must fear IRS audits and penalties.

JOE BOCCUZZI
Tomball, Texas

Islamophobia Is Real, and Fear Yields Hatred

In “Islamophobia Is a Phony Diagnosis” (op-ed, Nov. 2), Matthew Hennessey suggests that it is inappropriate to make human reactions to terrorism seem crazy or bigoted. Brutal acts of terrorism, murder or abject violence of any kind are repulsive and crimes against humanity, and no one faith has a monopoly on such ab-

horrent behavior. With Islamophobia, we are talking about the following view: that when an act of terrorism is perpetrated by an Islamic extremist, it is rational to be afraid of everyone else from the Islamic faith.

If that is true, then why shouldn’t one be afraid of all Christians or all whites when a white Christian nationalist commits a violent act?

Mr. Hennessey tries to make a distinction between fear and hatred, but one can easily lead to the other, with dangerous consequences. If society does not repudiate racism, anti-Semitism and the other bad “isms,” we sanction the possibility of more violence. If there is any doubt that Islamophobia exists, look to the recent funeral of Wadea al-Fayoume in Illinois, a six-year-old Muslim boy stabbed 26 times on Oct. 14.

KHALID AZIM
New York

Guns and Butter on Our Tab

Regarding your editorial “Biden Has a Choice, Guns or Butter” (Nov. 1): The greatest threat to America’s future is our astronomical national debt. It is approaching \$100,000 for every person living in the U.S. It is costing so much just to service it that future impoverished Americans will ask, “Who let this happen?” The answer? We did. Guns or butter? Both please. Put them on the tab.

JOHN FORTUGNO
Olympia, Wash.

It won’t be long until there’s no money for guns or butter. Interest on the debt will consume everything.

KEVIN CLARK
Franklin, Tenn.

Pepper ... And Salt

THE WALL STREET JOURNAL



Carnow

“Let’s do something different.”

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Obama, Hamas and ‘Complicity’

By Elliot Kaufman

Even Barack Obama supported Israel in dismantling Hamas, a senior Israeli official was eager to tell me early in the war. The former president said so in a 73-word statement on Oct. 9.

But on Oct. 23, in a 1,130-word statement, Mr. Obama called for Israeli restraint. Now, on the “Pod Save America” podcast, Mr. Obama counsels “an admission of complexity.” In a part of the interview released Saturday, Mr. Obama says: “What Hamas did was horrific and there’s no justification for it. And what is also true is that the occupation and what’s happening to Palestinians is unbearable.” To get to the full truth, “you then have to admit nobody’s hands are clean, that all of us are complicit to some degree.” He adds: “As hard as I tried—I have the scars to prove it—but there’s a part of me that’s still saying, ‘Well, was there something else I could have done?’ ”

The former president seeks to shift the blame for the attack on Israel. He ought to look in the mirror.

Only a part? Mr. Obama sent Iran \$1.7 billion in cash, released some \$100 billion in frozen assets and unshackled Iranian industry. His plan to extricate the U.S. from the Middle East was suitably complex: find a rapprochement with Iran that would empower it to stabilize the region for us. Predictably, Tehran used the money to build up each front—Gaza, Lebanon, the West Bank, Syria, Iraq and Yemen—in today’s war on Israel.

The rest of Mr. Obama’s policy paved the way. In August 2012, he drew a “red line.” The U.S. would respond militarily if Syria used chemical weapons. When Syria did a year later, Mr. Obama blinked and then let Russia bail him out by pretending to remove all the chemical weapons. Russia never left Syria, and propping up Bashar al-Assad solidified its alliance with Iran. The Journal reports that Russia plans to give Hezbollah better air defenses in Lebanon, and Syria is a key Hezbollah staging ground and transit point for Iranian weapons.

Mr. Obama pulled out of Iraq in 2011, only to see Iran-backed militias fill the vacuum. Once ISIS, which the president had dismissed as the “JV team,” established itself, reluctance to commit further to the region led the Obama and Trump administrations to work with the Iranians to defeat the group. This elevated Tehran’s Iraqi proxies, which have been attacking U.S. forces almost daily to pressure the U.S. to constrain Israel.

Israel had an early chance to destroy Hamas in the 2008-09 Gaza war, but the incoming Obama administration signaled its displeasure. Israel stopped short, declaring a unilateral cease-fire. That only prepared the next war, in 2014, but overthrowing Hamas wasn’t even on the table with Mr. Obama in the White House.

The Obama strategy of pressuring Israel and indulging the Palestinians made no progress toward peace. A 2009-10 Israeli settlement freeze was shrugged off. John Kerry shuttled around, banging his head against the wall called the “peace process.” Mr. Obama’s parting shiv—enabling a United Nations Security Council resolution that condemned the Jewish state and undermined its claim to Jerusalem—did nothing for Palestinians but indulge the fantasy that U.S. pressure on Israel will obviate the need for them to compromise.

If everyone is responsible for this war, as Mr. Obama says, then Hamas becomes only one guilty party among many, and Oct. 7 a mere link in a long causal chain. Blame shifts to Israel. As the U.N. secretary-general put it, “the attacks by Hamas did not happen in a vacuum.” But if anyone has been complicit in enabling Hamas’s atrocities, Barack Obama has.

Mr. Kaufman is the Journal’s letters editor.

Only the U.S. Can Restore World Order

By Nadia Schadlow

Chaos is spreading throughout the world as a direct consequence of America’s failure to deter Russia, Iran and China. The balance of power in key regions is faltering, leading to instability and global disorder. Like it or not, the U.S. is the only force that can restore equilibrium.

In a global conflict, as the Yale political scientist Nicholas Spykman (1893-1943) observed, success or failure in one region has “immediate and determining effect on the others.” Spykman emphasized the importance of preventing the rise of hegemonic powers whose “principles and ideals are opposed to the whole course of Western civilization.” This effort to check power in key regions of the world has been a mainstay of American foreign policy since the Cold War.

Revisionist powers are on the rise and determined to disrupt the global order. Russia and Iran have each made destructive regional plays, while China is preparing for its own moves in the South China Sea and Taiwan. Compounding these demonstrations of power (and brutality) is the willingness of these countries to put aside their differences to collude against American interests. The revisionist powers see the U.S. as weak and in decline. The question is whether we can regain the initiative and restore balance.

Since the mid-2000s the U.S. and its allies have forgotten the central goal of geopolitics: to maintain the balance of military power and thereby deter revisionist powers in critical regions. Many American policy makers thought soft power, not military might, would lead countries toward cooperation and liberalization. Instead, Russia’s 2014 annexation of Crimea and invasion of eastern Ukraine set the stage for the first episode of regional disruption—Russia’s February 2022 invasion of Ukraine. Moscow reminded the world



that despite its relative weaknesses, its ambitions to exert its power over Central Europe have remained constant. So far, Vladimir Putin’s war has caused more than 500,000 deaths, realigned world energy flows and food trade, and led to billions of dollars in economic losses.

Biden can end the chaos by demonstrating a strong commitment to victory in Israel and Ukraine.

Hamas’s barbaric attacks in Israel sparked instability in a second critical theater, the Middle East. Iran is the regional power pulling the strings. For years Iran has shaped the playing field in the Middle East to its advantage. Despite sanctions, Tehran used its military and diplomatic tool kit skillfully. It was helped by the Obama administration’s deliberate shift to enhance Iran’s regional role and step away from the U.S. policy of containment. All the while, Iran increased support for an “axis of resistance.” Its terrorist allies Hezbollah and Hamas provided Iran with expeditionary proxy forces, changing the military

balance of power in the region.

The Biden administration’s relaxation of sanctions on sales of Iranian oil and its September agreement to release \$6 billion to free five American hostages further emboldened Tehran. Money is fungible. With this new transfer, Iran was in a position to divert billions to spark additional regional mayhem.

China is destabilizing a third key region of the world, Asia. Beijing is determined to control the South China Sea, crossroads of trillions of dollars of shipping. China’s island-building program and militarization of the region have extended Beijing’s control and are threatening freedom of navigation. China has stepped up its naval activities there, clashing with the Philippines and blocking its boats. Beijing’s pressure on Taiwan is growing. The Chinese military has surged aircraft and ships into the area as it refines its strategy to blockade the island nation. China has the world’s largest navy measured by number of vessels, with a combination of its military warships and its merchant-marine fleet around the world.

Across these three regions—Central Europe, the Middle East and Asia—unnatural allies are supporting each other in pursuit of a new global equilibrium that significantly

disadvantages the U.S. and its allies. A year after Russia’s invasion of Ukraine, to mark their “no limits friendship,” China’s Xi Jinping observed that events “we had not seen for 100 years” were happening and that Russia and China were “driving these changes together.”

Diplomatically, China played a key role in pressuring countries not to condemn Mr. Putin’s aggression. China’s economic support of Russia has grown, particularly through purchases of Russian oil, and it’s likely that Beijing has also supplied Moscow with weapons, parts and more. Tehran is funneling drones, artillery shells, ammunition and tank rounds to the Russian war effort. Some of this was likely reciprocated, given Moscow’s defense cooperation with Iran. Tehran has orders in for Russian fighter jets, attack helicopters, radars and combat trainer aircraft. Iranian pilots reportedly started training in Russia to fly the Sukhoi Su-35, an advanced fighter jet, in the spring of 2022.

The challenge for the U.S. now is to restore balance in the world. The Biden administration’s management of the Israeli response in Gaza and the continuing war in Ukraine are crucial. America’s adversaries are watching.

The U.S. can’t be passive in its support for allies. It isn’t enough to be the arsenal of democracy. America has unique military and intelligence capabilities that can help Israel and Ukraine defeat existential threats to their sovereignty. American diplomats must convince the Arab world—particularly the Gulf states—that a region dominated by Iran and roiled in conflict will doom their growing economies. If the U.S. succeeds, it will send a clear message to China about the perils of messing with America’s friends.

Ms. Schadlow is a fellow at the Hudson Institute and Hoover Institution. She served as deputy national security adviser for strategy, 2017-18.



FREE
EXPRESSION
By Gerard Baker

John F. Kennedy said of Winston Churchill that he “mobilized the English language and sent it into battle.” From Pericles to Abraham Lincoln, words have often been as effective as armaments in shoring up a people’s defenses, reinforcing an army’s resolve, or inspiring a unit’s bravery.

But in war, as in peace, words can also be used to demoralize and disorient. They can be used—and have been—more deviously by the enemy, and its quill-, microphone- and lap-top-carrying enablers and propagandists, to obfuscate and confuse, to seed doubt in a just cause.

The war in the Middle East is a month old but it is producing plenty of the latter. From the streets of American and European cities, television studios, newspaper columns and legislatures, we are being bombarded with rhetoric that seeks to persuade us not to believe what we see, to convince us that right is wrong, justice is tyranny, terrorism is heroism.

I’ve lost count of the number of words that are being manipulated in this way. All kinds of cunning efforts have been used to get us to see that the country whose citizens were wantonly slaughtered on Oct. 7 by an enemy that has sworn to wipe it from the planet is in fact the wicked oppressor. But here are a few of the highlights:

- **Cease-fire.** This is the most frequently used and superficially persuasive misuse of terminology. “Cease-fire” sounds straightforwardly decent. Who could object to the cessation of hostilities that are killing and wounding thousands?

Nine days after the attack, 13 Democrats in Congress submitted a resolution urging that the Biden administration “immediately call for and facilitate de-escalation and a cease-fire to urgently end the current violence.”

But we know what that would mean: victory for Hamas. It would mean that the terrorist group should be allowed to continue to run a statelet only a few weeks after it has made good on its commitment to attack its neighbor and done so with complete disregard for international law or common decency.

Even after Hamas’s leader helpfully spelled out that, in the event of a cease-fire, the terror group would reinstate hostilities again and again until it had killed every Jew.

- **Genocide.** Joe Biden supported the genocide of the Palestinian people,” says a video posted by Rep. Rashida Tlaib (D., Mich.), in one of many such claims by opponents of Israel. There is something especially malignant about this term to describe Israel’s operation—and those propagating it know that full well. They know its resonance in the history of the Jewish people, and they use it deliberately to equate what happened to the Jews at the hands of the Nazis with a military action today that is justified in self-defense, but which inevitably, tragically results in large numbers of civilian casualties—often because Hamas itself deliberately exposes civilians to harm.

To use this term is a form of Holocaust denial. If you can suggest that what Israel is doing in

Gaza is equivalent to what happened in the gas chambers, then you are explicitly reducing the Holocaust to the level of a regrettable byproduct of a legitimate military campaign. That apparently so many of our young people—and a disturbing number of elected Democratic officials—seem to believe this is shaming.

Their rhetoric seeks to convince us that right is wrong, justice is tyranny, terrorism is heroism.

- **Decolonization.** This is a favorite term of the obfuscators and apologists for terror, partially because it neatly ties up the whole intersectional, Black Lives Matter, critical race theory baloney with what is supposedly happening in the Middle East.

The unidentified Stanford lecturer who singled out Jews in his classroom, made them stand in a corner and identified them as “colonizers” (and was suspended for it) is only the most performative of these dangerous play-actors.

The idea that Israel is a colonist settlement on Arab soil—brilliantly debunked by the historian Simon Se-

bag Montefiore in the Atlantic—is such ahistorical nonsense that we can understand why it could be tolerated only on the campuses of our most prestigious universities.

- **Context.** “Palestinian Americans, Dismayed by Violence, Say Historical Context Is Being Overlooked” ran a headline recently in the New York Times. This seeks to place the attacks of Oct. 7 in the context of the wider Palestinian struggle and thereby suggest that beheading babies has some sort of logical moral precursor.

The most notorious use of this concept came from (where else?) the secretary-general of the United Nations, António Guterres. “The attacks by Hamas did not happen in a vacuum,” he said. While he did also condemn the attacks, who is going to help him understand that this attempt to rationalize and contextualize acts of genocidal savagery is dangerous and ultimately futile?

While we are on the subject of words and the U.N., the world’s premier talking shop of horrors, I’ll end with perhaps the most arresting example of how words can be manipulated by an enemy to convey a basic falsehood that threatens us all: Last week, Ali Bahreini, Iran’s ambassador to the U.N. in Geneva, had the distinct honor of chairing the U.N. Human Rights Council’s Social Forum.

Why Democrats Should Care About Debt

By Ben Ritz

After his election as House speaker, Mike Johnson said one of his top priorities was the creation of a bipartisan commission to tackle the national debt. It’s a good idea that nearly 70% of voters in both parties support. In September, Reps. Scott Peters (D., Calif.) and Bill Huizenga (R., Mich.) introduced the Fiscal Commission Act of 2023, and 198 House Republicans voted for it as part of a government funding bill. Here’s why Democratic congressional leaders and the Biden administration should join the push:

- **Deficits are undermining the Biden economy.** In the past year, the real federal budget deficit more than doubled, from \$933 billion to \$2 trillion. Democrats rightly argued that spending borrowed money was a critical economic support during the Covid pandemic. But the unemployment rate the over past year has been consistently lower than any point since the 1950s.

Economists, even those on the far left who subscribe to “modern monetary theory,” agree that increasing deficits in a tight labor market fuels inflation. Voters’ frustrations with inflation and the interest-rate hikes implemented to bring it under control exceed their appreciation for low

unemployment, fueling disapproval of President Biden’s economic record. Deficit reduction is more important than it has been at any other time in the 21st century.

- **Debt-service costs crowd out progressive priorities.** Annual interest payments are already at their highest level as a percentage of gross domestic product since the 1990s. By 2028 the government is projected to spend more than \$1 trillion on interest payments each year—more than it spends on Medicaid or national defense. Worse, the U.S. may be entering a vicious circle whereby higher deficits increase debt and fuel inflation, which the Federal Reserve must combat by raising interest rates, causing debt-service costs to balloon further.

- **Republicans must be challenged to accept tax increases.** A fiscal commission would confront the trade-offs elected officials have been unwilling or unable to face. Republicans would have to face the impracticality of their long-held pledge not to raise taxes, which would make it impossible to stabilize the debt without deep cuts to popular programs such as Social Security and Medicare. Now may be the time to crack this GOP shibboleth: Most House Republicans broke the tax pledge when they voted for a \$553 billion tax increase as part of

the Limit, Save, Grow Act earlier this year.

- **Social Security and Medicare face automatic cuts.** These entitlements are the largest and fastest-growing programs in the federal budget. Both already spend more on benefits than they take in from taxes. Benefits will be cut automatically under current law by as much as 23% when the trust funds are exhausted within the next decade. The Fiscal Commission Act would require the commission to make both programs fully solvent for at least 75 years, so every current worker and retiree can count on them.

- **A financial fix would boost confidence in government.** Managing public finances is one of government’s most basic responsibilities. Voters are unlikely to support new progressive policies when they believe the government can’t even pay for the promises it’s already making. Such concerns undid President Biden’s Build Back Better plan in 2021. Adopting policies to put the national debt on a downward trajectory would build fiscal space for new public investments and other measures to address future emergencies.

Mr. Ritz is director of the Progressive Policy Institute’s Center for Funding America’s Future.

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BUSINESS & FINANCE

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WeWork Files for Bankruptcy

Once-valuable startup expanded as demand for office space nosedived

By Alexander Gladstone and Konrad Putzier

WeWork filed for bankruptcy, capping the flexible-office-space venture's remarkable collapse after once being the nation's most valuable startup.

The company filed for chapter 11 protection in the U.S. Bankruptcy Court in New Jersey.

WeWork Chief Executive David Tolley said roughly 90% of the company's lenders have agreed to convert their debt into equity, wiping out about \$3 billion in debt.

WeWork, valued at \$47 billion at its peak, is facing the consequences of excessive expansion that left it with many unprofitable locations. The office-space provider signed hundreds of long-term office leases at the top of the market in the late 2010s. It spruced up the spaces and effectively sublet them for as little as a month at a time.

That business crumbled when demand for its desks fell and vacancies rose during the pandemic, while WeWork remained on the hook for billions in rent payments to landlords. WeWork's losses totaled around \$16 billion as of June, as it churned through all the money it raised from top investors and lenders over the past decade.

WeWork was co-founded by former baby-clothes entrepreneur Adam Neumann in 2010. The company raised billions from investors and built a global network of co-working spaces at breakneck speed.



The office-space provider signed hundreds of long-term office leases at the top of the market in the late 2010s.

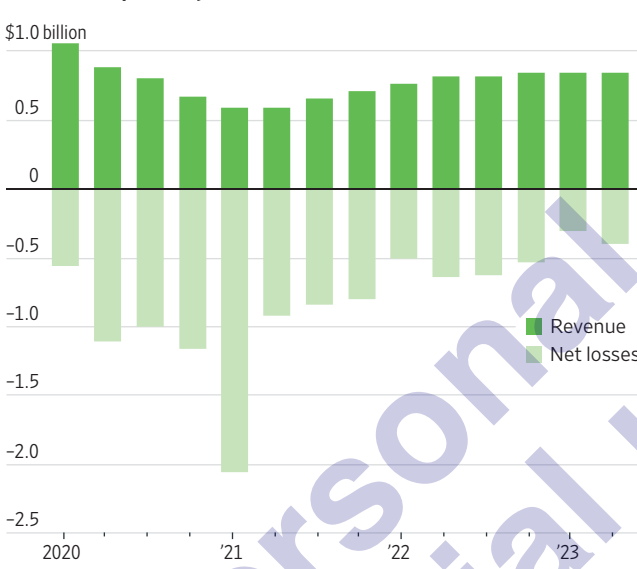
Neumann was forced out in late 2019 following a botched attempt at an initial public offering and spiraling losses. New management cut costs but found its efforts to turn a profit frustrated by a weak office market.

A more than \$5 billion bailout from **SoftBank**, its biggest backer, also left the company with floating-rate debt held by the Japanese investment firm and other lenders. Rent and interest payments ate up around 80% of WeWork's annual revenue as of June 2023.

WeWork for years struggled to ditch or renegotiate unprofitable leases. In its rush to grow as quickly as possible under Neumann, the company had agreed to corporate lease guarantees that often

Please turn to page B10

WeWork's quarterly revenue and net losses



*The company began trading as WeWork on October 21, 2021. Sources: S&P CapitalIQ, the company (revenue, losses); FactSet (market cap)

Market capitalization*



Tesla Raises Wages in Germany as Union Presses

By William Boston

BERLIN—**Tesla** is boosting factory worker pay in Germany amid an aggressive unionization drive, a move that comes as Chief Executive

Elon Musk may face similar organizing attempts in the U.S. Tesla's management in Germany late last week unveiled a package of wage increases for workers during Musk's visit to the "Gigafactory" on the out-

skirts of Berlin, Tesla said on Monday. Musk also promised the assembly plant would build its next-generation vehicle. The company said the pay increases are part of a routine review of wages at the factory.

"Claims that there is a connection between Tesla's salary adjustments and union activities are untrue," Tesla said.

Tesla has been under pressure from Germany's powerful IG Metall union, which is try-

ing to organize the plant and get Tesla to agree to a union contract. In Sweden, a smaller industrial union representing Tesla service workers has been on strike as it pursues a col-

Please turn to page B2

Google's App Store Power Goes on Trial

By Miles Kruppa

SAN FRANCISCO—Google's power in the digital economy is facing another major legal test in a case targeting its role as a gatekeeper on billions of mobile devices.

A group of jurors heard opening arguments on Monday from "Fortnite" maker **Epic Games** that Google used its dominant position to squeeze excess profits from app developers, as well as the search giant's response to those allegations. The case forms the second part of Epic's attack on the two largest mobile software providers after the game developer went up against **Apple** in a 2021 courtroom battle.

The trial, expected to stretch into December, adds to Google's busy legal docket as it also fights a landmark antitrust case challenging its dominant search engine. Both lawsuits

take aim at agreements Google struck with manufacturers of mobile phones running on Android, the most widely used mobile software system in the world.

Google also faces a Justice Department lawsuit targeting its advertising technology business that is expected to go to trial next year, allegations that Google also denies.

Google's parent company **Alphabet** brings in a relatively small amount of revenue from the Play Store, the app marketplace targeted by Epic. But the app store is also an important component in a package of services licensed to the manufacturers of Android-powered phones, a major entry point for Google's search engine.

Epic convinced a judge in a previous trial that Apple should loosen restrictions on how app developers accept

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INSIDE



TECHNOLOGY
Dating app Bumble taps the CEO of Slack to succeed its own chief. **B3**



COMMODITIES
Mining company Newmont rethinks its future in a Colorado gold-rush town. **B10**

Defined-Maturity Bond ETFs Offer Way to Lock in Yields

By Jack Pitcher

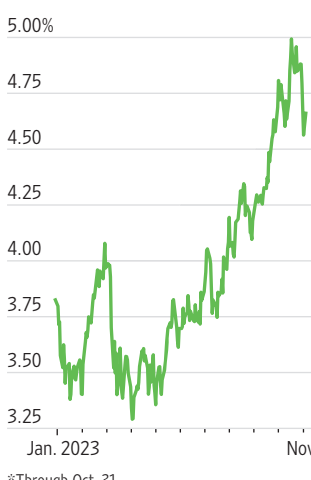
Investors looking to lock in higher yields are turning to a lesser known type of bond fund.

Defined-maturity exchange-traded funds have surged in popularity recently. As their name suggests, the bond funds mature and liquidate on a specific date, similar to how an individual bond pays back its principal.

BlackRock and **Invesco** are the major providers of the funds, which allow investors to tap the advantages of buying a single bond—namely reducing interest-rate risk—while allowing for diversification and easy trading.

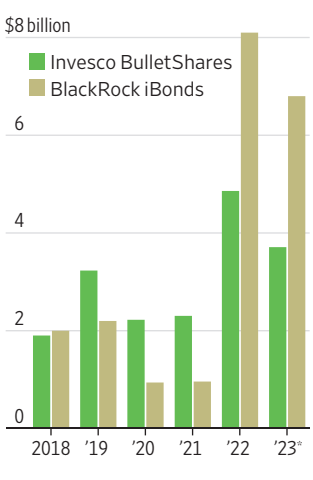
The funds hold a basket of bonds that mature close to the maturity date of the fund. Holdings that mature before the fund's date are often placed in cash-equivalents

10-year U.S. Treasury yield



*Through Oct. 31 Sources: Tradeweb ICE Closes (yield); BlackRock, Invesco, Bloomberg (fund flows)

Net fund flows



held by the fund. On the maturity date, the fund's shares are liquidated at their net asset value with the proceeds paid to investors as a distribution. **BlackRock's iShares iBonds**

Dec 2033 Term Treasury ETF, for example, tracks an index of Treasuries maturing in 2033 and holds a portfolio of three U.S. Treasury notes. *Please turn to page B11*

interlake



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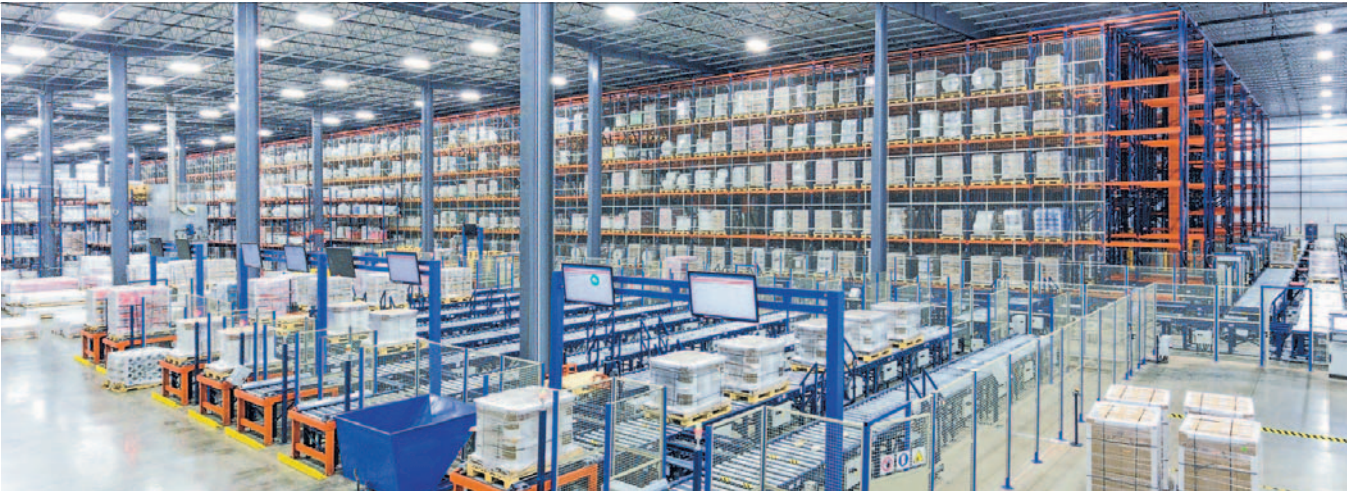
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Dish Network's Loss Sinks Stock Price

By WILL FEUER

Dish Network lost more than a third of its market value Monday after the pay-TV provider and wireless carrier swung to a surprising third-quarter loss and lost subscribers across both of its businesses.

Shares of the Englewood, Colo., company fell 37% to \$3.44; the stock is down 75% in 2023.

Dish Network also said Chief Executive W. Erik Carlson will step down on Sunday. He will remain on the board as Dish looks to complete its deal to merge with EchoStar. Both companies are controlled by Chairman Charlie Ergen.

EchoStar CEO Hamid Akhavan will add the title of Dish CEO on Nov. 13, pending approvals. Shares of EchoStar fell 31% Monday after the company posted a drop in revenue.

For the third quarter, Dish reported a loss of \$139 million, or 26 cents a share, from a profit of \$412 million, or 65 cents a share, in the year-ago period. Analysts surveyed by FactSet were expecting a

profit of 11 cents a share. Revenue fell 9.8% to \$3.7 billion. Analysts were looking for revenue of \$3.82 billion.

Dish's base of pay-TV subscribers declined by 64,000. The company ended the quarter with 8.84 million pay-TV subscribers, including 6.72 million Dish subscribers and 2.12 million Sling subscribers.

Dish Network lost about 225,000 wireless customers in the third quarter and closed the quarter with 7.50 million retail wireless subscribers.

To help fuel its U.S. wireless network, Dish struck a deal Monday to sell its spectrum assets in Puerto Rico and the U.S. Virgin Islands, as well as about 120,000 prepaid wireless subscribers in those markets, for \$256 million and international roaming credits.

The deal gives Dish more cash to help it build out its nascent 5G wireless network in the U.S., said Tom Cullen, Dish's executive vice president of corporate development. Liberty Latin America is the buyer.

EchoStar reported third-quarter revenue of \$413.1 million, down 17% from a year ago.

Intel Leads Race for Big Contract

Continued from page B1
Street Journal.

Officials from the Commerce Department, the Office of the Director of National Intelligence and the Defense Department are negotiating the project with Intel and haven't made a final decision, according to people familiar with the discussions.

Commerce officials have said the department's CHIPS Program Office, which oversees the Chips Act money, will begin distributing manufacturing grants for domestic chip projects in the coming weeks. The program has been popular: Over 500 entities have expressed interest and more than 130 have submitted applications or preapplications for funding.

Intel could be a top beneficiary. In addition to the secure-enclave facilities, the company is a strong contender to receive billions of dollars in grants to help fund new factories it is building in the U.S., including in Ohio and Arizona. Intel Chief Executive Patrick Gelsinger,

along with other tech leaders, has held a number of meetings with Raimondo.

Intel declined to comment on the secure-enclave project. A spokeswoman for the Commerce Department declined to comment. A Defense Department spokesman deferred the question to Commerce.

The proposed facility has sparked concerns among rival chip makers and some lawmakers. They worry that huge grants given to Intel would mean less funding available for other companies.

Some lawmakers question the need for a secure enclave, favoring an approach where security checks are made throughout the chip-making process but there are no exclusive facilities for the defense industry. The Chips Act requires recipient facilities to be commercially viable, and that requirement will influence the design and location of the enclave, people familiar with the situation said.

In a letter last month to Raimondo, three senators questioned the expense of building a new facility exclusively for defense purposes, citing a recent Defense De-

Over 500 entities have expressed interest in chip grants.

partment review that determined security risks were low at the chip-fabrication stage.

"We are concerned that the [department] is considering sole sourcing an award to one company to build a secure enclave at a cost that is far greater than" a longstanding approach for securing the chip supply chain for defense customers, the letter, obtained by The Wall Street Journal, said. "Doing so would limit funding for other projects that would create a diversified domestic supplier base of semiconductors critical to the defense industrial base."

The letter was signed by Sen. Jack Reed, a Rhode Island Democrat and chairman of the Armed Services Committee; Sen. Roger Wicker from Mississippi, his Republican counterpart on the committee; and Sen. Maria Cantwell, a Washington Democrat who chairs the Senate Commerce Committee.

Others disagree. Sen. Marco Rubio (R., Fla.) said that the Chips Act authorizes secure manufacturing capacities and that both the military and the intelligence community recommend a "secure enclave" ap-

proach.

Special facilities for the defense industry, however, may struggle to pay for themselves given that the sector represents roughly 2% of the overall chip market. Defense customers also often come with unusual needs, including protecting chips for use in high-heat environments or outer space.

"As a result, they are no longer the driver of demand or performance," said Charles Wessner, senior adviser for the Center for Strategic and International Studies, a think tank, adding that building a designated fab for defense needs would be "too expensive."

The Chips Act aims to boost domestic supply of chips for defense needs and cutting-edge chips to power high-tech consumer and business products. The program allocated \$2 billion to the Defense Department to build a national "lab to fab" network for research and development of semiconductor technologies. The department awarded part of that funding for regional programs in September.

Further strengthening defense officials' role in distributing the Chips Act fund, the Commerce and Defense departments signed an agreement in July to work closely to shore up the domestic "semiconductor defense industrial base."

BUSINESS & FINANCE



The unionization of Tesla workers in the U.S. and Europe would threaten to further increase the company's labor costs.

Tesla Hikes Wages in Germany

Continued from page B1
lective-bargaining contract.

The announcements came as the United Auto Workers union eyes Tesla's factories in the U.S. After winning record contracts from Detroit automakers, the union is betting it will attract nonunionized workers to its ranks. Shortly after the UAW's wins, Toyota said last week it was raising wages for most of its U.S. auto-factory workers, who aren't unionized.

Challenge to profit

The unionization of Tesla workers in the U.S. and Europe would threaten to further increase the company's labor costs when its profit is already under pressure and as it slashes prices in response to slowing growth. Workers in general have been agitating for richer paychecks amid heightened costs of living and a new wave of labor activism.

Tesla said Monday that executives had informed workers during a "team huddle" with Musk on Friday that the company would raise wages by 4% effective in November for the around 11,000 employees at the German plant. Tesla will also pay a bonus equivalent to about \$1,600 in December to offset inflation. That comes on top of an inflation-adjustment bonus of the same size last year, exhausting the legal limit in Germany for tax-free adjustments. Starting in February, Tesla will raise annual wages by an additional amount equivalent to about \$2,680 for workers in production.

"At Giga Berlin today to congratulate the team on their excellent progress. The factory looks amazing! We are going to



cover all the concrete with art," Musk wrote on X, formerly known as Twitter, Friday.

During his visit, Musk also promised that Tesla's new next-generation electric car would be produced at the German factory after a planned expansion next year, according to people with knowledge of his comments.

The new wage increases follow a 6% wage increase after the opening of the plant last year, according to IG Metall.

The plant produces about 5,000 cars a week, according to company statements issued earlier this year.

The wage increases follow heightened tension between Tesla and IG Metall, Germany's largest labor union, and a separate confrontation with Tesla service-center workers in Sweden.

Tesla is the only major carmaker in Europe without union representation on the shop floor. Musk has criticized unions on X and has said that Tesla pays higher factory-worker compensation than rivals.

Last month, IG Metall said 1,000 employees at the plant donned union badges on the job and protested working conditions. The union wouldn't

say how many Tesla workers are now members, but it has stepped up outreach efforts in recent weeks.

"We want union contract terms at Tesla and so do the Tesla employees," said Christiane Benner, chairwoman of IG Metall, last month.

According to IG Metall, Tesla management first told workers at the plant about coming wage increases in October, after the union staged a week of protests and round-the-clock outreach to Tesla workers during shift changes.

When IG Metall had arranged a visit on Oct. 9 to talk to workers inside the plant during their lunch break, a right that the union says is guaranteed under German labor law, Tesla management invited workers to a free lunch and promised a surprise for the same time, IG Metall said in an Oct. 11 statement.

During the lunch, Tesla management passed out free T-shirts and told employees that there would be a detailed announcement in November outlining wage increases, according to IG Metall.

Dirk Schulze, the regional IG Metall director leading efforts to organize Tesla, called the wage increase and bonuses an important step in a longer effort to boost pay, but added that improvements in working conditions and wages need to be guaranteed in a union contract, as is common at other manufacturers.

Schulze said Tesla monthly wages are lower than what is typically paid at other German automakers. He said Tesla also doesn't pay bonuses for summer vacation or Christmas, which are a routine part of union contracts at other automakers in Germany.

The powerful IG Metall union is trying to get Tesla to agree to a contract.

'A big gap'

"If you compare annual wages there is a big gap between Tesla and our union workers at Porsche, BMW, Audi, VW, Daimler and Ford," he said.

An IG Metall spokesman said the union was focused on the election next year of a new works council at Tesla, an internal committee of labor representatives who have broad say in company policies including working conditions and hiring and firing of employees. The works council isn't allowed to negotiate wages.

IG Metall said that the current works council at Tesla's German factory, elected early last year, is made up largely of lower-level leadership employees who are close to executive management. The union aims to get members elected to the council in the next election, expected to take place next year.

—Tim Higgins
contributed to this article.

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BUSINESS NEWS

EY Lays Out Governance Revamp

Proposed framework aims to expand U.S. partners' role in oversight, strategy

By Mark Maurer
And Alexander Saeedy

Ernst & Young is stepping up its U.S. governance overhaul efforts, a bid to give partners there a greater voice in firm strategy, following the failed separation of its audit and advisory businesses earlier this year.

The proposal comes as the Big Four accounting firm continues to work to untangle the mess left by its decision in April to scrap plans to split auditing and consulting into two firms. EY spent \$600 million and more than a year working on the split.

The U.S. unit, led by Julie Boland, played a key role in the blowup of the split. A handful of U.S. audit partners complained that the consulting business was receiving the majority of its lucrative tax business. The opposition strengthened dissent within the global firm.

The global executive board is preparing to vote on a successor to Carmine Di Sibio, the global chairman and chief executive and architect of the split, in coming weeks. Di Sibio in June said he would retire from the firm the following June, having reached the mandatory retirement age of 60 in March. That would be a year earlier than the planned expiration of his term, a tenure previously extended by two years in part to oversee the transition to two firms.

A U.S. governance revamp floated last week could help EY appease partners and lessen the myriad challenges Di Sibio's successor would stand to inherit. After the split failed, an overhaul of the U.S. unit's structure was expected to be one of the pri-



The proposal comes as EY works to untangle the mess left after it scrapped plans to split auditing and consulting into two firms.

mary short-term changes.

The firm outlined a proposal to set up a U.S. independent committee of five elected partners that would nominate a slate of candidates for a future governing board, which would be tasked with oversight of U.S. firm strategy, risk management and other areas, according to materials from a webcast held for U.S. partners Thursday.

All U.S. partners would vote to choose the members of the nominating committee. The committee would identify three candidates for every open vacancy, on which all U.S. partners would then vote.

The proposed governance framework was presented to U.S. partners as an opportunity to give them more of a say in the firm. It would take "a more inclusive approach to

voting, reflecting the voice of all partners," according to the materials.

"Our focus on modernizing the governance of the EY U.S. firm was started more than two years ago, and is part of the firm's practice of regularly reviewing current best practices of governance in professional services firms," EY U.S. spokesman Brendan Mullin said.

Members of the independent committee would serve a three-year term, except for the initial group, whose terms would be staggered, the materials showed. That committee would nominate 10 elected partners for the governing

board, on which the U.S. managing partner, Boland, would also sit.

The governance board would be one of three separate bodies under the proposed framework. The others would be a management committee carrying out firm strategy and a revised version of the existing U.S. partner principal council that represents the partners and advises the other two bodies. That council would no longer have governance duties under the proposal.

The governing board is meant to represent the U.S. unit and its people as a whole

in overseeing areas such as strategy, risk management, audit quality, regulatory compliance and financial results. The board would also evaluate the performance and compensation of the managing partner, the materials showed.

At least six members of the 11-person governing board, including the managing partner, would need to be certified public accountants to comply with regulatory requirements.

The proposal would go into effect pending a partnership vote.

EY's Americas region, which includes the U.S. unit, booked \$23.62 billion in revenue for the year ended June 30, up 12% from the prior-year period. That represents nearly 48% of the \$49.35 billion in global revenue EY reported for the year, larger than any other region.

Disney Names New Head Of Finance

By Colin Kellaheer

Walt Disney named Hugh Johnston senior executive vice president and chief financial officer, tapping the **PepsiCo** veteran to help the entertainment titan navigate major challenges in its business.

Disney on Monday said Johnston, 62 years old, will join the Burbank, Calif., company on Dec. 4 after spending more than three decades with PepsiCo. He has been chief financial officer of the snack and beverage company since 2010.

Johnston joins Disney as Chief Executive Bob Iger is battling activist investor Nelson Peltz, whose firm, **Triam Fund Management**, built a substantial stake in Disney and is threatening a proxy fight.

The share price is languishing, with cord-cutting and the costs of streaming weighing on financial results.

Disney has several other strategic priorities to sort out in coming months, including potential partnerships for ESPN, other TV assets and its India operations.

Disney in June said Christine McCarthy, its previous chief financial officer, was leaving. Kevin Lansberry, chief financial officer of Disney Parks, Experiences & Products, has been serving as interim finance chief.

PepsiCo said Johnston, who joined the company in 1987 and has been vice chairman since 2015, is retiring on Nov. 30.

PepsiCo said James Caulfield, who serves as finance chief for its PepsiCo Foods North America arm, will become executive vice president and chief financial officer of the Purchase, N.Y., company.



Lidiane Jones, left, will lead Bumble after the exit of CEO Whitney Wolfe Herd, right.

Bumble Taps Slack CEO To Succeed Founder-Chief

By Sara Ashley O'Brien

Bumble Inc.'s Whitney Wolfe Herd is stepping down as chief executive of the company known for the female-focused dating app she founded nearly a decade ago.

She will be succeeded by Lidiane Jones, who became the chief executive of Slack Technologies in January. Jones starts as CEO of Bumble on Jan. 2. Wolfe Herd will remain at the company as executive chair.

The leadership change comes at a challenging time for the dating-app industry.

Last week, **Match Group**, the dating-app behemoth that owns platforms including Match.com, OKCupid, Hinge and Tinder—which Wolfe Herd co-founded before Bumble—saw its stock fall after it reported its earnings for the third quarter. The company projected lower-than-expected revenue for the final quarter of the year and reported losing paying customers at Tinder, the crown jewel in its portfolio.

Bumble, which went public in February 2021, saw its stock trading at more than \$70 a share on opening day. It has since fallen below \$14. Bumble reports its third-quarter earnings on Tuesday.

"I want to be the person who is able to look around the corner and innovate for the future of Bumble Inc., and to take us 10 years ahead," Wolfe Herd, 34 years old, said in an interview.

In 2014, at 24, Wolfe Herd launched the dating app Bumble on the idea that having women initiate conversations with dating prospects would help weed out unwanted messages and put them in control of their romantic lives.

Bumble Inc. comprises a handful of dating and relationship apps including Bumble, Bumble for Friends, Badoo, FruitZ (for Gen Z) and Official, a newly acquired app that aims to help couples strengthen their relationships. Wolfe Herd said she and the board had been thinking about a succession plan informally for years, and that a formal search effort had yet to turn up the right candidate.

Then she came across a CNBC interview from May featuring Slack's Jones. She asked a mutual contact to make an introduction. The board then brought her into its executive-search process. "I was not looking for a job," said Jones, 44. But Bumble's mission and Wolfe Herd won her over.

A tech-industry veteran,

Jones worked for Microsoft for more than a decade. She later became an executive at **Salesforce**, which acquired Slack in 2021. Earlier this year, she succeeded another founder-CEO, Slack's Stewart Butterfield, in the top job at the workplace-communications company. Jones said she will be based in Cambridge, Mass. Bumble's headquarters is in Austin, Texas.

A native of Brazil, Jones said she was excited about how artificial intelligence could be used to bolster Bumble's mission of facilitating positive connections.

"We really want to embark big on AI," she said. "AI and generative AI can play such a big role in accelerating people finding the right person, finding the right friends and the right community. There's more that we think we can do."

Under Wolfe Herd, Bumble became known for adding features and policies geared toward female users, including banning body shaming and detecting and blurring unsolicited lewd photos in private messages. It championed legislation to outlaw sending such photos.

In 2019, Blackstone took a majority stake in Bumble's parent company, which was called MagicLab at the time.

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TECHNOLOGY

Telecom Italia Board Accepts KKR’s Offer for Fixed-Line Network Assets

The board of Telecom Italia SpA has approved the sale of its fixed-line network to KKR & Co. for more than \$20 billion including debt, part of a plan by the former monopoly to reduce increasingly unmanageable amounts of debt.

The Italian telecommunications company said late Sunday that it had voted 11-3 to accept the binding offer by the U.S. private-equity group for Telecom Italia’s fixed-line and other assets.

The deal is valued at €18.8 billion, the equivalent of \$20.18 billion including debt, and could reach up to €22 billion in the event certain regulatory changes and sector incentives are introduced, the company said in a press release.

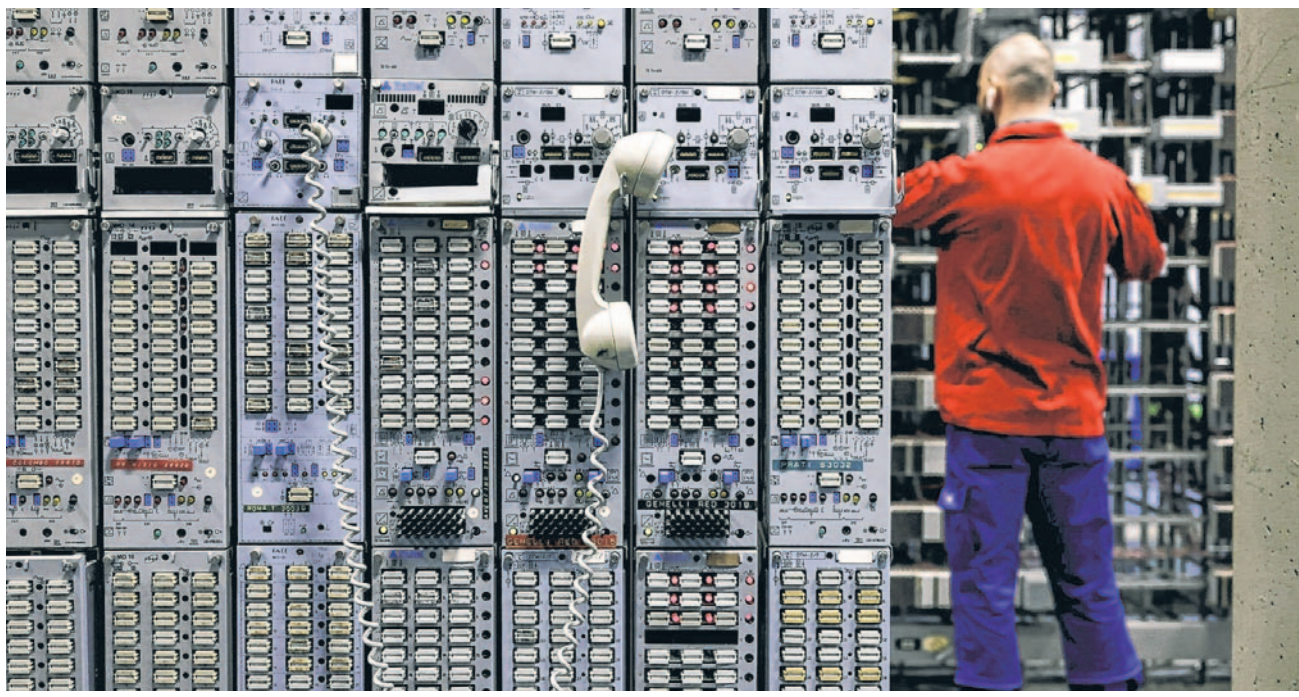
Telecom Italia said the sale would help it reduce debt by about €14 billion, with the deal expected to close by summer 2024. Italy’s top phone company has a debt burden of more than €25 billion.

France-based Vivendi SE, a 24% shareholder of Telecom Italia, criticized the board’s decision to accept the deal without a shareholders’ vote. It said in a news release that it would use “any legal means at its disposal” to challenge the decision.

The Telecom Italia board also called KKR’s nonbinding offer for Sparkle, the Italian company’s submarine cable business, unsatisfactory. It said it would give KKR a deadline of Dec. 5 to make a binding offer at a higher valuation.

Telecom Italia shares lost 3.35% Monday in Milan. In New York, KKR shares lost 2.8%.

—Ben Otto



Google App Power On Trial

Continued from page B1

payments, but fell short on most claims. The lawsuit against Google covers similar territory while advancing new allegations that the tech giant spent \$1 billion on deals to stifle competition from videogame companies such as **Activision Blizzard**.

Gary Bornstein, an attorney for Epic at Cravath, Swaine & Moore, said Monday that Google used a strategy of “bribe or block” to prevent competition. That behavior gives users fewer choices for downloading apps on Android phones compared with desktop computers, he argued.

“Why is this computer different?” Bornstein asked, holding up a smartphone for the jury. “The answer to that question is power.”

Glenn Pomerantz, an attorney for Google at Munger,

Tolles & Olson, said the choices that went into designing Android and the Play Store encouraged competition on mobile devices.

“These building blocks are pro-competitive because it’s how Android competes against the iPhone,” Pomerantz said during opening statements.

In a blog post before the trial, Google said Epic’s case had “even less merit” than the one it brought against Apple, arguing that Android provides developers with greater choice.

The company said the deals with game companies provided incentives to develop for the Play Store.

“The truth is that Epic simply wants all the benefits that Android and Google Play provide without having to pay for them,” Wilson White, Google vice president of government affairs and public policy, wrote in the blog post.

Tinder owner **Match Group** and a group of states each settled their claims against Google in recent months, leaving Epic

as the only party in this case battling the tech company in court.

Epic is expected to call Google Chief Executive Sundar Pichai to testify. The defense will likely call Hiroshi Lockheimer, a senior vice president in charge of Android. Pichai also testified last week in the company’s search trial, defending its search partnerships with companies like Apple.

The Play Store trial has the potential to “open Google up to more forces of competition,”

said Rebecca Haw Allensworth, an antitrust professor at Vanderbilt University Law School who has been critical of the power of big tech companies. “That’s a good thing, but I don’t know that they need to view that as an existential threat.”

Epic sued Google as part of a broadside, code-named Project Liberty, aimed at the tolls app stores charge for facilitating billions of dollars in payments for virtual clothing, weapons and other digital goods.

The game developer in 2020 began encouraging “Fortnite” players to pay the company directly for purchases of in-game items, rather than using systems developed by the tech giants. Apple and Google kicked “Fortnite” out of their app stores, and Epic filed its lawsuits soon after.

Epic’s lawsuits have triggered additional scrutiny from global regulators, including in South Korea, the home of Google’s largest mobile partner **Samsung Electronics**.

Google has tried to address the concerns of large app developers by allowing alternative payment systems in the

Play Store. **Spotify**, a notable critic of Apple’s app store policies, began testing the feature last year and has since introduced it to more than 140 markets.

Alphabet said revenue from the Play Store fell last year, mostly because of fee changes announced in 2021 and an overall decrease in spending. The company doesn’t report precise financial details for the Play Store.

Unlike Apple, whose app store comes preinstalled on iPhones, Google mostly distributes its app store through contracts with manufacturers of Android mobile phones such as Samsung.

Epic has argued those agreements, which require manufacturers to prominently display the Play Store along with a licensed set of popular Google apps, stifle competition from companies trying to develop rival marketplaces.

Google has said Android is the only major mobile software system that allows developers to distribute apps through several marketplaces, and most devices running on the software come with at least two app stores preinstalled.



‘Fortnite’ maker Epic Games says Google squeezes excess profits from app developers.

1920s Style for a 1920s Price

It was a warm summer afternoon and my wife and I were mingling with the best of them. The occasion was a 1920s-themed party, and everyone was dressed to the nines. Parked on the manse’s circular driveway was a beautiful classic convertible. Never ones to miss an opportunity, we climbed into the car’s long front seat. Among the many opulent features on display was a series of dashboard dials that accentuated the car’s lavish aura. One of those dials inspired our 1920s Retrograde Watch.

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- Retrograde hour and minute indicators
- Water-resistant to 5 ATM
- Brown genuine leather band
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BUSINESS & FINANCE

SolarWinds Suit Divides Security Chiefs

Readers weigh in on SEC’s pursuit of the company and its security leader

By Kim S. Nash

The Securities and Exchange Commission’s watershed lawsuit filed last week against technology provider **SolarWinds** and its top cybersecurity executive, Tim Brown, has sparked debate about the explicit and implicit responsibilities of corporate cyber chiefs. In 2020, SolarWinds discovered its networking software had been penetrated in a cyberattack that compromised several U.S. agencies and companies. U.S. officials later attributed the episode to Russian spies.

The SEC alleges that SolarWinds and Brown defrauded investors by misleading them about the company’s security vulnerabilities. The commission cites internal emails and documents that it says paint a different picture about the company’s cyber readiness than public statements from Brown and SolarWinds. They plan to fight the lawsuit. The SEC declined to comment beyond the complaint.

We asked Wall Street Journal readers: How will the case affect the discussion of cybersecurity risk within corporate walls? Should chief information security officers be worried about personal liability related to cyberattacks on their watch? Here are some of their responses, lightly edited.

◆ Deeper vetting

I think companies will take a closer look at their disclosures regarding their cybersecurity programs to determine if they are misleading or not. The board may start to ask, “How did we validate that the information we are disclosing about our cybersecurity program is

accurate and complete?” and “Has any information come to our attention that contradicts the information we are disclosing?”
—Troy Fine, director of compliance advisory services at tech provider Drata

A question that immediately presents to me is, “Where was the board throughout this process?”

—Greg Porter, adjunct faculty member at Carnegie Mellon University

This is a board and management responsibility, not a technical or a CISO issue alone.
—William Guenther, executive chairman, Advanced Cyber Security Center, a governance consulting firm

◆ Warning shot

Bringing penalties against someone in a CISO role is sending a message that even if your name is not on the 10-K and 10-Q filings you will be held personally accountable for either misstatements or omissions.

—Tim Gallagher, chief security officer and managing director of digital investigations, Nardello & Co., a legal investigations company

Fraud is fraud. But “sending a message” to individuals who are already overworked, under-resourced and operate in a world where perfect security doesn’t exist isn’t going to improve security or probably even public company statements about it.

—Gerry Stegmaier, tech and data partner at law firm Reed Smith

◆ Who’s the boss?

One of the key issues in addressing cyber risk is the organizational structure that places CISOs under the chief information officer in many corporations, which can limit their direct access to the board of directors. Furthermore, the CEO or CFO may sometimes



SolarWinds Chief Information Security Officer Tim Brown

overrule the CISO, leaving them with responsibility but insufficient authority. This disconnect between responsibility and power needs to be rectified.

—Donald Hester, independent cybersecurity adviser

◆ Say what you mean

If the company is making public statements on its website and SEC filings to investors, then the CISO, like all C-suite executives, has a responsibility to ensure those statements are accurate.

—Jennie Wang VonCannon, partner at law firm Crowell & Moring

This entire episode is frightening for security leaders, but if there is a silver lining to be found it’s here. This is the SEC endorsing CISOs to stop being quiet about security flaws.

—Jeff Pollard, principal analyst, Forrester Research

The SEC is particularly focused on internal company



communications that seemed to confirm serious, known security shortcomings. On the one hand, that seems like a smoking gun. On the other hand, how does a corporation take steps to remediate issues if it’s afraid to have any internal documentation that concludes remediation is needed?

—Priya Huskins, senior vice president of management liability at Woodruff Sawyer, an insurance and risk-management company

The SEC is setting a new standard for security disclosures with this lawsuit. Don’t be surprised to see that standard used in litigation if you make false, incomplete or misleading statements about security to customers or business

partners.

—Jake Williams, faculty member at security consulting company IANS Research

◆ CISO culture

It’s already having a chilling effect. We have an industry that already has 50% to 60% of jobs going unfilled. Do people want the title of CISO? Maybe they don’t want to be an officer. They just want to provide information and have others make the decisions. Most security people get out of bed every day because they’re trying to protect things. That’s how they’re wired. It’s not a glamorous job. It’s not the paycheck, either. You work long hours and it’s tough. CISOs are always at the top of their lungs calling out risk. The tenure of a

CISO is low because they push hard and run down the patience of management by talking about problems.

—Dave Tyson, president of cyber company Apollo Information Systems

CISOs will likely move away from being business enablers and risk managers and start to think more about protecting themselves.

—Jadee Hanson, CISO of security company Code42

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MARKETS DIGEST

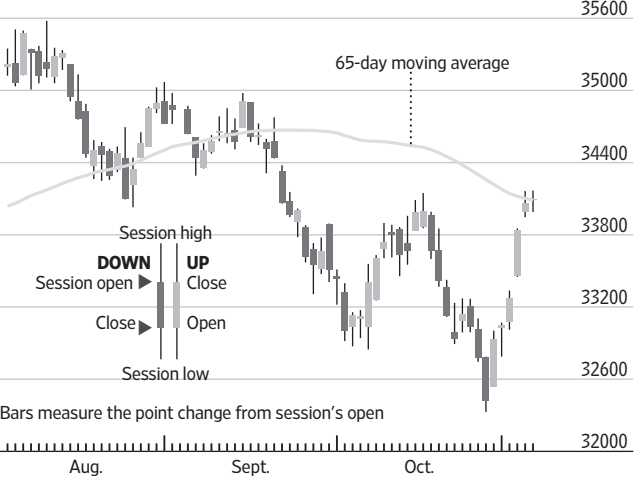
EQUITIES

Dow Jones Industrial Average

34095.86 ▲34.54, or 0.10%
High, low, open and close for each trading day of the past three months.

Trailing P/E ratio	24.87	20.27
P/E estimate *	18.67	17.92
Dividend yield	2.12	2.06
All-time high	36799.65, 01/04/22	

Current divisor 0.15172752595384

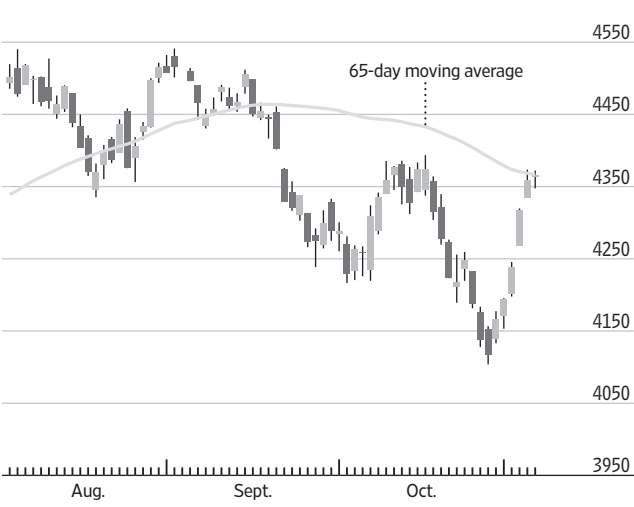


*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; *Based on Nasdaq-100 Index

S&P 500 Index

4365.98 ▲7.64, or 0.18%
High, low, open and close for each trading day of the past three months.

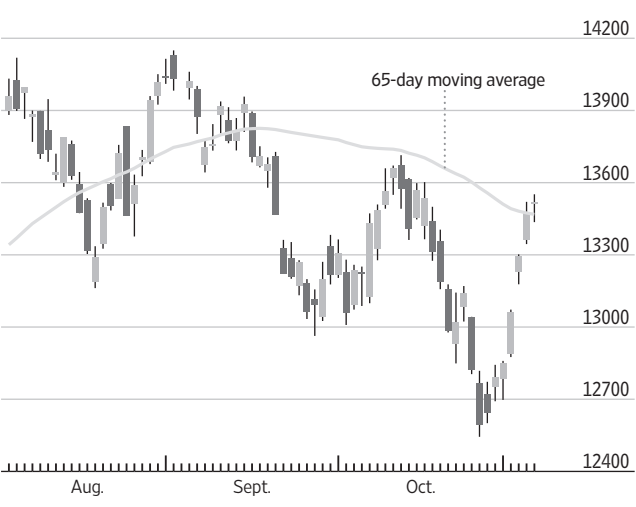
Trailing P/E ratio *	19.69	18.37
P/E estimate *	19.27	16.92
Dividend yield *	1.70	1.75
All-time high	4796.56, 01/03/22	



Nasdaq Composite Index

13518.78 ▲40.50, or 0.30%
High, low, open and close for each trading day of the past three months.

Trailing P/E ratio **	29.63	23.01
P/E estimate **	25.75	20.87
Dividend yield **	0.86	1.02
All-time high	16057.44, 11/19/21	



Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg	YTD	3-yr. ann.
Dow Jones										
Industrial Average	34167.26	33989.72	34095.86	34.54	0.10	35630.68	31819.14	3.9	2.9	6.4
Transportation Avg	14549.94	14332.50	14502.97	-9.79	-0.07	16695.32	13298.36	5.6	8.3	7.7
Utility Average	862.53	853.87	854.33	-5.72	-0.67	1002.11	783.08	-4.5	-11.7	-1.0
Total Stock Market	43445.18	43128.95	43316.07	-2.59	-0.01	45969.67	37669.21	13.1	12.4	6.3
Barron's 400	963.17	950.70	953.60	-8.58	-0.89	1036.97	881.58	1.9	3.6	7.6

Nasdaq Stock Market										
Nasdaq Composite	13551.62	13435.99	13518.78	40.50	0.30	14358.02	10213.29	28.0	29.2	4.4
Nasdaq-100	15180.19	15064.91	15154.93	55.44	0.37	15841.35	10679.34	38.1	38.5	7.8

S&P										
500 Index	4372.21	4347.53	4365.98	7.64	0.18	4588.96	3748.57	14.7	13.7	7.6
MidCap 400	2480.19	2446.69	2455.11	-23.23	-0.94	2728.44	2326.82	1.2	1.0	6.6
SmallCap 600	1147.04	1131.73	1136.38	-12.02	-1.05	1315.82	1068.80	-3.9	-1.8	7.1

Other Indexes										
Russell 2000	1760.86	1731.68	1737.94	-22.77	-1.29	2003.18	1636.94	-4.0	-1.3	1.9
NYSE Composite	15523.81	15399.23	15440.50	-34.70	-0.22	16427.29	14587.76	4.3	1.7	5.3
Value Line	530.78	523.92	525.39	-4.98	-0.94	606.49	498.09	-1.6	-2.0	2.3
NYSE Arca Biotech	4846.99	4771.40	4776.92	-22.67	-0.47	5644.50	4544.40	-3.8	-9.5	-4.5
NYSE Arca Pharma	881.33	867.24	879.33	12.10	1.39	925.61	791.91	8.5	1.3	10.2
KBW Bank	79.96	78.49	78.98	-0.68	-0.86	115.10	71.71	-24.5	-21.7	0.2
PHLX ^S Gold/Silver	116.40	114.96	115.05	-1.20	-1.03	144.37	103.31	7.9	-4.8	-9.5
PHLX ^S Oil Service	89.82	87.27	87.45	-1.63	-1.83	98.76	69.29	0.1	4.3	44.8
PHLX ^S Semiconductor	3467.43	3413.32	3444.89	-9.68	-0.28	3861.63	2424.82	40.6	36.0	10.9
Cboe Volatility	15.58	14.84	14.89	-0.02	-0.13	26.52	12.82	-38.9	-31.3	-15.7

^SNasdaq PHLX

Sources: FactSet; Dow Jones Market Data

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
iShares iBoxx \$ HY Cp Bd	HYG	18,858.1	73.89	-0.22	-0.30	74.30	72.73
SPDR Bloomberg 1-3M TBILL	BIL	11,430.9	91.50	0.01	0.01	91.50	91.49
iSh Short Treasury Bd	SHV	9,470.5	110.14	...	unch.	110.15	110.14
JPMorgan Ult Short Incm	JPST	6,996.2	50.04	-0.01	-0.02	50.06	50.04
SPDR Bloomberg HY Bd	JNK	6,818.7	90.82	-0.10	-0.11	91.00	90.78
SPDR Portfolio S&P 500	SPLG	5,641.7	51.21	...	unch.	51.23	49.83
Bank of America	BAC	5,518.3	28.29	-0.04	-0.14	28.36	28.19
SPDR Bloomberg ST HY Bd	SJNK	5,409.8	24.44	0.03	0.14	24.46	24.41

Percentage gainers...

TransMedics Group	TMDX	228.8	54.55	14.36	35.73	55.62	39.39
Unisys Corp	UIS	55.8	3.38	0.49	16.96	3.54	2.89
Alteryx CIA	AYX	873.9	34.88	4.54	14.96	36.25	29.56
Vimeo	VMEQ	88.6	3.82	0.47	14.03	3.96	3.35
Tripadvisor	TRIP	1,361.1	18.00	1.89	11.73	18.32	15.68
...And losers							
Ventyx Biosciences	VTYX	2,186.2	3.29	-10.80	-76.65	14.09	2.42
Coherus BioSciences	CHRS	999.9	2.89	-0.65	-18.36	3.64	2.60
MSP Recovery	LIFW	639.7	8.55	-1.10	-11.40	9.76	7.40
Ero Copper	ERO	51.4	12.35	-0.99	-7.42	13.34	12.34
Elanco Animal Health	ELAN	72.7	8.75	-0.61	-6.52	9.36	8.50

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	889,456,833	11,526,469
Adv. volume*	204,421,179	2,170,480
Decl. volume*	675,211,151	9,277,599
Issues traded	2,959	313
Advances	800	90
Declines	2,077	207
Unchanged	82	16
New highs	36	4
New lows	24	9
Closing Arms*	1.17	1.55
Block trades*	3,997	106

Nasdaq NYSE Arca

Total volume*	4,345,852,329	308,966,782
Adv. volume*	1,314,120,192	99,215,260
Decl. volume*	3,009,799,407	208,732,321
Issues traded	4,457	1,835
Advances	1,554	532
Declines	2,732	1,284
Unchanged	171	19
New highs	45	20
New lows	112	5
Closing Arms*	1.30	0.89
Block trades*	25,411	1,616

*Primary market NYSE, NYSE American NYSE Arca only. *'(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World					
	MSCI ACWI	665.45	2.68	0.40	9.9
	MSCI ACWI ex-USA	291.64	2.47	0.85	3.7
	MSCI World	2889.44	5.64	0.20	11.0
	MSCI Emerging Markets	968.91	20.65	2.18	1.3
Americas					
	MSCI AC Americas	1652.62	1.84	0.11	13.4
Canada	S&P/TSX Comp	19743.94	-80.91	-0.41	1.9
Latin Amer.	MSCI EM Latin America	2351.04	-2.74	-0.12	10.5
Brazil	BOVESPA	118431.25	271.28	0.23	7.9
Chile	S&P IPSA	3137.70	-30.40	-0.96	-1.1
Mexico	S&P/BMV IPC	51633.63	366.90	0.72	6.5

EMEA					
	STOXX Europe 600	443.52	-0.72	-0.16	4.4
Eurozone	Euro STOXX	436.66	-2.03	-0.46	6.5
Belgium	Bel-20	3474.01	-29.51	-0.84	-6.1
Denmark	OMX Copenhagen 20	2184.37	31.47	1.46	19.0
France	CAC 40	7013.73	-33.77	-0.48	8.3
Germany	DAX	15135.97	-53.28	-0.35	8.7
Israel	Tel Aviv	1702.56	-21.70	-1.26	-5.3
Italy	FTSE MIB	28592.60	-82.23	-0.29	20.6
Netherlands	AEX	735.34	-0.97	-0.13	6.7
Norway	Oslo Bors All-Share	1518.55	8.72	0.58	11.4
South Africa	FTSE/JSE All-Share	73293.69	437.51	0.60	0.3
Spain	IBEX 35	9241.49	-52.41	-0.56	12.3
Sweden	OMX Stockholm	788.55	-1.67	-0.21	0.9
Switzerland	Swiss Market	10576.75	-2.92	-0.03	-1.4
Turkey	BIST 100	7868.02	162.03	2.10	42.8
U.K.	FTSE 100	7417.76	0.03	0.0004	-0.5
U.K.	FTSE 250	17747.47	-236.37	-1.31	-5.9

Asia-Pacific					
	MSCI AC Asia Pacific	159.73	3.03	1.93	2.6
Australia	S&P/ASX 200	6997.40	19.20	0.28	-0.6
China	Shanghai Composite	3058.41	27.61	0.91	-1.0
Hong Kong	Hang Seng	17966.59	302.47	1.71	-9.2
India	S&P BSE Sensex	64958.69	594.92	0.92	6.8
Japan	NIKKEI 225	32708.48	758.59	2.37	25.3
Singapore	Straits Times	3180.53	36.87	1.17	-2.2
South Korea	KOSPI	2502.37	134.03	5.66	11.9
Taiwan	TAIEX	16649.36	141.71	0.86	17.8
Thailand	SET	1417.21	-2.55	-0.18	-15.1

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Close	Net chg	% chg	High	52-Week Low	% chg
MSP Recovery	LIFW	9.65	6.91	252.19	43.50	1.05	-69.1
Carbon Revolution	CREV	87.37	58.05	197.99	197.99	6.30	772.8
Bluegreen Vacations	BVH	73.45	37.93	106.78	73.48	19.99	254.8
GSI Technology	GSIT	3.05	0.75	32.61	9.80	1.45	68.5
Davis Commodities	DTCK	6.31	1.53	31.90	9.00	2.59	...
Prelude Therapeutics	PLRD	2.95	0.68	29.96	8.67	1.66	-61.6
United-Guardian	UG	7.40	1.61	27.81	13.84	5.79	-45.4
Fathom Digital Mfg	FATH	5.40	1.11	25.95	57.20	2.99	-89.0
Royalty Management	RMCO	9.94	2.04	25.77	22.97	5.14	-0.5
Local Bounti	LOCL	3.20	0.58	22.14	41.08	1.17	-91.3
NAPCO Security Techs	NSSC	22.85	4.06	21.57	41.25	17.76	-19.0
Immix Biopharma	IMMX	4.31	0.74	20.73	4.82	0.68	387.0
ShiftPixy	PIXY	6.37	1.09	20.64	599.28	4.60	-97.3
Northann	NCL	19.79	3.27	19.79	19.99	3.12	...
VirnetX Holding	VHC	5.54	0.91	19.65	53.60	3.50	-78.7

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
Tesla	TSLA	116,597	-0.5	219.27	-0.31	299.29	101.81
Novo Integrated Sciences	NVOS	103,663	74.5	0.12	-59.50	0.54	0.07
ProSh UltraPro Shrt QQQ	SQQQ	100,981	-25.1	18.61	-1.12	60.54	

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures						
	Open	Contract High hi lo	Low	Settle	Chg	Open interest
Copper-High (CMX) -25,000 lbs.; \$ per lb.						
Nov	3.7075	3.7100		3.7055	3.7095	0.0350 1,666
Dec	3.6750	3.7255		3.6665	3.7190	0.0375 120,670
Gold (CMX) -100 troy oz.; \$ per troy oz.						
Nov	1979.40	1979.40	1977.40	1981.60	-9.90	38
Dec	1999.40	2000.10	1984.20	1988.60	-10.60	364,465
Jan'24	2001.90	2006.00	▲ 1995.80	1999.30	-10.40	36
Feb	2019.60	2020.20	2004.80	2009.00	-10.60	71,269
April	2036.70	2039.10	2024.20	2028.40	-10.70	24,989
June	2056.00	2059.40	2044.90	2048.20	-10.70	14,413
Palladium (NYM) -50 troy oz.; \$ per troy oz.						
Nov				1110.40	-14.00	1
Dec	1130.00	1138.50	1100.00	1114.30	-14.00	18,752
Platinum (NYM) -50 troy oz.; \$ per troy oz.						
Nov				910.20	-26.40	115
Jan'24	941.60	943.00	912.70	917.60	-26.70	67,083
Silver (CMX) -5,000 troy oz.; \$ per troy oz.						
Nov		23.265	23.110	23.149	-0.052	92
Dec	23.335	23.360	23.085	23.234	-0.051	93,816
Crude Oil, Light Sweet (NYM) -1,000 bbls.; \$ per bbl.						
Dec	81.13	82.24	80.66	80.82	0.31	299,554
Jan'24	80.76	81.90	80.33	80.60	0.37	230,816
Feb	80.35	81.49	79.94	80.32	0.46	121,236
March	79.85	81.07	79.58	79.99	0.53	112,917
June	78.67	79.80	78.30	78.93	0.67	161,641
Dec	75.83	77.22	75.83	76.55	0.80	152,664
NY Harbor ULSD (NYM) -42,000 gal.; \$ per gal.						
Dec	2.9209	2.9728	2.9121	2.9524	-0.286	76,049
Jan'24	2.8569	2.9096	2.8490	2.8892	-0.289	55,176
Gasoline-NY RBOB (NYM) -42,000 gal.; \$ per gal.						
Dec	2.2036	2.2610	2.1975	2.2359	-0.349	104,037
Jan'24	2.1966	2.2498	2.1906	2.2254	-0.309	71,516
Natural Gas (NYM) -10,000 MMBtu.; \$ per MMBtu.						
Dec	3.373	3.407	3.249	3.264	-0.251	152,631
Jan'24	3.660	3.693	3.556	3.564	-0.231	219,470
Feb	3.620	3.635	3.508	3.513	-0.221	68,045
March	3.370	3.381	3.270	3.274	-0.201	166,945
April	3.203	3.203	3.120	3.130	-0.143	95,205
May	3.215	3.239	3.163	3.177	-0.128	72,295

Agriculture Futures						
Corn (CBT) -5,000 bu.; cents per bu.						
Dec	477.25	480.75	476.75	477.25	...	588,922
March'24	492.25	495.75	491.50	492.50	.25	382,523
Oats (CBT) -5,000 bu.; cents per bu.						
Dec	372.00	375.00	359.00	368.25	-3.75	2,199
March'24	390.25	392.25	377.25	387.00	-3.75	1,806
Soybeans (CBT) -5,000 bu.; cents per bu.						
Nov	1327.50	1345.25	1327.50	1340.50	13.00	1,011
Jan'24	1352.00	1369.75	1352.00	1364.00	12.25	284,439
Soybean Meal (CBT) -100 tons; \$ per ton.						
Dec	442.80	446.00	433.00	437.50	-4.60	155,180
Jan'24	433.30	436.20	▲ 425.80	430.40	-1.80	136,535
Soybean Oil (CBT) -60,000 lbs.; cents per lb.						
Dec	49.36	52.03	49.26	50.80	1.44	142,499
Jan'24	49.20	51.48	49.10	50.36	1.16	108,013
Rough Rice (CBT) -2,000 cwt.; \$ per cwt.						
Nov	16.18	16.26	16.18	16.22	...	679
Jan'24	15.87	15.92	15.77	15.81	-0.05	9,057
Wheat (CBT) -5,000 bu.; cents per bu.						
Dec	573.00	577.75	566.50	575.75	3.25	219,871
March'24	600.00	604.00	593.25	602.50	3.25	114,402
Wheat (KC) -5,000 bu.; cents per bu.						
Dec	643.50	651.75	636.25	645.75	2.25	105,044

Cash Prices | wsj.com/market-data/commodities

These prices reflect buying and selling of a variety of actual or “physical” commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

Monday			
Energy			
Coal,C,Aplc.,12500Btu,1.2502-r,w			71.250
Coal,PwdrRvrBsn,8800Btu,0.8502-r,w			14.000
Metals			
Gold, per troy oz			
Engelhard industrial			1988.00
Handy & Harman base			1984.60
Handy & Harman fabricated			2202.91
LBMA Gold Price AM			*1988.50
LBMA Gold Price PM			*1994.45
Krugerrand,wholesale-e			2061.07
Maple Leaf-e			2080.89
American Eagle-e			2080.89
Mexican peso-e			2397.46
Austria crown-e			1945.56
Austria phil-e			2080.89
Silver, troy oz.			
Engelhard industrial			23.2500
Handy & Harman base			23.1240
Handy & Harman fabricated			28.9050
LBMA spot price (U.S.\$ equivalent)			*£18.5200
Coins,wholesale \$1,000 face-a			*22.6400
19741			
Other metals			
LBMA Platinum Price PM			*931.0
Platinum,Engelhard industrial			932.0
Palladium,Engelhard industrial			1135.0
Aluminum,LME,\$ per metric ton			*2219.5

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; D=CME; E=Manfra,Tordella & Brookes; H=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; P=Sosland Publishing; R=SNL Energy; S=Platts-TSI; T=Catlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. *Data as of 11/3

Source: Dow Jones Market Data

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

Money Rates

November 6, 2023

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation			
	Sept. index	Chg From (%)	
	Level	Aug. '23	Sept. '22
U.S. consumer price index			
All items	307.789	0.25	3.7
Core	310.817	0.23	4.1
International rates			
	Latest	Week ago	— 52-Week — High Low
Prime rates			
U.S.	8.50	8.50	8.50 7.00
Canada	7.20	7.20	7.20 5.95

Key Interest Rates

Data are annualized on a 360-day basis. Treasury yields are per annum, on actively traded noninflation and inflation-indexed issues that are adjusted to constant maturities. Data are from weekly Federal Reserve release H.15.

	Week Ended Nov 3	— 52-Week — Oct 27 High Low		Week Ended Nov 3	— 52-Week — Oct 27 High Low
Federal funds (effective)					
	5.33	5.33 5.33 3.08			
Commercial paper					
Nonfinancial					
1-month	5.33	5.32 5.33 3.82			
2-month	n.a.	5.35 5.37 3.95			
3-month	5.40	5.37 5.40 4.19			
Financial					
1-month	5.38	5.38 5.43 3.79			
2-month	5.46	n.a. 5.51 4.02			
3-month	5.48	5.50 5.53 4.26			
Discount window primary credit					
	5.50	5.50 5.50 4.00			
Treasury yields at constant maturities					
1-month	5.55	5.57 5.81 3.70			
3-month	5.57	5.59 5.62 4.23			
TIPS					
5-year	2.32	2.42 2.55 1.10			
7-year	2.33	2.44 2.47 1.10			
10-year	2.34	2.45 2.45 1.10			
20-year	2.38	2.49 2.49 1.19			
Long-term avg	2.49	2.59 2.59 1.35			

Notes on data:
Federal funds rate is an average for the seven days ended Wednesday, weighted according to rates on broker trades. **Commercial paper rates** are discounted offers interpolated from sales by discounted averages of dealer bid rates on nationally traded certificates of deposit. **Discount window primary credit rate** is charged for discounts made and advances extended under the Federal Reserve's primary credit discount window program; **rate** is average for seven days ended Wednesday. **Inflation-indexed long-term TIPS** average is indexed and is based on the unweighted average bid yields for all TIPS with remaining terms to maturity of 10 years or more;
Sources: Federal Reserve; for additional information on these rate data and their derivation, please see, <https://www.federalreserve.gov/datadownload/Build.aspx?rel=H15>

	Week Latest ago	— 52-Week — High Low		Week Latest ago	— 52-Week — High Low
Policy Rates					
Euro zone	4.50	4.50 4.50 2.00			
Switzerland	2.25	2.25 2.25 1.00			
Britain	5.25	5.25 5.25 3.00			
Australia	4.10	4.10 4.10 2.85			

Overnight repurchase					
U.S.	5.38	5.37 5.40 3.73			

U.S. government rates					
Discount					

Secondary market					
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Fannie Mae					
30-year mortgage yields					
30 days	6.901	7.354 7.495 5.244			
60 days	6.912	7.390 7.554 5.250			

Other short-term rates				
	Latest	Week ago	— 52-Week — High Low	
Call money				
	7.25	7.25 7.25 5.75		
Commercial paper (AA financial)				
90 days	5.47	5.49 5.54 4.22		

Secured Overnight Financing Rate				
	5.32	5.31 5.35 3.78		
DTCC GCF Repo Index				
Treasury	5.389	23.826 5.399 3.786		
MBS	5.405	54.946 5.418 3.837		

Notes on data:
U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective July 27, 2023. **Other prime rates** aren't directly comparable; lending practices vary widely by location; **Discount rate** is effective July 27, 2023. **Secured Overnight Financing Rate** is as of November 3, 2023. **DTCC GCF Repo Index** is Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs. Value traded is in billions of U.S. dollars. **Federal funds rates** are Tullett Prebon rates as of 5:30 p.m. ET.
Sources: Federal Reserve; Bureau of Labor Statistics; DTCC FactSet; Tullett Prebon Information, Ltd.

	Open	Contract High hi lo	Low	Settle	Chg	Open interest
March'24						
Australian Dollar (CME) -AUD 100,000; \$ per AUD						
Nov	.6509	.6525	.6487	.6493	-.0026	408
Dec	.6517	.6533	.6494	.6500	-.0026	194,880
Mexican Peso (CME) -MXN 500,000; \$ per MXN						
Nov	.05720	.05730	.05690	.05698	-.00035	11
Dec	.05687	.05707	.05650	.05666	-.00035	212,256
Euro (CME) -€125,000; \$ per €						
Nov	1.0732	1.0759	1.0720	1.0728	-.0012	2,741
Dec	1.0747	1.0775	1.0735	1.0743	-.0012	680,665
Index Futures						
Mini DJ Industrial Average (CBT) -\$5 x index						
Dec	34170	34230	34051	34164	27	103,540
March'24	34468	34552	34379	34482	26	659
Mini S&P 500 (CME) -\$50 x index						
Dec	4379.25	4389.50	4364.25	4384.25	8.25	2,122,536

BIGGEST 1,000 STOCKS

How to Read the Stock Tables
The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq BX (formerly Boston), Chicago Stock Exchange, Cboe, NYSE National and Nasdaq ISE.
The list comprises the 1,000 largest companies based on market capitalization.
Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.
Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher.

Footnotes:
#New 52-week high.
#New 52-week low.
d-Indicates loss in the most recent four quarters.
FD-First day of trading.
h-Does not meet continued listing standards.
lf-Late filing.
q-Temporary exemption from Nasdaq requirements.
#NYSE bankruptcy.
v-Trading halted on primary market.
v-In bankruptcy or receivership or being reorganized under the Bankruptcy Code, or securities assumed by such companies.

Wall Street Journal stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices at 4 p.m. the previous day.

Monday, November 6, 2023				Tuesday, November 7, 2023			
Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
A B C				A B C			
AECOM	ACM	78.90	-0.11	AECOM	ACM	78.90	-0.11
AES	AES	16.34	-0.45	AES	AES	16.34	-0.45
Aflac	AFL	81.40	-0.83	Aflac	AFL	81.40	-0.83
AGCO	AGCO	117.67	-2.14	AGCO	AGCO	117.67	-2.14
Ansys	ANSS	280.93	-6.81	Ansys	ANSS	280.93	-6.81
APA	APA	39.30	-0.66	APA	APA	39.30	-0.66
ASE Tech	ASE	8.01	-0.02	ASE Tech	ASE	8.01	-0.02
ASML	ASML	637.44	-4.97	ASML	ASML	637.44	-4.97
AT&T	T	15.75	-0.13	AT&T	T	15.75	-0.13
Abbott Labs	ABT	95.00	-0.84	Abbott Labs	ABT	95.00	-0.84
AbbVie	ABBV	141.20	-2.27	AbbVie	ABBV	141.20	-2.27
Acadia Healthcare	ACHC	73.51	1.27	Acadia Healthcare	ACHC	73.51	1.27
Accurate	ACC	313.09	-0.40	Accurate	ACC	313.09	-0.40
Adobe	ADBE	565.45	1.79	Adobe	ADBE	565.45	1.79
AdvDrainageSys	WMS	111.81	-0.85	AdvDrainageSys	WMS	111.81	-0.85
AdvMicroDevices	AMDV	111.75	-0.50	AdvMicroDevices	AMDV	111.75	-0.50
Aegion	AEG	5.05	-0.01	Aegion	AEG	5.05	-0.01
AerCap	ACR	64.74	-0.64	AerCap	ACR	64.74	-0.64
AffirmHcs	AFRM	21.71	-0.72	AffirmHcs	AFRM	21.71	-0.72
AgilentTechs	A	107.53	-1.49	AgilentTechs	A	107.53	-1.49
AgriGenes	AG	49.16	-0.30	AgriGenes	AG	49.16	-0.30
AirProducts	APD	291.30	-1.90	AirProducts	APD	291.30	-1.90
Airbnb	ABNB	118.17	-4.47	Airbnb	ABNB	118.17	-4.47
Alkermes	ALK	108.44	-0.46	Alkermes	ALK	108.44	-0.46
Albermarle	ALB	119.46	-8.52	Albermarle	ALB	119.46	-8.52
Albertsons	ALC	22.02	0.07	Albertsons	ALC	22.02	0.07
Alcon	ALC	73.96	-0.38	Alcon	ALC	73.96	-0.38
AlexandriaRst	ARE	101.25	-0.37	AlexandriaRst	ARE	101.25	-0.37
Alibaba	BABA	85.36	0.05	Alibaba	BABA	85.36	0.05
AlignTech	ALGN	197.77	0.33	AlignTech	ALGN	197.77	0.33
Allegion	ALLT	101.73	-0.16	Allegion	ALLT	101.73	-0.16
AlliantEnergy	LNT	50.44	-0.66	AlliantEnergy	LNT	50.44	-0.66
Allstate	ALL	130.52	-1.21	Allstate	ALL	130.52	-1.21
AllyFinancial	ALLY	26.53	-0.11	AllyFinancial	ALLY	26.53	-0.11
AlymPharm	ALNY	167.15	-0.20	AlymPharm	ALNY	167.15	-0.20
Alphabet C	GOOG	130.25	1.15	Alphabet C	GOOG	130.25	1.15
Alphabet A	MO	40.54	-0.13	Alphabet A	MO	40.54	-0.13
Amazon.com	AMZN	139.74	1.14	Amazon.com	AMZN	139.74	1.14
Ambev	ABEV	27.05	0.05	Ambev	ABEV	27.05	0.05
Amcort	AMCR	9.06	-0.05	Amcort	AMCR	9.06	-0.05
Amdocs	DOX	83.14	0.61	Amdocs	DOX	83.14	0.61
Ameren	AEE	78.28	-0.23	Ameren	AEE	78.28	-0.23
AmericanMobil	AMX	17.40	0.09	AmericanMobil	AMX	17.40	0.09
AmericanAirlines	AAL	11.66	-0.32	AmericanAirlines	AAL	11.66	-0.32
AEP	AEP	79.25	-0.47	AEP	AEP	79.25	-0.47
AmeriExpress	AXP	152.99	0.23	AmeriExpress	AXP	152.99	0.23
AmericanFin	AFG	101.37	0.51	AmericanFin	AFG	101.37	0.51
AmnHcs4Rent	AMH	35.07	-0.34	AmnHcs4Rent	AMH	35.07	-0.34
AIG	AIG	63.94	0.20	AIG	AIG	63.94	0.20
AmeriPowerREIT	AMP	186.70	-3.87	AmeriPowerREIT	AMP	186.70	-3.87
AmeriWaterWks	AWK	127.58	-2.46	AmeriWaterWks	AWK	127.58	-2.46
AmeriCold	REIT	26.06	-0.74	AmeriCold	REIT	26.06	-0.74
Ameriprise	AMP	333.17	-2.57	Ameriprise	AMP	333.17	-2.57
Ametek	AME	143.46	-2.24	Ametek	AME	143.46	-2.24
Amgen	AMGN	272.83	2.97	Amgen	AMGN	272.83	2.97

Dividend Changes

Company	Symbol	Yld %	Amount New/Old	Frq	Payable / Record
Increased					
CRA International	CRAI	1.9	42/36	Q	Dec08/Nov28
EOG Resources	EOG	2.9	91/825	Q	Jan03/Jan17
Regency Centers	REG	4.4	67/65	Q	Jan03/Dec14
Sabine Royalty Tr	SBR	12.4	7208/27869	Q	Nov29/Nov15
Reduced					
Eagle Bulk Shipping	EGLE	1.0	10/58	Q	Nov22/Nov14
Great Ajax	AJX	9.7	11/20	Q	Nov30/Nov15
Initial					
WIK Kellogg	KLK	6.1	16		Dec15/Dec01
Stocks					
Korvo Bio	KRRO		150		Nov/06
Foreign					
Baytex Energy	BTE	1.5	.0163	Q	Jan02/Dec15
Brookfield Bv Partners	BBU	1.7	0625	Q	Dec29/Nov30
Brookfield Renew Pfd A17	BBP.A	7.7	32813	Q	Jan31/Jan10
Brookfield Renewable	BEPC	5.5	3375	Q	Dec29/Nov30
Brookfield Renewable Ptrs	BEP	5.9	3375	Q	Dec29/Nov30
Dynagas LNG 8.75% Pfd B	DUNGB	8.9	54688	Q	Nov22/Nov15
Dynagas LNG 9% Pfd A	DUNGA	9.6	5625	Q	Nov13/Nov06
Ennerplus	ERF	1.2	06	Q	Dec15/Nov10
First Majestic Silver	AG	0.4	.0046	Q	Nov30/Nov30
Magna International	MGA	3.5	46	Q	Dec01/Nov17
Mercer International	MERC	3.3	.075	Q	Dec28/Dec20
Open Text	OTEX	2.0	1813	Q	Dec20/Dec01
Pembina Pipeline	PSA	6.2	4841	Q	Dec29/Dec15
Restaurant Brands Intl	QSR	3.3	55	Q	Jan04/Dec21
Shel ADR	SHEL	3.7	662	Q	Dec20/Nov17
Telefonica ADR	TEF	5.9	15923	SA	Jan03/Dec11
TELUS Corp.	TU	6.2	2727	Q	Jan02/Dec11
Special					
Enact Holdings	ACT	2.3	71		Dec05/Nov16
EOG Resources	EOG	2.9	150		Dec29/Dec15
Laureate Education	LAUR	-	70		Nov30/Nov15
New Mountain Finance	NMFC	10.1	0.4		Dec29/Dec15
Southside Bancshares	SBC	4.8	02		Dec07/Nov22

Sources: FactSet; Dow Jones Market Data

Company	Symbol	Yld %	Amount New/Old	Frq	Payable / Record
Increased					
CRA International	CRAI	1.9	42/36	Q	Dec08/Nov28
EOG Resources	EOG	2.9	91/825	Q	Jan03/Jan17
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Reduced					
Eagle Bulk Shipping	EGLE	1.0	10/58	Q	Nov22/Nov14
Great Ajax	AJX	9.7	11/20	Q	Nov30/Nov15
Initial					
WIK Kellogg	KLK	6.1	16		Dec15/Dec01
Stocks					
Korvo Bio	KRRO		150		Nov/06
Foreign					
Baytex Energy	BTE	1.5	.0163	Q	Jan02/Dec15
Brookfield Bv Partners	BBU	1.7	0625	Q	Dec29/Nov30
Brookfield Renew Pfd A17	BBP.A	7.7	32813	Q	Jan31/Jan10
Brookfield Renewable	BEPC	5.5	3375	Q	Dec29/Nov30
Brookfield Renewable Ptrs	BEP	5.9	3375	Q	Dec29/Nov30
Dynagas LNG 8.75% Pfd B	DUNGB	8.9	54688	Q	Nov22/Nov15
Dynagas LNG 9% Pfd A	DUNGA	9.6	5625	Q	Nov13/Nov06
Ennerplus	ERF	1.2	06	Q	Dec15/Nov10
First Majestic Silver	AG	0.4	.0046	Q	Nov30/Nov30
Magna International	MGA	3.5	46	Q	Dec01/Nov17
Mercer International	MERC	3.3	.075	Q	Dec28/Dec20
Open Text	OTEX	2.0	1813	Q	Dec20/Dec01
Pembina Pipeline	PSA	6.2	4841	Q	Dec29/Dec15
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New Mountain Finance	NMFC	10.1	0.4		Dec29/Dec15
Southside Bancshares	SBC	4.8	02		Dec07/Nov22

Sources: FactSet; Dow Jones Market Data

KEY: A: annual; M: monthly; Q: quarterly; r: revised; SA: semiannual; S2L: stock split and ratio; SO: spin-off.

Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
CaesarsEnt	CZR	43.90	-0.50	Elastic	ESTC	71.25	-1.08	J&Hunt	JHNT	174.83	-0.86
GardenPropty	GPRT	88.01	-2.56	ElbitSystems	ESLT	194.32	3.89	HuntingtonBchs	HBNT	10.50	-0.12
Cameco	CCJ	40.81	-1.14	ElectronicArts	EA	129.27	-0.32	Huntingingalls	HII	234.55	0.59
CampbellSoup	CPB	40.70	-0.29	ElevanceHealth	ELV	454.52	4.66	HyattHotels	HT	103.57	-0.77
CIBC	CM	37.90	-0.01	EmersonElec	EMR	91.74	-0.23	ICICI Bank	ICBN	22.84	-0.16
CanNatRlwy	CN	110.58	-0.40	Enbridge	ENB	33.85	0.02	ICL Group	ICL	4.83	-0.16
CanadianNat	CNO	66.50	-0.45	EncompassHealth	ENH	64.44	0.37	IdexLab	IDEX	423.02	-6.28
CdnPacKC	CP	74.32	...	Endeavor	EDR	24.12	0.17	ING Groep	ING	13.26	...
CapitalOne	COF	105.45	-0.87	EnergyTransfer	ET	13.51	-0.15	IOVIA	IOV	198.40	1.20
CardinalHealth	CAH	101.66	1.45	EnphaseEnergy	ENPH	78.18	-2.63	ITT	ITT	100.86	-0.35
Carlisle	CSL	267.96	-2.59	Entegris	ENTG	91.02	-1.24	IcahnEnterprises	IET	19.82	0.37
Carlyle	C	28.92	-0.46	Entergy	ETR	98.07	-0.11	Icon	ICLR	257.87	-0.24
CarMax	KMX	66.05	-0.92	EnterpriseProd	EPR	26.41	-0.23	IDEX	IDEX	193.49	-1.68
Carnival	C	12.26	-0.29	Equifax	EFX	180.79	-1.93	IllinoisToolWks	ITW	231.15	-1.96
CarrierGlobal	CC	11.05	-0.31	Equinix	EQIX	761.72	-0.94	Ilumina	ILMN	112.84	-0.48
Cassidy's	CASS	50.27	-0.26	Equinor	EQNR	33.21	0.07	ImperialOil	IMO	57.23	-0.25
CaseysGstres	CSTR	272.85	-0.72	Equitable	EQ	26.57	-0.17	Incyte	INCY	54.57	-0.28
Caterpillar	CTLT	34.28	-0.99	EquityLife	ELS	66.35	-1.52	Infomartica	INF	22.77	-0.71
Caterpillar	CAT	238.28	-2.47	EquityResInd	ERI	105.32	-1.13	Infotys	INFY	16.86	0.18
Celast	CEL	120.03	-0.35	Eriademetry	ERIE	280.19	1.91	IngersollRand	IR	65.25	-0.11
CeluxHldg	CELH	176.90	2.35	EssentialUtl	WTRG	35.32	-0.50	Ingredion	INGR	95.62	-0.27
Cemex	C	6.71	0.02	EssexProp	ESS	21.26	-0.50	Insulet	PDDR	158.92	-3.66
Cenosa	CR	196.88	1.71	EstyLauder	EL	112.67	1.71	Interact	ITW	37.95	-0.07
CenosaEnergy	CVE	18.81	-0.32	Estys	ETSY	63.08	-2.17	InteractiveBrkr	IBKR	80.83	1.33
Centene	CN	71.84	2.52	Everest	EV	382.77	-2.64	ICE	ICE	107.79	-0.12
CenterPointEnt	CNP	27.24	-0.15	Evergy	EVRG	50.93	-0.28	InterContinental	IHG	72.72	0.16
CenteneEBI	EBR	7.54	0.01	EversourceEnt	ES	56.56	1.13	Int'l	INTL	348.97	1.07
CeridianGbl	CDAY	65.36	0.16	ExacoSciences	EXAS	20.00	-0.16	Int'lFairs	IFF	1.00	0.00
Charm	CH	10.00	-0.01	Excois	EXEL	20.00	-0.16	Int'lPaper	IP	34.35	-0.25
ChartComm	CHTR	415.70	-4.41	Exelon	EXE	40.02	-0.54	Interpublic	IPG	29.41	-0.35
Checkpoint	CHKP	138.76	1.74	Expedia	EXPE	111.59	-1.12	Intuit	INTU	500.50	1.99
Chemed	CH	582.46	-2.78	ExpeditorsIntl	EXPD	111.49	-1.46	InvitaeSurgical	ISRG	277.26	-1.26
CheniereEnergy	LNG	171.06	-2.53	ExtraSpaceXc	ESX	105.82	-1.15	InvitaeHomes	INVH	31.71	-0.11
CheniereEntPrts	COF	56.61	-1.26	ExxonMobil	XOM	105.87	-1.91	IonisPharm	IONS	46.29	-0.90
ChesapeakeEne	CHX	85.22	-0.44	F5	FIV	154.53	0.45	IronMountain	IRM	60.25	-1.50
Chevron	CVX	147.00	-0.61	FTI Consulting	FMC	55.39	...	ItauUnibanco	ITUB	5.72	0.02
Chewy	CHWY	20.64	-0.49								
Chiptone	CMC	206.95	28.52								
Chorion	CHRO	167.60	-4.45								
Chorion	CH	219.57	0.76								
ChungHwaTht	CHT	36.58	0.08								
ChungHwaTht	CHT	36.58	0.08								
ChurchilDwns	CHDN	118.84	0.17								
Chien	CHN	43.22	-0.68								
Cigna	C	306.84	-3.81								
Cincinnati	CINF	100.11	-0.77								
Cintas	CS	518.71	0.26								
CiscoSystems	CSCO	53.29	0.28								
Citigroup	C	42.04	-0.22								
Citigroup	C	42.04	-0.22								
Civiva	CVI	74.19	-2.77								
Cleco	CLF	154.39	-0.21								
Clearbank	CLB	17.36	0.24								
Cloudfare	CLX	129.00	0.45								
Clorox	CL	62.11	-0.31								
Coca-Cola	KO	56.97	0.23								
Coca-ColaEnt	CECP	60.67	0.20								
Comcast	CMSC	66.28	0.01								
ComcastGbl	CSH	86.37	0.57								
ColgatePalm	CLG	75.21	0.39								
Comcast	CMSC	66.28	0.01								
ComcastGbl	CSH	86.37	0.57								
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BUSINESS & FINANCE



Newmont wants to raise some \$2 billion from selling mines and rescheduling developments. That could include Cripple Creek.

Newmont Rethinks Future In a Gold-Rush Era Town

A \$15 billion deal added a U.S. mine that might not be a good fit with plans

By RHIANNON HOYLE

ADELAIDE, Australia—The world’s biggest gold miner just got bigger. That has left a Colorado mine with its origins in the gold-rush era facing an uncertain future.

Newmont hasn’t decided whether to sell the Cripple Creek & Victor gold mine following its \$15 billion takeover of Australia’s Newcrest Mining, the largest transaction in gold-mining history. But Chief Executive Tom Palmer said the mine was smaller than many of the operations that Newmont now owns, and the company wants to raise some \$2 billion from selling mines and rescheduling developments.

Cripple Creek “is certainly in that category of operations you debate around their fit,” Palmer said in an interview.

Newmont, based in Denver, acquired the Cripple Creek mine from AngloGold Ashanti for \$820 million eight years ago. It marked another step on Newmont’s road to building a business that outgrew rivals, including Barrick Gold, in terms of size.

The acquisition of Newcrest, which was completed on Monday and brings the company’s value to around \$50 billion, advances that strategy still fur-



CEO Tom Palmer noted there are reasons to keep the mine.

ther. It adds five active mines and two advanced projects to Newmont’s existing global footprint.

But many of the mines that Newmont is getting as part of the Newcrest deal are richer in gold and cheaper to mine than Cripple Creek. Some also come with copious stores of copper, which Newmont increasingly wants to focus on, given its use in manufacturing electric vehicles and renewable-energy infrastructure.

Cripple Creek was once so rich with precious metal that it was nicknamed the world’s greatest gold camp. In the early 1900s, there were more than 500 mines worked by thousands of miners. That activity has left its mark on the area and its identity, but Palmer

said it also means that much of the mine’s bounty has been dug up and the operation could struggle to compete inside Newmont with newer mines around the world.

Newmont produced 134,000 troy ounces of gold from Cripple Creek in the nine months through September. While that was 7% higher than a year earlier, the operation was one of the smallest contributors to overall output.

Still, there are reasons to hang on to the mine, said Palmer. “It’s literally an hour and a half up the road from headquarters,” Palmer said.

That means it could be a good learning ground for future mine managers and a test bed for new technologies, particularly as the company works

to cut emissions from its operations, he said.

Cripple Creek isn’t alone in facing a debate about whether it belongs in the new Newmont. There are also mines in Canada, Australia and Ghana whose futures will be scrutinized in the months ahead. No decisions have been made about those most likely to be sold, said Palmer.

“You may find that Newmont keeps a number of those in our portfolio over the long term because they’re generating good cash” and offer other benefits, Palmer said.

Part of the rationale for buying Newcrest was to strengthen Newmont’s footprint in favorable mining jurisdictions, he said, as a resurgence in resource nationalism becomes a problem again for the industry.

Executives will need to determine which operations can maintain sufficiently attractive profit margins, he said.

Already buyers are circling for some assets. Palmer said deal interest has been logged by Newmont’s corporate-development team of about 10 employees. That team managed a string of sales in-house after Newmont bought Goldcorp in 2019—bringing in close to \$2 billion—and again might run deal negotiations without appointing an investment bank, he said.

“That team has a fairly full inbox,” said Palmer. “But they’re not under any pressure to be trying to get a quick sale out the door.”

Independent Deal Backers Finding Plenty of Business

By MARIA ARMENTAL

Independent sponsors, who typically raise money for each deal rather than investing out of a fund, say they are finding plenty of opportunities and taking on larger deals, even with a broader market slowdown.

“Our market here is pretty much on fire,” Russ Spieler, co-founder and managing partner of investment and advisory firm Enceladus Partners, said at a webinar hosted by Expert Webcast.

Enceladus, which launched this year, targets companies with \$2 million to \$10 million in earnings before interest, taxes, depreciation and amortization and backs other independent sponsors, said Spieler, who previously worked at private-equity firms that include Gemspring Capital and Heartwood Partners.

Panelists said an emphasis on smaller deals has partially shielded independent sponsors from the rising interest rates that have stalled deal making for private-equity firms and other deep-pocketed investors. That allows independent sponsors to more easily adjust terms to make the deals work.

Independent sponsors—traditionally former private-equity or investment-bank executives and operating partners striking out on their own—are often considered riskier since they don’t manage dedicated funds with committed capital. But their numbers have grown exponentially. And, with capital providers and institutional investors embracing the sector more, sponsors are moving up to larger middle-market deals, according to a recent independent-sponsor report by professional-services firm Citrin Cooperman.

Among those surveyed for the latest report, 44% said the typical Ebitda for companies they invested in or targeted hit \$5 million or more, compared with just 26% of respondents to a similar survey in 2017. However, smaller deals remain popular, with 56% of those surveyed indicating they had backed or targeted companies with less than \$5 million in Ebitda.

Independent sponsors say that they often generate deals from relationships built over years, rather than the investment-bank-run auctions that typically drive private equity’s largest deals.

We Work Files for Bankruptcy

Continued from page B1

amounted to years of rent, leaving it with no easy way out.

In August, WeWork signaled that it was at risk of going out of business because of the continuing slump in demand for office space and higher-than-expected member churn. Even though the company has amended or canceled hundreds of its leases since 2019, WeWork executives continued to warn that its high cost of rent and low occupancy remained a challenge.

Bankruptcy changes that. “We now have the ability to unilaterally reject leases in the U.S. and Canada,” Tolley said. He added that the company will reject between 50 and 100 leases and continue its efforts to renegotiate many others, now with more leverage. Aside from those 50 to 100 locations, all other spaces will continue to operate as usual, he said.

WeWork’s locations outside

of the U.S. and Canada won’t be affected by its bankruptcy, the company said.

In court papers filed with the New Jersey bankruptcy court on Monday, WeWork said that the company owns approximately \$15 billion in assets and carries debts totaling \$18.6 billion.

WeWork also reported that it owes nearly \$100 million in unpaid rent and lease-termination fees to various real-estate companies and property owners, some of which it says it will dispute before the bankruptcy court.

More than 400 other corporate entities affiliated with WeWork also filed for bankruptcy on Monday, including many of the subsidiaries WeWork has established to run its individual properties around the world.

WeWork has filed a motion with the New Jersey bankruptcy court to consolidate all of the cases and be managed as a single bankruptcy proceeding.

Watch a Video



Legal Feud Between Audax and H.I.G. Capital Intensifies

By CHRIS CUMMING

Audax Group has countersued H.I.G. Capital for more than \$100 million, deepening a dispute between two private-equity firms over a software company in which they both own stakes.

In a Nov. 3 lawsuit filed in the Delaware Court of Chancery, Audax alleges that H.I.G. “mismanaged” Mobileum, which makes telecommunications software, and then blamed Audax for its own failures. Miami-based H.I.G. bought a majority stake in the business last year from Audax in a \$915 million transaction, with Audax retaining a minority stake.

Audax’s lawsuit says that after taking control of Mobileum, “H.I.G. promptly ran what was a high-performing business into the ground. In-

stead of taking responsibility for its mistakes and working to fix them, H.I.G. sought to shift the blame to Audax for the results of H.I.G.’s own incompetence.”

Boston-based Audax seeks at least \$100 million in damages, the value of the stake that it retained in the sale to H.I.G. Audax also wants the state court to declare that H.I.G. violated a contractual agreement with Audax by excluding the firm from an investigation into Mobileum’s finances.

In a lawsuit last month, H.I.G. accused Audax of fraud, alleging the firm inflated Mobileum’s finances before the sales process, thereby inducing H.I.G. to acquire the business. Audax denied H.I.G.’s fraud accusations in its countersuit, saying that the claims suggest “that Audax intentionally de-

frauded itself—a nonsensical allegation.”

H.I.G.’s lawsuit accuses Audax of perpetrating a “brazen, massive, systemic fraud” by colluding with Mobileum’s previous management to over-

state the company’s revenue and profit before the sale. H.I.G.’s lawsuit demands at least \$250 million in damages, or roughly the amount that H.I.G. says it overpaid for the business as a result of the alleged financial manipulation.

A spokesman for H.I.G. called Audax’s countersuit “a desperate attempt to distract from a brazen, coordinated fraud to misstate the finan-

cials and inflate the value of the 2022 transaction.”

Lawsuits between private-equity firms are unusual. Firms typically try to resolve conflicts privately to avoid potential loss of investment value stemming from a public legal fight. Both lawsuits acknowledge that Mobileum’s value has been damaged, though each firm blames the other for the loss of value.

A Mobileum spokesman said the allegations in Audax’s countersuit “grossly misrepresent Mobileum’s operations and mischaracterize the strategic decisions we have made to strengthen our business for the benefit of our cus-

Both lawsuits acknowledge that Mobileum’s value has been damaged.

Exchange-Traded Portfolios | WSJ.com/ETFresearch

Monday, November 6, 2023				
Largest 100 exchange-traded funds, latest session				
ETF	Symbol	Closing Price	Chg (%)	YTD (%)
CnsmrDiscSector	XLV	160.42	0.12	24.2
ConsStaplesSPDR	XLP	68.86	0.16	-7.6
DimenUSCoreEq2	DFAC	26.32	-0.30	8.4
EnSelSectorSPDR	XLE	85.70	-1.13	-2.0
FinSelSectorSPDR	XLFX	33.68	-0.30	-1.5
HealthCareSelSect	XLV	128.26	0.67	-5.6
IndSelSectorSPDR	XLJ	101.33	-0.27	3.2
InvscNasd100	QQQM	151.87	0.38	38.7
InvscQQQ	QQQ	369.21	0.41	38.7
InvscS&P500EW	RSP	140.85	-0.52	-0.3
ISHCoreDivGrowth	DGRO	49.81	-0.06	-0.4
ISHCoreMSCIEAFE	IEFA	64.66	-0.52	4.9
ISHCoreMSCIEM	IEMG	48.58	0.91	4.0
ISHCoreMSCITotInt	IXUS	60.48	-0.07	4.5
ETF	Symbol	Closing Price	Chg (%)	YTD (%)
ISHCoreS&P500	IVV	437.64	0.24	13.9
ISHCoreS&P MC	IJH	244.87	-0.98	1.2
ISHCoreS&P SC	IJR	93.27	-1.01	-1.4
ISHCoreS&PTotUS	ITOT	95.48	0.03	12.6
ISHCoreTotalUSDBd	IUSB	43.54	-0.48	-3.1
ISHCoreUSAggBd	AGG	93.71	-0.50	-3.4
ISHEdgeMSCIMinUSA	USMV	73.84	0.16	2.4
ISHEdgeMSCIUSQual	QUAL	135.46	0.35	18.9
ISHGoldTr	IAU	37.43	-0.80	8.2
ISHiBoxx\$IGCpBd	LOD	101.37	-0.53	-3.9
ISHMBS	MBB	88.34	-0.64	-4.8
ISHMSCIACWI	ACWI	93.87	0.09	10.6
ISHMSCIEAFE	EFA	69.31	-0.50	5.6
ISHMSCIEM	EEM	38.77	0.81	2.3
ISHMSCIEAFEValue	EFV	48.68	-0.51	6.1

ETF	Symbol	Closing Price	Chg (%)	YTD (%)
ISHNatlMuniBd	MUB	102.54	-0.21	-2.8
ISHi-5YIGCorpBd	IGSB	49.84	-0.24	0.0
ISHi-3YTreBd	SHY	81.06	-0.18	-0.1
ISHRussMC	IWR	68.45	-0.81	1.5
ISHRuss1000	IWB	238.80	0.08	13.4
ISHRuss1000Grw	IWF	275.22	0.58	28.5
ISHRuss1000Val	IWD	151.10	-0.48	-0.4
ISHRuss2000	IWM	172.31	-1.25	-1.2
ISHS&P500Grw	IWW	69.64	0.48	19.0
ISHS&P500Value	IVE	156.98	-0.12	8.2
ISHSelectDiv	DVY	108.19	-0.75	-10.3
ISH7-10YTreBd	IEF	91.10	-0.58	-4.9
ISHShortTreBd	SHV	110.14	-0.00	0.2
ISHTIPSBondETF	TIP	103.97	-0.26	-2.3
ISH20+YTreBd	TLT	86.78	-0.97	-12.8
ISHUSTreasuryBd	GOVT	22.00	-0.36	-3.2
ISH0-3MTreBd	SGOV	100.36	0.02	0.2
JPMEquityPrem	JEPI	53.72	0.24	-1.4

ETF	Symbol	Closing Price	Chg (%)	YTD (%)
JPMUltShlncm	JPST	50.05	-0.02	-0.2
PacerUSCashCows100	COZ	49.12	-0.91	6.2
ProSHULPrQQQ	TOQQ	38.01	1.14	119.7
SPDRBbg1-3MTB	BIL	91.49	0.01	0.0
SPDRDJIA Tr	DIA	341.04	0.13	2.9
SPDR Gold	GLD	183.35	-0.78	8.1
SPDRPftDevxUS	SPDW	31.23	-0.26	5.2
SPDRS&P500Value	SPYV	421.13	-0.14	8.3
SPDRPftS&P500	SPPL	51.21	0.18	13.9
SPDRS&P500Growth	SPYG	60.35	0.47	19.1
SPDRS&P500	SPY	435.69	0.23	13.9
SchwabIntEquity	SCHF	34.27	-0.23	6.4
SchwabUS BrdMkt	SCHB	50.53	0.04	12.8
SchwabUS Div	SCHD	69.94	-0.44	-7.4
SchwabUSLC	SCHX	51.42	0.10	13.9
SchwabUSLC Grw	SCHG	75.28	0.60	35.5
SPDRS&PMdCpTr	MDY	448.52	-0.99	1.3
SPDR S&P Div	SDY	115.13	-0.41	-8.0

ETF	Symbol	Closing Price	Chg (%)	YTD (%)
TechSelectSector	XLK	172.89	0.66	38.9
VangdInfoTech	VGIT	429.82	0.45	34.6
VangdSCVal	VBR	158.14	-1.07	-0.4
VangdExtMkt	VXF	140.27	-1.04	5.6
VangdDivApp	VIG	157.89	0.10	4.0
VangdTSEAWXUS	VEU	52.37	-0.13	4.4
VangdTSEDevWk	VEA	44.05	-0.32	5.0
VangdTSEEM	VWO	39.63	0.30	1.7
VangdTSEEurope	VGK	58.05	-0.33	4.7
VangdGrowth	VGT	281.49	0.57	32.1
VangdHlthCr	VHT	232.55	0.47	-6.2
VangdHlthDiv	VYM	103.46	-0.35	-4.4
VangdIntemBd	BIV	72.08	-0.57	-3.0
VangdIntemCorpBd	VCIT	75.70	-0.45	-2.3
VangdIntemTrea	VGIT	57.08	-0.44	-2.4
VangdLC	VV	199.51	0.13	14.5
VangdMegaGrwth	MGK	236.43	0.77	37.4

ETF	Symbol	Closing Price	Chg (%)	YTD (%)
VangdMC	VO	206.21	-0.77	1.2
VangdMCVal	VOE	131.13	-0.73	-3.0
VangdMBS	VMB	43.50	-0.57	-4.4
VangdRealEst	VNQ	76.47	-1.44	-7.3
VangdRuss1000Grw	VONG	70.83	0.60	28.5
VangdS&P500ETF	VOO	400.21	0.19	13.9
VangdSTBond	BSV	75.30	-0.21	0.0
VangdTotCpBd	VCSH	75.17	-0.22	-0.0
VangdTotTreTrea	VGSH	57.61	-0.17	-0.4
VangdSC	VB	185.29	-1.11	1.0
VangdTaxExemptBd	VTEB	48.21	-0.21	-2.6
VangdTotIntBd	BND	69.50	-0.43	-3.3
VangdTotIntStk	BNDX	48.08	-0.40	1.4
VangdTotStk	VXUS	53.95	-0.11	4.3
VangdTotStk	VTI	215.50	0.04	12.7
VangdTotWrldStk	VW	94.34	-0.01	9.5
VangdValue	VTV	138.16	-0.31	-1.6
WisdTFRRTrea	USFR	50.38	0.04	0.2

MARKETS

Stocks Build on Last Week’s Advances

Gains in information technology shares outweigh losses in energy sector

By GUNJAN BANERJI

Stocks rose, building on a rally that pushed major indexes sharply higher over the past week.

The S&P 500 added 0.2%, while the Dow Jones Industrial Average inched up 35 points, or 0.1%.

MONDAY’S MARKETS

The tech-heavy Nasdaq Composite rose 0.3% for its seventh consecutive session of gains, the longest winning streak since January.

Major indexes are coming off their best week of the year, boosted by hopes that the Federal Reserve’s interest-rate hiking cycle is close to done and a strong quarterly earn-

ings season that is in its final innings.

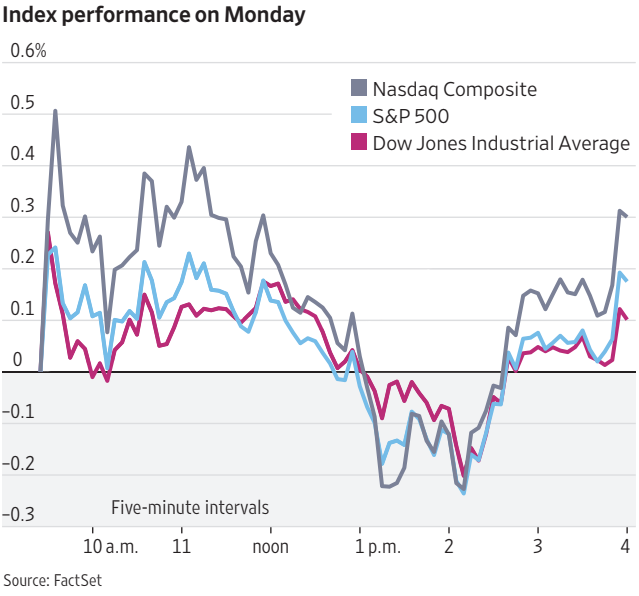
The yield on the 10-year Treasury note rose to 4.662% from 4.557% on Friday. Yields have fallen sharply over the past week after touching 5% for the first time in 16 years.

The mood in the market has quickly turned from dour to optimistic.

Third-quarter earnings so far have mostly impressed investors and are on track to show the first collective increase in a year.

Americans have continued to dine out, take trips and shop online, giving a boost to consumer spending and helping drive profits for the country’s biggest corporations. Meanwhile, recent data on the job market has indicated the red-hot labor market is slowing, a sign that the central bank won’t keep raising interest rates.

“Earnings were enough to



send some of the bears packing,” said Mike Bailey, director of research at FBB Capital Partners.

Gains in the S&P 500’s in-

formation-technology sector helped outweigh losses in energy stocks such as **Marathon Oil** and **Schlumberger**. Disney, Instacart and Roblox report

earnings later this week.

The S&P 500 has bounced back recently after falling into a correction in October. The benchmark index is up almost 14% for the year.

Some analysts said they expected the recent market calm to persist. The Cboe Volatility Index, or VIX, has fallen sharply from its highs over the past month.

“We are not expecting the VIX to surge in the near term as most large macro events are behind and the vast majority of S&P 500 companies have already reported earnings,” wrote Laurent Laskowski, an equity derivatives strategist at Mizuho Securities, in a note to clients.

In commodities markets, crude-oil futures edged higher after Saudi Arabia and Russia over the weekend said they would extend production and export cuts into December.

Brent futures closed at

\$85.18 a barrel, about 0.3% higher than Friday’s closing level.

Overseas, the Stoxx Euro 600 fell 0.2%. At midday Tuesday, South Korea’s Kospi was down 2.9%, falling back after rallying when the country banned short selling the day before. Hong Kong’s Hang Seng Index was off 1.6% and Japan’s Nikkei 225 was down 1%. S&P 500 futures fell 0.2%.

AUCTION RESULTS

Here are the results of Monday’s Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

	13-Week	26-Week
Applications	\$224,675,033,200	\$203,896,838,100
Accepted bids	\$81,226,703,200	\$73,645,958,900
* noncomp	\$2,538,733,800	\$2,468,277,100
* foreign noncomp	\$0	\$0
Auction price (rate)	98.664069 (5.285%)	97.340778 (5.260%)
	5.446%	5.494%
Bids at clearing yield accepted	17.10%	77.54%
	9127976M3	912797H03

Both issues are dated Nov. 9, 2023. The 13-week bills mature on Feb. 8, 2024; the 26-week bills mature on May 9, 2024.

Bond ETFs Lock in High Yields

Continued from page B1

The average coupon of the notes held by the fund, which launched in June, is about 3.6%. But investors buying now would have an effective yield to maturity of around 4.7% because yields have risen and the fund’s share price has fallen since its launch.

Investors are using defined-maturity ETFs to build bond ladders, an investing strategy that had fallen out of favor in recent years when yields were negligible. The strategy involves buying a series of bonds with staggered maturities. When a bond matures, the proceeds are reinvested in a new bond with a longer maturity at the top of

the ladder.

The strategy requires more work than simply buying and holding a fund, but it can help investors lock in a specific yield over a set period, provided the fund’s holdings don’t default. It also reduces the risk of being trapped in a bond fund whose value has been pummeled by rising interest rates. Even if rising rates hit the secondary market value of a long-dated bond issued at a lower rate, the fund’s price will return toward its par value by the time it matures.

Benchmark 10-year Treasury yields touched 5% in October before quickly retreating to around 4.6% following last week’s Federal Reserve meeting. The moves have highlighted how volatile bond markets are right now, making the idea of locking in a yield potentially more attractive.

Anyone looking at their bond funds’ dismal performance in the past two years

has become familiar with interest-rate risk. Bond funds that cycle through holdings to keep their average maturity date steady can leave investors more vulnerable to moves in rates.

“If you just invest in a broad benchmark fund that’s continually turning over to maintain a constant duration, you lose the opportunity fixed income provides to achieve a defined outcome where you buy a bond and hold it to maturity,” said Jason Bloom, head of fixed income and alternative ETF strategy at Invesco.

Invesco’s BulletShares line of ETFs includes defined-maturity funds for investment-grade corporate, high-yield, and municipal-bond funds, with maturity dates ranging from this year to 2033. The funds have taken in a collective \$3.7 billion this year.

Many of the users are financial advisers setting up bond ladders for their clients, Bloom said. ETFs can remove

some of the time, effort and cost of finding and buying individual bonds, which are typically sold in large lots aimed at institutional investors.

“Bond laddering is a pretty well-worn strategy historically, but it was cumbersome and at times difficult to implement,” Bloom said.

Anyone with a brokerage account can set up a bond ladder using defined-maturity funds. BlackRock offers a competing series of funds, dubbed iBonds. They include defined-maturity Treasury bond funds as well as other fixed-income asset classes, with total assets under management of about \$25 billion, up from \$9.7 billion at the end of 2020.

Demand for the funds has soared since the Fed began

lifting interest rates, with the suite of funds taking in nearly \$7 billion of new investor cash this year, said Steve Laipply, global co-head of iShares fixed-income ETFs at BlackRock. That’s on pace with 2022’s record flows for the product.

The funds are popular in part because they are cheap. BlackRock offers defined-maturity Treasury funds at a 0.07% fee, or 70 cents a year on a \$1,000 investment. A defined-maturity investment-grade bond fund from Invesco costs 0.1% annually.

Although a continuing bond ladder behaves much like a traditional bond fund over time, a primary advantage is that it gives investors better flexibility to make changes. If an investor wants

to get out of his bond holdings for any reason, he can let the current rung of the ladder mature at par, rather than potentially being forced to sell a bond fund at a loss during a period of rising rates.

Long-dated bond funds in particular have been crushed by rising rates, with BlackRock’s ETF tracking 20+ year Treasury bonds falling by about half from its 2020 peak. Bonds issued just a few years ago when rates were low had low coupons. Now that rates have risen, their price has fallen so that the yield to maturity will rise to where the market is.

“The biggest advantage is that the investor is in control. If they decide to reinvest, that’s within their discretion,” Laipply said.

The funds can also be used to express a view on how yields might move for a specific part of the yield curve, or to match up income needs with a specific liability or time frame.



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HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Government Debt Woe Isn't What You Think

Even if savers are happy to absorb mounting public-debt piles, today's financial plumbing may be too creaky to bear it

Investors are worried Western governments are issuing more bonds than investors can buy. Whether the system that transacts in those bonds can bear the load could be a more urgent issue.

Last week, the U.S. Treasury Department said it would issue longer-term debt. Ten-year and 30-year government-bond yields, which recently touched 16-year highs, have since fallen sharply.

Bond investors across the globe have been particularly jumpy about increases in public-debt supply. The implied threat is that, amid higher inflation and interest rates, they are no longer willing to unflinchingly absorb it. Government debt in rich countries is set to hit 116% of gross domestic product in 2028 from 112% in 2022, the International Monetary Fund forecasts, as officials increase spending on industrial plans and green policies.

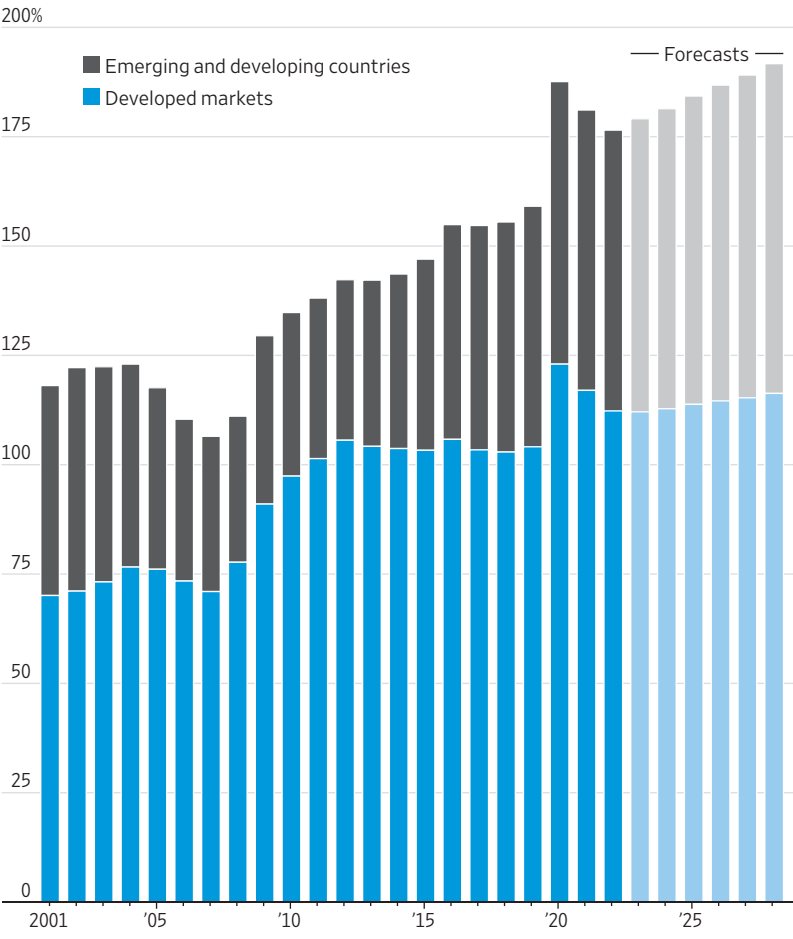
Yet the end-buyers of the debt are unlikely to disappear since government deficits automatically create the very savings that are then channeled into financial assets. The real issue is the financial plumbing meant to make this happen has become dangerously creaky.

The Federal Reserve's primary dealers—the banks that buy the bonds in auctions and then make markets for them—are the linchpin of this system in the U.S. Before the 2008 financial crisis, they were net sellers of Treasuries, official data show, meaning they had to borrow bonds from investors. Ever since, the surge in debt issuance has forced them to buy more Treasuries than they can sell.

As Wenxin Du, Benjamin Hébert and Wenhao Li document in a recently published paper, this has big implications. For Treasuries with 10 or more years of maturity, yields have gone from trading below those of interest-rate swaps to trading far above.

Dealers hedge their exposure to bond prices with swaps and collect the difference between the two, so they need a wide spread in yields relative to swap rates to justify holding a big Treasury stockpile. It therefore makes sense for the U.S. government to cut back on long-term issues. For 30-year Treasuries,

Government debt as a percentage of GDP



Sources: International Monetary Fund (Govt. debt); Federal Reserve Bank of New York (dealer positions); U.S. Commodity Futures Trading Commission (fund position)

borrowing costs are 0.6 percentage point higher than swap rates.

The other problem is that post-crisis financial regulations prevent banks from limitlessly absorbing bonds. Central banks' "quantitative easing" was picking up some of this slack, but no longer. The Federal Reserve and the Bank of England are actively selling bonds, and the European Central Bank might soon stop reinvesting the proceeds from its pandemic buys.

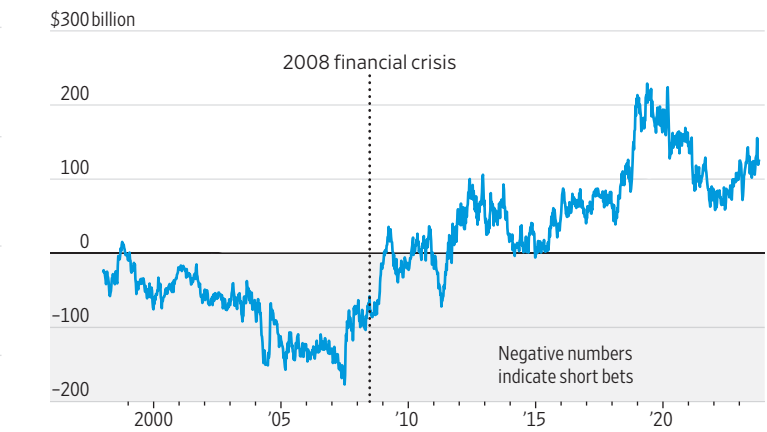
Another less-regulated type of player is stepping in: hedge funds. Figures by the U.S. Commodity Futures Trading Commission show bets by leveraged investors against Treasury futures are hovering around a record high, likely due to them acting as dealers by buying Treasuries and selling Treasuries.

surry futures.

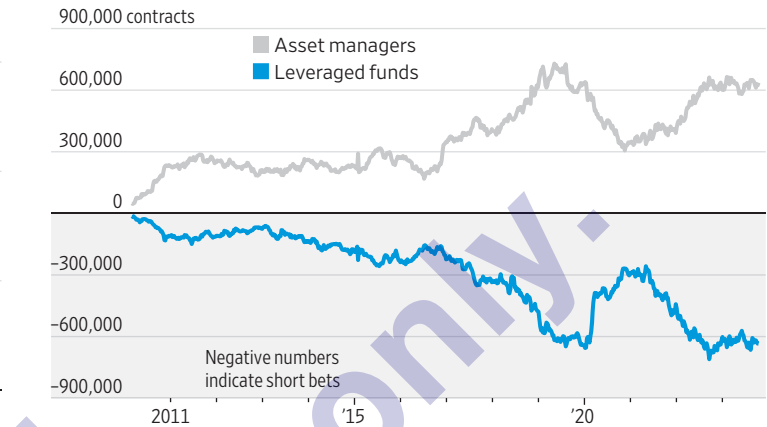
But, as the Basel-based Bank for International Settlements warned in a September report, this is a risky trade that can quickly unravel. When Covid-19 concerns hit in March 2020, Treasuries sold off. Investors were shocked because a haven asset is expected to appreciate in times of trouble. Funds and dealers shedding leverage had the opposite effect.

Matters are a bit different abroad. In Japan, central-bank bond buying continues, despite recent tweaks. In the eurozone, German austerity has limited the supply of ultrasafe bonds. In the U.K., regulators created insatiable hunger for long-term securities among pension funds, which imploded last year, leading to the ouster of Prime Minister Liz Truss.

Coupon-bearing Treasuries, net position by primary dealers



Treasury futures and options, net position



Nevertheless, the takeaway applies everywhere: The private sector may not be able to provide as much bond-market liquidity as officials' fiscal plans imply.

Buy-and-hold investors could safely take up more of the load. However, U.S. dealer positions are historically negatively correlated with the steepness of the Treasury yield curve, meaning that such real-money buyers step in only when bond returns significantly exceed those of leaving cash in the bank. This has started to happen: Stretched dealers have priced long-term bonds at a discount, which has resulted in an increase in the "term premium," leading to higher borrowing costs and a disgruntled equity market. There may be more to come. "It can take a while for these

holdings to rebalance in response to the changing investment opportunity," said Du, who is a professor of finance at Columbia Business School.

To be sure, the solution is in officials' hands. They could help banks sidestep regulatory costs by promoting "sponsored" repurchase agreements. Or they could allow for certain exemptions from leverage rules, like the Fed and the ECB did during the pandemic. In September, the BOE announced a liquidity facility for nonbank financial firms. Eventually, central banks would buy bonds again. But backstops kick in only after severe market disruptions.

It may turn out that the "bond vigilantes" aren't as dangerous as the "bond warehouse managers." —Jon Sindreu

Battery Giants Hard to Beat

Having charged up in their home market, Chinese electric-vehicle-battery firms are becoming major export players. The West's efforts to protect its own markets might prove too little, too late.

Chinese firms are weighing factory expansions in Europe, and in U.S. free-trade partners, as a way to sidestep import restrictions—much like Japanese carmakers did in the U.S. in the 1980s.

Sales of new-energy vehicles, which include plug-in hybrids, surged 37% year over year in China in the first nine months of 2023, according to the China Association of Automobile Manufacturers. But exports jumped sharply: China is now the world's top exporter of EVs. And that is helping China's battery industry. **Contemporary Amperex Technology**, or CATL, and carmaker **BYD** are the top two producers of EV batteries in the world.

Outside China, Chinese battery manufacturers lag behind South Korean rivals—the top three have nearly half the market. But if CATL keeps logging growth numbers like it did this year, that could change fast.

LG Energy Solution, the top Korean battery maker, booked ex-China sales that were 60% higher in the first eight months of 2023 than in the same period of 2022, according to SNE Research.

But CATL's overseas sales more than doubled, and its ex-China market share is neck and neck with LG—both have about 28%. **SK On**, the No. 2 Korean battery maker, boosted such sales only 16%.

Meanwhile, CATL's market share in Europe has risen to 24% this year, compared with 10% in 2020, according to HSBC. Exports of Teslas with CATL's batteries from its Shanghai factory are one reason. But the battery maker supplies European carmakers like **Stellantis**. And overseas sales could become more important to Chinese battery makers as domestic competition intensifies.



Chinese makers of electric-vehicle batteries are weighing factory expansions in Europe.

Chinese battery companies enjoy significantly higher margins abroad, according to Goldman Sachs. The bank expects around 70% of the earnings of **Gotion**, a Chinese **Volkswagen** supplier, to come from exports or overseas production by 2025. Its plant in Germany started production this year and it is building a \$2 billion factory in Illinois.

Geopolitics are a big risk. The U.S. Inflation Reduction Act mandates that subsidized EVs use batteries with a certain proportion of content from the U.S., or from free-trade partners. The European Union has launched an anti-subsidy probe into EV imports from China.

But China's battery industry is trying to sidestep these restric-

tions. Chinese companies announced overseas investments of more than 200 billion yuan, the equivalent of \$27 billion, in batteries and materials, says Goldman. More than 80% of that is in Europe. Hungary is a popular destination. CATL plans to spend the equivalent of \$7.7 billion in the country to build what could be the continent's largest battery plant. Hungary is one of the friendlier countries to China in the EU bloc, and offers low labor costs.

Morocco, which has free-trade agreements with the EU and the U.S., is another likely beneficiary. Gotion has signed an agreement with the government to look into setting up a battery plant there with a planned investment of \$6.4

billion. China's miner **Huayou** will build plants there for refining lithium and making cathode materials with Korea's **LG Chem**.

China's battery race abroad won't be free of potholes, but its battery champions are ready to drive around them.

For the U.S. and especially Europe, that offers pros and cons. In the long run, Chinese battery know-how could filter out into Europeans suppliers and help build a local ecosystem, much like Tesla and Apple helped level up China's EV and smartphone sectors.

In the short run, however, it might mean U.S. or European would-be CATLs struggle to gain much traction.

—Jacky Wong

KKR Takes On Italian Broadband

KKR's European megadeal is now in the hands of lawyers.

Telecom Italia's board approved the sale of its broadband network to the American buyout firm on Sunday. The headline value of "up to 22 billion euros," equivalent to \$23.6 billion, would make it one of Europe's largest ever private-equity deals—if it goes ahead.

The doubt stems from the opposition of top shareholder **Vivendi**, which said it would "use any legal means at its disposal to challenge this decision."

The French media company, which is steered by the billionaire Bolloré family, has had to write down its 24% stake in Telecom Italia and appears to want a higher price.

The big legal question is whether selling the fixed-line network changes Telecom Italia's company purpose, which would require it to put the deal to a shareholder vote that could be blocked by Vivendi.

Telecom Italia would carry on selling broadband contracts to Italian households and businesses, but it would have to pay for access to the network. If Vivendi does manage to stall the deal, it will need to come up with an alternative plan. Telecom Italia is creaking under more than \$26 billion of debt and needs to sell something. One option being floated by a handful of shareholders is for it to shed other assets, such as its promising Brazilian business.

But the KKR deal for the network is the one on the table, and with higher interest rates the clock is ticking loudly for debt-encumbered businesses.

KKR must see extraordinary potential in a more digital Italy to put up with such an arduous fight. —Stephen Wilmot