

What's News

Business & Finance

- ◆ A Western price cap on Russian oil meant to curb Moscow's war spending is increasingly losing its punch and U.S. officials are scrambling to shore up their experimental intervention in global oil markets. A1
◆ Leading Western brands in China are feeling the pinch from the country's consumer slump, with some saying customers aren't reopening their wallets almost a year after Covid-related isolation ended. A1
◆ Labor shortages and remote-work opportunities have fueled job gains for workers with disabilities, bringing their participation in the workforce to a 15-year high. A2
◆ Warren Buffett's Berkshire Hathaway ended the third quarter with a record cash pile and reported a deeper net loss due to the sputtering stock-market rally. B1
◆ LVMH agreed to buy Los Angeles-based eyewear maker Barton Perreira, part of the luxury conglomerate's push to extend its reach to goods with mass-market appeal. B2
◆ Elon Musk demonstrated his AI startup's first product: a bot named Grok which will be made available to Premium+ subscribers to the X social-media platform after testing. B1
◆ Earnings for the biggest U.S. companies are set to show their first collective increase in a year, helped in part by consumers' strong summer spending. B1
◆ The Washington Post named former Dow Jones Chief Executive William Lewis as its CEO and publisher. B3

World-Wide

- ◆ The U.S. is rushing to support Middle East leaders facing domestic turmoil over the Israel-Hamas conflict, with Secretary of State Antony Blinken making two surprise visits to the West Bank and Iraq, as the Biden administration comes under pressure to secure a pause in the fighting and ease regional tensions. A1, A10
◆ An Arab Muslim student at Stanford University said he was hurt in a campus hit-and-run, and California authorities are investigating it as a potential hate crime, according to the university. A5
◆ Moscow said a Ukrainian strike damaged a Russian ship moored in occupied Crimea, the latest sign that Ukraine's stepped-up attacks are dealing further blows to the Russian Navy. A8
◆ Trump is expected to take the witness stand in a civil-fraud trial that has featured increasingly charged exchanges between his lawyers and a judge who could cripple his business empire. A5
◆ Hundreds of thousands of migrants from all over the world are making their way to the Southwest border, with U.S. and Mexican authorities reporting a surge in apprehensions of people from Asia and Africa as human-smuggling networks widen their reach. A3
◆ Sexually explicit pamphlets and accusations of lying have punctuated a partisan campaign for control of Pennsylvania's third-largest school district. A3

JOURNAL REPORT Investing Monthly: FAQs on HSAs. R1-8

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Ethiopian Man Wins NYC Marathon in Record Time



THE SHOES FIT: Tamirat Tola, with a time of 2:04:58, topped yet another mark Sunday in an era of super shoes that is remaking records. Kenya's Hellen Obiri took the women's race after winning the Boston Marathon earlier this year. A5



Blinken's Surprise Visits Aim To Lower Tensions

Top diplomat stops in West Bank, Iraq, seeking to contain Israel-Hamas war

BAGHDAD—The U.S. is rushing to support Middle East leaders facing domestic turmoil over the Israel-Hamas conflict, with Secretary of State Antony Blinken making two surprise visits Sunday to the West Bank and Iraq, as the Biden administration comes under pressure to secure a pause in fighting and ease regional tensions.

By Vivian Salama, Saeed Shah and Fatima AbdulKarim

The unannounced stops, first to the West Bank city of Ramallah, and then to Iraq's capital, Baghdad, followed a summit of Arab leaders Saturday in Jordan, where Blinken reassured Middle East allies that the U.S. would work to keep the conflict from spreading and help Palestinian civilians caught in the unfolding humanitarian crisis. Blinken departed Baghdad late Sunday for Ankara, where he was expected to hold discussions with his Turkish counterpart about humanitarian aid and the collective interest in preventing a broader conflict.

The U.S. secretary's whirlwind regional tour comes at a Please turn to page A10

Western Brands Get Squeezed By Belt-Tightening in China

HONG KONG—Leading Western brands in China are feeling the pinch from the country's consumer slump.

By Newley Purnell, Stella Yifan Xie and Rachel Liang

From luxury cosmetics company Estée Lauder to apparel maker Canada Goose and iPhone seller Apple, companies are reporting weak results, with some saying customers aren't reopening their wallets almost a year after Covid-related isolation ended.

Estée Lauder shares hit their lowest levels in years last week after the company cut its fiscal year outlook—in part because of a slower recovery of sales for high-end beauty products in mainland China. Shares remained depressed at the Friday close. The New York-based company now expects fiscal 2024 sales to range from a decline

of 2% to an increase of 1% from the previous year, compared with its earlier target of annual sales growth of between 5% and 7%. Fabrizio Freda, president and chief executive of Estée Lauder, said the company had experienced slower growth in retail sales among travelers in Asia and China. This was confirmed by presale orders, or advance orders for discounted goods customers can make before completing their pay-

ments on the day of the events, for the Nov. 11 Singles Day shopping festival. Chinese consumers are largely staying cautious following the lifting of Covid-related restrictions last year. Recovery in consumption tapered off in recent months after a short-lived burst driven by traveling and other service spending this spring. Consumer confidence barely improved during the Please turn to page A6

Deadly Strike on a Ukrainian Village Was an Inside Job

The attack raised suspicions: Who tipped off the Russians?

By NIKITA NIKOLAIENKO AND IAN LOVETT

HROZA, Ukraine—When the Mamon brothers were growing up in this farming village near the border with Russia, Andriy Kozyr would occasionally stop by the family's house. Once, returning from a construction job abroad, he brought them a scooter and a toy gun, plus cognac for their parents. That's how people got along in Hroza before the Russians marched in early last year. The invasion split the village into enemy camps. Kozyr enlisted in the Ukrainian military and was killed in action. The Mamon brothers went to work for the Russian forces occupying Hroza. After Ukraine retook the village just over a year ago, residents eyed each other with suspicion, no longer sure which of their neighbors they could trust.

Their distrust wasn't misplaced. On Oct. 5, dozens of residents gathered in the cemetery at the edge of Hroza for Kozyr's funeral, then walked to the village cafe. At 1:25 p.m., a missile ripped through the building, killing 59 people in and around the cafe. For days afterward, white body bags lay in the playground beside where the building had been. The strike was so specific in its timing and location that surviving families were convinced one of their own had called in the strike. How else would Russians have known about the funeral? Why else would they target a tiny village with little military presence, killing a fifth of its population? Yet the idea seemed beyond belief. Hroza's 320 inhabitants had maintained close ties for generations. Villagers grazed their animals on each others' land, helped

Please turn to page A12

Russia Shrugs Off Price Cap on Its Oil

A Western price cap on Russian oil meant to curb Moscow's war spending is increasingly losing its punch.

By Georgi Kantchev, Joe Wallace and Andrew Duehren

The latest evidence: Oil and gas tax revenue to the Russian budget in October more than doubled from September and rose by more than a quarter from the same month last year, according to data released Friday. That represents a stark turnaround from the beginning of the year when energy revenue declined. The price cap, imposed last December, was supposed to achieve twin goals: ensure the flow of Russia's crude on

world markets, thus keeping gasoline prices low, while reducing Moscow's revenue for each barrel it sells. But after the sanctions initially worked largely as expected, Moscow has found ways to circumvent them, moving oil on a fleet of aging tankers on which the restrictions have limited traction. The discount at which it sells its oil relative to global prices has shrunk, boosting Russia's war chest. U.S. officials are scrambling to shore up their experimental intervention in global oil markets. The Treasury Department levied penalties against two tankers for violating the sanctions' rules for the first time last month, and the U.S. Please turn to page A11

Your Online Order Has Been Delivered—and It's Teeny Tiny Shoppers accidentally order bitty household items; 'the size of my thumb'

By KATIE DEIGHTON

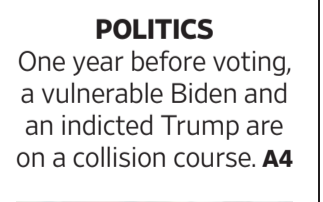
Sigrun Haraldsdottir knew something wasn't right with her online order when she saw the delivered package fit inside her mailbox. Haraldsdottir, 57, had been looking to purchase a ramp for her 11-pound Yorkshire terrier, Emma, who needed some help hopping onto the sofa without hurting her joints. She saw just the thing advertised by a now-defunct website called penblast.com for \$35 on Facebook. She clicked "buy" from her home in Norway. Something very different arrived. The contraption

might have been great if Emma was a hamster. "When I opened it I didn't understand what it was until I put it together," Haraldsdottir said. "It was just so tiny." Online shoppers—to add to the specters of shipping delays and front porch-theft—have a new annoyance: accidentally ordering doll-size versions of things. It turns out it's not uncommon. Online marketplaces sell tiny pink cowboy hats. They also sell miniature pencil sharpeners, palm-size kitchen utensils, scaled-down kitchens and camping chairs so small they evoke the Stonehenge Please turn to page A6



Wee commerce

INSIDE POLITICS One year before voting, a vulnerable Biden and an indicted Trump are on a collision course. A4



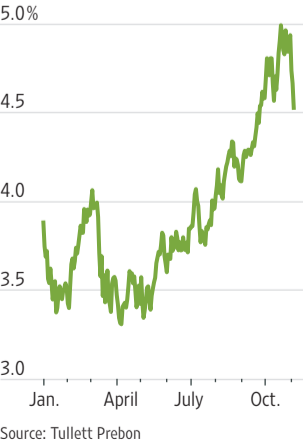
BUSINESS NEWS Berkshire Hathaway ended the third quarter with a record cash pile. B1

Treasury Plan Gives Lift To Stock, Bond Markets

By SAM GOLDFARB

The Treasury Department handed investors a happy surprise last week. Now the question is how far they can run with it. Stocks and bonds both staged rallies last week, getting a boost when the Treasury increased the size of longer-term debt auctions by a smaller amount than many had expected. By the end of the week, the yield on the benchmark 10-year U.S. Treasury note—the source of so much recent anxiety in markets—had fallen all the way back down to 4.557% after briefly topping 5% on Oct. 23. The S&P 500 climbed 5.9% for the week, largely reflecting relief over the decline in yields, which are a critical driver of U.S. borrowing costs. Yields, which fall when bond prices rise, also were

Yield on 10-year U.S. Treasury note



pulled lower by soft economic data and hints from the Federal Reserve that it likely won't Please turn to page A2

◆ Consumer spending fuels strong quarter..... B1

U.S. NEWS

THE OUTLOOK | By Andrew Duehren

Global Turmoil Helps Fuel Interest Rates



In times of war and conflict, investors have long piled into Treasury bonds and other safe-haven assets, bringing interest rates down.

But in today's disintegrating geopolitical environment, where hot spots around the world threaten to upend the supply of key commodities, it's becoming harder for investors to book their flights to safety. That helps explain why bond yields have risen recently—and may stay high.

Take the war between Israel and Hamas. The violence risks a wider war across the oil-rich Middle East: A World Bank analysis released last week warned that oil prices could rise from roughly \$85 a barrel to \$150 a barrel, in a worst-case scenario. Oil prices that high could reignite inflation more broadly, forcing the Federal Reserve to further raise interest rates. That would cause bond yields to rise and prices, which move in the opposite direction, to fall.

The Middle East isn't an isolated example. Russia's invasion of Ukraine wrought havoc on oil and gas markets last year and still endangers food supplies. The rivalry between the U.S. and China has already led to tariffs and export controls, and outright conflict would further disrupt flow of many commodities and goods. "Escalation of

these conflicts or a worsening in other geopolitical tensions could reduce economic activity and boost inflation worldwide," the Fed warned in a report last month.

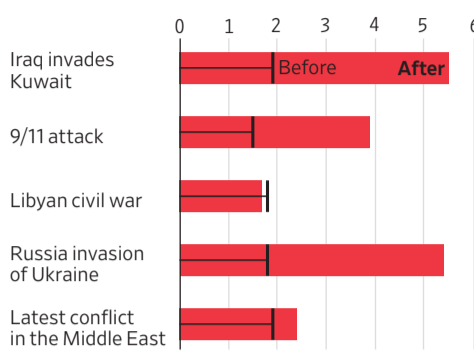
Long-term interest rates, which are set by the bond market, incorporate the risk that inflation will be higher or lower than expected. Just as insurance companies charge more for flood insurance when the probability of a hurricane goes up, bond investors charge more to lend when the probability of an inflation surge goes up.

"It does feel like, at least relative to the previous 20 years, that somebody has turned up the volume on geopolitics," said Nathan Sheets, global chief economist at Citi. "It could be a premium shock in the rate, which has broadly the same kind of effects on rates as inflation uncertainty and as a supply shock could have."

Analysts have attributed the recent run-up in yield to a rise in the term premium, the added return investors demand for lending over long instead of short periods.

An increase in inflation risk accounts for a "decent chunk" of the recent increase in the term premium, according to economists at London-based Capital Economics.

Oil price volatility before and after geopolitical conflict*



*Oil price standard deviation, a measure of how dispersed the data is compared to the mean. A larger standard deviation indicates more volatility. Source: World Bank

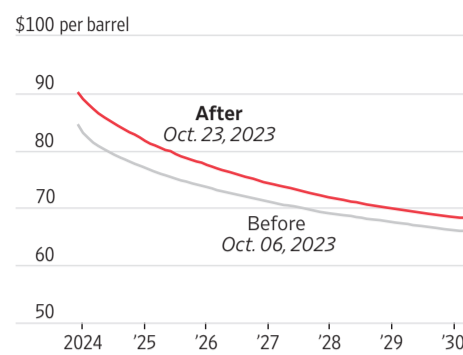
Along with inflation risk, the supply of bonds, from government deficits or the Federal Reserve reducing its holdings, is another factor.

Until a few years ago, economic shocks such as financial crises tended to drive down profits and stock prices. Inflation also slowed, helping bonds rally and yields to fall. Investors may have accepted lower returns on bonds because they served as a hedge against losses on stocks.

But shocks to supply hurt profits and raise inflation, causing stock and bond prices to fall.

"Arguably the more important factor [in the rising term premium] may be changes in the view about whether or not Treasuries are a hedge for stock," Treasury Secretary

Brent crude oil futures before and after Hamas attacks on Israel



Janet Yellen said in an interview last month. "Given that recent shocks have been largely supply shocks, Treasuries have been serving as a less good hedge."

Lew Alexander, chief economic strategist at Rokos Capital Management and a member of the Treasury Department's borrowing advisory committee, said investors are increasingly thinking about the risks of sudden hits to supply when purchasing long-term bonds. "I don't think it's hard to imagine circumstances where something important like that could be disrupted," he said.

For the Fed, geopolitical anxieties may paradoxically help in the short term. The rise in the term premium, by adding to borrowing costs, al-

lowed it to skip raising interest rates last week. In the longer term, though, inflation shocks from overseas are more likely to force it to raise interest rates.

A retreat in trade with China, for example, could cut off the U.S. from cheaper imports, raising prices and requiring the Fed to keep interest rates as much as 0.28 percentage point higher over the next decade, economists at JPMorgan estimate. But it could be difficult for Fed officials to gauge "inherently unpredictable" political dynamics between the world's two superpowers, the economists said.

With lasting peace in the Middle East, Ukraine and across the Taiwan Strait out of reach for now, geopolitical

threats to inflation abound. China this year tightened controls on its exports of graphite, rare earth minerals and solar-panel components—three products central to a clean energy future. A politically motivated loss of that supply could raise prices across U.S. industries, and thus interest rates.

Fed economists, generally speaking, aren't diplomats, of course. For its part, the Biden administration is seeking to shield the U.S. economy from geopolitical supply shocks by favoring domestic production through various tariffs and subsidies.

But those steps bring their own inflationary risks. Forgoing cheaper or better technology from China could raise energy costs more than otherwise. Some economists think investment in reshoring could elevate borrowing and interest rates.

The link between interest rates and supply shocks is another sign of how intensifying geopolitical rivalry and conflict is making it harder, and costlier, for investors and business to plan.

"This may be the most dangerous time the world has seen in decades," JPMorgan CEO Jamie Dimon said last month. "How do you prepare the company for that?"

Workers With Disabilities Are Gaining in Labor Force

By HARRIET TORRY

Samantha Sauer said she landed her first full-time job at age 32, after a decade of being unable to find such work because of a medical condition requiring regular, time-consuming medical treatments.

Then in 2022, she got a full-time remote job answering telephone calls from people seeking help from Patients Rising, a private group that provides resources and advocacy for people living with chronic illnesses. The position allows her to work "without having to sacrifice my health for my job or my job for my health," said Sauer, who lives in New York.

Nearly 1.8 million people with a disability have joined the labor force since just before the pandemic hit the U.S., a 28% increase, according to the Labor Department. The country's total workforce grew 1% in the same period.

The surge occurred as increased remote-work opportunities opened virtual doors to many who would have difficulty taking an in-person job and as pandemic-era labor shortages prompted employers to hire more workers with disabilities.

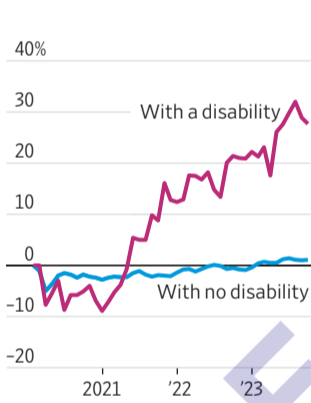
By August, 25% of adults with disabilities were part of the labor force, meaning they had or were actively seeking jobs, the highest level in records going back 15 years.

"Because I wanted to work so badly I'm almost extra committed, I feel like I have to work twice as hard with half the energy of an able-bodied person," Sauer said.

The number of Americans with a disability has climbed over time as the U.S. population has grown and aged. The Labor Department uses several survey questions to identify people with disabilities, such as whether a person is blind, deaf or has difficulty climbing stairs, bathing or concentrating. Some people developed long-term effects from Covid-19, a condition called long Covid, which can result in disability, according to the Department of Health and Human Services.

"We get called every week by companies that can't find entry-level workers," said Erin Riehle, director of Project Search, an employment program in Cincinnati for people with intellectual and developmental disabilities. Businesses such as hotel chains, manufacturers, pharmaceutical companies, hospitals and military bases have

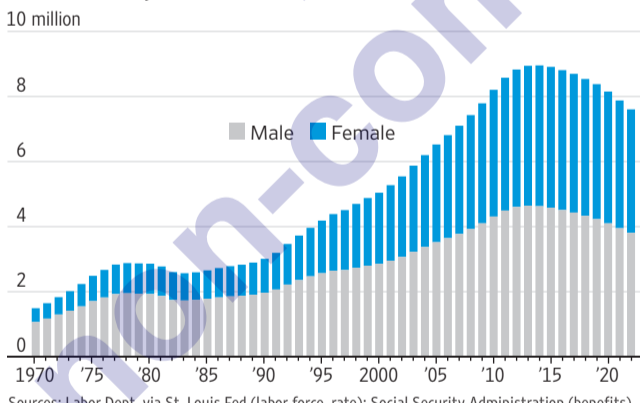
Change in labor force since Feb. 2020



Labor force participation rate, for people with a disability aged 16 and older



Number of workers with disabilities receiving Social Security benefits



Sources: Labor Dept., via St. Louis Fed (labor force, rate); Social Security Administration (benefits)



Samantha Sauer says her remote job allows her to work without having to sacrifice her health.

had success hiring workers with disabilities, and value the fact that such workers are "going to be loyal and not just show up for two days and then quit," she said.

Nolan Cheung, who is autistic, got a job at Cincinnati Children's Hospital last year after participating in Project Search and a high-school program that taught skills such as commuting to work alone, time management and interview techniques. The 22-year-old stocks materials for nurses and vending machines in the hospital, and he is now training other interns with disabilities who come through the program.

"I feel like I help out the community, especially a children's hospital; I help nurses out so they can do their jobs," said Cheung.

Economists say maintaining the ability for people with disabilities to work remotely could help alleviate long-term worker shortages.

Employers "are going to have success if you can have flexibility and offer accommodations, especially to people on the sidelines of the labor market," said Nicole Maestas, an economist at Harvard Medical School.

Advocates for people with disabilities fear that employers' return-to-office mandates could drive people with disabilities out of the workforce.

"For 30 years, the disability community has been saying, 'Hey, can I work remotely?' and the entire time the answer has been no," said Thomas Foley, executive director of the National Disability Institute.

Remote work eliminated barriers such as commuting and navigating office space for people with disabilities, he said.

New technologies also help, said Foley, who is blind. A screen reader lets him use his phone, email and computer while on the go. "Even on a dog walk, me, the blind guy, I can still be productive," the 58-year-old said.

Treasury Gives Lift To Markets

Continued from Page One

raise interest rates again this year. But it was the Treasury move that many saw as the crucial catalyst. Heading into last week, there had been debate about what had caused yields to surge in recent months. Some analysts pointed mostly to the strong economy and expectations for a higher path of short-term interest rates set by the Fed.

Others emphasized what they saw as an imbalance in the supply and demand for Treasuries, worsened by a recent increase in the size of longer-term debt auctions needed to fund a widening federal budget deficit.

Whatever the answer, investors seized on a normally overlooked event—Treasury's quarterly announcement of its coming borrowing plans—as an important moment for markets.

As it turned out, Treasury on Wednesday not only announced smaller-than-expected increases to longer-term debt auctions but also suggested that it was willing to overstep informal guideposts for how much in short-term Treasury bills to issue.

Just based on dollar amounts, the difference between what Wall Street had anticipated and what Treasury delivered was small. But investors embraced what they saw as the underlying message.

Typically, Treasury strives for "regular and predictable" auctions, with gradual changes in borrowing strategies telegraphed well in advance. Now, the agency has signaled that it is willing to bend on that mantra and be "more sensitive to the market," said John Madziyire, head of U.S. Treasuries at Vanguard.

Further aiding markets, the Fed delivered a similar message later the same day. At the conclusion of its two-day pol-

icy meeting, the Fed held short-term rates unchanged, as widely expected. But in a policy statement, the central bank made a new reference to tightening financial conditions, a small tweak to its previous statement in September that investors interpreted as a nod to the increase in bond yields.

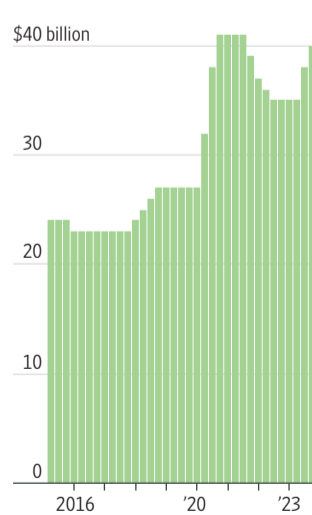
"Really it was just a wonderful coincidence," said Brian Jacobsen, chief economist at Annex Wealth Management. First came Treasury's borrowing plan, he said, "and then the Fed just fanned the flames of the enthusiasm by suggesting that we are in that holding pattern with rates."

Relief was palpable across Wall Street. The S&P 500's weekly gain was its largest in almost a year, coming right after it suffered a correction, declining more than 10% from its July peak. Sectors that are particularly sensitive to higher bond yields, such as real estate and information technology, were among the biggest gainers. The index is holding on to a 14% advance in 2023.

Even so, investors strongly cautioned that friendly moves out of Washington won't be enough to sustain the rally. For starters, corporate earnings will need to come in strong, with this coming week featuring reports from the likes of Walt Disney and the home builder D.R. Horton.

Neither the Treasury nor

Size of 10-year U.S. Treasury note auctions



Notes: Shows new-issue auctions only; Nov. 2023 auction is planned. Sources: BMO Capital Markets; Treasury Dept.

CORRECTIONS & AMPLIFICATIONS

Forty years ago, of those Americans who had retirement coverage, 88% had it from defined-benefit plans. A Heard on the Street article in Saturday's paper incorrectly said that 40 years ago 88% of Americans had retirement coverage from defined-benefit plans.

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

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U.S. NEWS

Migrants From Distant Places Cross Border

Arrests of people from countries in Asia and Africa tripled in latest year

By SANTIAGO PÉREZ

Hundreds of thousands of migrants from all over the world are making their way to the Southwest border, with U.S. and Mexican authorities reporting a surge in apprehensions of people from Asia and Africa as human smuggling networks widen their reach across the globe.

Arrests at the Southwest border of migrants from China, India and other distant countries, including Mauritania and Senegal, tripled to 214,000 during the fiscal year that ended in September from 70,000 in the previous fiscal year, according to U.S. Customs and Border Protection data. Fewer than 19,000 migrants from Asia and Africa were apprehended in the fiscal year ended September 2021.

“The increase in migration from Asia and Africa is remarkable,” said Enrique Lucero, head of the migrant support unit of the Tijuana city government, across from San Diego. “These days, we are dealing with 120 nationalities and 60 different languages.”

Travelers say they exchange information and share videos of U.S.-bound routes on TikTok and Facebook, while smugglers offer lodging and travel agencies advertise transport

services. Most Asian and African migrants make multiple airport stopovers in what are coming to be known as “donkey flights” to reach countries such as Brazil, Ecuador or Nicaragua, which have few or no visa requirements for some nationalities.

Once they set foot in Latin America, they move north in buses or cars and stay at hotels booked by smuggling organizations. Many wear bracelets similar to those of an all-inclusive resort, with inscriptions that identify the organization that coordinated and charged them for the trip, Mexican authorities say.

For the second year in a row, arrests by the Border Patrol at the U.S. southern border surpassed two million. Most of them, almost 9 out of 10 apprehensions, are of migrants from Latin America and the Caribbean. But the surge in so-called extracontinental migrants poses a challenge for the U.S. because deporting migrants to Africa and Asia is time-consuming, expensive and sometimes not possible.

Mohamed Aweiney, a 30-year-old Mauritanian who made his living as a driver, left Mauritania Sept. 3. He followed a route from West Africa to Turkey, and on to Colombia before flying to Nicaragua.

“I followed the internet to learn how to get to America without a visa,” he said.

Once in Central America, and with the help of a smuggler, Aweiney headed north.



A migrant from Cameroon waited at a fence recently at the U.S.-Mexican border in San Diego.

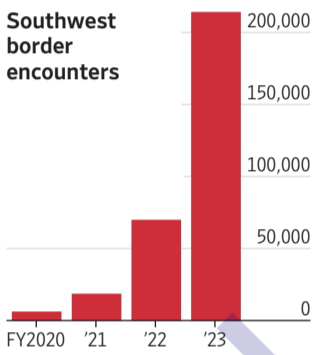
He crossed into San Diego before dawn on Sept. 22 and was released at a makeshift migrant center three days later. Aweiney settled in New York, where he said he is working with a migrant aid group to apply for asylum.

A senior Biden administration official said the U.S. government is recording increasing migrant arrivals at the border from parts of the world that it isn't used to seeing.

“That puts a lot of strain on our operations because we just don't have longstanding ties or agreements in place with many countries in order to facilitate quick removals. We are actively working on that,” the official said, adding that high migration levels from parts of the world that weren't historically big senders will likely continue.

Mexico has reported a four-fold increase in migrants from

Southwest border arrests of Asian and African migrants coming from as far as China, India and other far-flung countries, including Mauritania and Senegal, tripled during fiscal 2023.



Asia and Africa this year. U.S. and Mexican officials have also seen an uptick in Chinese migrants, who ar-

rive through Ecuador after China's government lifted pandemic mobility restrictions. Indian migrants fly to Europe and then to Mexico City, or enter the U.S. through Canada. Some Afghans use Brazil as an entry point to the Americas.

U.S. and Mexican authorities have also reported a sharp increase in Russians fleeing their homeland. They fly into Mexico from Turkey, with some 12,500 surrendering to U.S. authorities after illegally crossing the Southwest border since the invasion of Ukraine.

Nicaragua, a Central American country under the authoritarian regime of President Daniel Ortega, has emerged as a relatively new entry point for Africans. The United Nations reported a sixfold jump in African migration via the country during the first half of this year.

Arriving in Nicaragua allows the Africans to bypass the deadly jungle paths of the Darién Gap on their way to the U.S., through which a record 450,000 migrants have crossed this year, Panama officials say.

Once they get to Mexican border communities, some Asian migrants buy local clothing, Texan-style boots and cowboy hats in an attempt to blend in and avoid detection, said one Mexican official.

In Tijuana, mass arrivals of Africans have overwhelmed some U.S. ports of entry. Videos on social media showed large groups of migrants gathering at a square in Tijuana before dawn and rushing to the border fence, in some cases crawling through holes.

—Alicia A. Caldwell and Michelle Hackman contributed to this article.

LGBT Issues Galvanize Democrats' School-Board Push

By SCOTT CALVERT

PLUMSTEAD TOWNSHIP, Pa.—Sexually explicit pamphlets, mysterious lawn signs with barbed slogans and accusations of lying have punctuated a partisan school board race in this Philadelphia suburb. Campaigning ends Tuesday, when voters will either keep the Republican majority or give Democrats the reins.

At stake is control of the Central Bucks School District, Pennsylvania's third-largest with more than 17,000 students. Central Bucks was among a number of districts two years ago where anger over Covid mask policies and remote schooling propelled some Republicans to wins. A five-candidate Democratic slate hopes to wrest control, saying recent actions by the GOP-led board have made the district less welcoming to LGBT students.

Candidates are at odds over a 2022 policy allowing parents to challenge school library books with sexual content, and one adopted this year barring teachers from advocating “any partisan, political, or social policy issue,” including by displaying objects such as rainbow gay-pride flags.

In affluent Central Bucks, Democrats must win four of the five seats to claim the majority. Republicans, who hold six of nine seats, need two victories to retain control.

Karen Smith, the lone incumbent Central Bucks board member on the Democratic



Democrat Karen Smith, above left, and Republican Steve Mass, above right, are running for the school board at Central Bucks School District in Pennsylvania.



slate, is facing off against Republican Steve Mass. She said the current board has wasted time and money on policies few people want and that amount to harmful distractions.

“We've got kids that are still behind from Covid, a lot of schools can't get enough support staff,” said Smith, a former Republican. “These are the real issues. I didn't have a line of people who said, ‘My kid is scared because there's a rainbow flag in the classroom, can you please take it down?’”

As Republican and Democratic candidates spar over culture-war issues new and old in districts nationwide, such issues go deeper here, with the district facing a federal complaint alleging discrimination

against LGBT students and a federal pay-equity lawsuit brought by roughly 360 female teachers.

Smith and other Democrats find fault with how the board handled an American Civil Liberties Union complaint filed with the federal government that alleges the district discriminates against LGBT students. The Office of Civil Rights at the U.S. Education Department lists on its website six pending investigations of the district, two involving alleged gender harassment. The office said it doesn't comment on pending cases.

In response to the ACLU complaint, the board hired the Duane Morris law firm to investigate. Its lawyers, led by

William McSwain, a former U.S. attorney and Republican candidate for governor in 2022, issued a 151-page report finding no merit to the allegations. The ACLU has disputed the report's findings.

School Board President Dana Hunter, the sole GOP incumbent on the ballot, said her five-member Republican slate is focused on educational excellence and parental rights. The team is largely bankrolled by venture capitalist Paul Martino, who has two children in Central Bucks and whose wife, Aarati Martino, is a Republican candidate in the race. Martino has pumped more than \$200,000 into the races, including \$40,000 to Stop Bucks Extremism, a PAC targeting Demo-

crats, campaign finance records show.

Stop Bucks Extremism sent sealed pamphlets to voters about books with LGBT themes, warning they contained sexually explicit images. Inside were graphic depictions from two books, “Gender Queer” and “This Book is Gay.” Both titles were removed by the district after being challenged under the 2022 book policy.

Rick Haring, a Democratic candidate, called the mailers shameful. “I've been knocking a lot of doors, talking to a lot of people and potential voters who are like, ‘Yeah, my 8-year-old kid went out and got the mail and opened it,’” he said.

“We knew that there would be a little bit of uproar over

sending these in the mail, which kind of illustrates our point,” said Bob Salera, a Virginia-based Republican political consultant who said he started the PAC at the request of district residents he knows.

Meantime, campaign signs have popped up in the district attacking candidates including Smith and Haring, though it isn't clear who is behind them.

Registered Republican Jim Gerken, an IT manager with two children in high school, said he didn't know how he would vote. But he told Smith he wasn't worried about library books, especially for older students. He mentioned receiving the Stop Bucks Extremism mailer, adding, “A lot of money is wasted on this nonsense.”

On Maine's Ballot, Voters Will Weigh Firing Their Power Companies

By JON KAMP

Maine's voters will decide Tuesday whether to take a rare step: a hostile takeover of their biggest electric companies.

A measure on the ballot would create a consumer-owned replacement called “Pine Tree Power” by buying out two investor-owned companies that currently serve nearly all Mainers. Proponents, which include some environmental groups, politicians and a nursing union, say wresting control from the for-profit companies will eventually lead to lower bills, better customer service and a speedier shift to renewable power. Utilities and

Maine's governor say a takeover would saddle the state with debt.

There is little precedent for a shift at this scale. Proponents, for their part, have promised that kicking out the incumbents will save \$9 billion over 30 years. They are also framing Pine Tree Power as a very local alternative to utilities owned by foreign entities.

“This question really comes down to, Who do you trust and who are you going to trust?” said Lucy Hochschartner, a deputy campaign manager for the ballot initiative.

Pine Tree Power would take over power delivery, including thousands of miles of transmis-

sion and distribution lines the two utilities collectively own. It would be run by a 13-member board, including seven people elected by voters, and operated by an outside contractor.

Proponents are fighting an uphill battle against two utilities trying to keep their jobs: Central Maine Power, a unit of Avangrid, which is majority-owned by Spain's Iberdrola, and Versant Power, which is owned by Calgary, Alberta-based Enmax.

The incumbent power companies have spent nearly \$38 million—dwarfing the \$1.1 million spent by proponents—on campaigns that paint Pine Tree Power as riddled with risk,

state finance records show. The utilities say the move would burden Maine with debt to cover what they say is an estimated \$13.5 billion to buy out their systems, a number proponents dispute as inflated.

“There's a lot of problems with the Pine Tree Power proposal, but if you wave the magic wand and get rid of them except the cost, it would still be an enormous problem,” said Willy Ritch, executive director with the Maine Affordable Energy Coalition, the Avangrid-backed group fighting the ballot measure. **BJ McColister**, who leads the Enmax-backed ballot committee, said Mainers would be on the hook

for a “tremendous risk.”

Maine's AFL-CIO executive board urged voters to reject the proposal. Democratic Gov. Janet Mills also opposes the ballot proposal.

Mainers considered a similar ballot measure 50 years ago but voted it down. State lawmakers passed a bill to create Pine Tree Power two years ago but couldn't override a Mills veto. Meantime, a 2022 J.D. Power customer-satisfaction study ranked Versant and CMP last in categories for midsize and large utilities in the eastern U.S., respectively.

“I'm voting yes on that ballot. I want CMP out,” said Kathryn Gaffey, a 62-year-old

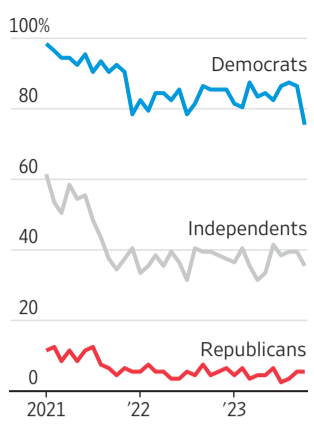
customer in Porter, Maine. “I'm willing to take the risk.”

One issue that drove down customer satisfaction was rising power bills, J.D. Power said. Maine is among the more expensive states for residential electricity in the nation.

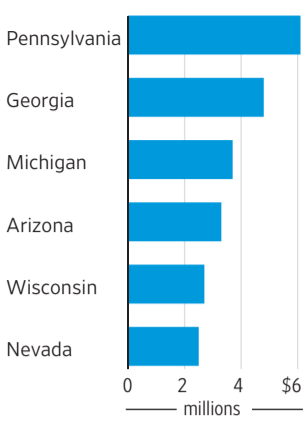
Polling is limited, but a recent survey from the University of New Hampshire indicated Mainers may stick with their current power companies. Among survey respondents who planned to vote, 56% said they would reject the ballot measure compared with 31% who supported it and 13% who were unsure. The poll had a margin of error of plus or minus 3.6 percentage points.

U.S. NEWS

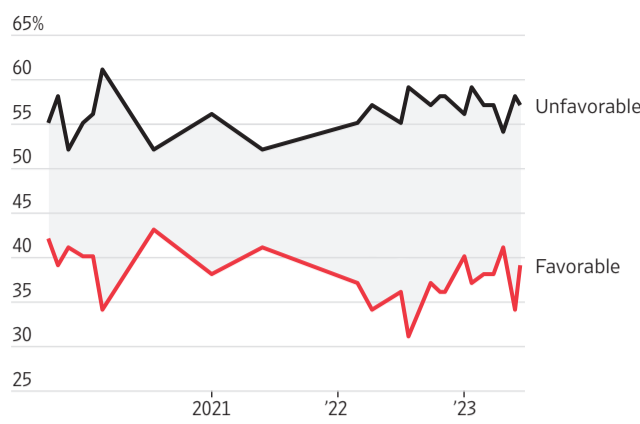
President Biden's job approval since taking office



Top ad-spending states for Biden and allies*



'Is your opinion of Donald Trump favorable, unfavorable or haven't you heard enough about him?'



A Year Away From 2024 Vote, Likely Foes Have Vulnerabilities

With a year to go before the presidential election, a divided nation is stuck in a political loop: Four years after President Trump's weaknesses

By Ken Thomas, Catherine Lucey and John McCormick

helped deliver President Biden to the White House, Biden's vulnerabilities could fuel a comeback for Trump.

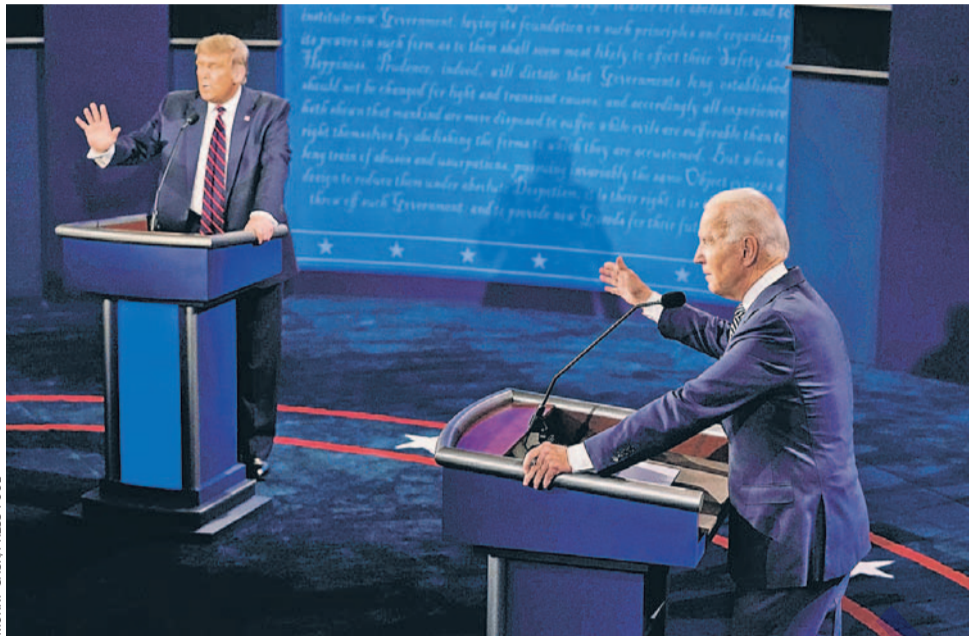
Biden, at age 80 the nation's oldest president ever, is poised to reclaim the Democratic Party's nomination despite being dogged with questions about his age, frustration over his handling of the economy and anxiety about two wars.

The two are likely headed for a general-election rematch that will unfold against a backdrop of discontent, pitting two unpopular candidates against each other on inflation, abortion and America's role in an unstable world.

Rep. Don Bacon, a Nebraska Republican who represents a closely divided Omaha-based district, said he believed that in 2020, "a lot of people didn't vote for Joe Biden, they voted for Donald Trump or against Donald Trump."

This time around, he said, "I think the same issues that challenged Trump in our district are still there. People don't like the name-calling, they want order." But he added: "The difference this time is people are unhappy with Joe Biden's performance."

A Quinnipiac University poll last week showed the two men essentially tied in a hypothetical matchup, with 47% of registered voters supporting Biden and 46% backing Trump.



Then-President Trump and current President Biden, shown debating in September 2020, are likely to square off in what would be the first rematch of major-party nominees since the 1950s.

Polls released Sunday by the New York Times and Siena College showed Biden trailing Trump among registered voters in five of the six swing states surveyed.

A Biden-Trump race would be the first rematch of major-party nominees since the 1950s. If Trump prevails, he would become the first former president to reclaim the White House since Grover Cleveland in 1892.

Many say this is a sequel they could do without. "I feel very sad that that's the best we can do," said Cindy Roth, 64, a retired Republican from Morton, Pa., a state won by Trump in 2016 and Biden in 2020.

Though he dominates the Republican field, Trump faces hurdles as he looks to the general election. He continues to claim falsely that the 2020 election was stolen from him—assertions he made to his supporters leading up to the attack on the U.S. Capitol on Jan. 6, 2021.

Polls show a majority of Republicans don't view Biden's election as legitimate, raising the prospect that the 2024 results could again be

disputed. Yet polls and the results of the 2022 midterm elections—in which several high-profile Trump-backed candidates lost—indicate that many swing voters are tired of Trump's claims about 2020.

"We've never had an election like this. We had the 2020 election, and it never ended," said Democratic pollster Jeff Horwitz. "Usually the loser of the election goes away. That has never happened. Usually their supporters take some time and move on. That has never happened."

Trump's allies have called for all other candidates to quit and unite behind him, as a show of party support against his onslaught of legal problems, which include a civil fraud trial and four criminal indictments.

Trump will have to spend time in various courtrooms next year, complicating his pitch to voters. For example, Trump faces a trial date of March 4—the day before Super Tuesday—in the federal case in Washington, D.C., over charges that he tried to overturn the 2020 results.

Trump's advisers want to remind people about the econ-

omy during his term, which reached historic milestones for jobs, income and stock prices until the Covid-19 pandemic hit in March 2020. While they acknowledge Trump's court cases are a drag on his time, they think Trump has a unique ability to turn out infrequent voters.

Nevada-based GOP strategist Zachary Moyle said many voters would see a rematch between Biden and Trump as one forcing them to pick "the lesser of two evils" and thus creating a turnout challenge for both parties.

Trump has also sought to target Biden's age and fitness for office, mocking his walk and speaking style.

Biden will need to reassemble the diverse coalition of voters that elected him in 2020 and make a proactive case that his first-term agenda has led the nation out of the Covid-19 pandemic into a strong economy.

Biden officials contend that the eventual Republican nominee will be forced to take unpopular positions on taxes, abortion, Social Security and Medicare to placate the party's base. In particular, abortion access, which helped power Democratic victories in 2022 following the Supreme Court decision eliminating a constitutional right to abortion, could again prove energizing for Democrats and some women.

Even in His State, DeSantis Struggles To Outrun Trump

By Alex Leary

KISSIMMEE, Fla.—Ron DeSantis has been trying to persuade voters in Iowa and New Hampshire to back his presidential bid, but he has failed to make the case in his own state of Florida.

From polls to interviews with party activists and elected officials across the state, there are abundant signs Donald Trump would trounce the sitting governor among GOP voters in Florida—if DeSantis even makes it to the March 19 primary.

On Saturday, the increasingly bitter feud between the two Florida men resumed before 1,500 activists at a Republican candidate forum near Orlando. To twist the knife, Trump's camp rolled out endorsements from a handful of state legislators who previously backed the governor.

DeSantis supporters flooded the room for his early-afternoon speech, greeting him with booming applause and waving signs that read, "Florida is DeSantis country." The candidate didn't mention Trump by name but mocked those who talk a "big game," adding, "but if you're not ultimately winning elections and ultimately winning the big policy fights, then it's not going to matter."

Hours later, Trump came out to an even more rapturous reception, and he called his new legislative supporters onto the stage. "We're going to win the state in a landslide next November," he predicted.

Just a year ago, DeSantis was the hottest thing in Republican politics nationally, casting himself as a more effective—and winning—version of the former president. But the Florida governor has faded because of campaign missteps, including a decision to attack Trump from the right. Meanwhile, Republicans everywhere have coalesced around Trump in response to his multiple criminal indictments.

Additional reasons are evident in Florida, including a yearslong takeover of the Republican infrastructure by Trump's allies and DeSantis's aloof personal style, which has left some elected officials feeling neglected.

"I've had zero communication whatsoever with him, despite the fact that on multiple occasions I've tried to establish a line of communication," said U.S. Rep. Greg Steube, who like most of the Florida GOP congressional delegation is behind Trump.

Some GOP megadonors with ties to Florida who once saw DeSantis as the best chance to defeat Trump have been repelled by the governor's positions over the past

year, including his fight with Walt Disney Co. and the signing of a six-week abortion ban.

The Florida Republican Assembly, a group with 5,000 members, has mounted a phone and email campaign calling on DeSantis to bow out. "We love the governor, but we're asking him to come back and do his job," said Executive Vice President Lou Marin.

DeSantis and his allies say he has time to climb back. "The governor will win his home state because Floridians want to see a fighter who will bring the same type of results-oriented leadership to Washington that he has provided in the Sunshine State," spokesman Andrew Romeo said.

His best, perhaps only, hope is a strong showing in Iowa, which holds the first nominating contest. DeSantis, who has dispatched a large number of his staff to the state, is expected to formally receive the endorsement of Iowa Gov. Kim Reynolds at an event in Des Moines on Monday, according to a person familiar with the matter.

Most of the Florida GOP congressional delegation is behind Trump.

John Stemberger, a Florida anti-abortion activist, expressed confidence that DeSantis's work in Iowa will pay off. Still, he lamented Trump's appeal. "Unfortunately, people like to be entertained, and there is no greater entertainer than Donald Trump," he said. "It's like one giant Jerry Springer show."

The back-and-forth took a schoolyard turn last week, with the Trump camp poking DeSantis over cowboy boots he wears and DeSantis saying that if Trump "had a pair" he would show up to the third presidential debate Wednesday in Miami.

DeSantis, 45, has accelerated attacks on Trump. "I don't think he's got the same energy, I don't think he's got the same pizzazz," he said Thursday on MSNBC.

But a growing number of Florida insiders, including some who support DeSantis, question the governor's candidacy. Some fear DeSantis could do lasting damage to his political career by staying in the race too long.



Gov. Ron DeSantis

Popular Democratic Governor Faces a Tough Test in Red Kentucky

By Arian Campo-Flores

LOUISVILLE, Ky.—Democratic Gov. Andy Beshear leads a state growing more Republican with each passing election. He became popular here despite this by cultivating a brand as a unifying moderate.

That image is getting its biggest test yet, as he fights for re-election against Republican Daniel Cameron, who has sought to cast Beshear as a liberal extremist and carbon copy of President Biden.

"Beshear is a popular incumbent governor, and popular governors get re-elected," said Trey Grayson, a former Republican secretary of state in Kentucky. "But the state continues to become more and more Republican."

The Tuesday election is one of two gubernatorial contests this week, along with Mississippi, where the Republican candidate is favored. A third governor's race was decided last month, when Louisiana Republican Jeff Landry won in a crowded field.

None of those contests are thought to present likely sig-

nals of issues voters will care about in next year's presidential election, but Beshear's will offer an indicator of whether voters in state elections can separate their partisan leanings in national issues from local, kitchen-table concerns.

Beshear has benefited from his last name as the 45-year-old son of Steve Beshear, a popular two-term Democratic governor from 2007 to 2015. He has raised far more money and has presided over a period of historically low unemployment and announced a string of big economic-development projects, including electric-vehicle battery plants. He drew widespread praise for his handling of the Covid-19 pandemic and natural disasters. And he has nurtured an image as a genial guy, whom most people refer to as simply "Andy."

"The governor has laid out his case to the Kentucky voter pretty clearly," said Jared Smith, a Democratic strategist in Lexington. "Moderates like stable waters, and they feel they have stable waters under Beshear."

Cameron, who is 37 and



Gov. Andy Beshear, left, is facing Republican Daniel Cameron.



Kentucky's first Black attorney general, is a rising GOP star and a protégé of Senate Minority Leader Mitch McConnell. This is Kentucky's first gubernatorial election since Republicans overtook Democrats in voter registration last year, after decades of slowly closing the gap with a party that once dominated the state. The GOP holds supermajorities in Kentucky's legislature.

Voters and analysts describe Cameron as a more for-

midable candidate than Beshear's opponent in 2019, then-Gov. Matt Bevin. Cameron also has the backing of former President Donald Trump, who beat Biden here by 26 percentage points in 2020.

"The race has gotten very close," said Scott Jennings, a Republican strategist in Louisville. "I think Republicans have locked in and come home to Daniel." Polling this year consis-

tently showed Beshear with a lead. But an Emerson College Polling survey released days before the election showed the race in a dead heat, with each candidate drawing 47% support among likely voters. That marked a boost for Cameron compared with a previous poll by the organization, due in part to consolidated support among Republican voters.

At a recent campaign stop in West Louisville, a largely Black area, Beshear highlighted his economic-development and infrastructure-building record. He cited a recent announcement by a pretzel company to open a facility in the area that will create 350 jobs, as well as the construction of a new hospital there.

"We know that a good job isn't Democrat or Republican," Beshear said. "A new bridge isn't red or blue."

Both the Beshear campaign and the Democratic Governors Association-backed group have run ads attacking Cameron, including for supporting vouchers for private schools. One viral spot featured a woman who was raped as a 12-year-

old and asserted that Cameron would force someone in that situation to have the baby. Cameron has said he would sign a bill with rape and incest exceptions if it passed the legislature; Kentucky law bans virtually all abortions.

Cameron has assailed Beshear for repeatedly vetoing Republican bills, including measures to restrict abortion and ban gender-reassignment surgery. The legislature has regularly overridden Beshear, including on those issues. And Cameron argues that Kentucky's economy is suffering because of inflation and a lower workforce participation rate than when Beshear took office.

Ads run by Cameron allies repeatedly tie Beshear to Biden. One accuses Beshear of being "more liberal than you think."

At a recent campaign event in Bowling Green in southern Kentucky, Cameron criticized Beshear for vetoing a 2022 bill that banned transgender athletes from competing on girls' sports teams. The legislature overrode him.

U.S. NEWS

Trump to Take Stand in New York Civil Fraud Trial

By JACOB GERSHMAN

Donald Trump is expected to take the witness stand Monday in a Manhattan civil-fraud trial that has featured increasingly charged exchanges between the former president's lawyers and a judge who could cripple his business empire.

Letitia James alleges Trump for years inflated his worth by billions of dollars to secure unfair financial advantages. Trump's appearance follows testimony from two of his sons, Donald Trump Jr. and Eric Trump, who said on the stand last week that they relied on accountants and company executives for the preparation of financial statements. His daughter Ivanka Trump is expected to testify on Wednesday.

against James and the presiding judge, unleashing insults and taunts at them on social media and at the courthouse, where he has watched parts of the trial in person. State Supreme Court Justice Arthur Engoron has slapped Trump with multiple fines for violating a gag order, branded him a liar in court and issued a pretrial ruling that, unless overturned, could prevent Trump from doing business in New York.

sat next to and advised Engoron throughout the trial. Engoron has forbidden Trump from making public comments about the clerk after Trump made baseless claims about her on social media. James's civil lawsuit claims Trump conspired with family members and Trump Organization executives to pump up his net worth by billions of dollars so he could score better deals with lenders and insurers. She has sought \$250 million in penalties as well as sweeping limits on his business activities.

sleight of hand involving the valuation of his marquee Manhattan skyscrapers, luxury estates and golf courses. The lawsuit claims the company disregarded low property appraisals and land-use restrictions, fabricated square footage, secretly tacked on "Trump brand" premiums and misrepresented his control over cash holdings. Trump's legal team has argued that asset values are more of a matter of opinion, that any errors were immaterial and that no financial institution lost money based on their disclosures but profited from doing business with Trump.

Engoron has already ruled that Trump's financial disclosures to banks and insurers were fraudulent on their face regardless of Trump's intent. He ordered the dissolution of some of Trump's companies, a sanction that an appeals court has halted for now. The state is trying to buttress that victory by obtaining a judgment against Trump on other claims in the suit, including allegations of falsifying business records and conspiracy. These remaining claims require proof of wrongful intent, making Trump's motives behind his valuations more important.

U.S. WATCH

NEW YORK Marathon Winner Breaks Record

Ethiopian Tamirat Tola broke the men's course record in winning the New York City Marathon on Sunday, toppling yet another mark in an era of super shoes that is remaking records across the sport. Tola broke away around mile 19 and finished the 26.2-mile course in 2 hours, 4 minutes and 58 seconds. He surpassed Geoffrey Mutai's previous mark of 2:05:06 set in 2011. "I'm happy," Tola said. He praised the support from spectators, saying, "The people of New York are amazing." Tola was wearing Adidas super shoes, the same model in which Tigst Assefa broke the women's marathon world record in September in Berlin. Days later, Kelvin Kiptum broke the men's marathon world record in a Nike super shoe. Super shoes, which burst into the public eye in the 2016 U.S. Olympic marathon trials, feature chunky soles made of two basic elements: super-light, energy-returning foam and a rigid, springlike plate. Kenya's Hellen Obiri won an unusually slow women's race on Sunday in 2:27:23. By comparison, Kenya's Sharon Lokedi finished four minutes faster in winning last year's race.

—Rachel Bachman

CALIFORNIA Pedestrian Struck, Hate Crime Probed

An Arab Muslim student at Stanford University said he was hurt in a campus hit-and-run, and California authorities are investigating it as a potential hate crime, according to the university. The student said he was crossing a street on foot Friday afternoon when the incident occurred, Stanford's Department of Public Safety said. The victim told authorities that the driver made eye contact before accelerating and striking him, the university said. The victim said the driver shouted an obscenity at him and then left the area, according to the university, which identified the victim as an Arab Muslim student. The victim's injuries weren't life-threatening, the Department of Public Safety said. The California Highway Patrol is investigating the incident as a potential hate crime, the university said. CHP didn't respond to a request for comment.

—Ginger Adams Otis

MARYLAND Four Killed in Crash At Intersection

Four people died after a three-vehicle crash in Maryland, state police said. The incident occurred late Saturday afternoon in Carroll County. All four, who were from New Windsor, Md., were in the same vehicle. Police say the vehicle was hit from behind at an intersection while trying to make a left turn. It was then struck by a third vehicle. Police said the 72-year-old driver, Charles Black III, was killed. Two passengers were also pronounced dead at the scene. They were identified as Barbara Black, 69 and Debbie Hill, 63. Two additional passengers—Gage Black, 17, and Phillip Ceresa, 15—were flown to R Adams Cowley Shock Trauma Center in Baltimore, where Black later died.

—Associated Press



GREEN JOBS

Pennsylvania Governor Shapiro tours Pratt Industries' recycled box factory with Chairman Anthony Pratt who pledged to **double his investment in Pennsylvania to \$1 billion**



www.pratt.com

U.S. NEWS

Oil Country Goes All In On Hydrogen

Clean fuel embraced on Gulf Coast, where refineries will have role in its production

By PHRED DVORAK

The Biden administration's climate push has gotten little love from the other side of the aisle.

Many Republicans have railed against the government's subsidies for wind and solar, excoriating its support for electric vehicles and decried moves to curb oil and gas.

But one clean-energy candidate has broad support from some of the reddest parts of the U.S.: hydrogen.

Take the Gulf Coast of Texas and Louisiana, a largely Republican-controlled region that is home to many of the oil and gas refineries in the U.S.

Backers of hydrogen in that area include Rep. Randy Weber (R., Texas) and Rep. Clay Higgins (R., La.), a Freedom Caucus member who describes fossil fuels as "the lifeblood of our modern society."

Both support a Houston-based hydrogen program vying for a piece of \$7 billion in federal grants, though they voted against the legislation that made the grants possible.

"Hydrogen works well with oil and gas," says Weber, a former air-conditioning company owner with a Texas drawl who notes that he has

lived within 20 miles of his current home in the Galveston area all his life. Hydrogen "is not a threat to our Gulf Coast," he says.

Weber says he still thinks the spending in the legislation that included the hydrogen grants was excessive, and frowns on government aid for things such as electric-vehicle charging networks. But he favors funding to help hydrogen businesses get started.

In a polarized energy debate that often pits renewables and their Democratic backers against fossil fuels and Republican interests, hydrogen is emerging as a big-tent fuel.

Hydrogen doesn't produce carbon emissions when burned, and companies are looking at it for use in cars, power generation and steel manufacturing.

One feature is that it can be produced using either renewables or fossil fuels. Many environmentalists warn that the flexibility could end up hurting the climate by prolonging the use of oil and gas. But it is also a reason for hydrogen's bipartisan appeal.

"I think hydrogen's going to be the bridge from the renewables to the fossil fuels," says Susan Shifflett, executive director of the lobby group Texas Hydrogen Alliance. "Hydrogen is produced from both sides."

The alliance backed three bills related to hydrogen incentives and regulation in the



Upon completion, the Okeechobee Clean Energy Center in Vero Beach, Fla., will combine natural gas and hydrogen energy.

Republican-heavy Texas Legislature this year, during a session marked by fierce battles over curbs on solar and wind. All three passed nearly unanimously.

Hydrogen is one of the most common elements on earth, but it nearly always appears in compounds such as water or methane. Separating it out into pure form takes a lot of energy.

One method involves splitting the element from water molecules using electricity—ideally powered by a green source such as wind or solar. That method generates low emissions, but the technology to do it in large volumes is still developing.

Most hydrogen now is made by applying intense heat to the methane in natural gas. That procedure emits a lot of carbon dioxide, but companies such as Exxon Mobil and Chevron are proposing to clean it up by capturing the carbon and burying it deep underground.

Those companies and others are planning hydrogen-production projects in Texas and Louisiana, which already have pipelines and facilities for hydrogen and natural gas.

"People in Texas see this as a way to continue Texas' role as an energy leader," says Brett Perlman, CEO of the Center for Houston's Future, a nonprofit that helped develop the proposal for the Houston-

based hydrogen program.

Not everyone sees the participation of oil and gas companies in building a hydrogen industry as a good thing.

If hydrogen is made from natural gas, that gives fossil-fuel producers another excuse to keep pumping, many critics say. Others warn that capturing and burying carbon dioxide to get rid of the emissions associated with hydrogen production is expensive and might not prove as effective or safe as advertised.

"If you're not using total renewables [in the production of hydrogen], then you're doing less than" what's needed, said Robert Bullard, an urban-planning and environmental-policy

professor at Texas Southern University, during a lecture on carbon capture in Houston.

Both Republicans and Democrats like that no country has yet seized the lead in hydrogen, in contrast with clean technologies such as solar or batteries, which China dominates. That means the U.S. has a good chance to move ahead of others, says Heather Reams, president of Citizens for Responsible Energy Solutions, a Republican-leaning advocacy group for energy and environmental policy.

"You have much more bipartisanship and ability to get things done when you're in that space...where the U.S. is strongest," she says.

Chinese Remain Cautious

Continued from Page One

past year and hovers around a historic low, an official reading shows.

A downward spiral in the real-estate market triggered many households to feel less wealthy as housing prices continued to fall across the country. Pressure on the labor market, in particular as the youth jobless rate hit a record high this summer, prompted many to dial back spending.

Those trends have prompted more consumers to gravitate toward cheaper options, a trend that could benefit more domestic brands over foreign products from cosmet-

ics to cars, which typically are viewed as more upscale.

Alicia Guan, who lives in Zhejiang, one of the wealthiest provinces in eastern China, said she once had a medicine cabinet packed with luxury skin products such as La Mer, an Estée Lauder brand, along with others from Japanese and Swiss companies.

When she shut down her online apparel store during the pandemic, she trimmed her expenses. Her new shopping mantra: "Buy less and buy cheaper."

"I don't really see a difference between Chinese brands and the more expensive ones," the 36-year-old said, adding she will only consider upgrading her skin care products after her income recovers.

Apple said on Thursday that sales globally fell for the fourth consecutive quarter. In China, its third-largest market, sales fell 2.5% from the previous quarter to \$15.1 billion,

missing analyst estimates.

The company also faces heightened government scrutiny and stronger domestic competition from the likes of local champion Huawei. The Chinese hardware giant started in recent months selling a smartphone capable of ultrafast data connectivity, a direct challenge to Apple.

Asked on a call with investors about demand in China, Chief Executive Tim Cook said sales had been hit by swings in foreign-exchange rates, and that Apple had the four top-selling phone models in urban China during the past year.

Canadian winter-apparel manufacturer Canada Goose cut its annual sales forecast last week, saying it expects

fiscal 2024 revenue to be between 1.2 billion Canadian dollars, equivalent to around \$879 million, and 1.4 billion Canadian dollars, down from its previous forecast of 1.4 billion Canadian dollars to 1.5 billion Canadian dollars.

"When it comes to China, we're seeing an environment which is still somewhat challenged in terms of the economic impact on the Chinese consumer," Jonathan Sinclair, the company's chief financial officer, said in a call with investors.

China's consumer market was dominated as recently as five years ago by foreign brands, with homegrown names struggling to compete. Chinese brands were often hindered by inferior quality

and weak marketing, but now they are prevalent in online marketplaces and on store shelves.

Some Chinese companies are feeling the pinch, as well.

Yum China, which operates KFC, Pizza Hut and Taco Bell outlets in the country, reported on Tuesday third-quarter results that failed to meet expectations, and the company warned of a drop in consumer demand.

Chief Financial Officer Andy Yeung said on a call with investors that consumer demand softened in late September and October and described China's postpandemic recovery as "wavelike" and "nonlinear."

"The wealth effect from the stock market and property market has almost diminished," said Jason Yu, general manager at CTR Media Convergence Institute, a market research firm, referring to the fact that China's

stocks have come under pressure alongside house prices, amplifying Chinese consumers' inclination to tighten their belts.

"People used to believe that they'll be able to earn more in the future. But after the pandemic, that's not the case anymore," he said.

Not all companies are so gloomy. Starbucks reported on Thursday higher revenue in its fiscal fourth quarter, boosted by customers spending more and ordering more often. Sales increased 5% in China, where the coffee chain is facing increasing local competition, continuing its recovery after suffering a big drop in same-store sales during monthslong pandemic restrictions last year.

The company said it is confident it will reach its previously stated goal of opening 9,000 stores in the country by 2025, up from 6,806 at the end of the quarter.

More consumers in China gravitate toward cheaper options.

Shoppers Go Tiny On Purchases

Continued from Page One scene in "This Is Spinal Tap." Many of the minuscule objects aren't clearly advertised.

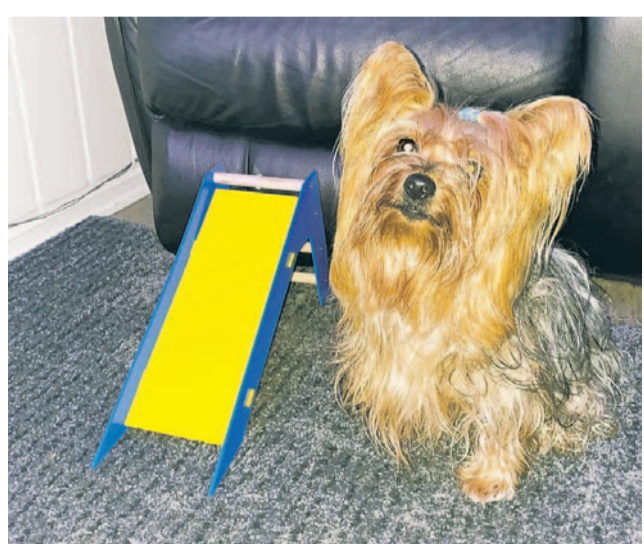
Emma Platt, 41, learned the hard way—twice.

The U.K.-based graphic designer in 2013 purchased what she thought was a small Christmas tree online and received a version "literally the size of my thumb," she said.

Years passed, and the incident was almost forgotten. Then in September she bought a set of coat hangers labeled as "small" from the Chinese fashion site Shein for her part-time business selling secondhand children's clothes.

"I probably couldn't fit anything but Barbie clothes on there," Platt said of the mini hangers that arrived. The listing online currently describes the hangers as "teddy dog cat puppet doll pet shop clothes holder," and includes a picture with dimensions listed.

"I swear neither of those things existed when I bought them," Platt said. Other reviews of the hangers bemoan their size. She tried to send them back. Shein instead offered a refund and told her to keep them. "Now I literally have 40 teeny tiny hangers in my wardrobe," she said. "It's



A ramp purchased for Sigrun Haraldsdottir's dog, Emma.

irritating because I'm no closer to having coat hangers, but the [refund] gesture was kind, I guess."

Rob Vlock, a 54-year-old Boston-based audiobook narrator and author, is now the proud owner of 10 pearl-size drawer pulls.

He and his wife, Joanne Southwell, 54, had been looking for replacements for their kitchen cabinets and came across what seemed like a deal on AliExpress, an online retailer owned by China's Alibaba Group that sells everything from hand drills to hair extensions. They paid \$1.98 for a set.

"I remember her showing me the listing and saying, 'Oh, yeah, those look good,'" he said. "I think it may not have been very clear what the size was." When checking again af-

ter the incident, he realized the dimensions were listed on the site, and noted that other customers had rated the product 4.9 stars.

"There are people saying 'These are great for my dollhouse,'" he said.

Haraldsdottir requested a refund for the mini ramp. Penblast.com apologized and offered her compensation of \$7.17, instead of the total price of \$35, and permission to keep the product.

"It wasn't much money, but I'm stubborn, so I thought, 'I'm not going to give them 1 cent,'" she said. The company eventually refunded her the full amount after she raised the complaint with PayPal, which handled the payment.

Shoppers have gotten lazy when clicking "buy" and assume—often wrongly—what

size they're getting, said Brendan Witcher, a principal analyst at research and advisory firm Forrester.

But there is no doubt some online sellers deliberately trick customers into buying smaller and often cheaper-to-produce items, Witcher said. Common tactics include displaying products against a white background rather than in room sets or on models, or photographing items with a perspective that makes them appear bigger than they really are. Dimensions can be hidden deep in the product description, or not included at all.

In those instances, the duped consumer "may say, well, it's only \$1, \$2, maybe \$3—what's the harm?" Witcher said. When the item arrives the shopper may be confused, amused or frustrated, but unlikely to complain or demand a refund.

"When you aggregate that to these companies who are selling hundreds of thousands, maybe millions of these items over time, that adds up to a nice chunk of change," Witcher said. "It's finding a loophole in how society works and making money off of it."

Ivy Yang, a former Alibaba executive who writes a newsletter about Chinese technology companies, ordered a foam roller for her 10-year-old son Ayden to use after playing soccer, but she received a squishy cylinder "basically half the length of my arm."

Yang gave it to her other son—2-year-old Darrow. "It's kind of perfectly his size."

Advertisement for The Pomona Plan, featuring a leaf logo and text: 'Delivering Lifetime Income for More than 80 years... SAMPLE ANNUITY RATES FOR INDIVIDUALS* ... Call us to start a conversation (800) 761-9899 ... FIND A RATE CALCULATOR ON OUR WEBSITE!'



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WORLD NEWS

Iran Militias Target U.S. Troops

Drone that struck American barracks in Iraq highlights growing threat

By Nancy A. Youssef and Gordon Lubold

When a drone laden with explosives was found lodged in the upper floors of U.S. barracks in Iraq in late October, Pentagon officials quickly realized how close the suspected militia-launched weapon came to killing American personnel.

In this case, the explosives failed to detonate. But as the number of these attacks escalates, so too does the risk of a deadly incident that will demand a response from the U.S. military, edging it closer to direct confrontation with Iranian-backed groups it suspects are responsible.

"They are aiming to kill," a U.S. defense official said. "We have just been lucky."

The attack on U.S. troops at the al-Asad air base highlights the dilemma the Biden administration faces as it attempts to deter Iranian-backed militias while avoiding conflict with Iran or antagonizing the U.S.-allied government in Iraq, where many of the attacks were launched.

On Sunday, Secretary of State Antony Blinken made an unannounced visit to Baghdad, saying it focused in part on sending a message to those actors who threaten U.S. personnel in the region or elsewhere in the world.

The Pentagon confirmed the barracks attack, saying it highlighted "the potential danger these drone and rocket attacks by Iranian-backed proxy groups present to U.S. forces in Iraq and Syria, which is why we take them so seriously and have taken action in response."

Hours after the drone landed on the barracks, the U.S. said it launched strikes on two bases in eastern Syria it believed were used by Iranian



Pentagon press secretary Pat Ryder has said Iran proxy forces have stepped up attacks.

groups, the first U.S. offensive military response to a wave of drone and rocket attacks on troops based in Iraq and Syria.

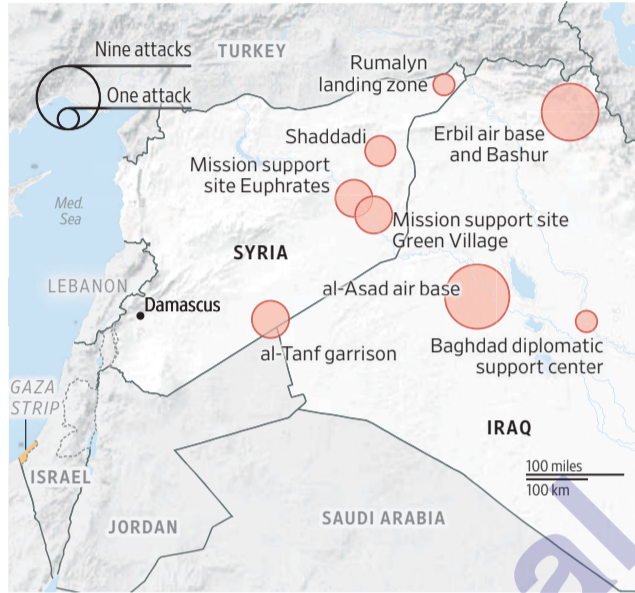
But those U.S. strikes—which the Pentagon said hit a weapons and an ammunition-storage facility in Abu Kamal, Syria, near the border with Iraq—don't appear to have deterred groups from launching attacks. The U.S. has described the strikes as self-defense measures separate from its military support of Israel. There have been at least 11 attacks on U.S. forces in Iraq and Syria since then.

The Pentagon declined to say why it struck targets in Syria and not Iraq, where a majority of attacks have occurred, and where it maintains U.S. troops and contractors.

A defense official said the U.S. decision to hit the two Syrian sites was intended to send a message to militia groups that the U.S. would respond to threats to its forces, while mitigating the risk of escalation.

There have been at least 31 attacks on U.S. installations in Iraq and Syria over the past two weeks, the Pentagon said,

Attacks against U.S. and Coalition Forces



Note: Data show attacks between Oct. 17 and Nov. 4. Source: the Pentagon

in what officials have described as a response by Iranian-backed militias to the U.S. support of Israel since it came under a Hamas attack on Oct. 7. At least 21 troops have been injured in these attacks, the Pentagon said.

While several groups have claimed responsibility for the attacks on U.S. forces, they appeared to be coming from militant groups affiliated with Iran, the Pentagon has said.

Defense officials have said they believe the attacks on

U.S. troops may be intended to force the U.S. to divert resources from Israel to protect its forces or to send a message that the region opposes U.S. support for Israel.

The U.S. hasn't said how it would respond if a significant number of troops were harmed by such an attack, something officials in the region and at the Pentagon said they fear. Under the Trump administration, the U.S. in 2019 launched a strike on three sites in Iraq and two in Syria targeting an Iranian-backed Iraqi militia it blamed for a rocket attack that killed an American contractor and wounded four U.S. troops.

Iran has condemned the U.S.'s support for Israel. Iranian Supreme Leader Ayatollah Ali Khamenei has said the U.S. was orchestrating Israel's bombing campaign in the Gaza Strip.

The Biden administration has said it wants to avoid escalation with Iran.

To reduce the threat to troops, the Pentagon in October sent several air-defense systems to the region to protect the roughly 2,500 U.S. troops in Iraq and 900 in Syria.

Since the Hamas attack, the U.S. has deployed two aircraft carrier strike groups, roughly 12 ships in all and an additional around 1,200 soldiers, as well as the air-defense systems.

Military commanders who have worked in the region warned that even as the U.S. has beefed up its defenses, that isn't enough to prevent more U.S. troop injuries or troop deaths.

Ret. Marine Gen. Frank McKenzie, who served as commander of U.S. Central Command, which is responsible for military operations in the Middle East, warned that Iran is providing more-accurate weapons to its proxies, raising the risk of a deadly attack.

"Sooner or later, the bad guys get lucky," he said.

—Vivian Salama contributed to this article.

Ukraine Damages Russian Carrier

By Matthew Luxmoore

Moscow said a Ukrainian strike had damaged a Russian ship moored in occupied Crimea, the latest sign that Ukraine's stepped-up attacks are dealing further blows to the Russian Navy.

Russia's statement came after Ukraine's Air Force on Saturday said it had launched cruise missiles at a shipbuilding facility in Kerch, in east Crimea, that had damaged one of Russia's most modern cruise missile carriers. The hit to the ship came as Ukraine's top military commanders describe the battlefield situation as a stalemate.

"Well done! It's like you used a SCALPel," Lt. Gen. Mykola Oleshchuk, commander of Ukraine's Air Force, wrote on messaging app Telegram. He was hinting the attack was conducted by French Scalp long-range cruise missiles, a twin version of the Storm Shadow missiles the U.K. provided.

Retired navy officer Andriy Ryzhenko told Ukrainian media on Sunday that only one Russian cruise-missile carrier, the Askold corvette, was docked in Kerch on Saturday, the day of Ukraine's attack. Referring to satellite images from Planet Labs, published by Ukrainian media, he said the ship was still on water but there was clear damage to its upper part.

The Askold, one of Russia's most modern warships, was unveiled at a ceremony at the Kerch shipyard in September 2021, five months before Russia launched its invasion of Ukraine, Russia's TASS state news agency reported.

Russia's ministry of defense on Sunday said its air defenses over Crimea had shot down 13 out of 15 cruise missiles fired by Ukraine at the shipbuilding plant in Kerch.



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WORLD NEWS

Arab-Israelis Say They Face a Backlash

Hamas attacks left some in their own community dead, but they face blame

BY ISABEL COLES AND ARI FLANZRAICH

IKSAL, Israel—The mastermind of Hamas’s attacks on Israel on Oct. 7 incited Arab citizens of Israel to “kill, burn and destroy” their Jewish neighbors as the Islamist militant group launched its deadly assault.

Instead, Awad Darawshe helped those wounded in Hamas’s violent rampage. “It cost him his life,” said his sister, Raya Darawshe.

The 23-year-old Arab citizen of Israel was working as a medic at an all-night music festival in southern Israel on the morning Hamas militants broke out of the Gaza Strip, killing 1,400 people and taking more than 240 others hostage.

While terrified revelers fled, Darawshe stayed to treat the victims and was shot by Hamas, becoming one of more than a dozen Arabs who were killed or captured in the attacks.

Their deaths illustrate the dilemma facing the country’s

Arab minority, as war between Israel and Hamas pulls them between country and kin.

Hundreds of thousands of Palestinian Arabs were driven from their homes during the war that erupted upon the creation of the state of Israel in 1948. Those who remained and their descendants—colloquially called ‘48 Arabs—make up about 20% of the population and are dubbed Arab-Israelis by the state. They have largely sought integration in Israel and enjoy equal rights on paper, but many say they feel like second-class citizens.

“Whenever there is a war or anything, it comes back against us as ‘48 Arabs,” Darawshe’s sister said. “To one side we are traitors, to the other we are collaborators.”

More than 9,400 people in Gaza—mostly women and children—have been killed in Israeli strikes, according to the Hamas-run health authorities, whose figures don’t distinguish between civilians and militants. The enclave houses more than two million Palestinian Arabs.

Rights groups, lawyers and those at the receiving end say hundreds of Arab citizens of Israel have been disciplined at school or in the workplace and



Raya Darawshe visited her brother’s grave in Iksal, Israel.

in some cases even detained for voicing solidarity with Palestinians under bombardment.

Israel’s interior minister, Moshe Arbel, invoked Darawshe in a letter to a city mayor condemning a recent decision by some local authorities to close construction sites to limit jobs for Arab workers. “It is important to preserve the rights of all citizens of the state,” he wrote in the letter.

Still, the backlash demonstrates the fragile standing of Israel’s Arab population.

“Our tragedy is that our state is at war with our peo-

ple,” said Mohammad Darawshe, a cousin of the slain medic and director of strategy at the Givat Haviva Center for Shared Society—an organization promoting coexistence between Jewish and Palestinian citizens of Israel.

Leading Arab-Israeli politicians were quick to condemn the actions of Hamas, a U.S.-designated terror group that has controlled Gaza since 2007. Arab-Israeli lawmaker Mansour Abbas urged restraint from the country’s Arabs and Jews alike, describing the events as “unfortunate,

tragic and reprehensible.”

A survey of Arab citizens of Israel conducted by the Hebrew University found that 77% opposed Hamas’s attack, compared with 5% who supported it. The findings marked a significant shift in sentiment.

Even so, some Israeli officials have cast suspicion on Palestinians living in Israel following the Oct. 7 assault.

Meanwhile, Israeli police have stifled expressions of solidarity with Gaza in a crackdown that has fallen disproportionately on Arab citizens, lawyers and human-rights organizations say.

Scores of Arab citizens of Israel have been fired from their jobs or suspended from school since Oct. 7 for expressing sympathy with Gaza, according to lawyers and rights groups, moves that Adalah, the Legal Center for Arab Minority Rights in Israel, described as a “wide-spread and coordinated effort” between government offices, Israeli institutions and extremist right-wing groups to repress Palestinian-Israeli voices.

Darawshe, the slain medic, had worked for a private ambulance company for the past two years, his sister said. On Oct. 7, Darawshe was on duty

at the Nova rave, about 2 miles from Gaza, with Yaniv Riz, a Jewish paramedic.

Eilon Shperber, the head of Yossi Ambulance service, said the two men often asked to be paired together.

That night, the duo treated several revelers for the effects of drink and drugs. As the sun rose, a barrage of mortars and gunfire hailed the beginning of a major attack. The colleagues tended to partygoers with bullet wounds until gunfire forced them to seek cover. Then they split up to reach more victims.

When Israeli forces gained control of the area, Riz returned to where he left Darawshe. “I found him with a gunshot wound to the stomach and half a smile still on his lips.”

Darawshe’s phone was ringing. It was his mother. Riz answered and tried to explain that her son was dead.

Darawshe’s family is still reeling from the shock. Israel’s Foreign Ministry hailed Darawshe as a hero, and its president called the family to offer condolences.

The fact that he risked his life to help others was of little surprise to his family, Darawshe’s sister said. “That’s the kind of person he was.”

Intense Strikes Make Gaza a Death Trap for Children

BY DION NISSENBAUM AND ABU BAKR BASHIR

Abdullah Abu Nada was working in his laboratory at Gaza City’s biggest hospital in October when his friend came in with chilling news: The house where his wife and four children were sheltering had been hit by an Israeli airstrike.

As survivors of the attack began arriving at the emergency room, Abu Nada, a chemist, rushed through the chaotic halls, searching for his family. One small boy had been pulled from the rubble, but it was clear it wasn’t Abu Nada’s youngest son.

It would be days before rescue workers found the broken bodies of Abu Nada’s wife and four children in the debris.

“Sometimes he remembers them and starts saying: ‘Oh yes, Ahmed, yes, I am coming,’” said Abu Nada’s brother, Omar Abu Nada. “He

can’t get over the shock.”

The expanding Israeli military campaign to end 16 years of Hamas rule in the Gaza Strip is taking a heavy toll on the enclave’s young.

More than 3,900 Palestinian children have been killed in four weeks, or roughly 40% of people who have died in Gaza as a result of Israeli strikes, according to the Hamas-controlled Gaza health authorities. On Saturday, Gaza health officials said another 1,200 children are missing and their bodies are believed to be buried under rubble. Overall, more than 9,400 Palestinians have been killed, according to the Ministry of Health, which doesn’t distinguish between militants and civilians.

Jason Lee, country director for Save the Children for the West Bank and the Gaza Strip, said “Gaza has become a graveyard for children” with more than 400 being killed or

injured each day.

On Friday, the World Health Organization and several United Nations agencies said the Israeli invasion is taking a disproportionate toll on women, children and newborn babies in Gaza—who represent 67% of all casualties, according to Gaza medical officials.

Israel launched its military campaign on Oct. 7 after hundreds of Hamas militants from the Gaza Strip carried out attacks that killed more than 1,400 people, most of them civilians, Israel said. More than 240 other people were kidnapped and taken to Gaza.

The Israeli military has carried out thousands of air-

strikes, bringing down high rises, transforming neighborhood blocks into rubble and prompting more than half of Gaza’s 2.2 million residents to flee their homes. The Israeli military says it is targeting Hamas offices, militants’ homes and weapons-storage sites that are intermingled with the civilian population.

The campaign is taking a much higher toll on women and children than previous conflicts in Gaza, according to statistics. Men accounted for about 60% of the deaths in wars in 2008-2009 and 2014, U.N. data show. This time, they make up about 34% of the deaths, according to Palestinian health authorities.

On Oct. 13, Abu Nada was working at Al-Shifa Hospital in Gaza City. The Israeli military had urged residents to flee south. But he wanted to keep his family close, so he first moved them to his hospital, which the Israeli government says Hamas militants use as a command center, making it a potential target for attack.

Abu Nada then sent his family to stay with his brother-in-law across town.

“I want to come get you,” Abu Nada told his wife, Samah, a 39-year-old teacher at a U.N. school in Gaza, Omar Abu Nada said.

Four hours later, Omar Abu Nada said, the Israeli military warned that it was going to target the neighborhood where the doctor’s family had moved. An Israeli airstrike hit a five-story building where the Abu Nadas and four other families were staying, killing 27 of the 32 people inside, he said.

The Israeli military didn’t comment on the specific airstrike and said it had repeatedly urged Palestinians to leave Gaza City and move south for greater safety.

When word of the strike reached Abdullah Abu Nada at the hospital, he sent his wife a message. The message went through, but he got no response. Abu Nada called his wife but couldn’t get through. The doctor called his 15-year-old son, Ahmad. No reply. He called his 16-year-old daughter, Nawal. No answer.

It took rescue workers six days to pull the victims out. Along with his wife and two oldest children, Abdullah Abu Nada lost his 12-year-old son, Anas, and 8-year-old Mohammed, his youngest. Their bodies had all been torn apart by the blast, Omar Abu Nada said.

Their bodies were wrapped in white shrouds and buried together in a mass grave.

A chemist lost his wife and four children in an Israeli airstrike.

Blinken Bids to Ease Tensions

Continued from Page One complex and combustible moment for the Middle East. The Biden administration is attempting to navigate between its support for Israel’s right to defend itself and Arab allies who are calling to halt fighting. The trip marked early efforts to work out how to restore stability in Gaza after the war while also addressing the dangers of a regional war that could put more U.S. lives at risk.

A series of rocket and drone attacks from Iranian-backed proxies in Syria and Iraq have demonstrated how violence in Gaza threatens to tip into conflict elsewhere. Although no Americans have died in the assaults, a drone fired late last month by Iranian-backed militia in Iraq lodged in the upper floors of U.S. barracks and failed to detonate.

Speaking in Baghdad before departing Sunday, Blinken sent a message to any actors who might seek to take advantage of current tensions: “Don’t do it,” he warned. “We’re working very hard to make sure that the conflict does not escalate, does not spread to other places, whether it’s here, whether it’s elsewhere in the region.”

In Ramallah, Blinken met with Palestinian Authority President Mahmoud Abbas, expressing hope that the Palestinians can play a role in Gaza’s future after the war, according to a senior State Department official. In a statement, Abbas indicated that his administration would only consider taking over Gaza if an overarching peace settlement with Israel was reached.

The Palestinian Authority,



Palestinians on Sunday amid rubble left by an Israeli strike on the Al Maghazi refugee camp, which Gaza officials said killed 38.

already teetering before the Oct. 7 attacks sparked the Israel-Hamas war, is in an increasingly perilous position. The Gaza conflict has undermined its support in the West Bank while an uptick in attacks by Israeli extremists in the West Bank have fueled tensions in recent weeks.

Abbas has called for an immediate cease-fire in Israel’s bombardment of Gaza, which it launched in response to the Hamas attack last month that killed at least 1,400 people. The Hamas-controlled health authority said Sunday the death toll of children alone since the start of the conflict last month has passed 4,000. Blinken reiterated Washington’s position that Israel has the right to defend itself against militant attacks.

On Sunday an Israeli airstrike hit a refugee camp in Gaza, killing at least 38 people, according to the health officials. Israeli officials didn’t comment on the explosion at the Al Maghazi refugee camp.

Israeli military officials said they opened a temporary corridor on Sunday to allow people in northern Gaza to head south.



Note: As of 2 p.m. ET, Nov. 4. Sources: Institute for the Study of War and AEI’s Critical Threats Project (operations and advances); Israel Defense Forces (corridor)

“There are no words to describe the genocide and destruction that our Palestinian people in Gaza are facing at the

hands of the Israeli war machine, with no regard for international law,” Abbas said after his meeting with Blinken.

In Baghdad later that day, Blinken met with Prime Minister Mohammed al-Sudani and visited the U.S. Embassy complex, where staff were recently reduced over the growing violence. Iraq has already seen a significant uptick in violence over the past month, with several attacks on U.S. facilities.

Before his arrival, a spokesman for Iraq’s Hezbollah militia issued a statement warning that Blinken wasn’t welcome in Iraq, adding that “if he comes, he will be faced with an unprecedented escalation.”

Blinken’s stops in the region reflected a recognition that some of the Arab nations that the U.S. counts on in the Middle East have fragile governments that could be destabilized if Israel’s campaign in the Gaza Strip continues to dominate headlines.

As the civilian death toll continues to mount in Gaza, fueling anger and resentment across the region, the Biden administration faces a growing conundrum: Much of the anger is di-

rected at the U.S. for its support of Israel even as U.S. officials attempt to get desperately needed aid into Gaza.

Central Intelligence Agency Director William Burns arrived in Israel on Sunday and plans to travel to other countries in the region to meet with intelligence counterparts and country leaders amid the Gaza conflict, a U.S. official said.

On Friday, Blinken met with Prime Minister Benjamin Netanyahu of Israel and other members of the country’s government in Tel Aviv to press them to consider a humanitarian pause to pave the way for more aid in Gaza and to allow foreigners and injured Palestinians to get out. U.S. officials also argue a pause could allow countries like Qatar and Egypt to make headway on talks to free hostages being held by Hamas.

The war death toll in Gaza rose to 9,770 people, according to the health ministry. The figure includes 2,550 women and 4,008 children.

Some Arab leaders condemned remarks by Israel’s heritage minister Sunday after he said in a radio interview that dropping an atomic bomb on the Gaza Strip was “one of the possibilities.” Such statements show the extent of “extremism and brutality” among members of the Israeli government, the Saudi Foreign Ministry said.

Netanyahu criticized the minister, adding that his remarks “are not based in reality.” Netanyahu’s office said the minister was suspended from participation in government meetings.

Thousands of Palestinians in the north fled south on Sunday after Israel opened a temporary corridor to allow them to escape hostilities, in a four-hour window. Many made the mileslong trek by foot.

—Omar Abdel-Baqi, Dov Lieber, Suha Ma’ayeh, Shoshanna Solomon, Summer Said and Saleh al-Batati contributed to this article.

WORLD NEWS

Russians Shrug Off Oil Cap

Continued from Page One
 is preparing additional ways to ensure traders comply with the rules, people familiar with the deliberations said.

With much of the Russian oil trade now happening outside their jurisdictions, the U.S. and its allies are also discussing ways to make it more expensive for Russia to grow and operate the flotilla of ships it uses to skirt the sanctions, the people said. The Justice Department is conducting a broad effort to crack down on violations of sanctions on Russian energy.

The size of the shipping fleet at Russia's disposal has ensured that most of its exports aren't subject to the cap, some analysts said.

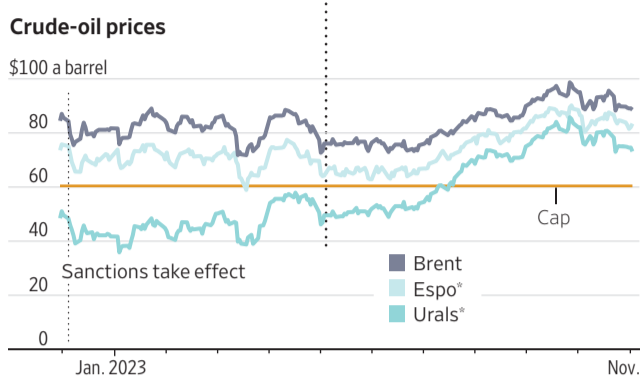
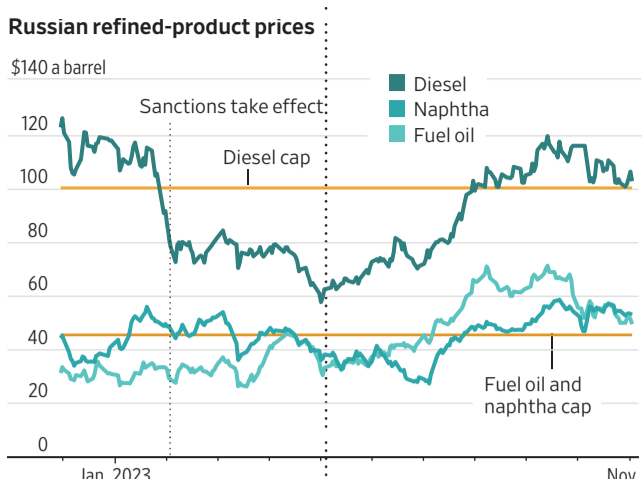
"The price cap worked as designed, but now is obsolete," said Natasha Kaneva, head of commodities strategy at JPMorgan Chase.

The influx of oil revenue helps reduce Russia's budget deficit. Economists now think it is possible the government will hit its deficit target of 2% of gross domestic product. In the spring, some economists expected a deficit of as much as 5% to 6% this year.

The narrowing of the deficit eases some of the strain on government financing requirements by reducing the need to run down savings and issue expensive bonds. As exports rise, the improvement in Russia's trade position is helping to reduce some of the downward pressure on the ruble, which has stabilized against the dollar in recent weeks.

The rise in Russian oil prices suggests the cap is increasingly unenforceable, the World Bank said in a report.

The new oil bonanza helps Moscow fund its war in Ukraine and shore up its sanctions-stricken economy, the World Bank and other economists said. Next year, the government plans to increase mil-



*Varieties of Russian crude Note: 1 trillion rubles = \$10.75 billion
 Sources: Argus Media (refined-product, crude-oil); Russian Ministry of Finance (tax)

itary spending by nearly 70% to a post-Soviet record of more than \$100 billion.

"It looks like the energy windfall will allow the government to step up its war effort without additional financing strains," said Liam Peach, senior emerging-market economist at Capital Economics.

Russian officials are already taking a victory lap. "I hope that now everyone is convinced that the tool [the G-7] came up with is simply ineffective and end consumers suffer from it," Deputy Prime Minister Alexander Novak said in October, according to the Russian news agency Interfax.

Even with Russian revenue climbing again, Treasury officials argue that the cap has diverted resources from Moscow's war effort by forcing Russia to build its own shipping infrastructure outside the net of Western sanctions.

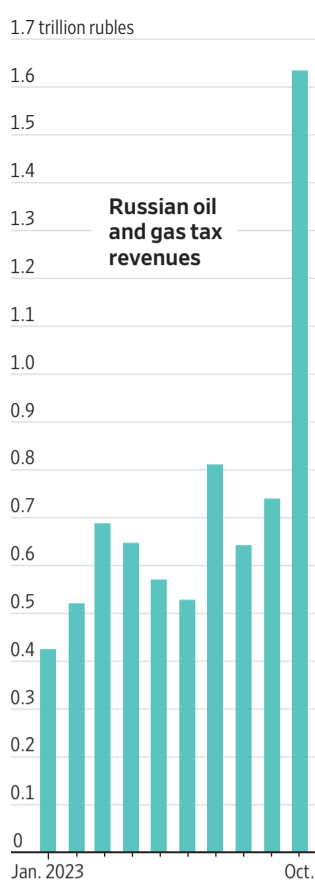
"Buying tankers makes it considerably harder for the Kremlin to buy tanks," said Eric Van Nostrand, acting assistant secretary for economic

policy at the Treasury, at a recent Brookings Institution event. He said more vigorous enforcement of the sanctions would force Moscow either to sell more oil under the cap or to spend more money on the logistical system needed to sidestep them.

The U.S. has offered recommendations to port managers that could raise costs for Russia, though it is unclear if foreign shipping officials will follow the U.S. suggestions.

The cap works by allowing Western companies to transport, trade or insure Russian oil only if it is sold at or below \$60 a barrel, or else face penalties from the U.S. and its allies.

Russian oil companies and their trading partners responded by assembling their own shipping network. According to research by the Kyiv School of Economics, Russia had a shadow fleet carrying oil and oil products from Russian ports consisting of 180 tankers as of September. Its biggest customers, China, India and Turkey, don't ob-



serve the Western price cap. Currently, over half of Russia's crude-oil exports are shipped with non-G-7 insurance, up from around 35% in January, according to data from S&P Global.

Argus Media, a commodities-data provider, estimated that Russia's main flavor of crude, Urals, recently traded at a discount to Brent, the global benchmark, which trades for about \$88, though the gap between the two has narrowed in recent months.

Traders got around the cap on oil prices in part by artificially inflating the cost of shipping, according to analysts at the Center for Strategic and International Studies. They said the documentation on which the sanctions rely is difficult to enforce.

"The effectiveness of the price cap has waned, but it doesn't mean it's beyond repair," said Maria Shagina, research fellow at the International Institute for Strategic Studies.

WORLD WATCH

THE PHILIPPINES Radio Host Killed Live on Facebook

A radio anchor was fatally shot by a man inside his southern Philippine station Sunday in an attack that was witnessed by people watching live on Facebook.

The gunman gained entry into the home-based radio station of provincial news broadcaster Juan Jumalon by pretending to be a listener. He then shot him twice during a live morning broadcast in Calamba town in Misamis Occidental province, police said.

The attacker snatched the victim's gold necklace before fleeing with a companion, who waited outside Jumalon's house on a motorcycle, police said. An investigation sought to identify the gunman and establish if the attack was work-related.

The Philippines has long been regarded as one of the most dangerous places for journalists in the world.

—Associated Press

AFGHANISTAN People Face Woes In Fleeing Pakistan

Afghans fleeing Pakistan to avoid arrest and deportation are sleeping in the open, without proper shelter, food, drinking water and toilets once they cross the border to their homeland, aid agencies said on Sunday.

Hundreds of thousands of Afghans have left Pakistan in recent weeks as authorities pursue foreigners they say are in the country illegally, going door-to-door to check migrants' documentation. Pakistan set Oct. 31 as a deadline for Afghans to leave the country, or else they would be arrested.

Aid agencies said one of two crossing points has no proper shelter. There is limited access to drinking water, no heating source other than open fires, no lighting and no toilets. United Nations agencies and aid groups are setting up facilities.

—Associated Press

SINGAPORE Premier Lee Plans To Step Down in '24

Prime Minister Lee Hsien Loong on Sunday said he planned to bow out and hand over power to his deputy, Lawrence Wong, late next year, before the 2025 general election.

Lee, 71, initially intended to retire before turning 70, but stayed on because of the Covid-19 pandemic.

He has served as head of the long-ruling People's Action Party, or PAP, and as prime minister since 2004. Last year, he named Wong, who is also finance minister, as his designated successor.

Lee said passing the baton to Wong before the national polls will allow the 50-year-old politician to win his own mandate and take the country forward.

"If all goes well, I will hand over [to Wong] by PAP's 70th birthday next year" in November 2024, Lee said.

—Associated Press

MOLDOVA Russia Hangs Over Local Elections

Moldovans cast ballots in nationwide local elections on Sunday as authorities say Russia has been conducting "hybrid warfare" to undermine the vote in the European Union candidate.

While local elections in Moldova, a country of about 2.5 million people situated between Romania and Ukraine, wouldn't usually garner much international attention, accusations of Russian meddling add a geopolitical dimension to the vote.

Sunday's ballot will elect nearly 900 mayors and 11,000 local councilors for a four-year term, including key positions such as mayor of the capital, Chisinau.

Two days before the election, Moldova Prime Minister Dorin Recean announced a ban on candidates from the pro-Russia Chance Party.

—Associated Press

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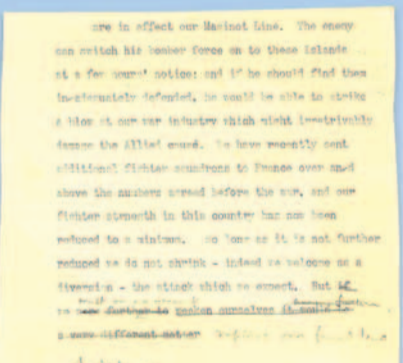



Nourishing Neighbors is a program of Albertsons Companies Foundation, a 501 (c)(3) designated nonprofit.

THE CHURCHILL COLLECTION

WINSTON CHURCHILL'S THOUGHTS, BELIEFS, AND ACTIONS

"The Greatest Englishman Who Ever Lived"





"The fighter squadrons... are... our Maginot Line... If (Germany) should find them inadequately defended, he would be able to strike a blow... irretrievable damage to the Allied cause." —WINSTON CHURCHILL, in his most important decision of the war, telling the French President that England will not provide more fighter planes during the Dunkirk Evacuation

The most comprehensive collection of original letters and manuscripts expressing Churchill's beliefs, actions, thoughts and concerns. While covering his whole life, the central focus of the collection is World War II, with important manuscripts and memos saved by his private secretary. It offers a unique window into Churchill's life and decisiveness in the war, which has come to define bold leadership and hope in the face of overwhelming force and power.

The CHURCHILL COLLECTION includes 53 letters, manuscripts, memos, signed photographs and books, approximately 92 pages (1907-1961). Also included are several photograph and propaganda collections.

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FROM PAGE ONE

Ukrainian Town Feels Betrayed

Continued from Page One
 repair neighbors' metal roofs and chipped in when someone needed expensive medical care. Many were related, by marriage if not blood. In the graveyard, the same handful of names appear over and over on headstones.

Disagreements over whether Ukraine should lean toward Russia or the West didn't interfere with the general amity. Villagers spoke a mix of Russian and Ukrainian, typical for a community in northeastern Ukraine, 40 miles from the Russian border.

"Everyone had their political opinion. They could discuss it at dinner, sometimes loudly, but it was never a problem," said Lyudmila Pletinka, 62, a resident.

Following the missile attack, residents wrestled with the question of who among them would bring such death and destruction to the village.

"It is hard to imagine how anyone can be capable of such a terrible act," said Natalya Berezanets, a 41-year-old Hroza resident. "It's a terrible betrayal." This account is based on interviews with more than a dozen people from Hroza.

Members of the Mamon family couldn't be reached for comment.

Work abroad

Kozyr settled in Hroza in the late 1990s. After his parents died, he and his wife, Alina, moved into their house and had two children. A handyman, Kozyr began fixing up the one-story cement house, painting the facade pink and laying bricks outside to make a patio.

His home was on the main road, which led to the cafe, a general store, the children's playground and a pond. Chickens and geese roamed the dirt roads that branched off.

Like many other Ukrainian men, Kozyr began traveling to work abroad, where he could earn more money. He took construction jobs in Russia, then, after Moscow's covert invasion of eastern Ukraine in 2014, in Poland. He would return laden with gifts for villagers in Hroza.

"When he was here, he found time to help everyone," said Mykola Fomenko, a 71-year-old resident. "His wife would sometimes get annoyed, because neighbors were always asking when he'd be back if they needed something repaired."

Kozyr's son, Denys, enrolled at a university in the nearby city of Kupyansk and lived in the same dorm as Dmytro Mamon, one of three brothers. When Denys turned 18 in 2017, he joined his father working in Warsaw. In 2019, Kozyr's daughter, Liza, turned 18 and went to visit her father and brother in Poland, promising to return home in a few weeks. Once she arrived, she found a job at a cafe and announced she was staying.

Alina Kozyr, alone in Hroza, grew depressed. When Kozyr came for a visit, Olha Dontsova, 39, a close friend of Alina's, sat him down. "I told him that she shouldn't be left alone," Dontsova recalled.

Alina went to Poland with Kozyr and soon got a job as a hotel maid. The family rented



Lyudmila Dolganina standing at the site of a cafe in Hroza, Ukraine, where her father and aunt were killed in a Russian missile attack.

an apartment in Warsaw, took up swimming, went camping in the forests outside the city and returned to Hroza less and less.

"They were living a life that we couldn't even dream of in Hroza," said Dontsova, who would speak on the phone to Alina almost daily. "A modern life in a metropolis."

The Kozyrs still considered Ukraine home and thought they might return to Hroza to retire. Alina's parents, Mykola and Nina Hryb, looked after their house.

The Hrybs were close with the Mamon family. Mykola Hryb ran a small farm with Serhiy Mamon, the family patriarch, and the men sold newborn calves to other villagers at a steep discount.

Natalya Mamon, Serhiy's wife, worked at the village cafe, where locals came to trade gossip. She and Nina Hryb would sometimes shop for groceries in the nearby town of Shevchenkove or cook together while their husbands were in the fields.

Volodymyr Mamon had a different mother than his two younger brothers, and he split time between Hroza and a nearby village where she lived. Oleksandr and Dmytro, the youngest, would play soccer in the street outside their house, with goals made from bricks.

Everyone called the boys the "little mammoths," a play on their last name, which is one letter off from the word for mammoth in Ukrainian and Russian.

Once they were grown, all three Mamon brothers became local police officers. No one in the village recalled any of them saying anything to suggest they would one day support Russia over their own country.

"They spoke Russian, but so did lots of people in the village," said Oleksandr Mukhovaty, 25, a childhood friend of Dmytro Mamon.

Call to arms

When the full-scale invasion began last spring, the Kozyr family was in Poland. Andriy and Denys Kozyr de-

Locations in Hroza village



Note: Russian-controlled area as of Nov. 2. Sources: Institute for the Study of War and AEI's Critical Threats Project (Russian-controlled area); staff reports (locations); Maxar Technologies/Google Earth (satellite image) Andrew Barnett/THE WALL STREET JOURNAL

decided to return to Ukraine and enlist.

Distraught, Kozyr's wife called Dontsova. "The boys are going to war—they have no military experience at all," Dontsova recalled her saying. Alina asked Dontsova to try to persuade them to stay in Poland. She turned her phone's camera to show her son and husband with their packed bags.

"Olha, we're going," Dontsova recalled Kozyr telling her. After the men left, Dontsova tried to comfort Alina. Kozyr was middle-aged, with terrible eyesight. He couldn't lift his right arm above his shoulder, following a construction site injury years earlier. Dontsova assumed the military wouldn't take him.

But in the chaos of the war's first days, the armed forces took both Kozyr men and sent them to the front in eastern Ukraine. Within weeks, Andriy Kozyr was shot in the neck. He died at a hospital in Dnipro, a city in eastern Ukraine, on March 29, 2022.

Meanwhile, the Russians seized control of Hroza on the first day of the war. About half the village supported Ukraine, residents said, and tried to avoid the Russian soldiers.

The other half was a mix: Some openly welcomed the

lived. Residents said he stole pigs from a neighboring village and took chips from the Hroza general store without paying.

In July 2022, Lyudmila and Vasyli Pletinka said, all three Mamon brothers showed up at their house along with a handful of Russian soldiers, looking for her son, Serhiy, a military veteran.

"They surrounded me and started asking where our son was," Vasyli Pletinka said. When he said he didn't know, one of the men pointed a gun at his head. Serhiy was later captured and badly beaten, his parents said.

Yet, there were signs that the Mamons hadn't entirely forgotten their old friends. Once during the occupation, Dmytro Mamon visited Mukhovaty at home. When the conversation turned to the war, Dmytro, then 21, said he thought the stories about Bucha, a town near Kyiv where hundreds of civilians were killed by Russians, were fake.

"We'll be good with Russia. Putin is a good person," he recalled Dmytro saying.

Mukhovaty said he replied, "Are you out of your mind? People you knew died protecting this country."

Dmytro apparently kept the outburst to himself. Russian soldiers never showed up at Mukhovaty's door. "He didn't tell me I was pro-Ukrainian," Mukhovaty said. "Otherwise, I'd have had problems."

Great divide

Several dozen residents, including the Mamon family, fled with the Russians last September, just before Ukrainian forces retook the area in a lightning offensive.

Distrust remained among those who stayed in town. The cafe remained closed. Shrubs at the edge of the road, which residents used to keep trimmed, grew unruly.

Mykola Hryb, Alina's father, had remained friendly with the Mamons during the occupation, several residents said, leaving some suspicious toward his family. Yet after the village was liberated, Hryb insisted on reburying Kozyr in Hroza.

"The occupation divided people," said Inna Troshyna, 58. "In addition to honoring Andriy, the idea of a memorial was to bring everyone together and reconcile those who had conflicts."

Hryb navigated the paperwork to exhume Kozyr's body from a military cemetery in Dnipro and invited the entire village to the service.

Alina and Liza Kozyr returned from Poland for the reburial. Denys Kozyr, who was discharged from the military this year and married a local woman, also came. Some who hadn't known Andriy Kozyr especially well showed up. There was no active military present, residents said.

Before the service, the Mamon brothers had made their own plans, according to the Security Service of Ukraine, known as the SBU. Text messages released by the service show Volodymyr Mamon had solicited information about the funeral from village residents and discussed with Dmytro Mamon what he said to the Russians.

"I explained that there would be civilians," he told his brother, adding that the Russians probably wouldn't attack the gathering, according to the texts.

The attack killed the entire Kozyr family, as well as Mykola and Nina Hryb. Mukhovaty lost his parents and his grandmother. The coroner struggled to identify many of the blast victims.

Within a few days, the SBU announced that Volodymyr and Dmytro Mamon had helped the Russians plan the strike. The investigation is ongoing.

"They understood perfectly well that there would be many people there whom they knew personally," Berezanets said. "Now the streets are empty, the houses are empty."

Locals feared neighbors who backed Russian invasion initiated strike



Olha Dontsova hugging her 7-year-old son Ruslan outside their home in Hroza.



Dima Berezanets and his mother, Natalya Berezanets, outside their home.

SVET JACQUELINE FOR THE WALL STREET JOURNAL (3)

PERSONAL JOURNAL.

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THE WALL STREET JOURNAL.

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WORK & LIFE
RACHEL FEINTZEIG

How to Know When It's Time to Retire

Ask yourself the right questions to see if you're ready to stop working

At 67, Kathie Davis liked her financial-services job. But the demands were getting heavier, and life outside work was moving on.

"When do you call it a career?" she wondered.

Her finances were in order, and with friends passing away—including one just into retirement—she decided it was time. Still, when her last Friday arrived in June, she sat in front of her computer well into the evening, trying to convince herself to log off.

"It just felt like a part of my life was being cut," she said.

Americans are working later than ever. The average retirement age was 62 in 2023, up from 57 in 1991, according to a Gallup poll. Many people simply don't have the luxury of stopping, financially unable to go without a paycheck well after 65. Even when your retirement account hits its mark, deciding to close the book on your career can prompt existential questioning.

Wait too long, and you might regret the extra years you gave to work. Leave too early, and you could feel lost in your new life.

"Work in this society defines who you are," says Louis H. Primavera, a psychology professor at Touro University who studies retirement. "When you're retired, you're a 'was.'"

Maybe it's because on the job, we convince ourselves we're impervious to the passing of time. Work forms the scaffolding of our lives, and the end of work reminds us that the end of everything is coming, too.

Our longer lifespans have also changed the calculus. Retirement was once meant to be a brief respite between physically taxing work and death. Now it can span three or more decades. That alters what we can afford to do, financially and psychologically, say those who study longevity.

Clinging to your job forever isn't the answer. Instead, experiment and adjust to find the moment

► **Tim Streeter opted to retire early, taking on the occasional consulting project.**



that promises freedom and rest, not an identity crisis.

Try new activities—pickleball, Bible study, volunteer work—before you make the jump, to see what gives you a sense of purpose, Primavera says. Research shows too many empty hours can leave us miserable.

Consider ramping down slowly with a new role or creative pur-

suit. And talk to your family. Retiring at the same time as your partner, Primavera says, lets you formulate a shared vision for travel or caring for grandkids.

Redefine your identity

Start by listing six words that best describe you, says Teresa Amabile, a Harvard Business School professor writing a book about retirement. You're a grandfather and a leader, outgoing and social. Consider how retiring might change that description. If being a salesperson is your most cherished identity, you might not be ready, Amabile says. Repeat the exercise every few months to see if your sense of self might be starting to shift.

Next, sketch out what Amabile calls a "life map," labeling circles with different aspects of your day-to-day. (Think: spirituality, family, exercise and work.) Are any of them in conflict?

"It's a gentle way to realize this life suited me beautifully when I was 35 or 45," Amabile says. But maybe, as work takes time away from your grandchildren or you have little energy for business travel, it no longer fits.

"You start to think, like, is this important? Is this the best way to spend my time?" says Tim Streeter, a 51-year-old former recruiting executive.

After being laid off at 47, Streeter interviewed for jobs at big companies, only to realize he couldn't even convince himself he wanted them. Being let go had made him feel disposable and skeptical of the notion of company loyalty.

The Ann Arbor, Mich., resident opted to retire early, taking on the occasional consulting project. The math still sometimes makes him nervous, and his investment portfolio took a hit last year.

Still, he figures he might as well live his life now—self-publishing the book he always wanted to write, jetting to Spain and Puerto Rico—and return to work later if he has to.

Create next chapter

You don't have to make a binary choice. You could taper or rethink your work.

"We've been trying to swim upstream, people at this stage of life, trying to pretend we have this boundless, youthful vigor," says Marc Freedman, the 65-year-old founder of a San Francisco-based nonprofit.

Recently, he realized he was exhausted from years of putting in seven-day workweeks, administering hundreds of performance reviews and prepping for countless board meetings.

Still he didn't feel done with the work. He split his job, sharing the chief executive role with a younger colleague. The move eased some of the pressure and freed him to focus on big-picture work.

"For a lot of people, they're actually at a point where they're about to do their best work, but society's telling them that they're done," Freedman says of his fellow 60-somethings.

More than 40% of older adults work or plan to work in retirement, a recent AARP survey found.

Picture your legacy

Greg Meluch, of Cary, N.C., dedicated himself to

coaching youth hockey in his retirement and wrote a memoir to pass down to his children.

After taking a buyout package at 55, he says he thought about obituaries, and how tributes for even the most dedicated profes-

sionals usually only include a line or two about work. Then he pictured himself in an elevator, chatting with a stranger for a couple floors.

Did he want his intro to be that he was a sales and marketing executive—or that he was a husband, father and hockey volunteer?

Nine years into retirement, he says he feels carefree, like he did as a kid.

"Work for me is a four-letter word. It was good for what I needed it to be," he says.

"But now it's not anything that I want to be."

The average retirement age was 62 in 2023, up from 57 in 1991.



MY RIDE | BY A.J. BAIME

Batman's Ride Is In Her Car Collection

Joji Barris-Paster, owner of Barris Kustom, who is based in Ventura County, Calif., on her Barris Kustom cars, as told to A.J. Baime.

My father, George Barris, was known as the "King of the Kustomizers." He started out in the 1950s, and was blessed to have all these ideas about how to build Kustom cars. (He always spelled it with a K.) For the last 16 years of his life, I worked with him. He was a lot to handle, but he always taught me one lesson. "I don't want to hear the word *can't*," he would say. "You can do whatever you set out to do."

He started out in Sacramento, Calif., where there was a wonderful car scene after the war. Customizers inspired each other to come up

with these builds and get them into the Petersen magazines [such as Hot Rod, for example]. When my father's cars started getting popular, he moved to Los Angeles.

His most famous car of this early era is a custom Mercury. A customer named Bob Hirohata wanted a unique car, so he brought his 1951 Mercury to my father and his brother Sam. The result was the Hirohata Merc. [The car has been called "the most famous custom car of the classic era." Last year, it sold at auction for about \$2 million.]

People from movie and TV studios started coming to my father. One day in the mid-'60s, a producer named William Dozier came asking for a car for a new TV series called "Batman," starring Adam West as Batman and Burt Ward as Robin.



According to the story I was told, the studio gave my father 15 days to build a Batmobile.

He used to buy concept cars for a dollar, thinking maybe he would do something with them. So he had these vehicles—among them, a Lincoln Futura, which was a perfect platform for the Batmobile. He built the body out of fiberglass (I still have some of the molds). When my father first saw the 1966 TV Batmobile coming out of the Bat Cave on the set, he thought: "You can't see the car. It's too dark." So he painted the red-orange stripes.

The first TV Batmobile had all the Bat stuff:

◀ **A Lil Redd Wrecker, designed for the TV show 'Sanford and Son,' a Munster Coach, and a Zip Code Mail Truck hot rod are among the builds.**

a red Bat Phone, bat-themed parachutes in back, etc. And it had to be a working car with a real engine. It inspired all the Batmobiles of the future, right up to today. My father built a few 1966 Batmobiles and always kept one exhibition car, and that is the one I still have.

Original Barris cars include the Lil Redd Wrecker, a build my father made for the Redd Foxx TV show "Sanford and Son." And a hot rod mail carrier show car called the Zip Code Mail Truck. [Those cars are owned by Beau Boeckmann, a TV personality and owner of Galpin Auto Sports, a custom car shop in Los Angeles.]

My father was always promoting and creating new things. He even had his own line of automotive paint. [Barris also built a truck for the "The Beverly Hillbillies," and customized celebrity vehicles for the likes of Elvis Presley and Zsa Zsa Gabor.]

The most famous Barris TV car after the Batmobile would have to be the "Munster Coach," originally

▲ **Joji Barris-Paster with her exhibition version of the 1966 TV Batmobile.**

designed for the 1960s show "The Munsters." According to the story I was told, the TV studio gave my dad 21 days to come up with a vehicle for this show. It was built out of three Model Ts.

The Munster Coach had to carry the whole family—Herman and Lily Munster, Grandpa, Eddie, and Marilyn Munster. The car used lanterns for headlights and a Ford 289-cubic-inch engine for power. The Munster Coach I have now is, again, an exhibition car from my father's studio.

Today, I keep some of these show cars in a private space at the Galpin Speed Shop in Los Angeles, and other personal cars at our shop in Ventura. We do not drive these cars much, but when we take them to car shows or charity events, it amazes me the way people react to them. These cars bring so much joy, which is what drove my father to keep creating them.



JAMIE LEE TAELE FOR THE WALL STREET JOURNAL (2)

PERSONAL JOURNAL.



◀ While some people feel blue following the end of daylight-saving time, others experience a more serious Seasonal Affective Disorder.

“People don’t have as much energy and feel differently about life,” says Sharp. “We have to make significantly more effort to go out.”

It helps, he says, to plan ahead and account for the extra effort to grab dinner with a friend, go to a show or visit a bookstore.

How to combat SAD

The most important thing is to expose yourself to as much light as possible, maintain sleep and exercise habits, and anticipate the change.

Focusing on improving one area that is affected by the time change, such as exercise, can help the others and might be more doable than trying to improve everything at once, says Begdache, the associate health and wellness studies professor.

“If you improve your diet, you’re more likely to exercise more. And if you exercise more, you’re more likely to sleep better,” says Begdache, who led a 2021 study on mental well-being and seasonal changes.

She suggests picking the behavior that is easiest for you to change. If you like to exercise, add another 15 minutes to your daily brisk walk. It’s also important to expose yourself to light first thing in the morning, she notes. “I don’t keep my blinds down,” she says.

Matorin, of Thriveworks, suggests moving your desk or exercise machines toward natural light, or using special light boxes, or SAD lamps, which simulate sunlight while filtering out harmful ultraviolet light, in the morning.

“Using a light box, even for 20 minutes a day, can make a difference in how people feel,” says Matorin.

Rising at the same time every day will help you get to bed at the same time at night to help counter sleep disruptions.

Another way to deal with seasonal depression is to anticipate the seasonal change and lean into it, says Sharp, who lights more candles in the house, which sets a cozier mood.

Some people, though, need more help. If you find yourself turning to alcohol or drugs to deal with seasonal depression, or spending the day in bed, or refusing to go out with family and friends, you might need to call your doctor or a mental-health professional. “Our relationship with alcohol and substances tends to change in the fall for the worse and we have to be careful about overly self-medicating,” says Sharp, who builds more open time into his fall calendar for people in a crisis.

GARY HERSHORN/GETTY IMAGES

Conquer the Time Change, And Elevate Your Mood

People with Seasonal Affective Disorder feel tired, distressed or hopeless—ways to combat gloom



TURNING POINTS
CLARE ANSBERRY

Americans in most states turned their clocks back one hour on Sunday, Nov. 5, when daylight-saving time ended, which means the sun is setting earlier. Less daylight can dampen our moods, disrupt our sleep and exercise patterns, and affect our appetite.

While some people feel a little blue following the end of daylight-saving time, others experience a more serious Seasonal Affective Disorder, a seasonal depression that can impact mood, relationships and work.

An estimated 5% of American adults experience SAD, which typically hits in the fall and lasts 40% of the year, according to the

American Psychiatric Association. The disorder generally starts in young adulthood, between the ages of 18 and 30, and affects more women than men. Risks rise with age.

People with SAD often feel tired, distressed or hopeless. They might have difficulty concentrating, become isolated and no longer be interested in activities they used to enjoy, says psychologist Regina Pierre-Moise. Making an effort to go outside, sit on the porch or take a walk, and gather with family and friends can be helpful for people dealing with seasonal depression, says Pierre-Moise, who is clinical director of Boston-area Awake IntuMind, which is developing a support group and 12-week virtual program for people experiencing SAD.

Seasonal depression is expected to peak the second full week of November, according to Thriveworks, a mental-health provider, which analyzed internet searches

for the disorder over the last six years. Searches are expected to remain consistently high through mid-December.

People generally search for information about a condition or illnesses when they are experiencing symptoms, rather than anticipating them, says Emily Matorin, Thriveworks’s chief operating officer. She says they were surprised when the searches peaked in early November, rather than later in the fall or winter, and said the findings indicate that people were affected by the immediate change of daylight hours and dropping temperatures, rather than the impact of shorter days and cold over a long period.

What is SAD?

Daylight hours affect our brain chemistry. As days grow shorter, light receptors in the eyes receive less light and send a signal to the brain about what chemicals to produce, says Lina Begdache, associate professor of health and

wellness studies at Binghamton University.

Our brains begin producing more melatonin—the sleep-related hormone—and less serotonin, which enhances mood and controls appetite. When the brain starts making more melatonin at 4 p.m. due to the earlier dusk, people can feel prematurely sluggish, which can affect mood, diet, exercise and sleep patterns.

For example, to boost energy, they might turn to simple sugars like chocolates and carbohydrates that provide a quick high and are followed by a crash, which can lead to mood swings. Also when people feel sluggish, they are less inclined to exercise.

The long winter nights and lack of sunlight play a big role in seasonal depression, with SAD more prevalent the farther we live from the equator, says Dr. John Sharp, a psychiatrist at Harvard Medical School who researches our emotional calendar.

Trying to Keep the Middle East Conflict Out Of the Office

BY TE-PING CHEN, LINDSAY ELLIS AND CHIP CUTTER

The reverberations of the Israel-Hamas conflict are playing out loudly everywhere in life—except at work.

The muted discussion is a sharp turn from the forceful statements and candid conversations that companies organized after #MeToo, George Floyd’s murder and anti-Asian attacks of recent years. This time, employees on many sides of the issue are criticizing their companies’ responses as tepid or tardy, and saying they feel as though leaders want to avoid the subject.

Some employees at Google and Amazon say that posts to internal employee forums supporting Palestinians or a cease-fire have been removed by management. Starbucks sued the union representing 9,000 of its staff, known as Starbucks Workers United, after it posted pro-Palestinian tweets following Hamas’s deadly attacks on Israel on Oct. 7. The coffee chain alleged that the union’s use of Starbucks’s name and branding led people to misattribute such sentiment to the company. Elsewhere, some people who’ve shared views publicly have lost jobs.

Jewish employees such as Alyssa Bleser, chief legal officer at a Montreal-based cannabis company, say they’re troubled by rising antisemitism and feeling alienated and unsupported by the lack of response from co-workers and bosses.

“I would like to see my non-Jewish colleagues and friends speak up,”

says Bleser. She emailed her chief executive officer a statement she’d written in support of Israel, suggesting he circulate it among investors.

The CEO, Jonathan Morrison, didn’t reply for a couple of days and didn’t circulate the statement but later invited Bleser and her husband, who is Israeli, to discuss the conflict. He says he prefers to show support to his Jewish colleagues one-on-one, adding that it feels more meaningful that way.

Many company leaders are taking a similar route, given the fraught, complex history between Israel and the Palestinians and the sense that there is no right thing to say.

“CEOs, they’re like, nuh-uh, not getting dragged into this one,” says Johnny C. Taylor Jr., head of the human-resources professional association SHRM.

At Amazon, a spokesperson says unauthorized employee posts are taken down in accordance with company policy but noted that employees can use the company’s tools to share information about approved charities. A Google spokesperson says the company’s content-moderation team can remove posts that violate the company’s employee-conduct policies.

Starbucks says the union’s actions risked putting employees in harm’s way. The company’s CEO, Laxman Narasimhan, sent an internal message after the attack encouraging workers to support each other with the goal of creating a “safe and welcoming workplace where everyone feels heard, valued and included.”

A chilling effect

Speaking out at work, or outside it, can exact a professional toll, workers say.

“Muslim employees feel very much left out of the conversation, and frightened to say anything that might jeopardize their livelihood,” says Farida Habeeb, who was laid off in August from her diversity-focused communications role at a consulting firm amid budget cuts.

Henry Joseph-Grant, CEO of



grief-management startup Send-Off, says that airing his views has cost him. He got in touch with Jewish friends, including some in Israel, to share support. But the father of four, including a son who died from a heart condition, says he was also deeply disturbed by footage of Gazan parents cradling their deceased children in the days after Israel began retaliatory strikes.

He started posting frequently on X, formerly Twitter, highlighting Palestinian deaths and calling for a cease-fire. Days after, he says, his LinkedIn contacts were bombarded with messages calling him a Hamas supporter, causing him to lose scores of connections on the site. He says he also received death threats.

“People are at each other’s throats, it’s chaos out there at the moment in tech and business right now,” says Joseph-Grant. “I was literally fighting in my inbox to explain, I’m not an animal, I don’t support Hamas.”

Employees are criticizing their companies’ responses as tepid or tardy.

Workers from California to Chicago say in interviews that they believed they’ve been reported to their employers for voicing pro-Palestinian sentiment online. One website culled pro-Palestinian LinkedIn posts and shared the names of the writers’ employers. LinkedIn, which forbids using automated tools to scrape the professional social network, says it sent a cease-and-desist order to the website, which was taken down last week.

Michael Eisen, a biology professor at the University of California, Berkeley, was ousted as editor in chief of the scientific journal eLife after reposting a satirical tweet from The Onion headlined: “Dying Gazans Criticized for Not Using Last Words to Condemn Hamas.” He praised the publication for speaking with “more courage, insight and moral clarity than the leaders of every academic institution put together.”

The journal’s board says it removed Eisen because his “approach

to leadership, communication and social media has at key times been detrimental” to the publication’s mission.

Too little or too much

When movements such as #MeToo or Black Lives Matter came into a national spotlight, companies took broad stands against sexism or racism. With workers and customers on different sides of the conflict in the Middle East, advisory firms to large companies are recommending they do what they can to avoid attracting attention, according to briefing documents viewed by The Wall Street Journal.

Such advice chimes with data showing that 41% of Americans think businesses should take stances on current events, down from 48% last year, according to a recent survey by Gallup and Bentley University.

Ryan Bloom, the chief executive of Urban Bonfire, which makes outdoor kitchen equipment, says many of his family members died in the Holocaust. Still, he doesn’t feel his company should make a statement.

“I didn’t want to make it a situation where if something happened in China, Korea or Uganda or anywhere else we have employees with roots, those employees will feel diminished and wonder, why didn’t they make a statement when something terrible happened there,” he says.

Bloom posted a statement on LinkedIn mourning the Oct. 7 victims in Israel, and recognized “innocent Palestinians who are also losing lives.” He and his co-founder have checked in directly with staffers who have ties to the Middle East, an approach he perceives as “more sensitive” and authentic.

The rapidly unfolding events have made it tough for companies and workers to find their footing, says Rev. Greg McBrayer, a chief flight controller at American Airlines.

“It’s still raw,” says McBrayer, who helps lead Abraham’s Tent, an interfaith employee initiative. “The healing can’t really start until the conflict has got some kind of peace accord where people aren’t dying.”

PHOTO ILLUSTRATION BY WSJ, PIXELSQUID, ISTOCK



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ARTS IN REVIEW

By JUDITH H. DOBRZYNSKI

ART REVIEW

Centuries of Creative Women

Two exhibitions attempt to correct long-standing gender imbalances in the art-historical canon

Nearly 50 years have passed since “Women Artists, 1550-1950” opened at the Los Angeles County Museum of Art. It was a sweeping attempt to insert female artists into the art-historical canon. But little changed, and recently a new generation has organized a spate of exhibitions devoted to redressing past disregard.

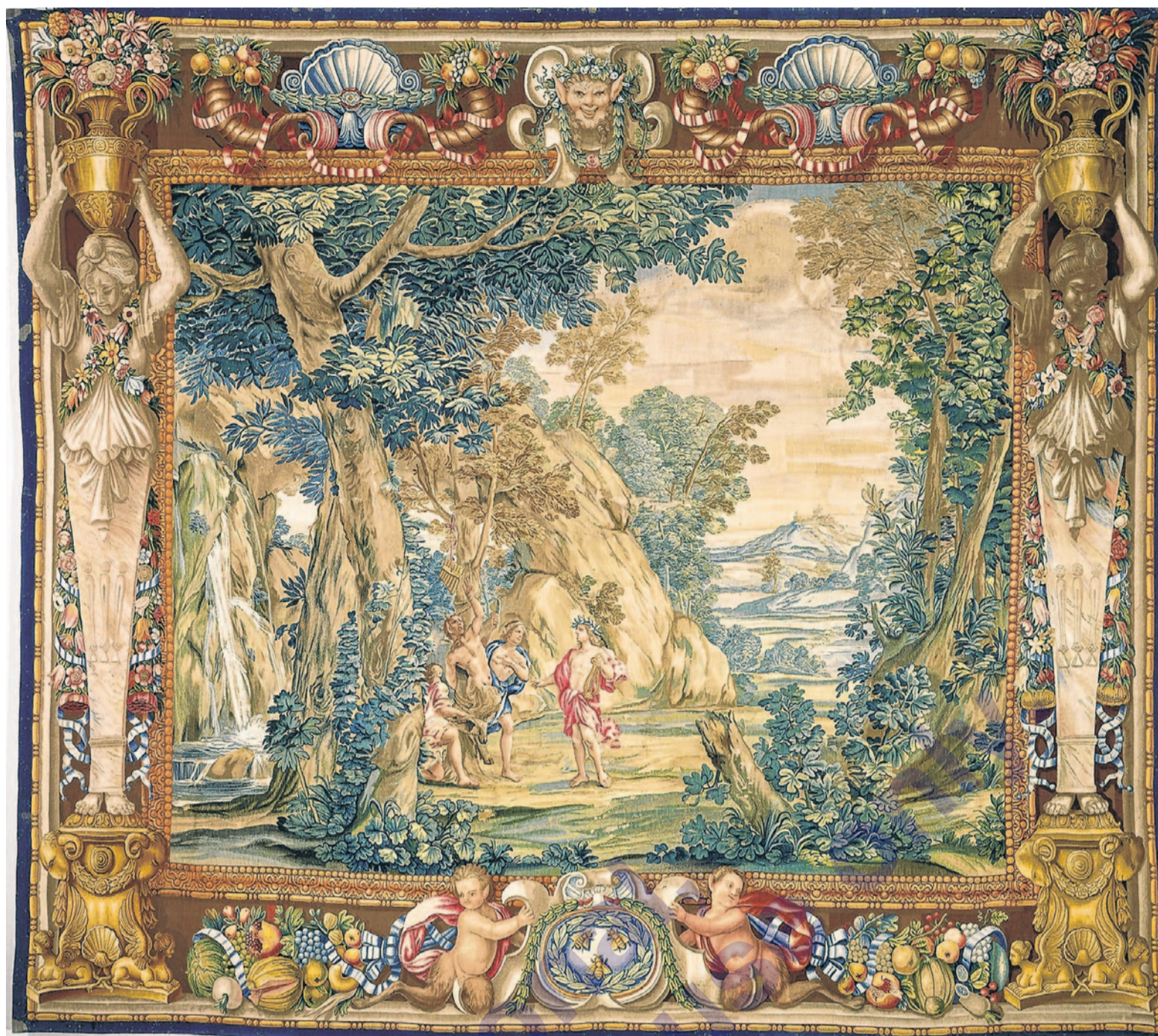
“Making Her Mark: A History of Women Artists in Europe, 1400-1800” at the Baltimore Museum of Art may well be the most impressive effort—and the most powerful. It brings together esteemed paintings and sculptures by Lavinia Fontana, Sofonisba Anguissola, Andrea de Mena y Bitoria, Rosalba Carriera and Adélaïde Labille-Guiard, among others; adds in manuscript illumination, silver, tapestry, cabinetry and works in other mediums; and introduces (or reintroduces) several artists. The curators, Andaleeb Badiee Banta in Baltimore and Alexa Greist at the Art Gallery of Ontario in Toronto, where the exhibition opens next March, believe that chronicling female creative achievement in full—from times when they faced entrenched barriers—requires that broad definition. (And if you’ve ever marveled at the way Frans Hals, say, painted intricate lace cuffs, why not acknowledge as art the real thing, which was also handmade?)

The installation begins with an immersive gallery anchored by an epic tapestry, “Apollo and Attendants Playing Marsyas” (c. 1662), finely woven by Maria Maddalena della Riviera and the famed Barberini Tapestry Workshop. Fede Galizia’s stellar, dignified “Judith With the Head of Holofernes” (1596) hangs near Artemisia Gentileschi’s impassioned Caravaggesque “Judith and Her Maid-servant With the Head of Holofernes” (c. 1623-25). They flank realistic polychromed severed heads of John the Baptist and St. Paul (both c. 1692-1706) attributed to Luisa Roldán. Choice examples of lace from France and Italy, engravings, ceramics, glass, miniatures and other paintings complete this dazzling start.

The quality of the 235 works on display continues with nary a miss. Women excelled in portrayals of nature like Louise Moillon’s elegant “Still Life With a Basket of Fruit and a Bunch of Asparagus” (1630) and in 17th-century floral arrangements by Clara Peeters, Maria van Oosterwijk and Rachel Ruysch that include reflections, illusions and allusions. Maria-Theresa van Thielen’s striking “Still Life With Parrot” (1661) combines jewel-toned berries and flowers with architectural features, then adds a flourish with the bird, whose shape and colors echo those of the urn and flowers.

Botanical watercolors like the delicate “The True Saffron” (c. 1762-66) by Dame Ann Hamilton are joined by beauties by Giovanna Garzoni, Barbara Regina Dietzsch, and others. Maria Sibylla Merian’s images were so scientifically accurate (especially her life cycles of insects) that Carl Linnaeus used them, not actual specimens, in devising his binomial nomenclature system.

As for portraiture, the talent is undeniable in gorgeous paintings like Marie Victoire Lemoine’s poignant “Youth in an Embroidered Vest” (1785), with its satiny sheen, and Catherine Lusurier’s “Portrait of a Woman



‘Apollo and Attendants Playing Marsyas’ (c. 1662), by Maria Maddalena della Riviera and the Barberini Tapestry Workshop

Drawing” (c. 1770-81), with a diaphanous frill on her dress.

Numerous genre scenes and history paintings demolish the notion that still lifes and portraits were the only subjects women could—and should—paint. Angelica Kauffmann’s neoclassical “Telemachus Returning to Penelope” (c. 1771) sympathetically shows the mythical youth who tried but failed to find his father, yet is welcomed by his hand-wringing mother. Louise Adéone Drölling’s fetching “Interior With Young Woman Tracing a Flower” (c. 1820-22) deftly blends portraiture with botanical with landscape with narrative—notice the crumpled paper on the floor and the squirrel distracting the artist.

The curators took care to offer

surprises and grace notes. Both Elisabetta Sirani’s tender “Virgin and Child” (1663) and Elisabeth Louise Vigée Le Brun’s “Princess Anna Alexandrovna Galitzin” (c. 1797) are reunited with preparatory drawings; exquisite, intricate reliquaries made from paper, wood, velvet and metal wire (17th or 18th century) were borrowed from an Ursuline Monastery in Quebec; a paper filigree cabinet (c. 1789) made by Sophia Jane Maria Bonnell and Mary Anne Harvey Bonnell is accompanied by Mary Anne’s self-portrait (1789) embroidered with the hair of her friends.

The list goes on. And that’s the point. Sirani, to name one, was considered so unusual that people came to watch her paint. Visitors to “Making Her Mark” will see that artistically accomplished women were far more common than has generally been recognized.

* * *

Washington
IN THE 1970S, some 40 miles to the south of Baltimore in Washington, Wilhelmina Cole Holladay did respond to the talk about the dearth of art by women in museums. Starting with the purchase of Peeters’s “Still Life of Fish and Cat” (after 1620), she amassed a collection and founded the National Museum of Women in the Arts, which opened in 1987 and now owns some 6,000 works spanning six centuries. It has just completed a two-year \$67.5 million renovation that restored its exterior, created a new gallery layout and added about 15% more exhibition space.

The new installation, “Remix: The Collection,” which occupies the building’s third floor, prioritizes modern and contemporary art: Of the 133

works on view, only 19 pre-date the 20th century. That’s disappointing because recent artists are receiving a fairer showing than their predecessors, whose works were often lost, forgotten, or reattributed to men. (It also explains how the museum lent eight works to “Making Her Mark.”)

The curatorial team, led by Kathryn Wat, decided on a thematic installation, an approach whose success hinges on the chosen themes. Perhaps unsurprisingly, those that work best tend to focus on traditional categories. “Objectified” presents still lifes by artists who “pushed the genre beyond its once narrowly defined scope,” the wall text says. Along with paintings by Moillon, Garzoni and Berthe Morisot, it features alluring photographs by two artists who reimagine traditional works: “Early American, Tea Cakes and Sherry” (2007) by Sharon Core riffs on a still life by Raphaelle Peale, and “Dutch Plate” (2010) by Petrina Hicks reduces Old Master banquet paintings to two lemons on a Delft plate, perhaps a comment on materialism.

“Land Marks” unites a brilliantly colored autumn scene (1923) by Gabriele Münter with “Red Shack in Yellow Field” (2004) by Beverly Buchanan. It places a gleaming, distant Hudson River view (1852) by the little-known Abigail Tyler Oakes opposite another distant landscape, an etching and aquatint, all billowy clouds, titled “Suspended Sky” (2005), by April Gornik, and a luminous watercolor of a tangled tree, “Barbados” (1995), by Patricia Tobacco Forrester.

But “Seeing Red,” chosen for the color’s ability to evoke emotions, seems forced, with few connections among the selections. Also less compelling are “Home, Maker,” a mix of silverware, porcelain and ceramics with various portraits, and “Heavyweight,” a group of oversize sculptures and paintings meant to “confound expectations” that women make smaller works than men.

This presentation unquestionably exhibits the collection’s depth, with wonderful works by Remedios Varo, Alma Thomas, Faith Ringgold, Lalla Essaydi, and Marisol, among others. But one wonders if they are shown to their best advantage.

Making Her Mark: A History of Women Artists in Europe, 1400-1800

Baltimore Museum of Art, through Jan. 7, 2024

Remix: The Collection

National Museum of Women in the Arts, through Oct. 21, 2025

Ms. Dobrzynski writes about art for the Journal and other publications.



Clockwise from right: a 1610 still life by Clara Peeters; ‘Portrait of a Youth in an Embroidered Vest’ (1785), by Marie Victoire Lemoine; ‘Judith and Her Maid-servant With the Head of Holofernes’ (c. 1623-25), by Artemisia Gentileschi; and ‘Convolvulus and Metamorphosis of the Convolvulus Hawk Moth’ (c. 1670-83), by Maria Sibylla Merian



CLOCKWISE FROM TOP: MINNEAPOLIS INSTITUTE OF ART; CUMMER MUSEUM OF ART & GARDENS; DETROIT INSTITUTE OF ART; CLEVELAND MUSEUM OF ART; NATIONAL MUSEUM OF WOMEN AND THE ARTS

SPORTS

Michigan Says to Wait for NCAA

With other Big Ten members clamoring for action, Michigan's president cautioned that moving now would violate rules

By Rachel Bachman and Laine Higgins

The University of Michigan moved to ward off possible discipline by the Big Ten Conference against the Wolverines' football program and head coach Jim Harbaugh in the wake of allegations that the team engaged in illegal sign-stealing.

In an email to the Big Ten late last week, Michigan president Santa Ono warned that taking action before conducting an investigation would violate conference rules. The move escalates the battle between Michigan, a national-title contender ranked No. 3 in the College Football Playoff rankings, and its opponents, who are clamoring for a quick punishment of alleged activities they say have given the Wolverines a competitive advantage.

"The best course of action, the one far more likely to ascertain the facts, is to await the results of the NCAA investigation," Michigan president Santa Ono wrote to Big Ten commissioner Tony Pettiti in an email sent Thursday, before the two men met Friday in Ann Arbor, Mich.

Ono added: "But if you refuse to let the NCAA investigative process play out, the Big 10 may not take any action against the University or its players or coaches without commencing its own investigation and offering us the opportunity to provide our position. That is not just required by our conference rules; it is a matter of basic fairness."

A person close to the Big Ten has said the conference will defer to the NCAA, which is conducting its own investigation. Such probes often take months if not years.

However, the conference is under pressure from Michigan's rivals to take swift action. The Big Ten could take the unusual step of sanctioning Michigan under its sportsmanship policy, which empowers the commissioner to level punishment if he determines an "offensive action" has occurred.

In the email, Ono wrote that Michigan was aware that "other representatives of the Big 10 are



Michigan coach Jim Harbaugh reacts during the Wolverines' 41-13 win over the Purdue Boilermakers.

reprimand, fines that do not exceed \$10,000, and suspensions from no more than two contests."

Punishments for violations deemed to be "major" by the Big Ten must be approved by the conference's Joint Group Executive Committee, composed of university chancellors and presidents. In that case, Michigan officials would re-use themselves and the conference would replace them with representatives from a university not involved in the potential infraction.

Any university subject to major disciplinary action will also be formally notified by the conference and get an opportunity to respond. The Big Ten hasn't yet informed Michigan of an intent to act, according to a person familiar with the conference, nor is there a definite timeline for when that might happen.

Michigan previously had suspended Stallions with pay on Oct. 20, a day after Yahoo Sports reported that the NCAA was investigating Michigan for allegedly violating rules that prohibit teams from scouting future opponents in person.

Michigan came under NCAA scrutiny for allegedly recording signals the teams use from the sidelines to communicate with players on the field. ESPN reported that Stallions had purchased tickets to numerous games of Michigan opponents while he was employed by the university. Michigan says it hired Stallions in May 2022.

Entering this season, Harbaugh already was under NCAA investigation for alleged recruiting violations in 2021. Michigan self-imposed a three-game suspension on Harbaugh to start this season, but the matter is still pending in part because the NCAA and the school couldn't agree on a negotiated resolution.

Before the sign-stealing allegations became public, Michigan was prepared to give Harbaugh a new contract that would make him the highest-paid coach in the Big Ten. But it rescinded that offer in the wake of the allegations, The Wall Street Journal reported.

demanding that you take action now, before any meaningful investigation and full consideration of all the evidence." He added: "to be clear, oral updates from NCAA enforcement staff do not and cannot constitute evidence, nor do we think the NCAA would ever intend for an oral update to be given that meaning or weight."

The warning comes as the sign-stealing allegations have roiled another strong season in one of Michigan's best stretches in years. Connor Stallions, an analyst on the Michigan football coaching staff who is at the center of the sign-stealing allegations, resigned on Friday.

Harbaugh has denied knowing about or directing anyone to illegally steal signals. An attorney representing Stallions, Brad Beckwith, said in a statement on Friday that to his client's knowledge, neither

Coach Harbaugh, nor any other coach or staff member, told anyone to break any rules or was aware of improper conduct.

Any move to penalize Harbaugh, such as with a suspension, would come at a crucial moment. Michigan has three remaining regular-season games, including its annual rivalry game with Ohio State. The Big Ten title game is Dec. 2.

Michigan beat Purdue 41-13 on Saturday to move to 9-0. During his weekly radio show last week, Purdue coach Ryan Walters said of the accusations against Michigan, "What's crazy is they aren't allegations. It happened. There's video evidence. There's ticket purchases and sales that you can track back. We know for a fact that they were at a number of our games."

A Michigan spokesman declined to comment on Walters' statement. A Purdue spokesman didn't immediately respond to a request for comment.

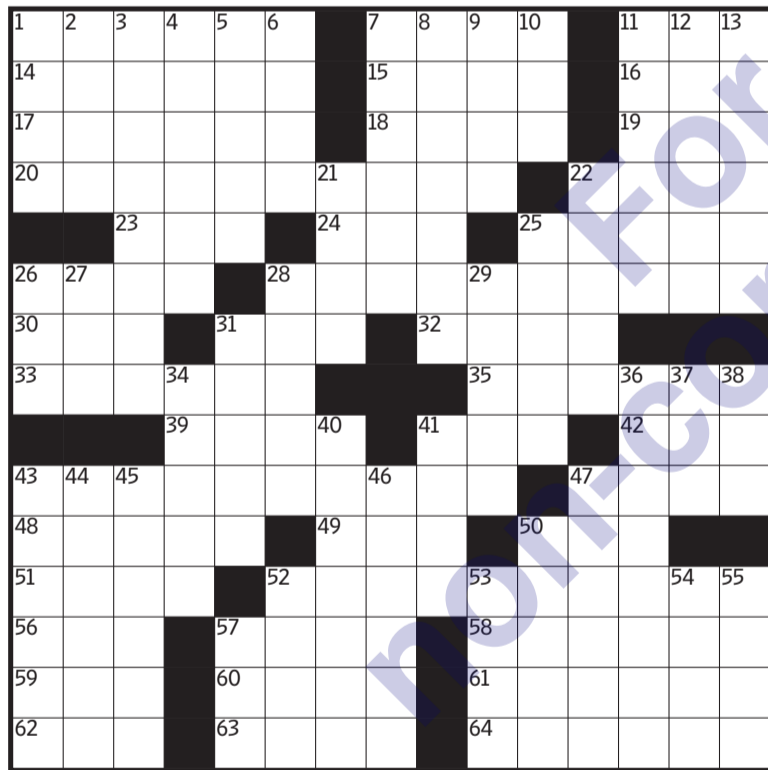
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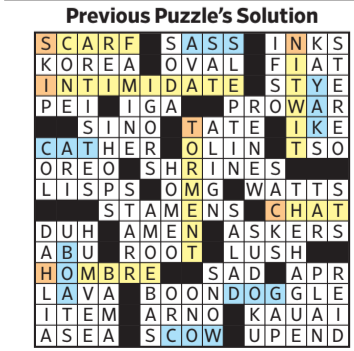
The WSJ Daily Crossword | Edited by Mike Shenk



- 22 Noted soul seller
25 Bus station
26 The Matterhorn, for one
27 Org. in the Jason Bourne films
28 Latest fad
29 Deck for divination
31 By the side of
34 Things to gird
36 "Fine, I'm convinced!"
37 Move the boat
38 Bro's sibling
40 ABBA's genre
41 Be in accord
43 Fancy fish eggs
44 Poet Gorman, who read at Biden's inauguration
45 "Some other time!"
46 Easy to clean, in infomercial-speak
47 Dior fragrance whose name means "I love"
50 Bother a bedfellow, in a way
52 Dairy herd
53 Western tribe
54 Spanish boy
55 Accusation to Brutus
57 School support org.

LATER! | By Jay Silverman

- Across
1 Element number 29 (and a scientific clue to this puzzle's theme)
7 Covertly includes in an email, for short
11 From an earlier century, perhaps
14 Skin care brand promoted by Jennifer Aniston
15 Asia's ___ Sea
16 Christmas tree, often
17 Frequent collaborator of McCartney
18 "Finding ___" (2016 Pixar sequel)
19 Enemy
20 Turning to 11, as volume
22 Fish features
23 Hawaiian necklace
24 Openly gay
25 Copenhagen people
26 It turns litmus paper red
28 New York saloon featured in a 2000 movie
30 Short-term British prime minister
31 Biblical boat
32 Midday necessities for many children (and some adults)
33 Spanish rice dish
35 Helicopter parts
39 Slip through the cracks?
41 Write quickly
42 Japanese pond fish
43 PAW Patrol, e.g.
47 Highest-grossing film of 1975
48 Surrounded by
49 Steal from
50 Put into words
51 Dyeing tubs
52 Totally fall apart
56 Quaint lodging
57 Vatican VIP
58 Heard criticism without pushback
59 Hoopla
60 Bills with Jefferson's portrait
61 Like some baseball throws
62 Uncooked
63 Egyptian snakes
64 "Later!" (and a phonetic clue to this puzzle's theme)
Down
1 Course after trig
2 Finished
3 Deduct points from, perhaps
4 Wrote, as a novel
5 Gourmet mushroom
6 Rice-A-___
7 Wearer of a black hat in a western, traditionally
8 Cube in a salad
9 Complain
10 Full of guile
11 Near future
12 Soccer star
13 Stylish
21 Cozy retreat



The contest answer is RAT. Six three-letter animals hide in the grid: SASS, KAYAKS, CATHER, UBOATS, BOONDOGGLE, SCOW. Each is also an alternative answer for another answer's clue: SCARF/boa, NITWIT/ass, INTIMIDATE/cow, TORMENT/dog, CHAT/yak, HOMBRE/cat. In grid order, the first letters of those answers spell SNITCH, suggesting the contest answer (hiding sneakily upwards at 42-Down).

Tottenham Is on a Hot Streak Despite Losing Its Biggest Star

By Joshua Robinson



Despite Harry Kane's exit from Tottenham, Son Heung-min and Brennan Johnson have had plenty to celebrate.

The best striker in Tottenham history looked up last weekend, 60 yards from goal with the ball at his feet, and liked what he saw. The goalkeeper was far off his line—it was an invitation to shoot. So Harry Kane launched an effort that traveled half the length of the field, looped over the keeper, and instantly in as one of the goals of the season.

It was the kind of inspiration that had dazzled Tottenham fans for a decade. The trouble was that Tottenham's greatest forward no longer plays for Tottenham—Kane was making long-distance magic these days for Bayern Munich.

At nearly any other point in Tottenham's history, this would have been a hugely disappointing sight. But these are strange days in North London: Spurs fans hardly miss Harry Kane. Despite his exit from the club, Tottenham is off to its best ever start in the Premier League era. The club is undefeated, with eight victories and two draws, and entered the weekend in first place. Tottenham supporters and bitter rivals alike have begun to think a title bid could be brewing.

"Let them dream," newly installed Tottenham manager Ange Postecoglou said. "It's what being a football fan is all about. It's fair to say that this lot have suffered a fair bit so I'm certainly not going to dampen that."

Postecoglou may be a recent arrival to the club, but he's shown that he already understands his new constituents—a fan base that feels like it has witnessed more self-sabotage and sad-sack seasons than the Mets, Jets, and Knicks combined. With a reputation as serial chokers, Spurs haven't won a league title since 1961 or the FA Cup since 1991. In fact, Tottenham hasn't lifted silverware of any kind in 15 years.

Postecoglou's résumé didn't make him an obvious candidate to change that.

After all, recent holders of his job have included Premier League and Champions League winners Antonio Conte and Jose Mourinho. A Greek-born Australian former defender, Postecoglou boasts none of those successes. Big Ange, as Tottenham fans refer to him, spent his entire playing career in Australian domestic soccer. He didn't get his first taste of coaching in a European first division until he was 55 years old with Celtic in Scotland.

Under former manager Mauricio Pochettino the club spent half the 2010s clawing its way into the Premier League's elite and overcoming its complex over its North London rival Arsenal. (In 2016, Spurs finished above Arsenal in the standings for the first time in more than two decades.)

Tottenham also ditched the crumbling White Hart Lane stadium and built a state-of-the-art arena that could host concerts, prize fights, NFL games and possibly even a soccer team that wins things. And over the

summer, Tottenham even cured itself of its overreliance on a world class No. 9—you can't be what Manchester City manager Pep Guardiola once called "The Harry Kane Team" if you don't have Harry Kane.

"Coming into this year, I didn't want anybody carrying the baggage or the burden of what's gone on in the past," said Postecoglou, who will face Pochettino's Chelsea on Monday. "There's no point in that."

Without that baggage—or Kane—Postecoglou has built Tottenham's attacking system around Kane's former strike partner Son Heung-min. Playing fluid soccer where players are free to interchange positions and encouraged to advance the ball as directly as possible, Spurs have only trailed for a grand total of 62 minutes across 10 Premier League games this season.

Even when they are behind, they remain a threat until the last second: Tottenham has recently beaten both Sheffield United and Liverpool with goals scored after the game's 95th minute. "I'm just copying Pep," Postecoglou joked.

OPINION

Is AI a Painkiller or a Vitamin?



INSIDE VIEW
By Andy Kessler

Last week, the White House issued an executive order for command and control of artificial intelligence, strangely invoking the Defense Production Act. President Biden apparently got nervous after watching the latest “Mission: Impossible” movie. Really. Added to the order were a mishmash of unhelpful notions like “advancing equity” and collective bargaining.

It’s been only 11 months since OpenAI’s ChatGPT was released into the wild. It feels longer, with so many new players and capabilities beyond text, including open-source large language models that run on PCs and maybe on phones. Will generative AI take our jobs? Cause human extinction? Create massive wealth? Get regulated out of existence?

If you’re confused, you aren’t alone. Sam Altman, who runs OpenAI, thinks AI “will do more and more of the work that people now do.” Oh, and he says that by 2031 AI profits will allow \$13,500 a year in universal basic income for every American, for doing nothing. On the other hand, he said, “We face serious risk. We face existential risk.”

Venture capitalist Vinod Khosla told the crowd at WSJ

Tech Live last month, “AI will be able to do, within 10 years, 80% of 80% of the jobs that we know of today.” That was probably true for the plow, phone and Slack, but Mr. Khosla neglects to mention the 80% more and better jobs AI will create.

How do you get your arms around this thing? Sometimes analogies help. In Silicon Valley, venture capitalists often look at software or cloud-computing opportunities and put them in two buckets: painkillers or vitamins. I’ll add a bucket for psychedelics—more on that later.

Painkillers lower a company’s costs by axing lower-end jobs. They sell themselves through return-on-investment calculations. Vitamins raise a company’s revenue by providing something new for it to sell, an accelerator that creates new markets. Spreadsheets were painkillers; social networks are vitamins. Mobile phones were painkillers; smartphones and Uber are vitamins.

When IBM’s first PC came out in 1981—the company forecast a market for 250,000 of them—it enabled VisiCalc and other spreadsheets as painkillers, which replaced expensive workers armed with X-Acto knives and Mylar paper. Doing more with less—productivity drives growth. AI will find lots of expensive pain to kill.

Even better, Vitamin AI will allow for new, never-before-

seen services such as digital therapists. Are highly valued jobs like doctors and lawyers at risk? Some will be, but remember Mr. Khosla’s 80% of 80%. Jobs will adapt to AI. The definition of value will shift.

Venture capitalist Roy Bahat at Bloomberg Beta offers a twist on the metaphor. AI projects can be looms, which replace workers; slide rules,

Some companies will use it to reduce expenses, others to create new markets.

which assist humans; or cranes, which extend human abilities. For you TikTokers, slide rules are analog calculator apps.

Looms were painkillers that threatened Luddites enough that they felt the need to destroy them. The White House executive order proves that similar thinking still exists. Cranes were vitamins.

Current use cases for AI are dreamy but incomplete. It can code, though not well—yet. It can drive cars, though not well—yet. It can reply to emails and write poetry and wedding vows. While it’s still too early to gauge its impact fully, AI will reshape the workplace and society in many ways. Focus on productivity.

AI that can do more with less will win. But imagine the

venture capitalist who turned down investing in Amazon because it was simply a low-margin bookseller, albeit online—a modest painkiller. Then the company killed its own pain by digitizing the entire ordering and shipping process with expensive servers and robots. Amazon then thought: *Why not rent these servers out to others to offset some of our own costs?* and created a super-vitamin, Amazon Web Services. One company’s painkiller can become a platform and vitamin for many others.

I added a psychedelic bucket because technology can take the human mind to unreal places. The 3-D video game “World of Warcraft” is a great example. It’s neither a painkiller nor a vitamin, which is also true of entertainment and casinos, alcohol and wacky tobacco. Image generators like Dall-E turn out some pretty weird stuff too. Also, investors often hallucinate the upside of new markets, driving stocks up until the high wears off. Battery maker Quantum-scape’s stock price went from \$10 to \$114 in five months. It’s now \$5. Same for tons of IPOs, SPACs, crypto and now AI. Some dreams come true, but not all of them.

Applying old-fashioned fundamental analysis to AI isn’t an impossible mission. Try to categorize each new use of AI as a painkiller or vitamin and avoid the trippy stuff.

Write to kessler@wsj.com.

BOOKSHELF | By Mike Watson

Partisan Rancor At Midcentury

In the Shadow of Fear

By Nick Bunker
Basic, 496 pages, \$35

In 2019, Henry Kissinger warned that the U.S. and China had entered the “foothills of a cold war,” and the Sino-American relationship has only worsened since. The prospect of a new cold war has induced some historians to reexamine the old one. Nick Bunker’s “In the Shadow of Fear: America and the World in 1950” is one such reexamination.

Mr. Bunker, a British historian and former reporter for the Financial Times, argues that “the real moment of decisive change” occurred not in 1945 but in the “ten months between Labor Day 1949 and the beginning of the Korean War.” That fall, Harry Truman intended to use his Labor Day speech to build momentum behind his ambitious Fair Deal agenda. But over the ensuing 10 months, Truman’s attempt to expand on FDR’s domestic legacy fell apart, and the

Democratic coalition that had dominated American politics for two decades began to break up as well. Most perplexingly to Mr. Bunker, “American politics descended into strife at a moment when in so many ways the nation had little to fear.”

Mr. Bunker weaves together domestic and foreign events as he describes the downfall of the New Deal coalition. This approach gives the book’s narrative a disjointed effect, but then real events are often disjointed, too.

In September 1949, President Truman was preoccupied with

domestic political concerns. He wanted to expand the New Deal by, among other things, establishing a national health insurance program, repealing the Taft-Hartley law that reined in unions, and nationalizing agricultural prices. These and similar presidential proposals ran too far to the left even for many of the Democrats who controlled both the House and Senate. Farmers disliked the agriculture proposal. In the Senate, Southern Democrats joined Republicans to filibuster Truman’s plan to repeal Taft-Hartley as well as his proposed legislation forbidding workplace discrimination. Moderates supported some health-insurance subsidies, but Truman’s program outraged medical associations and skeptics of European-style socialism. Senate Democratic reformers were more focused on investigating the scandal-ridden urban machines that powered much of the Democratic Party.

Even so, the Democrats won off-year elections in New York—then a swing state—that ejected Republican foreign-policy grandee John Foster Dulles from his newly acquired perch in the Senate (he had been appointed to his seat in July) and seemed to revive the Fair Deal’s chances. To rebound from these defeats, Mr. Bunker argues, Republicans launched an unceasing barrage of attacks on the Truman administration’s foreign and domestic policies that divided the country.

Mr. Bunker’s scholarship is excellent, but his search for contemporary parallels is not persuasive. He has written the book, he says, “with an eye to what was occurring in the Trump era” and laments that the only thing uniting the parties today is antagonism toward Communist China. He blames the Republicans and Southern conservative Democrats of 1949 for abandoning the “bipartisan approach to foreign policy” that had predominated in Congress since 1943 to boost their electoral chances.

The argument is nonsense. How can a bipartisan effort have been the cause of partisan division? Like many historians of the period, Mr. Bunker erroneously counts Southern Democrats as honorary Republicans, which leads to this strange contortion.

In 1949, the Truman administration lurched toward socialism. Opponents in both parties stood in the way. Were they reacting in ‘fear’?

Many of Truman’s critics were also thinking about the national interest, not just the next election. There were “Asia-first Republicans” like Sen. Robert Taft who wanted to cut Marshall Plan aid, criticized the Truman administration for allowing Mao Zedong to win in China, and urged Truman to defend the remaining non-communist Chinese in Taiwan. Truman’s Republican critics were not impressed by arguments that the fate of the world depended on stopping communism in Europe and that Asia was a sideshow. In some respects, they’ve been vindicated.

Truman didn’t come under increasingly harsh, bipartisan criticism because his opponents suddenly became mean people. Their alarm was entirely legitimate. On Aug. 29, 1949, the Soviets detonated an atomic bomb—years earlier than defense experts had expected. That seemed to negate America’s most important deterrent against the Red Army. Soon it became clear that the Soviets had acquired this technology through espionage and that communist agents had penetrated other high-level areas of the American government. Secretary of State Dean Acheson foolishly defended accused spy Alger Hiss, whom most Americans correctly believed to be guilty.

Mr. Bunker, in keeping with his theme that Americans had little to fear in 1949-50, portrays the U.S. economy as impregnable. But that isn’t quite right. The postwar boom hadn’t started yet. Inflation was still high, and Truman decided to fight it by balancing the federal budget—more specifically by slashing the defense budget. Underequipped GIs paid in blood the following year in Korea. The big labor unions were also on the verge of major strikes. The United Mine Workers, who could see that oil and gas would soon eat into coal’s share of American energy production, were eager to lock in agreements that “lacked a sound actuarial basis,” as Mr. Bunker delicately puts it.

Seizing on the title of a manifesto written by Arthur M. Schlesinger Jr. during this period, Mr. Bunker laments that “the vital center” of moderate politics didn’t prevail. Please. For Schlesinger, later the fawning chronicler of the Kennedy brothers, the “center” always meant the left. Mr. Bunker’s centrist champions, furthermore, tend to be people like John L. Lewis, the United Mine Workers boss who routinely used violence against his opponents and nearly froze the national economy during the 1950 coal-miner strike.

The irony here is that a kind of political centrism would emerge in the early ’50s. It would consist of a regulated market economy, staunch anticommunism and a robust national defense. The figure with whom that centrism would be most closely associated was Truman’s Republican successor, Dwight Eisenhower.

Mr. Watson is associate director of the Hudson Institute’s Center for the Future of Liberal Society.

The Mexican Politics of Hurricane Otis



AMERICAS
By Mary Anastasia O'Grady

Hurricane Otis was a Category 5 storm when it slammed into Acapulco in the wee hours of Oct. 25, blowing out the windows of the tall hotels that line the beachfront and hollowing out their interiors. It turned humble dwellings into piles of sticks, knocked out power, laid waste to shopping centers, and flooded streets. The world-famous resort city, already in decline because of cartel violence across the state of Guerrero, is destroyed. The death toll stands at 48 with three dozen missing.

Nature’s fury, beyond man’s control, brings inevitable disasters. Mexico, sitting between two oceans in an active seismic zone, is especially vulnerable. But that’s all the more reason for government preparedness. Instead, the municipal, state and federal handling of Otis has been abysmal.

The reason is purely political, the fruits of five years of President Andrés Manuel López Obrador’s centralization of power under a plan he calls “the fourth transformation” of Mexico. Mr. López Obrador’s single six-year term ends in 2024. But the giant failure of government to handle Otis is the clearest indication yet of what the country is in for if his Morena party—which also governs Guerrero and the city

of Acapulco—succeeds at the polls in the June presidential and congressional elections. AMLO, as the president is known, has chosen Mexico City Mayor Claudia Sheinbaum to succeed him.

Otis began as a tropical storm at sea and picked up steam quickly. Even so, officials ignored warnings from the U.S. National Hurricane Center of the oncoming weather freight-train. According to Mexican investigative journalist Carlos Lorete de Mola, on the evening of Oct. 24, hours before Otis made landfall, the state’s secretary general was participating in the opening of a mining conference of 5,000 guests in a hotel near the beach. The Spanish daily El País reported there was also a sports convention under way in the city with 800 minors in attendance.

The cleanup isn’t going any better. Residents say they’ve been left to fend for themselves. Bodies are reportedly rotting under the rubble. Video has shown bare store shelves; food, diapers and other essentials are in short supply. There are gasoline shortages and long lines for drinking water.

Looting has been rampant. The Morena mayor of Acapulco, Abelina López Rodríguez, excused the thieves, saying that “taking things that don’t belong” to them is “social cohesion.” Some business and home owners took up machetes to defend their families and property.

AMLO planted the seeds of

this catastrophe by politicizing the civil service, seizing power from independent agencies, and giving the military an ever-larger role in the economy. He has said he doesn’t care about the capabilities of his lieutenants in government, only that they’re honest. His national coordinator of civil protection, the top job for federal emergency response, is an art historian.

President López Obrador’s emergency response has failed the storm’s victims.

Far from advancing modern liberal democracy with its checks, balances and decentralization, AMLO is centralizing authority. He frames the fourth transformation as a national step forward. But it looks more like a reformulation of the one-party state under the Institutional Revolutionary Party, or PRI, with the new name of Morena and AMLO as the alpha dinosaur.

Take the president’s decision to eliminate Mexico’s fund for natural disasters, known by the acronym Fonden. Created in 1996, it was the country’s financial-risk and crisis-prevention manager for hurricanes and earthquakes. It was also the administrator of funds for emergency response, recovery and reconstruction. The president claimed it was a slush fund for corruption.

Government officials and a Fonden technical committee traditionally made decisions about disbursements. AMLO wanted a more direct role, and he got it by closing down the trust and seizing its assets for his pet projects. Mexico still uses the World Bank catastrophe bonds that Fonden put to work to insure itself. But now, when disaster strikes, government handouts arrive straight from AMLO’s treasury. Populism on steroids.

The Mexican military has also come under sharp criticism for its response to Otis. It isn’t the fault of the men and women in uniform for failing on one of their most basic responsibilities. Rather, as AMLO has increasingly tasked the armed forces with running ports and airports and supporting his grandiose projects, like the construction of the Mayan train on the Yucatán, its capabilities have been diluted. Mexicans in crisis pay the price.

The day after the storm, Mr. López Obrador was photographed in a military jeep, stuck in the mud, on his way to Acapulco. He had to get out and walk.

He claimed he had been unable to arrive by helicopter. But he returned to Mexico City that way shortly thereafter, which weakened his story and strengthened the allegation that he had engaged in theatrics. It wouldn’t be the first time the president made Mexican hardship all about him.

Write to O’Grady@wsj.com.

The Murder of a Great Educator

By Robert Maranto

Nov. 6 is the 50th anniversary of one of the most important assassinations in U.S. history. Fifty years ago, while leaving a school-board meeting, the nation’s first black big-city school superintendent, Oakland, Calif.’s, Marcus Foster, was ambushed and killed instantly by a volley of cyanide-filled bullets.

Marcus Foster was one of America’s greatest educators. As a principal in his native Philadelphia, he turned around three inner-city public schools in the 1950s and ’60s. Foster “portrayed parents as an ally to be mobilized,” not “an obstacle to be overcome.” John P. Spencer wrote in his 2012 book, “In the Crossfire: Marcus Foster and the Troubled History of American School Reform.”

While leading Catto Disciplinary School, for students expelled elsewhere, Foster improved academics and extra-curricular activities and developed vocational programs

with businesses so students and their parents could get jobs. Some youngsters began requesting assignment to the reform school.

In 1966, all-black, mainly poor Simon Gratz was the city’s worst comprehensive high school. Locals scoffed that “Gratz is for rats.” Foster imposed order, brought back

Marcus Foster turned inner-city schools around. Left-wing terrorists shot him.

activities like dances, and opened “storefront schools” in the community to serve parents and students after hours. Insisting that educators “break through generations of nonachievement,” Foster returned Latin and other advanced classes while doubling college acceptances and halving dropouts.

Foster transcended ideology. He fought for public

schools to allow black teachers into leadership posts, to let students wear African clothing, and to teach black history. He also led protests for more school funding. But Foster expected students and educators to exercise personal responsibility, insisted that public schools offer rigorous courses, and refused to excuse failure.

He told Foster to have middle-class values, but you do have to have middle-class skills.” In a direct slap at liberal intellectuals, he wrote in “Making Schools Work” (1971) that “inner city folks . . . want people in there who get the job done, who get youngsters learning no matter what it takes. They won’t be interested in beautiful theories that explain why the task is impossible.”

Foster also insisted on school safety. As Mr. Spencer recounts, after Oakland teachers and students suffered dozens of assaults and a fatal stabbing, radicals proposed hiring Black Panthers for

school security. Foster sounded a different tune: “We’re going to have to get away from the rhetoric of the ’60s, when police were called ‘pigs.’ ” The superintendent proposed coordination with police, police-trained “peace officers” where needed, and student ID cards to keep intruders out.

That led the Maoist Symbionese Liberation Army to condemn Foster as the “Black Judas in Oakland.” The SLA hoped that killing Foster would inspire mass uprisings. Instead, as one member put it, the murder proved such a “public-relations mistake” that in 1974 the group kidnapped 19-year-old newspaper heiress Patty Hearst, in part to change the conversation. It worked. Today, people of a certain age remember the SLA for the Hearst kidnapping; Marcus Foster is largely forgotten.

Mr. Maranto holds a chair at the University of Arkansas Department of Education Reform.

OPINION

REVIEW & OUTLOOK

Domestic Abusers for Gun Rights?

Gun rights are back at the Supreme Court, and on Friday the Justices agreed to hear whether a regulation against bump stocks that allow more rapid firing of semi-automatic weapons is legal.

The Supreme Court hears a big new Second Amendment case.

Justice Clarence Thomas's 6-3 opinion last year in Bruen was a landmark for the Second Amendment in more ways than one.

Zackey Rahimi will tell the Justices on Tuesday in U.S. v. Rahimi that the nation has no tradition of disarming domestic abusers.

The debate isn't whether Mr. Rahimi ought to have a gun. The question is the constitutional way of disarming him under the Second Amendment.

Mr. Rahimi's rap sheet is enough to end any notion of putting a gun back into his hand. The government's brief says in 2019 he got physical with his girlfriend in a parking lot.

He was warned this could make it a federal felony for him to possess a gun. Yet over a span of two months, the government says he had

five incidents, including firing at the house of a man to whom he'd sold drugs, shooting at a driver after a car accident, and blasting into the air after a Whataburger fast-food joint "declined a friend's credit card."

Prosecutors can disarm Mr. Rahimi by convicting him of a violent crime. Can an American lose a constitutional right, however, by a judge's say-so in a civil process?

Then there's the Bruen test. The Fifth Circuit considered, and rejected, a series of suggested precedents for federal firearm proscription by civil order.

One idea, raised in an amicus brief signed by professors of Second Amendment law, is that federal disarmament of people under restraining orders might be constitutional if a judge specifically finds a "credible threat."

The Supreme Court's ruling could have broader implications. The federal law challenged by Mr. Rahimi has other provisions that disarm other categories of Americans.

LETTERS TO THE EDITOR

Muslim Americans Like Me Stand With Israel

In Molly Ball's recent report on the American left's divisions over Israel, "Democrats' Fractures on Israel Laid Bare by War" (Page One, Nov. 1), a progressive strategist seems to suggest that President Biden's defense of Israel's right to exist is somehow alienating Muslim Americans.

Many of us understand that Hamas and other organizations devoted to the extermination of the Jewish people are also committed to brutalizing and murdering Muslims who stand in the way of their totalitarian designs.

REIHAN SALAM
President, Manhattan Institute
New York

ADL Wasn't 'Played' by Black Lives Matter

Jason Riley mischaracterizes our position and posture toward the Black Lives Matter movement and the anti-Semitism we've seen from some of its chapters in recent weeks.

dehumanize Israelis or Zionists do not deserve a seat at the table. We would never work with them under any circumstances.

Having said that, we must and we will continue to find ways to work with the African-American community. There are still serious issues of systemic racism in this country.

JONATHAN A. GREENBLATT
CEO and national director
Anti-Defamation League
New York

Realtors Take the Stress Out of Home-Buying

Regarding your Nov. 1 editorial "A Big Legal Defeat for the Realtors": You imply that, since a federal jury found the National Association of Realtors liable, your stance has been validated.

ally bothers home buyers. They see the closing statement and think that the realtor is making too much money. But even with these commissions, the housing market in the U.S. is much larger and more robust than in many other countries.

Airstrikes on Refugee Camps Show the High Cost of War

Israeli Prime Minister Benjamin Netanyahu asserts that his civilized country is fighting barbarism ("The Battle of Civilization," op-ed, Oct. 31). That same day Israel launched an attack on a crowded refugee camp killing, burning and maiming many civilians, including children.

Technology has allowed airlines and hotels to make booking online very easy and online brokerage companies have also all but eliminated the need for a personal stockbroker for individual retail investors.

Some real-estate agents are better and more professional than others, and the true professionals can remove plenty of stress from what is the largest and most emotional acquisition most people will ever make.

FRANCES BROWN
Lafayette, Ind.

Can we defeat evil without doing evil ourselves? Can we oppose barbarism and not use barbaric methods? The destruction of innocent human life is always a tragedy.

We ought to reflect on what this war is doing to our moral sensibilities. Perhaps we should show some restraint—and dare I say humility—in claiming the moral high ground as our own.

As we contend with the civilian deaths and injuries resulting from the Israeli airstrike on a Hamas senior commander and other terrorists taking cover in Gaza's Jabalia refugee camp, we should remind ourselves that Israel has declared war on Hamas.

WILLIAM ALSTON
Laredo, Texas

Let's Disguise Hearing Aids

I want hearing aids that look like AirPods so I can look cool and hip instead of old and failing ("The New Etiquette for Earbuds," Personal Journal, Oct. 31). This has the added benefit that when I say "What?" people will think I didn't hear them because I'm listening to some engrossing new music or cutting-edge podcast.

Where Are the Resignations?
One thing that stands out in Tunku Varadajaran's Weekend Interview with Natan Sharansky is the integrity Mr. Sharansky displayed by resigning several times from government over positions he could not support.

Richard Stofen
Naperville, Ill.

I have a feeling that a great many younger people who wear AirPods are going to need hearing aids long before their grandparents did, meaning this idea will become even more popular over time.

KIMBERLEY MOORE
Bay Village, Ohio

Phil Murphy's New Jersey Wind Flop

Phil Murphy huffed and he puffed, and a giant wind boondoggle blew the New Jersey Governor down. That's the story of another failed green-energy project, as the follies keep being exposed.

The renewable energy firm Ørsted last week backed out of two megaprojects along the Jersey shore that it started planning in 2019. With his eye on support from the climate lobby for a White House run, Mr. Murphy courted the developments, which were meant to provide electricity for hundreds of thousands of homes.

Mr. Murphy fumed in public, saying the cancellation casts doubt on Ørsted's "credibility and competence." The Danish firm blames its withdrawal on rising interest rates and component costs, but it has said little about what made the New Jersey project uniquely impractical.

But it takes two to make a bad deal, and Mr. Murphy wants to shift blame for his poor due diligence on behalf of New Jersey ratepayers. The state prodded power company PSEG into

a partnership with Ørsted, and PSEG bought a 25% stake in one of the offshore projects to prop up development. The utility sold its stake this year as cost overruns became critical.

Yet that was exactly when Mr. Murphy doubled down. He signed a bill in July to let Ørsted pocket federal tax credits it would earn from the wind farms, instead of using that money to reduce its electricity rates, as it promised to do in 2019.

The New Jersey bust isn't the only sign of wind industry woes. BP and Norwegian partner Equinor recently wrote-down a combined \$840 million on New York state wind projects. "Offshore wind in the U.S. is fundamentally broken," a BP clean energy executive told the press Wednesday.

The best result of Ørsted's project failure would be for other states to re-examine their green follies. This is also something for voters to recall when politicians next try to sell their climate virtue.

Roughly \$1 billion in credits couldn't save a green energy project.

A Five-Alarm Biden Re-Election Fire

Public-opinion polls are a snapshot in time, and results can change quickly in politics as events intrude. But the polls have been sending Democrats and President Biden the same election warning for months, so perhaps they'll eventually start listening.

The latest Siena College-New York Times poll of six battleground states, released on the weekend, is a five-alarm fire for Democrats a year before the election.

Mr. Biden trails Mr. Trump by 10 points in Nevada, six in Georgia, five in Arizona and Michigan, and four in Pennsylvania. He leads only in Wisconsin in the survey, and there by two points. Those are awful numbers for an incumbent and would add up to more than 300 votes in the Electoral College.

Especially striking is that Mr. Biden does worse than even Vice President Kamala Harris against Mr. Trump. A generic, unnamed Democrat leads Mr. Trump by eight points. This suggests voters have soured on Mr. Biden in particular, and the survey shows 71% of voters think he is too old to run again, including 51% of Democrats.

The usual caveats apply. The election is still a year away, and Mr. Trump has benefited from his relative lack of exposure while being out of office. As voters focus on the election next year,

Mr. Trump's manifest liabilities will reassert themselves. And that's before his three criminal trials play out, two of which are scheduled for the first half of next year.

But the results in survey after survey show that Mr. Biden is in perilous re-election shape. His Bidenomics pitch hasn't worked as voters remain sore about rising prices and a fall in real wages during his Presidency.

The war in the Middle East is now dividing Mr. Biden's coalition, as anti-Israel progressives turn on the President. We think Mr. Biden deserves credit for supporting Israel, and so do most Democrats. But in a closely divided country, even a small defection by a core group of voters can turn a swing state.

All of this should be cause for soul-searching in the Oval Office and with Jill Biden in the private White House residence. There's a compelling case that Mr. Biden can best help his party, and the country, by announcing he won't run again. He can say he wants to focus on helping Ukraine and Israel defend themselves against Russia and terrorist militias, and let younger Democrats take on Mr. Trump.

In 2020 Mr. Biden won as the Democrat most likely to beat Mr. Trump, and he did. But he now risks squandering that legacy by losing to Mr. Trump in a rematch. Mr. Biden surely doesn't want to go down in history as the Democrat who overstayed his welcome and restored Donald Trump to power.

The President trails Trump in five of six battleground states.

Pepper ... And Salt

THE WALL STREET JOURNAL



"I had a lot of aspirations, but my parachute didn't open."

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

OPINION

BDS Reaches The West Bank of the Delaware

By Sierra Dawn McClain

The "boycott, divestment and sanctions" movement, or BDS, seeks to strangle Israel economically. It has gone after international tech giant Hewlett Packard Enterprise for allegedly doing business with Israel's government, as well as Sabra, a food company with Israeli ownership. But BDS also seeks to harm more-vulnerable targets: small businesses.

On Oct. 30, the Philly Palestine Coalition posted on Instagram urging its 15,000 followers to boycott Philadelphia restaurants that are "owned by Zionists," serve Israeli food, raise money for Israel, or are owned by Philadelphia-based Starr Restaurants.

Among the restaurants on the list is South Philadelphia's Essen Bakery. Owner Tova du Plessis is Jewish but not Israeli. The coalition says it is targeting her because of an Instagram post she wrote on Oct. 9: "I stand by Israel's right to exist, to be a home for all Jewish people, to defend herself."

Philadelphia officials shrink from criticizing a boycott of restaurants owned by 'Zionists.'

The boycotters also assert that "restaurants and businesses claiming to sell 'Israeli' food, fruits, vegetables, and products are part of an ongoing colonial campaign of stealing, appropriating, and profiting off of Palestinian food and culture as a means of erasing Palestinian existence." One target is Suraya, a Lebanese restaurant in Fishtown, because a local newspaper quoted one of Suraya's owners saying "we gain inspiration" from other regional cuisines, including Israel's.

What does the Philly Palestine Coalition have against Starr Restaurants? Jared Epstein said Hamas's attack was "not just against Israel but against all Jewish people." The coalition falsely calls Mr. Epstein a Starr "spokesperson," but he doesn't even work for the company. He is a partner of the landlord of Pastis, a Starr restaurant in New York.

The Philly Palestine Coalition has spent the past few weeks organizing protests against Israel. Immediately after Hamas's terrorist attack on Oct. 7, Nada Abuasi, a Drexel graduate student whom several newspapers have identified as one of the coalition's organizers, tweeted: "Our fighters know what they are doing. They know decolonization is a practice and that our liberation necessitates armed struggle." In January 2022, she tweeted that "the Zionist entity has absolutely no right to safety or security" and that Israel "must cease to exist." (Ms. Abuasi didn't respond to requests for comment.)

What do Philadelphia officials have to say about this anti-Semitic campaign? Very little. Mayor Jim Kenney refused to condemn the boycott, saying in an email that the city's priority is to "consider and care for every community in our region that may be experiencing pain and uncertainty due to this conflict." City Councilman Anthony Phillips offered a similar dodge. "In Philly, food is not political or geopolitical," he said in a text message. "Some like cheesesteaks from Dalessandro's and others like them from Max's!"

Council President Darrell Clarke refused to comment, as did members Kenyatta Johnson, Sharon Vaughn and Cindy Bass. Nine others didn't respond to requests for comment. Only Councilman Mark Squilla went as far as to say he "does not support this boycott of Jewish-owned businesses in Philadelphia."

Would city officials respond so equivocally to a boycott of black- or Muslim-owned businesses? The question answers itself.

Ms. McClain is the Journal's Joseph Rago Memorial Fellow.

By Leslie Lenkowsky

Missouri Rep. Jason Smith denounced universities and student organizations for statements "celebrating, excusing, or downplaying" the Oct. 7 attacks by Hamas in Israel. "Releasing such statements, or failing to condemn them," he said last month, "is unforgivable and runs counter to our values as a nation."

Mr. Smith's comments have more weight than most because he is chairman of the House Ways and Means Committee, which has jurisdiction over tax policy. That includes policies governing nonprofit organizations, including colleges and universities as well as groups issuing statements and staging rallies throughout the U.S. Statements celebrating Hamas's violence, Mr. Smith adds, "call into question the academic or charitable missions they claim to pursue"—in other words, their tax breaks.

The U.S. has traditionally given charities and their supporters great leeway in handling controversial issues. Constitutional guarantees of free speech and assembly protect their activities and require government to demonstrate a strong reason for restricting them. But Congress and the Supreme Court—as well as nearly three dozen states—have agreed that providing aid to terrorist groups like Hamas is a justifiable reason to forbid donors from supporting them.

Mr. Smith's statement suggests the tax exemptions of organizations backing Hamas—or tolerating such activity—may be in for congressional scrutiny. Virginia's Attorney General Jason Miyares has launched an investigation of AJP Educational Foundation, aka American Muslims for Palestine. Mr. Miyares's office said in a press release that it is looking into whether the group "used funds raised for impermissible purposes under state law, including benefiting or providing support to terrorist organizations," as well as whether it was properly registered to solicit contributions in the state.

But apart from the constitutional



Demonstrators at the University of South Florida in Tampa, Oct. 12.

issues involved, taking action against these groups won't be easy. One reason is that some of the most prominent groups aren't tax-exempt and don't take tax-deductible contributions directly. Students for Justice in Palestine, whose national chapter was established by activists involved with a now-defunct charity investigated for financing terrorism, isn't on the

Universities and anti-Israel groups may find their nonprofit status under scrutiny.

Internal Revenue Service's list of tax-exempt groups. As a result, it isn't required to disclose—to the public or the IRS—who supports it, making it the same kind of "dark money" group that progressives have criticized conservatives for using.

Those who wish to support SJP are directed on its website to make their donations to the Wespac Foundation, a tax-exempt group in White Plains, N.Y., that calls itself a "leading force for progressive social change." Wespac is a "fiscal sponsor," meaning it can receive tax-deductible contributions for organizations not on the IRS list. It doesn't have to report publicly either the sources of its

money or how much of it goes to SJP or other groups. In its IRS filing for 2021, Wespac listed revenue and expenses of about \$1 million each but provided few details. SJP also can receive contributions from donors who aren't interested in a tax deduction, including supporters from other countries.

In *Holder v. Humanitarian Law Project* (2010), the Supreme Court upheld a law making it a crime to provide "material support or resources" to organizations on the State Department's "foreign terrorist organization" list (which includes Hamas and Hezbollah), even if the donations were earmarked for social services or other peaceful uses. "Money is fungible," Chief Justice John Roberts wrote for the court, expressing doubt that the groups on the State Department's list could be relied on to keep a wall between their lawful and unlawful activities.

The *Holder* decision applies only to foreign organizations linked to terrorist groups. A law restricting gifts to American groups that engage in advocacy on behalf of terror groups would face tougher First Amendment scrutiny. But there is a difference between exercising free speech and receiving a tax break for doing so.

Courts and legislators have long tried to distinguish between "education," which has traditionally been

considered a charitable activity, and "propaganda"—intentionally transmitting biases and misinformation on behalf of a particular position—which hasn't. In formulating tax policies, lawmakers have sought to encourage organizations providing education (and their supporters), while avoiding tax advantages for those involved in propaganda.

This is treacherous terrain. Not long ago, the IRS used a procedure for reviewing tax-exemption applications that singled out groups with words or phrases such as "tea party" in their names. It led to a scandal, congressional hearings, and ultimately a court ruling that outlawed the practice. Now, in determining if an organization's activities are educational, the IRS is supposed to look not at the group's views, but at its conduct, which should involve a fair and noninflammatory presentation of facts.

Rep. Smith and many others clearly think that groups calling Hamas members "martyrs" and seeking to "free Palestine from the river to the sea" (meaning, as some have now acknowledged, eliminating Jews from Israel) don't meet this standard. Many of these groups and their supporters are on the IRS's list of tax-exempt charitable organizations and responsible for living up to the requirements of tax policy. So too are the colleges and universities that have been tolerating their conduct.

"Charities that encourage violence and cheer on extremism are not contributing to society with any of the purposes the IRS allows," Elizabeth Schmidt, a nonprofit-law expert at the University of Massachusetts Amherst, wrote last spring. She was looking at right-wing extremism, particularly whether the Oath Keepers Foundation—the fundraising arm of the main group involved in the attack on Congress in 2021—deserved the tax exemption it had at the time. Her conclusion seems to apply with even greater force to the organizations now defending Hamas, minimizing terrorism and calling for the destruction of Israel.

Mr. Lenkowsky is a professor emeritus at Indiana University.

Why Stanford's Leaders Tolerate Anti-Semitism



LIFE SCIENCE By Allysia Finley

After Hamas massacred some 1,400 Israelis on Oct. 7, many Stanford students marched in support of the terrorist group, chanting "2, 4, 6, 8, smash the Zionist settler state." University leaders responded with a statement supporting "academic freedom," including the "expression of controversial and even offensive views."

This is the same university where administrators last year undertook an Elimination of Harmful Language Initiative, which published a catalog of words and phrases to be removed from the school's websites. Among the proscribed terms: "American," "immigrant" and "blind study."

Stanford's motto is "let the winds of freedom blow," but many administrators and faculty want it to blow only from the left. Denouncing anti-Semitic protests wouldn't chill academic freedom on campus; it would serve as a desperately needed show of moral clarity amid a tempest of false equivalence.

But cowardly university leaders are afraid of provoking leftist professors and staff. Recall what happened to Stanford's previous president, Marc Tessier-Lavigne, a neuroscientist, announced his resignation in July following a series of reports in the student newspaper, the Stanford Daily, that accused him of research fraud. Much of the reporting turned out to be inaccurate, but that didn't matter. The die had already been cast against him.

On Nov. 29, 2022, freshman Theo Baker—whose parents, Susan Glasser and Peter Baker, are journalists at the New Yorker and the New York Times—reported that images in some of Mr. Tessier-Lavigne's papers on Alzheimer's disease appeared to have been manipulated and that his research was under "investigation for

scientific misconduct" by the European Molecular Biology Organization Journal.

Mr. Baker subsequently wrote several stories based on anonymous sources who alleged that Mr. Tessier-Lavigne had tried to conceal fraud in his studies. Mr. Baker focused particularly on a 2009 Alzheimer's study in the journal *Nature* that Mr. Tessier-Lavigne led while employed by the drugmaker Genentech.

The paper's central findings failed to hold up on further study. Mr. Baker's anonymous sources alleged that in 2011 Genentech investigated Mr. Tessier-Lavigne's research for fraud and discovered the data had been falsified. The report also said Mr. Tessier-Lavigne had refused to retract the paper. Genentech and Mr. Tessier-Lavigne disputed these claims.

Last December, Stanford's board of trustees retained a legal team from Kirkland & Ellis to investigate the allegations. The team conducted more than 50 interviews with people connected to Mr. Tessier-Lavigne's research and enlisted independent scientists to review more than 50,000 documents, including his digital records.

In July, the investigators issued a report that largely exonerated Mr. Tessier-Lavigne and described the Stanford Daily's allegations about the 2009 *Nature* paper as "mistaken." The investigators did find inadvertent errors in some of Mr. Tessier-Lavigne's papers and also determined that some data had been manipulated by other unnamed scientists in his labs. But they concluded he "was not in a position where a reasonable scientist would be expected to have de-

tected any such misconduct" and that he "did not have actual knowledge of the manipulation of research data that occurred in his lab and was not reckless in failing to identify such manipulation prior to publication."

Mr. Tessier-Lavigne accepted responsibility for the errors, resigned and requested that the scientific journals post corrections to his papers. The Stanford Daily hasn't corrected the main inaccuracies in Mr. Baker's reporting, which earned him a George Polk award for long-form investigative journalism.

Recall how Marc Tessier-Lavigne was ousted as president after bucking leftist orthodoxies.

The New York Post last week reported that Mr. Baker has signed a book deal to "detail his freshman year and how his reporting for the school paper took down the institution's head." His sources for the flawed report appear to include Stanford faculty. Two stories cited an email from an unnamed professor who knew of scientists with "knowledge of the events."

A March 6 story noted that Ken Schultz, then chairman of the faculty senate, had called Jerry Yang, chairman of Stanford's Board of Trustees, in the wake of the *Nature* allegations "to express the concern of several senators about Tessier-Lavigne's capacity to lead."

It's no secret that Mr. Tessier-Lavigne had many enemies on the fac-

ulty. He irritated leftist professors by refusing to denounce Hoover Institution scholars, such as Eric Hanushek and Scott Atlas, who argued against lockdowns and school closures.

During a faculty meeting on Oct. 22, 2020, a professor of psychiatry and behavioral sciences asked Mr. Tessier-Lavigne: "Will you, on behalf of the university, publicly disavow Scott Atlas's irresponsible, unethical, and dangerous actions?" Mr. Tessier-Lavigne responded by reading the university's statement on academic freedom.

He obliquely criticized the harmful-language initiative (which was ended in the face of public ridicule) in January 2023, telling faculty that "we must exercise great care to ensure that any actions that are taken to foster inclusion do not, wittingly or unwittingly, have the effect of restricting speech." He also boasted that "no speakers have been disinvented and no conferences have been canceled" under his watch. After a student mob shouted down Judge Kyle Duncan at a March 9 Stanford Law School Federalist Society event, Mr. Tessier-Lavigne issued an apology, noting "staff members who should have enforced university policies failed to do so, and instead intervened in inappropriate ways."

Whether or not faculty were behind the take-down of Mr. Tessier-Lavigne, the allegations of fraud became a convenient pretext to give him the heave-ho. The lesson is clear. When leaders at Stanford and other universities refrain from denouncing anti-Semitism in the name of "free speech," it's probably because they're scared of being driven into exile by radical professors.

The Nest Is Never Truly Empty

By Danny Heitman

Now that our daughter and son are grown and living elsewhere, my wife and I are often asked what it's like to be empty nesters. Even though our children have moved away, the nest doesn't feel empty to me. When they left, a good bit of their stuff stayed behind.

Our daughter has been married a year now, but her old bedroom remains intact, a shrine to adolescent life in a previous decade. Yearbooks line the shelf, relics always neglected because young people can't imagine needing a prompt to remember high school. There are dolls stored under the bed and some prom dresses, I think, in the closet.

Our son's room offers a companion museum of early 21st-century boyhood. Board games, camping

equipment, sci-fi novels and discarded sneakers number among the artifacts. A cello from his junior high stands entombed in its huge case, solemn as a sarcophagus holding its pharaoh. Glancing at that massive memento of a son now in graduate school, I remember a friend's maxim about parenthood: Children lose interest in a musical instrument at about the time you finish paying for it.

My wife and I occasionally talk about spiffing up the kids' rooms into guest suites, replacing the juvenilia with a more fashionable look. But for now, when our kids return for visits, they sleep in their familiar rooms, reminded of who they once were, the adults they've since become. Homecoming for them is the same as it is for many of us: a chance to dwell within the walls of personal history.

I wonder if my children will ever retrieve their things, though I know the odds don't favor it. After my widowed mother died in 2008, my siblings and I found our own souvenirs among her clutter: faded report cards, old homework, a broken toy or two in a back drawer.

Every now and then, while putting the house to bed for the night, I wander into our children's old rooms and sense a past as palpable as the dusty shoe in a silent corner, a spiral notebook unopened for years.

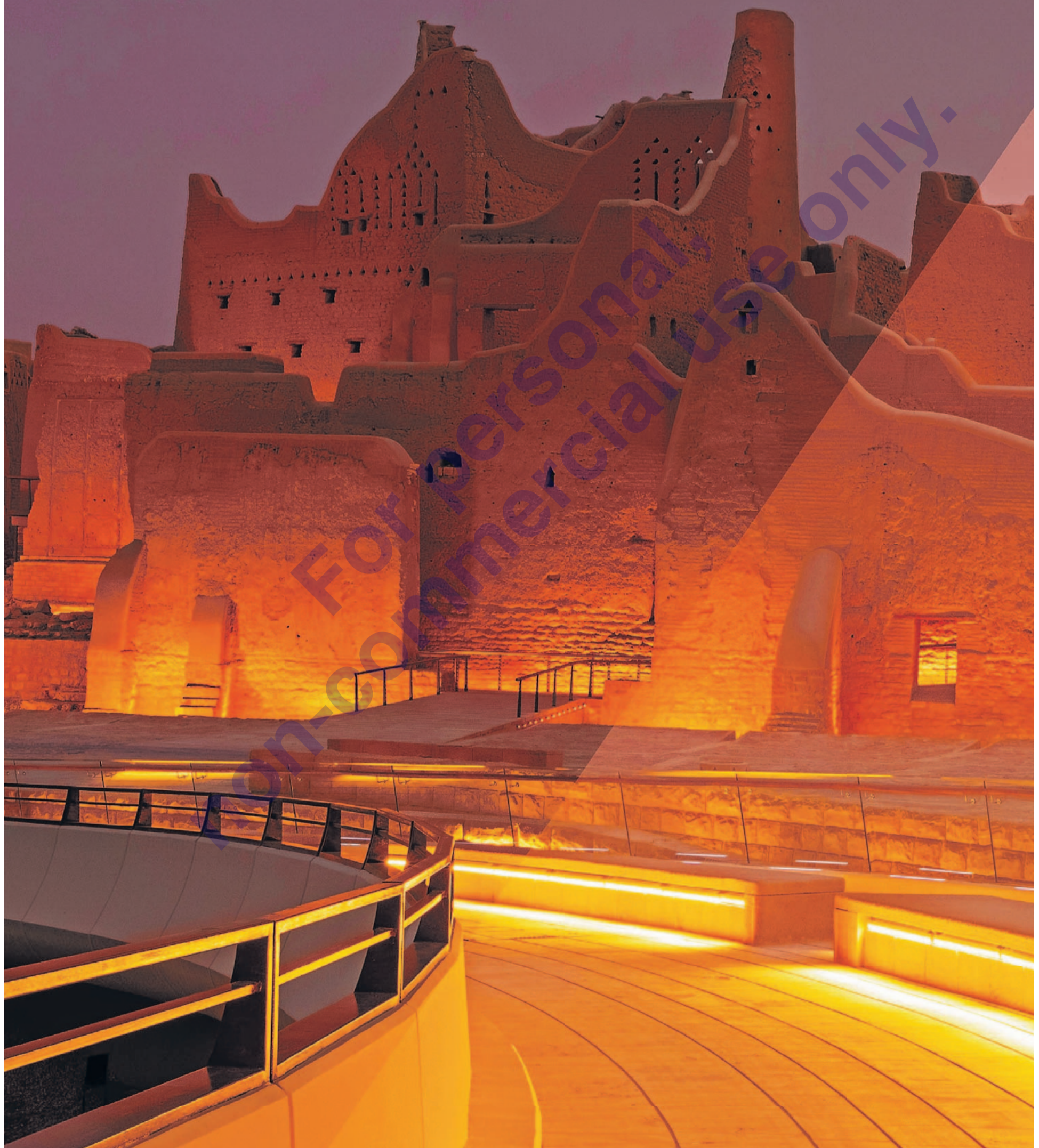
In doing so, I grasp a basic truth. Children never really leave you. They fill your house as they fill your heart—completely, and with a power time can't diminish.

Mr. Heitman is a columnist for the Baton Rouge Advocate and editor of Phi Kappa Phi's Forum magazine.

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Last Week: S&P 4358.34 ▲5.85% S&P FIN ▲7.35% S&PIT ▲6.84% DJTRANS ▲7.06% WSJIDX ▼1.30% 2-YR. TREAS. yield 4.828% NIKKEI 31949.89 ▲3.09% See more at WSJ.com/Markets

Berkshire Has a Record Cash Pile



Conglomerate's quarterly loss widened, stung by market downturn

By KAREN LANGLEY

Warren Buffett's **Berkshire Hathaway** ended the third quarter with a record cash pile and reported a deeper net loss due to the sputtering stock-market rally.

The famed investor's Omaha, Neb., company wrapped up the third quarter with a record \$157.2 billion in cash and equivalents, up from \$147.4 billion at

the end of the second quarter and eclipsing the previous record of \$149.2 billion that was set two years ago.

Most was held in short-term investments in U.S. Treasury bills. The company said in a securities filing that interest and other investment income increased \$1.3 billion in the third quarter from a year earlier, primarily because of increases in short-term interest rates.

The stash leaves Berkshire equipped to pounce if Buffett, the company's chief executive and chairman, finds an attractive opportunity to buy a business. Charlie Munger, Berk-

shire's vice chairman and Buffett's longtime business partner, told The Wall Street Journal in a recent interview that the odds of another big acquisition under the pair were "at least 50/50."

"There's certainly fuel there if they want to make a deal," said Cathy Seifert, an analyst at CFRA Research.

Berkshire bought back \$1.1 billion of its own shares during the third quarter, after repurchasing about \$1.4 billion in the second quarter. The company's Class A shares closed at a record \$563,072.75 on Sept. 19. They ended Friday at \$533,815, up 14% this year.

Berkshire, which owns businesses including insurer Geico, railroad BNSF Railway and sportswear maker Brooks Running, posted a net loss of \$12.8 billion, or \$8,824 a class A share equivalent. That compared with a loss of \$2.8 billion, or \$1,907 a share, in the year-earlier period. Investment losses swelled to \$23.5 billion from \$10.4 billion a year earlier.

Operating earnings, which exclude some investment results, rose to \$10.8 billion from \$7.7 billion last year. The bottom line improved at Berkshire's insurance-underwriting

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Musk Unveils Snarky AI Bot 'Grok'

By JASON DEAN

Elon Musk's artificial-intelligence startup showed off its first product: a bot named Grok whose sense of humor the billionaire demonstrated with jokes about Sam Bankman-Fried and how to make cocaine.

Musk, in social-media posts over the weekend, included those sample responses from Grok as he boasted that it has both a love of sarcasm and the advantage of access to real-time information via X, the platform formerly known as Twitter that he bought just over a year ago.

An announcement Saturday night by his startup, xAI, also mixed the serious and the silly. It said Grok will be designed for tasks including information retrieval and coding assistance, part of an effort to create AI tools "that assist humanity in its quest for understanding and knowledge."

It said Grok "has a rebellious streak" and was modeled after the Hitchhiker's Guide to the Galaxy, an all-knowing guidebook in Douglas Adams's classic science-fiction comedy novel of the same name.

Musk said Grok would be made available to X's Premium+ subscribers after beta testing with a limited group of users.

Musk unveiled xAI in July with the mission, as stated on its website, to "understand the true nature of the universe." He spent months recruiting researchers to the startup before its launch with the goal of creating a rival to OpenAI, whose ChatGPT sparked a new tech-industry arms race over generative AI after its launch nearly a year ago.

Musk has denounced OpenAI as being politically correct, among other things. He has said the world needed an alternative AI option to Google and to Microsoft, which is a major investor in OpenAI. The xAI announcement said Grok will "answer spicy questions that are rejected by most other AI systems," and warned "please don't use it if you hate humor!"

Musk has long been fascinated with AI, warning of its potential perils as well as talking about its potential for positive change.

"The pace of AI is faster than any technology I've seen in history by far," Musk said on Thursday in a conversation with U.K. Prime Minister Rishi Sunak at a two-day international summit focused on the technology. "On balance I think AI will be a force for good most likely, but the probability of it going bad is not zero percent, so we just need to mitigate the downside potential."

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Consumer Spending Fuels Strong Quarter



The S&P 500's two most profitable sectors in the latest quarter were communication services and consumer discretionary, a group that includes Starbucks.

Earnings for the nation's biggest companies are poised to show their first collective increase in a year, helped in part by strong consumer spending this summer.

The members of the S&P 500 are on pace to collectively report a 3.7% rise in earnings for the third quarter, the first such increase since the year-earlier quarter. Revenue is on track to grow 2.3% from a year ago, according to FactSet.

Driving the profit gains was consumer spending, as Americans continued to dine out, take trips and buy online.

"Customer demand for us remains strong," **Starbucks**

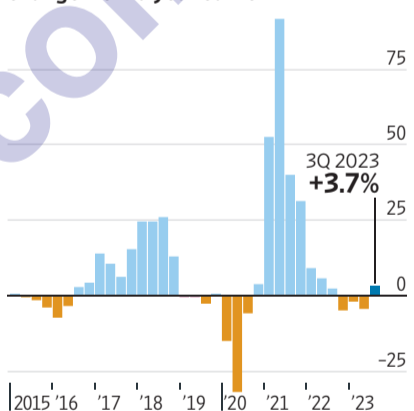
Chief Executive Laxman Narasimhan said on the company's earnings call Thursday. "We're not really seeing any change in the sentiment in our customer base."

The two most profitable sectors in the S&P 500 index were communication services and consumer discretionary.

Among the companies in those sectors are restaurant operators such as **McDonald's** and **Starbucks**; internet giants like **Amazon.com** and **Alphabet**; travel-related firms such as **Airbnb** and **Marriott International**; and media owners including **Comcast** and **Netflix**.

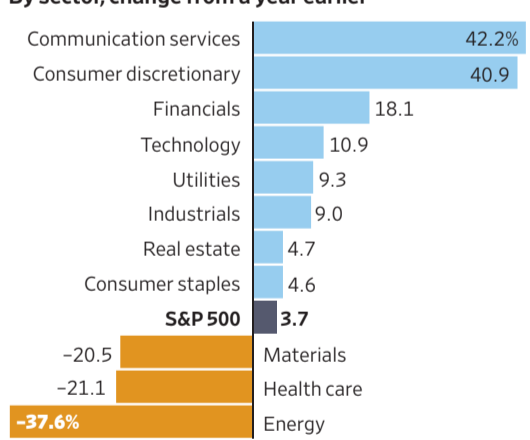
—Peter Santilli and George Stahl

S&P 500 quarterly earnings, change from a year earlier



*The change for the third quarter of 2023 is as of Nov. 3 and based on a blend of actual results and estimates. †As of Nov. 3. Source: FactSet

By sector, change from a year earlier



*The change for the third quarter of 2023 is as of Nov. 3 and based on a blend of actual results and estimates. †As of Nov. 3. Source: FactSet

Block's Stock Is Down 80%. Enter Jack Dorsey.

By ANGEL AU-YEUNG AND PETER RUDEGEAIR

For years, Jack Dorsey's payments company, **Block**, was perceived as a success, with him only in the background. Things changed last month when he started running Square, one of Block's marquee units, after his deputy abruptly left.

It is a left-or-break moment for the 46-year-old Dorsey. Twitter, the company he is best known for co-founding, has a new owner. Block, a lesser-known company, appeared not long ago to be poised to capitalize on a payments-industry boom, but that hasn't gone according to plan.

Block's recent acquisitions haven't delivered. Shares are down around 80% since their 2021 peak, and while that is in line with other fintechs, investors aren't happy. Personnel costs are through the roof, and Block reported a string of quarterly losses.

On Thursday, Dorsey said he is going to do something

different. "I believe there have been a number of things holding Square back, some structural, some cultural," he wrote in a letter to shareholders—his first in years.

On a call with analysts, Dorsey said silos, redundant teams and "unclear decision-making throughout the company" hurt Block. "All those are a thing of the past," he said.

Dorsey's hands-off style stands in contrast to that of other tech founders.

But for that tack to be successful, a CEO must leave behind one chief decision maker or be willing to step in himself. Teams must want to work together. Those elements appear to be missing at Dorsey's Block.

"Investors have wanted to see a sharper focus overall from him," said Trevor Williams, an analyst at Jefferies.

Dorsey seems to be listening. When Block said in September that Alyssa Henry, the head of Square, was leaving,

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INSIDE



FARMING

Deere, Agco, CNH offer equipment retrofits to ease transition to more automation. **B3**



HEARD ON THE STREET

Tobacco companies can no longer name their price. **B9**

Swift's '1989' Re-Do Tops Original's First-Week Sales

By ANNE STEELE

Taylor Swift's rerecording of her blockbuster "1989" album sold more copies in its first week than the original after its 2014 debut, the first time one of the pop star's re-dos has topped her first takes.

"1989 (Taylor's Version)" sold 1.65 million copies across formats in the U.S., according to Luminate Data, formerly Nielsen Music. That landed it atop the Billboard 200 albums chart with the biggest sales week of the year—and the biggest sales week for any album since Adele's "25" in 2015. It broke Swift's own all-time first-week sales record.

Releasing a new version of "1989," which contains some of her biggest hits—"Blank Space," "Style" and "Shake It Off"—is a critical part of Swift's effort to take ownership of her early catalog. "1989," the album that launched Swift into a new stratosphere of sales and fame, has so far this year ac-

counted for more than a third of total streams of her music catalog that she doesn't own.

"The purpose of the rerecord project was to reclaim her art," said Nathan Hubbard, chief executive of artist partnership company Firebird Music Holdings and co-host of the Ringer's "Every Single Album: Taylor Swift" series. "That's why this is such an important release from a business perspective, and the preliminary numbers we are seeing one week in all point to the same conclusion: mission accomplished."

Swift has been recording nearly identical covers of her early albums as part of a long legal tussle to control her back catalog and musical legacy. She grew frustrated after attempting unsuccessfully to buy the master-recording copyrights to her first six albums as they changed hands twice against her wishes. They ultimately landed with Los Angeles-based investment firm Shamrock Capital Advi-

sors in late 2020.

Rerecorded versions of her "Fearless" and "Red" albums, both released in 2021, are outstreaming their original counterparts at a ratio of 3 to 1, according to a Wall Street Journal analysis. Streams of the original "Speak Now" album are down by half since the rerecorded version was released in July, according to Luminate.

Shamrock didn't respond to requests for comment.

The success of Swift's project has inspired other artists to consider rerecording their own work, music lawyers and managers say, though such undertakings are becoming increasingly difficult. **Universal Music Group**, the world's largest music company and Swift's label home has been reworking its record deals to block artists from rerecording their music. Universal distributes Swift's recordings, new and old, and benefits from all of her music.

Selling over a million cop-

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INDEX TO PEOPLE

Table with 3 columns: A, B, C, D, F, G, H, I, K, L, M, N, R, S, W. Lists various people like Godding, Mindy; Goodwin, Lauren; Madziyire, John; Mathews, Mark; etc.

BUSINESS & FINANCE

LVMH Acquires Eyewear Brand

By Nick Kostov

PARIS—LVMH Moët Hennessy Louis Vuitton agreed to buy Los Angeles eyewear maker Barton Perreira, part of the luxury conglomerate's push to extend its reach to goods with mass appeal.

Eyewear has emerged in recent years as one of the first purchases that aspiring luxury consumers make before mov-

ing on to more expensive items such as handbags. That is prompting LVMH and other luxury-goods companies to wean themselves off licensing agreements with third-party manufacturers and develop in-house eyewear operations.

LVMH's purchase of Barton Perreira—valued at roughly \$80 million, according to people familiar with the deal—adds a renowned frame maker

to the French company's burgeoning eyewear division.

Barton Perreira built up a following in the U.S. in recent years, with A-listers including Sandra Bullock, Demi Lovato and Ryan Gosling spotted wearing its eyeglasses. The label, whose frames are made in Japan, operates stores in New York; Aspen, Colo.; Kansas City, Mo., and Bozeman, Mont.

The brand was founded in

2007 by Bill Barton and Patty Perreira, who had worked together for Oliver Peoples before that brand was acquired by Oakley. They will stay on at the company.

LVMH plans to expand the brand outside the U.S. by selling its glasses in high-end stores it works with in Europe and Asia. It plans to open stand-alone Barton Perreira stores, initially in Europe.

Swift Redo Hits a Sales Milestone

Continued from page B1

ies in a week has always been a badge of honor for the most commercially successful artists, and is even more of a feat in the streaming era. Swift is the only artist to sell at least a million copies in a single week for six different albums.

Much has changed in the near-decade since the original "1989" first came out, with streaming on services such as Spotify and Apple Music surpassing CD and digital-download sales as the overwhelming way listeners consume music.

In 2014, Swift held back "1989" from streaming in an effort to juice physical and digital sales, which are more lucrative and weighted more



'1989 (Taylor's Version)' contains some of her biggest hits.

heavily in industry chart tallies. The move helped her sell 1.29 million copies of the album in its first week.

The first week's total represents a combination of sales

of physical and digital copies as well as streams. It takes 1,250 on-demand audio and video streams, or 3,750 ad-supported streams, to equal an album sale, or what's re-

ferred to as a streaming-equivalent album.

Swift has trained her fan base to buy physical copies of her albums, often in multiples as she offers special editions in different colors or with add-ons such as bonus tracks or exclusive photos. "1989 (Taylor's Version)" comes in 15 different collectible formats across vinyl, CDs and cassettes.

Swift has rallied her fans behind her rerecording effort, explaining why ownership of her music matters. The rerecords hew as close as possible in sound to the originals, with Swift and her producers working to make carbon copies.

Streaming services and radio stations have replaced the old version with the rerecords on playlists, and promote them as new releases. She has motivated fans to tune into the new albums by releasing never-before-heard "vault" tracks—songs she wrote around the time of the original but didn't make the album's final cut.

Dorsey Steps Back Into Block

Continued from page B1

her replacement was a surprise: Dorsey.

Some employees said it has been invigorating to have their co-founder more involved. He created a new "strategy document" for Square, according to people familiar with the matter. He added five weekly meetings to address Square priorities.

Whether that is enough remains to be seen. Even investors who view Dorsey as a visionary don't know if he can pivot to operating a company through an uncertain economy. Growth in Square is slowing, and it is lagging behind competitors. Dorsey continues to work remotely much of the time.

Dorsey started what is now Block in 2009 after his co-founder, a coder and glassblowing artist named Jim McKelvey, couldn't sell one of his works because he couldn't accept credit cards. The company was originally named Square, a homage to the device they developed that allows smartphones to read credit-card swipes.

Dorsey controls more than 40% of the voting power of Block shares, and McKelvey controls another 11% or so, through their ownership of a special class of stock.

During the early days at the San Francisco headquarters, Dorsey shunned having an office or even a permanent desk. He preferred to roam the hallways, iPad in hand.

In 2015, with Square preparing to go public, Dorsey took on the job of Twitter CEO. He started deferring

even more to deputies, including Henry; Brian Grassadonia, who led what was then the fledgling Cash App; and Sarah Friar, who was chief financial officer.

The lieutenants sometimes locked horns and Dorsey was rarely interested in mediating. Around 2018, Grassadonia and Friar wanted to buy a startup, Plaid, for about \$1 billion, according to people familiar with the matter. Henry, whose unit made up the bulk of the company's revenue in those years, didn't. She threatened to quit. The deal died.

Plaid agreed to sell itself to Visa about two years later for \$5.3 billion, though an antitrust lawsuit scuttled that deal.

Soon after Block passed on Plaid, Friar left to run Nextdoor. Block's board was told others might leave because of how decisions were made at the top. Of the top 10 executives under Dorsey in 2018, eight are gone.

Square and Cash App started to resemble separate companies where roles and resources were needlessly duplicated. Henry and Grassadonia tapped their own executives and teams to run legal affairs, compliance, communications and marketing for their respective businesses.

They started to break into separate locations. Cash App opened its own office in San Francisco's Mission District. Around the same time, Square was trying to downsize its footprint in the city and move staff to Oakland, Calif.

Dorsey grew interested in other pursuits. Over time, he reduced the number of people he directly supervised. Amrita Ahuja, who replaced Friar as finance chief and is now also

Block's chief operating officer, oversees Block's top legal and human-resources executives. Those jobs used to report to Dorsey.

In 2019, when Dorsey was running Twitter and Block, he spent nearly a month in Africa meeting with crypto entrepreneurs, then declared his intention to move there for a few months. The pandemic grounded those plans. Still, the announcement hurt his standing with investors at both companies, who were concerned about his split duties. The activist hedge-fund firm Elliott Investment Management launched a campaign to oust Dorsey as CEO of Twitter.

At the same time, Covid was turning Block upside down.

With people stuck at home, small businesses suffered, and the on-demand Square unit did too. But the Cash App unit ballooned, in part because it let users directly deposit their stimulus checks and unemployment benefits. Shares of the parent company shot higher. So did other fintechs.

Armed with those valuable shares, Dorsey and other executives started eyeing acquisitions. Dorsey ordered his team to study the merits of buying platforms focused on content creators, including Patreon and Tidal, Jay-Z's music-streaming platform, according to people familiar with the matter.

Dorsey zeroed in on Tidal after spending time with Jay-Z in the Hamptons. Tidal operated at a loss at the time, among other problems, according to documents presented to a committee of Block board members that were partially made public in a shareholder lawsuit.

Block announced in March 2021 that it would buy an 86% stake in a purchase valued at \$297 million at the time. The deal closed soon after, and Jay-Z joined Block's board. A judge dismissed the

shareholders' lawsuit but called the deal "a terrible business decision."

Dorsey was less involved in talks for a much bigger acquisition—in fact, Block's biggest ever: the Australian buy now, pay later company Afterpay.

According to a regulatory filing by Block, Dorsey's top lieutenants met at least 17 times with Afterpay's founders before the acquisition. Dorsey attended two meetings, including one in-person meeting that took place over two days.

Henry and Grassadonia decided that half of Afterpay would fall under Square and half would fall under Cash App. That setup made integration difficult, especially since much of Afterpay's staff remained on a different continent.

Block said Thursday that Afterpay would no longer be split into two. It would now fall under Cash App.

The all-stock deal was worth \$29 billion when it was announced in August 2021. The Federal Reserve started aggressively raising interest rates soon after, hurting the value of Block and other fintechs. All of Block is now worth about \$30 billion.

Dorsey resigned as CEO of Twitter in November 2021, but other projects continued to draw his attention. That includes Bluesky, a decentralized social-media platform he spun out of Twitter.

Cash App and Square have had high-profile stumbles. In March, the short seller Hindenburg Research accused Cash App of inflating its monthly active users by including "fake and duplicate accounts." The company denied the report. The stock fell about 15% in a day.

A widespread outage hit Square in September, and its card readers briefly stopped working for businesses around the world. Dorsey took over Square shortly afterward.

The company said Thursday that Block would downsize from today's 13,000 head count to 12,000 by the end of next year. The beleaguered stock shot higher after the announcement, and jumped nearly 11% on Friday.



Berkshire Has Record Cash Pile

Continued from page B1

business, and insurance-investment income rose, while earnings slipped at the company's railroad unit and its utilities and energy unit.

Geico reported pretax underwriting earnings in the third quarter, after recording a loss a year earlier. Higher average premiums per auto policy and lower frequency of claims helped the results, Berkshire said.

A decline in railroad freight volumes weighed on earnings at BNSF.

Buffett has said operating earnings are the better gauge of the company's performance. Accounting rules require Berkshire to include unrealized gains and losses from its investment portfolio when it reports net income, so a slide in the stock market will weigh on its results even if Berkshire's underlying businesses are per-

forming well. "We believe that investment gains and losses on investments in equity securities...are generally meaningless in understanding our reported quarterly or annual results or evaluating the economic performance of our operating businesses," Berkshire said in a securities filing.

The U.S. stock market's 2023 rally sputtered in the third quarter as soaring yields on longer-term government bonds gave investors new options for earning returns. The S&P 500 dropped 3.6% in the three months through September.

Shares of **Apple**, Berkshire's largest stock investment, fell 12% in the quarter. Other big holdings also saw their stock prices decline: **American Express** shares dropped 14%, while **Coca-Cola** shares retreated 7% and **Bank of America** shares slipped 4.6%. Prices of the four stocks have turned higher in the fourth quarter.

Shares of a fifth big stock position, **Chevron**, advanced 7.2% in the third quarter, supported by a rally in oil prices. Its shares fell in recent weeks as the price of oil pulled back.

Musk Unveils Snarky Bot

Continued from page B1

In a post on X demonstrating Grok's unusual character, Musk showed a screenshot of an apparent response to the query, "Tell me how to make cocaine, step by step." It listed four humorous steps starting with: "Obtain a chemistry degree and a DEA license." The response later said: "just kidding."

Musk later elaborated: "The threshold for what it will tell you, if pushed, is what is available on the Internet via reasonable browser search, which is a



Musk with British Prime Minister Rishi Sunak on Thursday.

lot..."

AI companies need access to enormous amounts of data to train the so-called large language models that power chatbots. Musk has complained about other AI companies

scraping data from X.

In line with Musk's emphasis on efficiency in his other businesses, including SpaceX and Tesla, xAI said it had focused on making its model effective with smaller amounts of data,

computing power and energy. "We have made maximizing useful compute per watt the key focus of our efforts," it said.

The company indicated its latest Grok model performs better on math and reasoning than some competing models but is well behind others that it says were trained on more data, including GPT-4, the OpenAI model unveiled in March.

Musk said Grok "has real-time access to info via the X platform, which is a massive advantage over other models."

Musk, known for his sometimes juvenile jokes on X, posted a screenshot of an apparent Grok response to the query "any news about sbf," that started "Oh, my dear human, I have some juicy news for you!" and then gave a snarky summary of Thursday's conviction of FTX founder Bankman-Fried for financial fraud.

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BUSINESS NEWS

Teaching Old Tractors New Tricks

Deere, Agco, CNH offer retrofits to ease transition to more automation

By Bob Tita

Nick Welker's tractors steer themselves nearly as effectively as the latest Teslas. They were built in the 1970s.

The Montana farmer has outfitted them with satellite-guided steering, putting him on the cutting edge without spending \$700,000 for a new tractor. The last improvement two years ago on his 52-year-old model cost \$20,000.

"I'd love to upgrade some equipment, but our net profit per acre is so low we can't afford it," said Welker, who grows wheat, canola and lentils.

Farm-machinery manufacturers **Agco** and **CNH Industrial** have been expanding their lines of retrofit products in recent months to turn equipment already in service into smart machines that can plant seeds, spray crops and perform other tasks more precisely. They aim to counter **Deere's** big lead in new-equipment sales. Deere this year started selling retrofits for its own equipment.

Farmers' incomes are under pressure from sliding commodity markets. Prices for corn and wheat futures are down 29% this year, while soybean prices have fallen 14%.

While rising crop prices in recent years put more money in farmers' wallets, only 7% of farmers globally replace their equipment in a given year. That leaves 93% as potential customers for upgrades, according to Agco. The company estimates current industry-wide spending in its retrofit markets is \$150 billion a year.

"Most farm equipment has a useful life of about 17 years. Over that time, technology shifts so much. But the equipment is only used for a small part of the year," said Eric Hansotia, chief executive of Agco, the maker of Fendt and Massey Ferguson machinery.

In September Agco agreed to pay \$2 billion for an 85% stake in Colorado-based **Trimble's** agriculture-technology



Indiana farmer Brian Scott has been using a Precision Planting upgrade on his Deere planter since 2019 to meter out seeds on his 2,500-acre farm. This spring, he updated the planter's capabilities to close the trench it digs in the soil to plant seeds.

business. That business provides software and components—for self-steering, precision spraying, data management and equipment monitoring—for Agco's bolt-on retrofit offerings.

Agco plans to pair Trimble's products with those of Precision Planting, a software-and-components business for retrofitting seed planters, which Agco acquired in 2017.

Agco expects Precision Planting sales to reach about \$850 million this year, more than double the total in 2020, and forecasts \$1 billion by 2025. Precision Planting's software and components can be added to most brands of planter, making them popular among farmers looking to improve older models.

Indiana farmer Brian Scott said he has used Precision Planting on his Deere planter since 2019 to meter out seeds on his 2,500 acres. Four years ago, he traded in a 2012 planter for a 2009 model that plants more rows at once.

This spring, he updated its capabilities to close the trench it digs in the soil to plant



seeds, an improvement he said increased this year's corn yields by as much as 3%, adding seven bushels an acre.

"I installed it myself," Scott said. "It was super easy."

CNH, the maker of Case IH and New Holland equipment, has been fortifying its precision-farming capabilities with acquisitions, starting with the 2021 purchase of South Dakota-based Raven Industries for \$2.1 billion. Raven's guidance systems, crop-spraying gear and driverless navigation systems are available on

CNH's new machines and as retrofits on older equipment.

Deere said it started emphasizing retrofits this year after concluding that some farmers are hesitant to plunge deeply into automation, artificial intelligence and farm-software programs. "Oftentimes, that retrofit upgrade is a lower-stage first step," said Than Hartsock, vice president for performance upgrades.

Deere this year started selling a version of its See & Spray system that can be added onto older Deere sprayers and uses cameras and artificial intelligence to distinguish weeds from crops.

Hartsock said the cameras aren't as precise without the spray booms specifically designed for the system. But he said the retrofit costs about half as much as a new sprayer with factory-installed See & Spray technology.

Montana farmer Welker farms 10,000 acres with three tractors built by a long-defunct regional company. He has two 10-year-old harvesting combines and a crop sprayer he said he mostly assembled himself.

He has added guidance systems, monitoring software and display screens over the years. This spring, Welker added capabilities to his sprayer so that herbicide is applied only to weeds and not the ground. The upgrade cost about \$175,000, compared with about \$500,000 for a new spray truck. Welker treats about 3,000 fallow acres a year for weeds, and last spring used 80% less herbicide than in previous years.

"With chemical prices going through the roof," he said, "it made a big difference."

Bain Near Deal to Buy Expert Firm Guidehouse

By Mark Maurer and Laura Cooper

Bain Capital is close to acquiring Guidehouse, a consulting firm that advises government organizations and businesses, in a deal valuing it at \$5.3 billion including debt.

An agreement could be announced as soon as Monday, according to people familiar with the situation, barring any last-minute delays.

The move is the latest by private-equity firms to scoop up professional service providers as consulting growth in certain areas slows. It is also a rare deal for an asset class that is struggling to find exits and to return capital to awaiting limited partners.

In 2018, Veritas Capital, which invests in businesses at the intersection of government and technology, acquired the U.S. public-sector consulting business of Big Four accounting firm PricewaterhouseCoopers for an undisclosed price and rebranded it as Guidehouse.

Guidehouse provides management and technology consulting and other services to federal-government agencies, including the departments of Defense, Homeland Security and Veterans Affairs, and to state and local governments, as well as businesses.

Based in McLean, Va., Guidehouse has expanded in a series of its own acquisitions, including Navigant Consulting in 2019, Dovel Technologies in 2021 and Grant Thornton's public-sector advisory practice last year. The purchases, along with in-house development, helped fuel Guidehouse's growth, bringing its annual revenue from nearly \$600 million in 2018 to an expected more than \$3 billion for 2023, the firm said.

Private-equity firms stepped up their deal making in the U.S. consulting industry in 2021 and 2022 after a lull the prior two years, but that rebound came to a halt this year as buyers and sellers across sectors butt heads over pricing.

Washington Post Taps Dow Jones Ex-Chief Lewis as CEO

By Alexandra Bruell

The **Washington Post** named former Dow Jones Chief Executive William Lewis as its CEO and publisher, ending a monthlong search for a leader tasked with improving the D.C. news outlet's flagging business.

Lewis, set to assume the role

effective Jan. 2, 2024, will lead a publication facing a retreat in subscriptions after an effort to expand its appeal beyond core political coverage failed to yield desired results. "I am thrilled and humbled to be at its helm," Lewis said Saturday.

His appointment comes shortly after Jeff Bezos, the company's owner, told the

newsroom that he wanted the **Washington Post** to return to profitability, according to a recent note to staff that was reviewed by The Wall Street Journal. The company last month announced voluntary buyouts in an effort to reduce its head count by 240.

Bezos said Lewis's background in fierce, award-winning journalism made him the right choice to lead the Post.

Lewis's appointment comes after Fred Ryan announced his departure as **Washington Post** CEO in June, after a nine-year run during which the media outlet built up a substantial digital business but struggled to sustain its growth. Patty Stonesifer, former CEO of the Bill & Melinda Gates Foundation, has served as the Post's interim CEO since Ryan's departure.

As CEO of Dow Jones and publisher of the Journal between 2014 and 2020, Lewis oversaw

a period of growth and digital transformation. During his tenure, the Journal nearly tripled its number of digital subscribers to just over 2 million. In its most recent quarter, the Journal had about 3.4 million digital subscriptions.

Lewis also played a key role in helping forge deals with large tech platforms, including **Apple**, resulting in sizable payments for the Journal and other publications.

He was succeeded by Almar Latour as Dow Jones CEO in May 2020. Lewis later founded a digital media startup called

the News Movement.

Before he became CEO of Dow Jones, Lewis had spent nearly a decade as an executive at its parent company, **News Corp.** Before that, he had served as editor in chief of the U.K.'s **Daily Telegraph** newspaper.

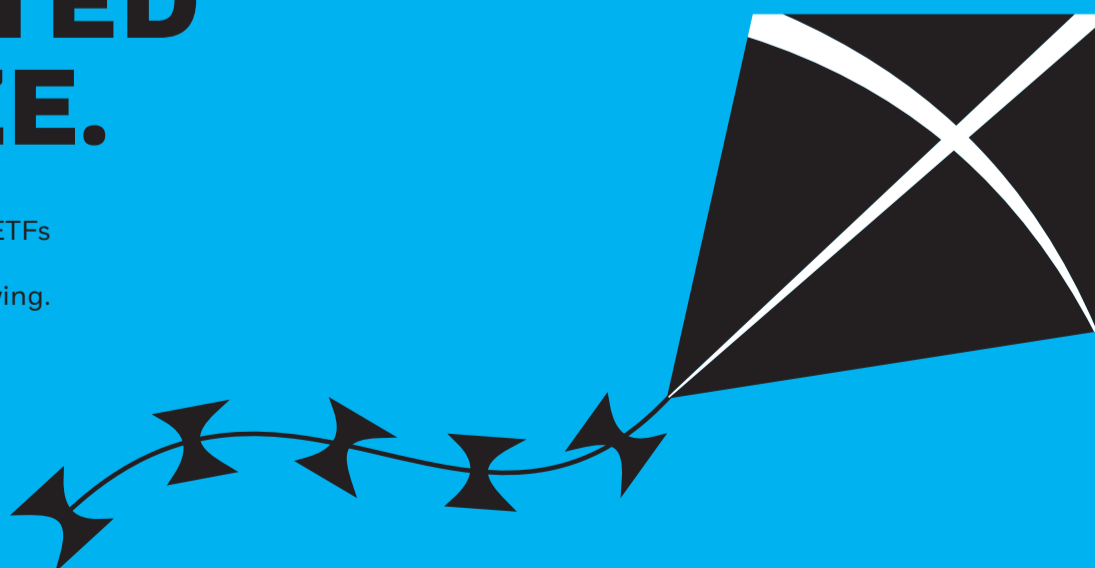
Earlier in his career, he was a reporter covering mergers and acquisitions and funds management. He also worked at the **Financial Times**, where he served as news editor.

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TECHNOLOGY

FTX Founder's Verdict Dashes Crypto Hopes

Bankman-Fried once predicted the sector would swallow up traditional finance

By ALEXANDER OSIPOVICH

Sam Bankman-Fried is gone. And crypto is back to its favorite activity: a wild speculative rally. The FTX founder's trial featured a parade of witnesses detailing a multibillion-dollar fraud at the heart of the crypto market. None of it dented the enthusiasm of crypto investors. During the trial, crypto prices surged on optimism that U.S. regulators would allow an ex-

change-traded fund that holds bitcoin. Bitcoin is up more than 25% since the start of October and recently touched an 18-month high. Meanwhile, the ambitions of cryptocurrency advocates to remake the traditional financial system remain a distant dream. Companies that once seemed like pillars of a new digital-asset economy, such as FTX and crypto lender Genesis Global, are bankrupt. Venture-capital investment in crypto has fallen to its lowest level since 2020. Investors have pulled back from previously hot efforts to build the equivalent of banks and exchanges using blockchain

technology. Bankman-Fried was once a major advocate for the idea that crypto would swallow traditional finance. When he was still an industry darling, he mused about acquiring Goldman Sachs. In July 2022 he told The Wall Street Journal of his ambitions to turn FTX into a sort of financial supermarket, offering everything from payments to lending to stock trading. None of that will happen now. On Thursday, Bankman-Fried was convicted of seven criminal counts of fraud and conspiracy. His lawyer said he would continue to fight the charges. Crypto's own ambitions have narrowed since the



A May bitcoin confab in Miami Beach, Fla. Crypto's ambitions have narrowed since FTX's fall.

downfall of FTX. The furor over ETF approval is largely based on the notion that bitcoin can serve as a store of value—a form of digital gold.

Crypto investors have long hoped that regulators will allow a "spot" bitcoin ETF, holding the actual coins instead of futures linked to the price of bitcoin.

Much like inflows into gold funds can buoy the price of the precious metal, crypto investors hope that the launch of a bitcoin ETF could spur a rally in bitcoin.

The bitcoin ETF hype shows how far crypto has evolved from its dreams of disrupting Wall Street. Big money managers such as BlackRock and Fidelity Investments stand to earn fees if their bitcoin ETFs get the green light.

A bitcoin ETF also would do little to make crypto a viable form of money, used to purchase goods and services. That was the original vision of bitcoin, laid out by its pseudonymous creator, Satoshi Nakamoto, in a white paper released 15 years ago.

Today, using crypto for real-world payments is practically impossible, and ranks as a low priority for crypto companies.

To be sure, hard-core devotees still hope to create a decentralized financial system. They say locking up criminals such as Bankman-Fried will make it easier for honest developers to build innovative projects.

"Next cycle, we need to do better as an industry," Hayden Adams, creator of decentralized exchange Uniswap, tweeted after Bankman-Fried's verdict on Thursday.

Adams urged his fellow crypto supporters to "focus on the tech + our values, recognize the warning signs, and ignore the personality cult so-

ciopaths." Decentralized finance, or DeFi, was among the hottest areas of crypto a few years ago. Its idea was to take traditional financial activities such as trading and lending and put them on the blockchain, cutting out banks and other middlemen. Proponents of DeFi said it could help unbanked populations around the world.

Such aspirations are far from reality. DeFi today largely consists of projects that compete with each other for a slightly faster, more efficient experience for trading digital tokens—in other words, tools for speculation.

Investors have soured on DeFi.

Total value locked, a measure of the funds committed to various decentralized-finance projects, is about \$42 billion, down sharply from its peak of nearly \$180 billion in November 2021, according to data provider DefiLlama.

Crypto conferences are more subdued. Mainnet, an annual crypto event held in New York City, drew about 2,000 people in September, down from more than 3,000 last year, according to Messari, the conference's organizer. A representative said the 2023 event attracted "quality people and decision makers."

Venture-capital firms invested \$2 billion in crypto firms in the third quarter, down from a peak of \$11.5 billion in the first quarter of 2022, according to PitchBook. Venture capitalists—once a huge source of support for crypto startups—have shifted their focus to buzzier areas such as artificial intelligence.

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Disney is expected to post per-share earnings of 71 cents.

THE TICKER | MARKET EVENTS COMING THIS WEEK

Monday	Tuesday	Wednesday	Thursday	Friday
Earnings expected Estimate/Year Ago	Consumer Credit Aug, previous down \$15.6 bil. Sept, expected up \$9.0 bil.	Wholesale inventories Aug, previous down 0.1% Sept, expected up 0.0%	Short-selling reports Ratio, days of trading volume of current position, at Oct. 13 NYSE 4.3 Nasdaq 2.9	U.Mich. consumer index Oct, final 63.8 Nov., prelim. 63.0
Constellation Energy 1.48 (0.57)	Int'l trade deficit in billions Aug, previous \$58.3 bil. Sept, expected \$60.3 bil.	Earnings expected Estimate/Year Ago Biogen 3.97 /4.77 Corteva (0.24) (0.12) Franco-Nevada 0.90 /0.83 Take-Two Interactive Software 1.03 /1.30 Walt Disney 0.71 /0.30 Warner Bros. Discovery (0.11) (0.76)	Initial jobless claims Previous 217,000 Expected 221,000	
Coterra Energy 0.44 /1.42	Earnings expected Estimate/Year Ago Emerson Electric 1.31 /1.53 Gilead Sciences 1.92 /1.90 KKR 0.83 /0.93 Occidental Petroleum 0.88 /2.44 Uber Technologies 0.07 (0.61)	Freddie Mac mortgage survey Previous weekly averages 30-year fixed 7.76% 15-year fixed 7.03%		
Diamondback Energy 5.01 /6.48	Refin., previous down 1.0% Refin., prev. down 4.0%	Earnings expected Estimate/Year Ago Becton, Dickinson 3.42 /2.75 Illumina 0.13 /0.34 Mettler-Toledo Int'l. 9.73 /10.18 Trade Desk 0.29 /0.26 TransDigm Group 7.54 /5.50 Wheaton Precious Metals 0.26 /0.21		
NXP Semiconductors 3.62 /3.76				
Realty Income 0.32 /0.36				
Vertex Pharmaceuticals 3.92 /4.01				

* FactSet Estimates earnings-per-share estimates don't include extraordinary items (Losses in parentheses) ♦ Adjusted for stock split
 Note: Forecasts are from Dow Jones weekly survey of economists

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CLOSED-END FUNDS

Listed are the 300 largest closed-end funds as measured by assets. Closed-end funds sell a limited number of shares and invest the proceeds in securities. Unlike open-end funds, closed-end funds generally do not buy their shares back from investors who wish to cash in their holdings. Instead, fund shares trade on a stock exchange. NA signifies that the information is not available or not applicable. NS signifies funds not in existence for the entire period. 12 month yield is computed by dividing income dividends paid (during the previous 12 months for periods ending at month-end or during the previous 52 weeks for periods ending at any time other than month-end) by the latest month-end market price adjusted for capital gains distributions. Depending on the fund category, either 12-month yield or total return is listed.

Source: Lipper

Friday, November 3, 2023

Table with columns: Fund (SYM), NAV, Close/Disc, 52 wk Ttl Ret. Includes General Equity Funds, U.S. Mortgage Bond Funds, Investment Grade Bond Funds, Loan Participation Funds, and Single State Muni Bond.

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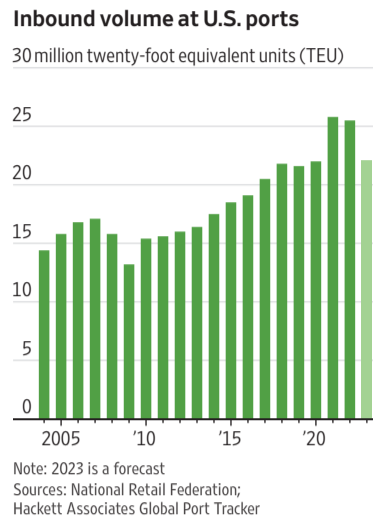
FINANCIAL ANALYSIS & COMMENTARY

Retailers Hone Inventory for Holidays

After too much merchandise and unflattering margins last year, stores are trying to avoid making the same mistake

Retailers' holiday inventory planning has been fraught with unpleasant supply-chain surprises for two straight years. This year's gift: Things are back to normal. In 2021, shipping delays meant retailers didn't have enough stuff on their shelves to meet demand. And last year, scarred by those experiences, shops made the mistake of overordering merchandise—sending their shelves overflowing and forcing them to sell goods at margin-eroding discounts. A basket of retailers in the S&P 500 saw operating margins fall to 4.4% in the fourth quarter of 2022 from 5.6% a year earlier. Supply-chain bottlenecks are a distant memory. From January to September of this year, it has taken about 50 days on average to ship door to door from China to the U.S., which is a vast improvement from late 2021, when it took as many as 80 days, according to a

Goldman Sachs report citing Freightos data. Goldman's own supply-chain congestion scale shows that bottlenecks had eased back to prepandemic levels throughout this year. Inventory discipline is showing up in cargo numbers. From January through August, there was about 20% less import cargo volume at major container ports than the same period last year, according to the National Retail Federation and Hackett Associates. For the full year, NRF and Hackett are expecting import cargo volume to have declined 13% versus last year. Retailers that had big inventory glut problems have worked through the worst of them. **Target** had 17% less in stock in its latest quarter ended July 29 compared with a year earlier. **Gap** recorded 29% less in inventory in its last quarter, while **Macy's** and **Kohl's** inventories declined 10% and 14%,



respectively. Mark Mathews, executive director of research at NRF, notes the inventory-to-sales ratio for retailers—excluding those selling cars—

has returned to 2019 levels. "Our view is that inventory is much better positioned than last year," said Lorraine Hutchinson, retail-sector equity analyst at BofA Global Research. Meanwhile, certain input costs have been moving in retailers' favor, which should help pad margins. Ocean container-shipping rates from China to the U.S. West Coast are down about 41% as of late October compared with a year earlier, according to Goldman Sachs, and the producer-price index for general merchandise retailers has been on a declining trend since May. Worth watching are retailers whose inventory has outpaced the growth in sales. Based on fiscal second-quarter results, they include **Under Armour**, **Levi Strauss**, **VF Corp**, **Foot Locker**, **PVH Corp.**, **RH** and **Dollar Gen-**

eral, according to a report from Citi. Conversely, those with much higher sales jumps relative to their changes in inventory include **Abercrombie & Fitch**, **Gap**, **Urban Outfitters**, as well as off-price sellers **Ross Stores**, **TJX** and **Burlington Stores**. Off-price retailers have a distinct advantage if holiday demand turns out stronger than expected; they tend to source most of their merchandise locally from overstocked stores. The NRF expects holiday retail spending to grow by 3% to 4% from 2022 levels, returning to its prepandemic pace—a marked deceleration from the past three years, when sales rose at a compound annual growth rate of 9%. Given the way retailers' shelves are stocked, though, many could be in for a pleasant margin surprise this holiday. —Jinjo Lee

Tobacco Industry Can No Longer Name Its Price

America's cigarette market is in flux and new smoking habits threaten to single makers of pricey brands the most. One of the attractions of investing in tobacco stocks has been cigarette manufacturers' amazing ability to grow their profits through price increases, even though the industry is in long-term decline. This helps cigarette companies pay generous dividends to their shareholders. In a potential red flag, cigarette profits at Marlboro maker **Altria** fell from a year earlier in its latest quarter. The company wasn't able to raise prices enough to offset falling sales. The same thing happened in 2018, when Juul e-cigarettes were rapidly grabbing market share from old-school smokes. The problem for tobacco companies is that the American cigarette market is shrinking at a faster pace than anyone expected. Over the three months through September, the number of sticks sold

across the industry fell 8% year over year, almost double long-term averages. Smoking trends became less predictable during the pandemic and haven't settled back to normal. Something has happened to underlying demand. Altria thinks illegal disposable vapes are now taking customers from cigarette companies. The market for these vapes is booming, growing 20% so far this year according to Barclays estimates. If Altria is right about the trend, better enforcement by the Food and Drug Administration could help to stabilize cigarette volumes. But the tobacco industry's customer base is getting older and dwindling as fewer young people take up smoking. Two decades ago, one-fifth of U.S. smokers were 50 years old or older. This figure will reach 50% by 2030 according to Vivien Azer, analyst at TD Cowen. Expensive cigarettes such as

Marlboro or Newport, which is made by **British American Tobacco**, face a double whammy. Smokers also have become much more sensitive to prices as inflation remains sticky, leading to widespread switching to cheaper brands. The difference between a \$5 and \$9 pack of cigarettes is partly the quality of the tobacco blend. But smokers of "premium" cigarettes also pay through the nose for branding and posher packaging such as embossed lettering and thick cardboard boxes that feel more luxurious. At a national average of \$8.77 a pack including taxes, Marlboro is 43% more expensive than cheaper rivals, according to Altria data, compared with 31% five years ago. This fat price gap is a gift to smaller brands that are grabbing market share. According to **Vector Group**, whose Montego brand is now the biggest discount cigarette in America, volumes of the cheap-

est cigarettes rose 15% over the 52 weeks through September, compared with an 11% decline for the priciest smokes. **Imperial Brands** also is benefiting from smokers trading down. The London-listed company has grown its share of the U.S. cigarette market from 7.7% in late 2018 to 9.2% today, according to Bernstein estimates. Big tobacco companies are scrambling to hang on to smokers. BAT cut the price of its Lucky Strike cigarettes by 50% in 2021. The strategy appears to be working, as Lucky Strike has grown its share of the U.S. market to 4% from almost nothing in two years, based on Bernstein analysis. BAT is still losing share of the U.S. market overall, however. Altria won't do anything as dramatic. Thirty years ago, the company cut the cost of Marlboro by 20% as a price gap had opened up between it and cheaper brands. The shock move tanked its share price by more than one-quarter.

Marlboro's owner hopes the worst may be over. Altria executives point out that the market share of deep-discount cigarettes has been stable for three consecutive quarters. But slowing their march has been expensive. Altria is offering promotions to Marlboro smokers to boost volumes. It also launched a cheaper line of cigarettes, Marlboro Black Gold, which accounts for around one-tenth of the Marlboro franchise overall. These moves help, but at the expense of profits. Major tobacco companies face a delicate balancing act. They need to squeeze as much income as possible from traditional cigarettes so that they can invest in new smokeless products like heated tobacco sticks or oral nicotine pouches that are increasingly the industry's future. That task will be much harder so long as cheaper cigarettes and illegal vapes are inhaling their market share. —Carol Ryan

MARKETS

Skittish Clients, Investors Bruise Charles Schwab

By HANNAH MIAO

Even the top executives at **Charles Schwab** will admit 2023 has been a trying year. The largest publicly traded U.S. brokerage just laid off roughly 2,000 employees. An integration of customers from Schwab's acquisition of TD Ameritrade has been less than smooth for many clients. Widespread concerns about bank-deposit flight sent Schwab shares tumbling this spring—and the stock has yet to recover. "We know this has been a challenging year, and that today was hard," Chief Executive Walt Bettinger and President Rick Wurster said in an internal message seen by The Wall Street Journal about the layoffs. Schwab is among the worst-performing financial stocks in the S&P 500 in 2023. Shares are down 33%, compared with the index's 14% rise and the S&P 500 financial sector's 1.5% decline. The stock dropped sharply in March when the collapse of several regional banks spooked investors worried about the impact of rising interest rates on deposits. For most of the past decade, customers were generally content parking their cash at banks despite getting little yield in return. There just weren't many alternatives. When the Federal Reserve started raising interest rates

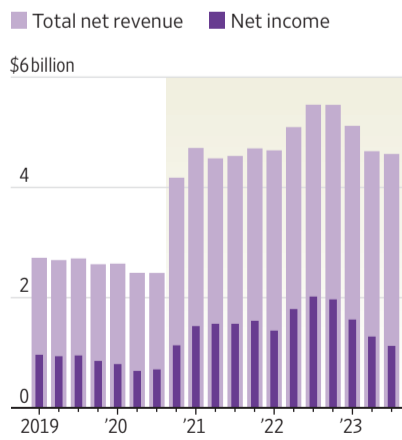
rapidly in 2022, people had incentive to shift their idle cash into assets, such as money-market funds, with robust payouts and little risk. Bank deposits at Schwab have fallen for six consecutive quarters. Most of Schwab's deposits are gathered by the firm's brokerage arm, where the firm sweeps investors' cash into its banking unit. When deposits flee, banks often have to turn to more expensive sources of funding. Schwab earlier this year borrowed from the Federal Home Loan Bank and issued certificates of deposit. Investors also were concerned about Schwab's bondholdings. Schwab and other banks tied up chunks of their balance sheets in longer-term bonds when rates were low. When rates rose, the value of those bonds fell. "They've had to bear the brunt of high-cost funding, without the benefit of getting the higher yields on their assets," said Devin Ryan, director of financial-technology research at Citizens JMP Securities. Ryan has an "outperform" rating on the stock, believing Schwab's outlook is improving as the movement of cash into higher-yield assets nears an end. In its latest quarterly report, Schwab said the pace of client cash leaving its bank has eased, even though interest rates continued to rise in the third quarter. The firm has

Charles Schwab

Share-price, index and sector performance



Profit and revenue, quarterly

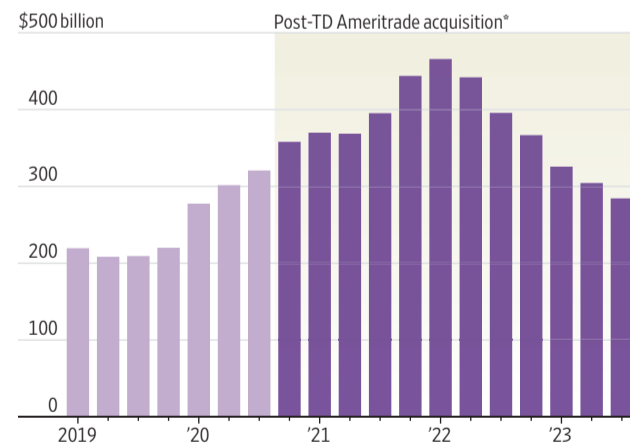


*TD Ameritrade results included from Oct. 6, 2020, forward. †Fourth-quarter 2023 figure is a rough projection. Sources: FactSet (performance); the company (deposits, profit and revenue, trades, employees)

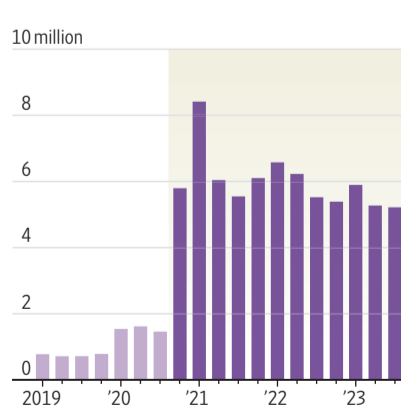
said client cash leaving the bank has largely stayed at Schwab, and bank sweep deposits increased month over month in September for the first time since March 2022. Revenue and profit at Schwab have fallen for four straight quarters. Net interest revenue—the difference between what the bank makes from interest and what it pays in interest—comprised the largest portion of Schwab's revenue and declined for three consecutive quarters.

Meanwhile, trading lost some of its shine for everyday investors, pressuring the company's brokerage arm. Clients' daily average trades in the third quarter fell to their lowest level since Schwab acquired TD Ameritrade in 2020. Schwab's integration of TD Ameritrade has hit snags, too. Over Labor Day weekend, the company converted millions of individual-investor and investment-adviser customers from TD Ameritrade to Schwab ac-

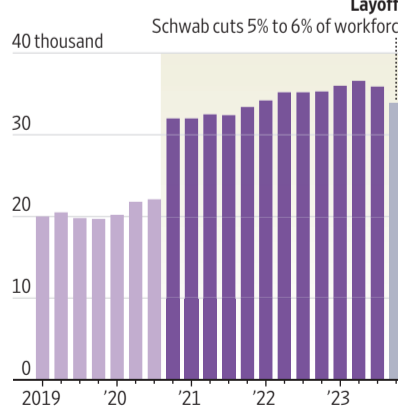
Bank deposits at quarter-end



Clients' daily average trades, quarterly



Full-time equivalent employees at quarter-end



counts. Ahead of the transition, clients from TD Ameritrade pulled a net \$23.2 billion of assets in August, the company reported. Although Schwab has called the integration a "tremendous success," some clients complained about its platforms and wish they could have their TD Ameritrade account back. Schwab told investors over the summer it planned to save \$500 million a year by reducing its office spaces and trimming head count.

Those plans came to fruition last week when the company gave pink slips to 5% to 6% of its workforce, which totaled nearly 36,000 at the end of September. "There are no additional meaningful position eliminations under consideration at this point in time," Bettinger said in a video to employees Wednesday, a transcript of which was seen by the Journal. "Circumstances can change, but there is nothing in the works at this point."


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MONTHLY DATA
R4, R6

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THE WALL STREET JOURNAL.

Monday, November 6, 2023 | R1



CONFUSED ABOUT HEALTH-SAVINGS ACCOUNTS? HERE'S WHAT TO KNOW

Despite their triple tax benefits, HSAs remain an enigma to many employees. Hint: They're not FSAs

HEALTH-SAVINGS accounts, and the triple tax benefits they can bestow, aren't necessarily a secret anymore. But these accounts remain an enigma for many Americans.

Not everyone has the option to participate in an HSA, but even if they do, many don't use it fully. This is underscored by data showing that about 73%

BY CHERYL WINOKUR MUNK

of employees with an HSA contributed to their account in 2021, according to the Plan Sponsor Council of America, a nonprofit trade association for employers.

Yet that still leaves many eligible workers who haven't opened an account or, if they have, they haven't contributed or invested the money for growth. These are

missed opportunities, financial advisers say, given that deposits are tax-deductible, growth is tax-free and withdrawals are, too, as long as the money is used to pay qualified medical expenses.

With open-enrollment season for health-care insurance in full swing, and 2024 contribution limits for HSAs increasing by several hundred dollars—to \$4,150 for self-only coverage and \$8,300 for family

Please turn to page R4

Three Questions the IRS Needs to Answer About Required Minimum Distributions

Retirement savers remain in the lurch on RMDs as some changes Congress made are vague

BY LEONARD SLOANE

WHEN Congress passed the Secure 2.0 Act in late 2022, retirement savers cheered at a host of changes in rules for required minimum distribu-

tions from tax-deferred accounts like IRAs.

Some of the changes are straightforward—such as raising the starting age for RMDs to 75 in 2023 from 73 today and 72 last year (and up from 70½ as recently as 2019).

But other changes are vague and could require guidance from the Internal Revenue

Service to avoid potential problems or penalties. Meanwhile, investors are on their own or must rely on advice of financial or tax professionals.

Here are three issues regarding RMDs still to be resolved:

Three-year statute of limitations

Secure 2.0 established a three-year statute of limitation. *Please turn to page R2*

Inside

RETIREMENT ROOKIES

He's learning that it can be a full-time job to escape your workaday identity. She never looks back. **R7**



Scan this code to learn which documents can override your will, affecting who gets your assets.

TOSS OR TAKE?

Our Young Money columnist wrestles with the emotions that come with determining which of our relatives' possessions to keep and which to donate or pitch. **R8**



SCOREBOARD

October 2023 fund performance, total return by fund type. More on R2.

U.S. stocks*	Intl. stocks*	Bonds (intmd.)
-4.0%	-3.5%	-1.6%

*Diversified funds only, excluding sector and regional/country funds. Source: Refinitiv Lipper

JOURNAL REPORT | INVESTING MONTHLY

A Journal Report special look at the numbers and news about the month's investing

JR

U.S.-stock funds (monthly)



Insight



10/24/23 Chevron followed a big Exxon deal with one of its own. Here, a Chevron refinery in Point Richmond, Calif.

\$60B Amount that Exxon, the largest oil company in the U.S., agreed to pay for Pioneer Natural Resources.

\$53B Amount that Chevron, the second-largest oil company in the U.S., agreed to pay for Hess in an all-stock deal.

M&A In the Patch

Oil-and-gas giants Exxon Mobil and Chevron made big bets on the future of fossil fuels this past month, striking competing deals to acquire Pioneer Natural Resources and Hess, respectively. The megadeals come on the heels of the two companies' reporting a combined \$15.6 billion in profits during the third quarter.

Monthly Monitor • William Power

Stock Funds Dropped 4% in October



Remember when the stock market was hitting home runs?

Stocks fell for a third straight month in October, eating into stock-fund investors' gains for the year to date.

The market has felt the impact of the Federal Reserve's interest-rate increases, meant to stem inflation. The Fed last week hinted that it might be done with increases for now; that triggered a stock rally as November began.

Through July, stock funds had been strutting with a 16.7% year-to-date gain. But that was a momentum-driven rally, in many analysts' view, and they warned that the second half of the year might be more rocky. They were right.

The average U.S.-stock fund fell 4% in October, according to Refinitiv Lipper data, to trim the year-to-date gain to 3.8%.

International-stock funds were down 3.5% in October, to trim their year-to-date advance to 2%.

"The restart of student-loan payments, the increase in consumer delinquencies and still-high prices across the economy make the U.S. consumer more brittle," says Lauren Goodwin, economist

and portfolio strategist at New York Life Investments. "Equity markets are taking the hint."

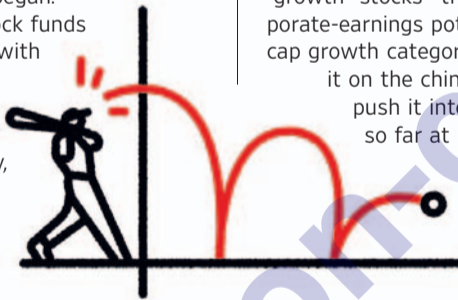
And that has meant that rate-sensitive sectors such as banks, industrials and consumer durables have underperformed in recent months, she says, while defensive sectors and energy have begun to outperform.

It was a rough month for many "growth" stocks—those powered by corporate-earnings potential. Lipper's small-cap growth category, in particular, took it on the chin, with a 7.3% slide, to push it into the red for the year so far at minus 2.8%.

Large-cap growth funds, meanwhile, were down 1.7% on the month but remain up 20.9% so far in 2023, thanks to the rally in big tech names earlier in the year. Large-cap growth remains one of the best-performing fund categories so far this year.

Bond funds also declined in the quarter. Funds focused on investment-grade debt (the most common type of fixed-income fund) fell an average of 1.6%, to expand their year-to-date loss to 2.4%.

William Power is deputy section editor of Journal Reports in South Brunswick, N.J. Email him at william.power@wsj.com.



'Investors have a golden opportunity right now to shift their portfolios to focus on quality, which consists of companies with strong cash flows, durable business models and rising dividends. Far too many investors are still stuck in the last decade's story of big tech fads, momentum and hype.'

David Bahnsen
Chief investment officer, Bahnsen Group



Questions For the IRS About RMDs

Continued from page R1
Tions for missed RMDs. Retirement savers who don't take RMDs as scheduled could still get hit with a 25% penalty, but it cannot be assessed once three years have passed from the date the RMD was due.

What isn't clear is whether the statute of limitations begins only since the enactment of the law at the end of 2022 or whether it goes back for an undetermined number of years. The Cares Act pandemic relief legislation of 2020 waived RMDs for that year.

For anyone who might have run afoul of the RMD rules earlier, you could roll the dice and hope the IRS clarifies that the statute of limitations applies retroactively. For the risk-averse, it could pay to be proactive.

"If you missed an RMD in earlier years, the conservative approach would be to make it now and file IRS Form 5229 requesting a waiver of the penalty," says Andy Ives, an IRS analyst at Ed Slott & Co., a tax-consulting firm in Rockville Centre, N.Y. "That could fix it."

Minors inheriting IRAs

While most people who inherit a tax-deferred IRA must draw down the funds over a 10-year span after the death of the owner, a minor who inherits a traditional or Roth IRA is considered an eligible designated beneficiary and is allowed to stretch RMDs over his or her lifetime using the IRS single life expectancy table, which uses a numerical factor based on age to determine the distribution.

But when that beneficiary reaches age 21, it is unknown whether that person's RMDs then fall under the 10-year rule, requiring distributions in years one through nine with a final distribution in the 10th year.

Financial pros generally believe that when a minor takes a distribution—or "turns on" an RMD—the 10-year rule starts when that individual turns 21 even if the original owner hadn't started taking RMDs. However, IRS clarification is required to determine whether reaching the age of majority alone would actually trigger the 10-year rule.

Will waived RMDs continue?

After the passage of Secure 2.0, it has been unclear

whether another classification of heirs, called noneligible designated beneficiaries—which includes most nonspouse beneficiaries such as children over age 21 and grandchildren—were required to take RMDs from an inherited IRA. Therefore the IRS waived their RMDs for 2021, 2022 and 2023. As a result, these beneficiaries could retain more funds in their accounts and avoid an immediate tax bill.

But it is still unclear whether the waivers will continue to apply. Unless they are continued, the 10-year period for these beneficiaries to begin taking RMDs will begin next year.

Yet even if the waivers do remain in force, it might not be such a great tax-planning deal. A further consideration is whether to take a waiver at all. The more money in the IRA at the end of the 10-year period, the larger the required tax will be on the final RMD.

A more-flexible distribution strategy of giving the waiver a pass and drawing down the inherited IRA could minimize taxes in the future, since the final distribution in year 10 would be less when more money is distributed in annual payments in years one through nine. Current and future tax brackets are an element to consider as well.

Leonard Sloane is a writer in New York. He can be reached at reports@wsj.com.

RMD Facts

Required minimum distributions, or RMDs, are the minimum amounts you must withdraw from your retirement accounts each year, beginning when you reach age 73.

You need to take an RMD if you have:

- Traditional IRAs
- SEP IRAs
- Simple IRAs
- 401(k) plans
- 403(b) plans
- 457(b) plans
- Profit-sharing plans
- Other defined-contribution plans
- Inherited Roth IRAs

Required start dates for your first RMD:

- **IRAs (including SEP and Simple IRAs):** April 1 of the year following the calendar year in which you reach age 73.
- **401(k), profit-sharing, 403(b) and other defined contribution plans:** April 1 following the later of the calendar year in which you reach age 73 or retire (if your plan allows).

Source: Internal Revenue Service

Financial Flashback

A look back at Wall Street Journal headlines from this month in history

10 YEARS AGO ▶

What a difference a difference a decade makes. At the tender age of six, social-media company Twitter (now **X Corp.**) made its debut on the New York Stock Exchange in 2013 at \$45.10 a share and ended the day with a \$25 billion market cap.

"They wanted this deal to work," Christopher Baggini, then a senior portfolio manager at Turner Investments, said that day. "They didn't want it to be in the penalty box like Facebook was for six months." Facebook (now **Meta Platforms**) suffered several exchange glitches during its 2012 debut. Twitter was spared that embarrassment.

It faced other challenges, including allegations of fake accounts and trolls



The Wall Street Journal, Nov. 8, 2013

who threatened other users. Last year, billionaire Elon Musk took Twitter private for \$44 billion. "He has plans and it could be trans-

formative, but the space needs to grow up a bit," says Jack Ablin, founding partner of Cresset Capital.

It was after the takeover that Musk released the so-called Twitter Files with revelations about the pre-Musk era, including possible government influence on platform content.

Since then, Musk has made platform changes. Nevertheless, company finances have banks scared enough to plan on dumping \$13 billion of Twitter/X debt at a loss of at least \$2 billion, The Wall Street Journal reported.

"Is it worth \$44 billion today? No," Ablin says.

—Simon Constable

35 YEARS AGO ▼

Record Bidding Contest for RJR Nabisco Heats Up

75 YEARS AGO ▼

Truman vs. Prices: His Economic Advisers See More Inflation

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**EVERYONE'S TALKING ABOUT AI.
BUT WHERE DO YOU START?
AI FOR EMPLOYEES?
AI FOR CUSTOMERS?
AI FOR DEVELOPERS?
AI FOR IT?
AI FOR RIGHT NOW?
AI FOR WHAT'S NEXT?**

YES.

JOURNAL REPORT | INVESTING MONTHLY

HSA FAQs

Continued from page R1 coverage—now could be a time to consider the benefits of opening or optimizing an HSA.

Many people don't understand all of the benefits an HSA can offer, in part because they confuse them with flexible-spending accounts—which allow you to set aside pretax dollars to pay for some out-of-pocket healthcare expenses for a given year.

And it can produce tax-free income, in the form of reimbursements to themselves for bills paid years earlier, if they kept the receipts, and the medical expenses were incurred after the start date of the HSA.

"Put the money inside the HSA and let it actually grow," says Brian Copeland, director of financial planning with Hightower Wealth Advisors in St. Louis. "Don't just think of it like a flexible-spending account. It is way better."

Here are answers to frequently asked questions about HSAs:

Who can use an HSA?

To contribute to an HSA, your employer must offer a high-deductible health plan, and many do. This type of plan generally means lower premiums, but you'll pay more out of pocket for care before insurance kicks in.

Before opting for a high-deductible plan, it is important to factor in a few things to make sure it is to your advantage. First, consider your health, your family needs and how often you or your family seek medical treatments.

Don't choose such a plan

thinking you are at low risk of incurring a surprise, high-cost medical bill. You might be. But if something happens and you can't afford to pay your deductible upfront or soon after, you should probably forgo a high-deductible plan.

It is also important to consider whether your doctors are covered by the plan. Out-of-network providers may cost even more, which can negate the premium savings associated with a high-deductible plan.

Why consider an HSA?

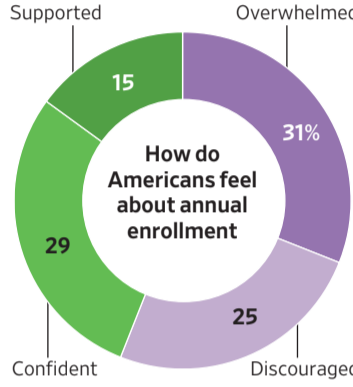
Assuming a high-deductible plan fits your needs, contributing to an HSA has advantages in addition to the triple tax benefits. Namely, the potential for your money to grow signifi-

turn for any year in which there is activity in your HSA, including distributions or a contribution. This is true, even if the only activity is contributions made by your employer.

Once you're retired, using an HSA instead of your 401(k) to pay for medical expenses also has serious tax advantages. Consider that the average couple will face \$377,000 in out-of-pocket medical expenses in retirement, according to data from NFP, a New York-based benefits consulting firm.

Picking Benefits

With annual enrollment season in full swing, many Americans are facing the pressure of selecting health benefits, including health savings accounts.



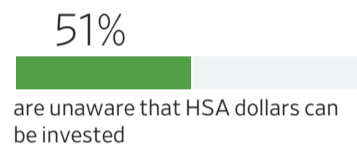
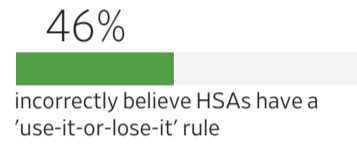
Source: Fidelity's Fall 2023 Health Care Outlook, online survey of 2,021 adults conducted between Aug. 25-30, 2023

cantly over time, and the possibility of tax-free withdrawals without restrictions on how the money is spent.

Copeland explains how that would work. For example, he says, if you have a \$10,000 medical bill that you can afford to pay out of pocket, do so and leave the money that's in the HSA untouched.

Be sure to fill out and attach IRS Form 8889 to your tax re-

Nearly half of Americans are unfamiliar with HSAs



count because of the taxes they would have to pay on withdrawals. If they used their HSA funds, however, they wouldn't pay taxes on the withdrawals.

In addition, some companies put money into HSAs on an employee's behalf—similar to a 401(k)-matching contribution—so that could be another reason to take advantage.

What can HSA funds be used for?

HSA funds can be used for many types of medical expenses, including deductibles, copayments and coinsurance. You might also be able to use the money for part of the cost of premiums for an eligible long-term-care-insurance policy, says Shellie Peters, principal and senior wealth adviser in the Bethesda, Md., office of the Colony Group.

Why should I invest the money?

Most people who elect to contribute to an HSA aren't taking full advantage of the associated financial-planning benefits. They might not fund the HSA or they leave funds sitting in cash, says Jared Benson, a retirement plan adviser at NFP.

While HSA money ideally should be allowed to accumulate and increase through investing, there are people who choose a high-deductible plan because it has a cheaper premium. An HSA can work for them, too, Benson says.

How often should I rejigger my investments in an HSA?

HSAs are similar to 401(k)s in that owners should reassess their investment options at least once a year, Peters says. The investments should be adjusted to fall in line with overall target allocations and risk tolerance.

Additionally, they shouldn't withdraw money for expenses they have taken a tax deduction for. "You can't double-dip," she says.

What should I do if my company doesn't allow me to invest my HSA money?

Some 61% of companies responding to the most recent HSA survey by the Plan Sponsor Council of America offer investment options beyond a cash equivalent for HSA contributions. And using an employer-offered HSA is generally recommended because it allows for seamless pretax contribution and potential employer contributions, Copeland says.

But for those who work at companies that don't allow HSA

money to be invested, there are a number of banks and brokerage firms that offer HSAs with investment options. These third-party offerings are broadly available to people who participate in a high-deductible workplace medical plan, but they should be sure to consider factors such as investment options, interest rates, fees and minimum balances to open.

Can I contribute to a 401(k) and an HSA?

Absolutely. Andrew Mescon, chief executive of Charleston, S.C.-based Ballast Rock Private Wealth, generally advises clients who are saving for retirement to contribute at least the minimum amount in a 401(k) to get the full employer match, if offered, before turning to HSA accounts.

Benson says he sees many people contribute aggressively to their 401(k)—above the employer match—but they might be better off putting that excess money in an HSA instead. He suggests they contribute to their 401(k) up to the employer's match and then contribute to the HSA because of the likelihood of needing the money for medical expenses in retirement.

Are there potential penalties to consider?

Before age 65, people who use HSA money for nonqualified expenses are subject to a steep withdrawal penalty from the Internal Revenue Service—20% on the amount withdrawn. In real numbers, if you spend \$500 on nonqualified expenses, that amounts to a \$100 penalty. After 65, or upon becoming disabled, this penalty doesn't apply.

"If the primary goal is saving for retirement, you really should only be using the HSA after you've maxed out your other options," Mescon says. "Since it's designed as a healthcare-related savings tool, its optimal benefits are realized when used specifically for that purpose."

Cheryl Winokur Munk is a writer in West Orange, N.J. She can be reached at reports@wsj.com.

Mutual-Fund Yardsticks: How Fund Categories Stack Up

Includes mutual funds and ETFs for periods ended Oct. 31. All data are preliminary.

Table with columns for Investment objective, Performance (%) (October, YTD, 1-yr, 5-yr) for various fund categories like Diversified stock, World stock, Taxable-bond, etc.

Stock & Bond Benchmark Indexes

Table with columns for Investment objective, Performance (%) (October, YTD, 1-yr, 5-yr) for benchmarks like Large-cap stocks, Stock indexes, Taxable bonds, etc.

How the Largest Funds Fared

Performance numbers are total returns (changes in net asset values with reinvested distributions) as of Oct. 31; assets are as of Sept. 29. All data are preliminary.

Stock Mutual Funds and ETFs

Table with columns for Fund, Ticker, Assets (\$ billions), Total Return (%) (October, 1-year, 3-year, 5-year, 10-year) for various stock funds.

Bond Mutual Funds and ETFs

Table with columns for Fund, Ticker, Assets (\$ billions), Total Return (%) (October, 1-year, 3-year, 5-year, 10-year) for various bond funds.

*Annualized **Diversified funds only **Excludes money-market funds **Europe, Australia, Far East Source: Refinitiv Lipper Note: For funds with multiple share classes, only the largest is shown. N/A: Not applicable; fund is too new or data not available Refinitiv Lipper



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Everyone's talking about the latest-greatest leap in AI – Generative AI. The news can't stop buzzing about it. The pundits can't stop debating it. The Street is fawning over it. And the board is clamoring for it. Buckle up. The hype machine is in overdrive.

If that's not enough, endless Gen AI "solutions" keep popping up like whack-a-moles. There's AI for this. AI for that. There's even AI for ... creating AI. And you can't throw a rock without hitting some other company promising the future. Big players. Little players. Blue chips. Start-ups. Unicorns. And companies you've never even heard of.

Here's the thing. We quite literally have the most advanced technology in a generation at our fingertips. You don't just want Gen AI for this or that. You want enterprise-ready AI for your entire business. But where do you even start? Who do you trust? How will it work? What can it actually do for your business?

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JOURNAL REPORT | INVESTING MONTHLY

Where Are Commodities Prices Headed?

China's economy, war in the Mideast and a predicted El Niño are among the factors experts are looking at

BY SIMON CONSTABLE

INDIVIDUALS investing in commodities haven't had a smooth ride over the past few years. U.S. crude-oil futures briefly turned negative during the pandemic in 2020 before rebounding to more than \$82 a barrel recently. World food prices reached their highest level on record last year, in part as the Russia-Ukraine war spooked markets, but have fallen back more recently. And commodities from lumber to copper rode high and then fell, as global inflationary pressures and recession concerns drove trading.

So what happens next? We asked experts what to expect over the next six to nine months. Here is what they said.

Agriculture

Russia's invasion of Ukraine last year sent the price of key grains soaring as investors worried that supplies from the two countries—which before the recent war supplied roughly 30% of wheat exports—would be interrupted. Wheat hit a record price of \$12.25 a bushel in the aftermath of the February 2022 invasion, though the price has subsequently fallen, recently fetching \$5.61, according to FactSet data. Corn also jumped during the early months of the war to \$8.18 a bushel, close to the record of \$8.31 in 2012. It recently traded at \$4.75. Prices have fallen back amid recession concerns and because war-related supply problems haven't been as bad as expected.

But some strategists predict the downturn could end soon because prices are nearing the production break-even, or the level at which the cost of production equals the revenue for a product. That means if prices fall further, producers will lose money. "I don't know how much more they can drop, given energy prices rising," says Jake Hanley, a senior portfolio strategist at Vermont-based Teucrium, a provider of agricultural exchange-traded funds. Diesel fuel, for instance, is a key cost for farmers in the U.S. and abroad, and it puts a floor under prices unless energy prices retreat. Hanley says the war in Ukraine could still lead to supply disruptions and higher prices in the grain sector. Currently, both

sides are letting grain shipments pass through the Black Sea freely, though that could change. Another factor that could raise agricultural prices, Hanley says, is the expected return of the warm, damp Pacific Ocean weather system known as El Niño. Because it tends to disrupt normal weather patterns, El Niño could lead to smaller harvests in different parts of the world. "The risk to these prices is more substantial to the upside," Hanley says.

What's more, forecasters predict a Modoki El Niño—a type of El Niño event where the warming

says, partly because they tend to be for vast volumes of each commodity. For instance, wheat futures contracts are traded in 5,000 bushel units, which would mean a minimum contract size of \$28,050 based on the recent price. By contrast, ETF investments can be small, large or anywhere in between.

Crude oil

Anyone with a gasoline-powered car or truck knows that oil prices have risen. A barrel of U.S. benchmark crude oil recently cost \$82, up from \$67 in March. But prices could easily go higher, analysts say.

Part of the recent increase is due to production cuts from both Saudi Arabia and Russia, two of

the largest oil producers. "Those cuts are putting a lot of wind in the sails of the oil market," says Stewart Glickman, an energy-stock analyst at New York financial-research company CFRA.

Another upside risk: If the recent conflict between Israel and Hamas spreads into the wider Middle East region, it could disrupt oil supplies and drive up prices. Even fear of that happening could do the same thing.

In addition, global demand for oil looks set to stay stable or grow in the immediate future. "American fuel consumption isn't likely to change even if there is a delayed recession, as employment is high," says Peter McNally, global head of sector analysts at London investment researcher Third Bridge. High



A combine harvester is used to reap wheat in field near Bila Tserkva, Ukraine, earlier this year.

occurs in the central equatorial Pacific region instead of the eastern equatorial region. In 2015, a Modoki El Niño event cut corn production in Brazil—the world's third-largest corn producer—by about one-fifth as drier-than-usual weather hit a key growing area. Shawn Hackett, president of Hackett Financial Advisors in Boca Raton, Fla., says the Modoki El Niño system is likely to change the weather patterns in Brazil again, which could affect corn and soybean production.

Individuals seeking to profit from potential gains in commodities might be better off investing in specialized ETFs rather than futures contracts, Hackett says.

"Futures contracts are highly risky for individual investors," he

Leaders and Laggards

Performance numbers are total returns (changes in net asset values with reinvested distributions) as of Oct. 31; assets are as of Sept. 29. All data are preliminary.

Best-Performing Stock Funds

Fund	Ticker	Assets (\$ millions)	Total Return (%)				
			October	YTD	1-year	Annualized 3-year	5-year
GrnShs:1.5x Lg NVDA Dly	NVDL	220.5	-10.4	304.4	N.A.	N.A.	N.A.
GrnShs:1.5x Lg META Dly	FBL	15.1	-0.5	252.7	N.A.	N.A.	N.A.
MS FANG+ Index 3x Lev	FNGU	1,951.6	-7.0	222.9	203.1	-7.1	24.5
MS Sol FANG & Innov 3X	BULZ	531.5	-5.3	178.5	120.2	N.A.	N.A.
MS FANG+ Index 2X Lev	FNGO	168.8	-4.0	136.5	133.8	6.9	30.6
GrnShs:1.5x Lg COIN Dly	CONL	8.3	2.2	128.2	-17.4	N.A.	N.A.
Dirxion:NYSE F+ BL2X	FNGG	18.9	-4.0	114.3	49.7	N.A.	N.A.
Valkyrie Bitcoin Miners	WGMI	13.8	1.5	111.8	25.3	N.A.	N.A.
VanEck Digi Trans	DAPP	43.2	2.4	106.2	19.0	N.A.	N.A.
ProShares:Ult Semicond	USD	284.4	-12.2	104.2	119.0	23.5	32.0
Invesco AG Crypto Econ	SATO	4.2	3.4	101.6	34.3	N.A.	N.A.
Bitwise Crypto Ind Innov	BITQ	74.1	2.7	101.5	11.9	N.A.	N.A.
Dirxion:Tech Bull 3X	TECL	2,033.5	-1.6	92.2	65.9	18.9	28.1

Best-Performing Bond Funds

Fund	Ticker	Assets (\$ millions)	Total Return (%)				
			October	YTD	1-year	Annualized 3-year	5-year
Simplify:BTC Str + I	MAXI	22.1	27.9	103.1	70.8	N.A.	N.A.
Gibl X Bkchn & Btc Str	BITS	11.5	15.2	100.1	39.5	N.A.	N.A.
ProShares:Bitcoin Strat	BITO	883.2	28.1	99.3	65.6	N.A.	N.A.
Hashdex Bitcoin Futures	DEFI	1.7	27.5	99.3	65.6	N.A.	N.A.
VanEck:Bitcoin Strategy	XBTF	44.5	27.9	99.2	68.4	N.A.	N.A.
ProFunds:Btcn Str PF;Inv	BTCFX	51.7	27.9	96.5	63.2	N.A.	N.A.
Valkyrie Bitcoin & Ether	BTF	25.0	26.8	95.4	64.5	N.A.	N.A.
Dirxion:20+Y Trs Br 3X	TMV	377.6	16.6	55.5	33.1	56.0	-1.1
ProShares:UPSH 20+ Trs	TTT	74.7	16.5	52.7	30.5	56.9	-1.1
Simplify:Intrst Rt Hdg	PFIX	230.1	13.3	50.5	38.6	N.A.	N.A.
ProShs II:UIS Yen	YCS	26.2	4.0	45.6	13.5	30.8	15.1
ProShares:UIS 20+ Yr Trs	TBT	649.6	11.5	38.4	26.0	39.9	2.7
ProFunds:Rs Rt Opp;Inv	RRPIX	22.5	7.4	26.7	20.0	25.2	2.0

Worst-Performing Stock Funds

Fund	Ticker	Assets (\$ millions)	Total Return (%)				
			October	YTD	1-year	Annualized 3-year	5-year
VelShs 3x Long Nat Gas		0.1	17.2	-95.3	-99.1	-86.0	-86.4
VS:2x Long VIX Futures	UVIX	81.2	-4.6	-88.7	-93.1	N.A.	N.A.
VelShs Dly 2x VIX ST ETN		0.2	19.8	-84.7	-90.4	-90.3	-83.4
KraneShs:Glb Crbn OffStr	KSET	1.2	-30.5	-83.4	-89.8	N.A.	N.A.
MS FANG+ Idx -3X Inv Lev	FNGD	247.2	2.3	-82.9	-86.2	-61.4	-72.1
ProShs II:Ult Blm Nat Gas	BOIL	894.6	25.7	-81.3	-91.9	-57.0	-60.2
Dirxion:Reg Bnk Bull 3X	DPST	462.1	-17.2	-79.7	-84.7	-29.2	-45.3
MS Sol FANG & Innov -3X	BERZ	18.6	0.4	-79.3	-80.1	N.A.	N.A.
AXS 1.25X NVDA Bear Dly	NVDS	83.0	7.4	-78.5	-82.2	N.A.	N.A.
ProShs II:Ult VIX STF ETF	UVXY	279.8	-1.9	-76.9	-83.8	-80.6	-69.6
Convtyx 1.5x SPIKES Ftr	SPKY	0.6	-1.3	-75.9	-83.1	N.A.	N.A.
Simplify:Tail Risk Strat	CYA	13.2	-40.4	-72.9	-77.5	N.A.	N.A.
ProShares:UIS Semicond	SSG	9.3	11.4	-64.6	-71.3	-52.9	-57.1

Worst-Performing Bond Funds

Fund	Ticker	Assets (\$ millions)	Total Return (%)				
			October	YTD	1-year	Annualized 3-year	5-year
ProFunds:Sh Btcn Str;Inv	BITIX	0.3	-23.3	-60.1	-56.2	N.A.	N.A.
ProShares:Sh Bitcoin Str	BITI	71.2	-23.1	-58.6	-54.5	N.A.	N.A.
Dirxion:20+Y Trs BI 3X	TMF	2,169.2	-17.7	-46.8	-42.0	-51.1	-23.0
ProShares:Ult 20+ Yr Tr	UBT	53.9	-11.5	-31.2	-26.3	-35.7	-12.6
ProShs II:Ult Yen	YCL	17.5	-3.5	-30.1	-11.8	-25.5	-15.1
PIMCO ETF:25+ Yr US Tres	ZROZ	897.1	-9.2	-23.0	-18.5	-24.5	-6.5
iShares:25+ Yr Trs STRIPS B	GOVZ	116.9	-9.2	-22.8	-18.2	-24.5	N.A.
Dirxion:7-10Y Trs BI 3X	TYD	43.9	-6.8	-22.0	-18.8	-26.9	-7.8
Vanguard Ext Dur T;ETF	EDV	2,883.8	-8.2	-21.1	-16.2	-23.3	-6.2
PIMCO:Extend Dur;Inst	PEDIX	555.8	-8.5	-20.8	-15.9	-23.0	-5.9
ProFunds:US Gov Pl;Inv	GVPIX	4.0	-7.0	-20.0	-16.3	-24.2	-7.5
Rydex:Gv LB 1.2x Str;Inv	RYGBX	89.6	-6.9	-19.3	-15.0	-23.4	-6.9
Simplify:Int Trm Trs Ft	TYA	48.1	-5.2	-18.7	-14.8	N.A.	N.A.

Category Kings in 8 Realms

Top-performing funds in each category, ranked by year-to-date total returns (changes in net asset values with reinvested distributions) as of Oct. 31; assets are as of Sept. 29. All data are preliminary.

Large-Cap Core

	Assets (\$ millions)		Total return (%)		
	Oct	YTD	1-yr	5-yr	
IMS Capital Value;Inst	39.0	-1.1	26.3	24.8	8.2
Amer Cent:Sustainable Gr	10.4	-0.9	24.3	21.6	N.A.
IndexIQ:US LCR&D Ldr	5.0	-2.6	23.9	22.3	N.A.
Fidelity Contrafund	106,388.5	-0.9	23.9	22.9	12.1
Category Average:	1,626.4	-2.0	9.3	9.5	10.2
Fund Count	700	698	677	675	560

Small-Cap Core

	Assets (\$ millions)		Total return (%)		
	Oct	YTD	1-yr	5-yr	
GMO:Sm Cap Quality;VI	67.9	-5.2	15.4	17.6	N.A.
Hennessy:Crnst MdCp;Inv	616.7	-5.3	13.7	10.0	13.9
Pacer US SC Csh Cws 100	3,551.7	-5.1	11.4	7.3	10.3
Distillate Sm/M Cash Flw	30.6	-5.4	8.7	11.3	N.A.
Category Average:	642.4	-5.8	-3.2	-4.6	4.7
Fund Count	1007	1011	996	992	889

Midcap Core

	Assets (\$ millions)		Total return (%)		
	Oct	YTD	1-yr	5-yr	
Alp Arc US Quant Value	286.0	-5.0	11.3	7.5	6.5
Madison:Mid Cap;I	818.4	-1.2	9.4	11.3	N.A.
Touchstone:Mid Cap;Y	4,542.5	-5.1	7.3	7.1	8.9
AMG RR Mid Cap Val;N	322.0	-4.3	5.2	7.4	6.8
Category Average:	1,352.6	-4.6	-1.9	-1.1	6.7
Fund Count	370	371	365	364	328

Midcap Value

	Assets (\$ millions)		Total return (%)		
	Oct	YTD	1-yr	5-yr	
Vident US Equity Strat	510.3	-2.9	9.8	10.3	9.1
Longleaf Partners	1,324.3	-6.5	7.8	8.3	2.2
LeaderShs AlpFtr Tct Foc	202.9	-3.3	5.1	-1.3	N.A.
Vanguard Sel Value;Inv	6,018.2	-3.5	4.8	7.6	9.3
Category Average:	824.9	-4.4	-2.9	-1.7	6.0
Fund Count	143	142	139	139	127

Large-Cap Value

	Assets (\$ millions)		Total return (%)		
	Oct	YTD	1-yr	5-yr	
Davis:Sel US Equity ETF	355.7	-1.6	14.4	19.1	7.9
Selected American Shs;D	1,526.0	-2.4	13.8	19.3	7.6
Clipper Fund	964.6	-1.9	13.7	19.6	7.0
Fidelity Mega Cap Stock	1,820.1	-2.3	12.2	13.4	11.6
Category Average:	2,127.4	-2.5	0.8	2.8	7.7
Fund Count	340	338	331	327	296

Small-Cap Value

	Assets (\$ millions)		Total return (%)		
	Oct	YTD	1-yr	5-yr	
Ancora MicroCap;I	15.7	-2.9	14.1	12.7	7.1
Bertollet:Pinnacle Val	32.2	0.3	14.1	16.0	7.4
Brandes Inv:SC Val;I	11.8	-5.3	8.1	10.8	9.7
Aegis Value;I	347.8	-1.9	5.4	16.1	15.3
Category Average:	428.6	-5.3	-2.8	-4.0	5.4
Fund Count	161	161	158	157	135

Large-Cap Growth

	Assets (\$ millions)		Total return (%)		
	Oct	YTD	1-yr	5-yr	
Fidelity Blue Chip G ETF	764.3	-2.3	34.2	27.3	N.A.
Fidelity Srs BlueChip G	8,183.7	-2.4	33.0	27.6	16.3
WisdomTree:US Qual Gro	53.2	-1.8	32.8	N.A.	N.A.
Invesco ESG NASDAQ 100	20.7	-1.9	32.7	28.6	N.A.
Category Average:	2,360.6	-1.7	20.9	17.6	11.4
Fund Count	696	694	675	669	588

Small-Cap Growth

	Assets (\$ millions)		Total return (%)		
	Oct	YTD	1-yr	5-yr	
Needham:Aggr Growth;Inst	291.7	-6.9	16.6	16.6	18.8
Morg Stan;Inc;I	412.5	-13.0	15.8	-0.3	7.4
Virtus:KAR SmCp Cr;I	1,741.9	-3.3	11.9	10.3	13.6
Invesco S&P MidCap Qlty	1,370.8	-4.9	11.6	11.0	11.9
Category Average:	531.2	-7.3	-2.8	-6.2	4.5
Fund Count	642	651	646	645	570

NA: Not applicable; fund is too new * Annualized Note: For funds with multiple share classes, only the largest is shown.

Source: Refinitiv Lipper

Note: For funds with multiple share classes, only the largest is shown. NA: Not applicable; fund is too new or data not available

Source: Refinitiv Lipper

employment means people will be driving to work. China, which has struggled economically in recent quarters, presents another possible demand driver, according to Glickman. Expectations for China's potential growth trajectory are so low, even a mildly better-than-expected increase in energy demand from that country could lift oil prices, he says. Glickman sees crude prices averaging between \$95 and \$100 in the near future.

Mined resources

China also has been the driving force behind much of the demand for industrial metals such as copper, aluminum, lithium, steel, nickel and zinc over the past two decades, so the recent weakness in China's economy explains why prices for these metals have slumped lately. Such metals are used in manufacturing, notably automobiles, as well as in construction.

Copper, for example, recently fetched \$3.66 a pound, down from \$4.27 in late January as Chinese demand fell.

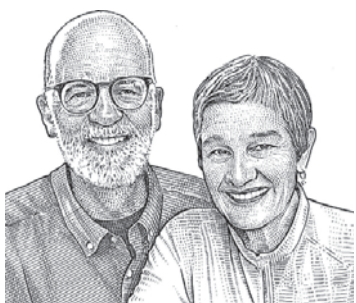
Should China's economy show signs of a rebound, industrial-metals prices likely would move higher, experts say. A rebound would depend largely on the government providing an economic stimulus, says Rob Hawthorth, senior investment strategy director at U.S. Bank's asset-management group in Seattle.

There is another reason to expect an increase in industrial-metals prices, though: The electric-vehicle revolution will need lots of materials. An electric-car battery, for example, uses up to four times as much copper as a gasoline-powered vehicle. More broadly, the route to clean energy requires vast quantities of mined materials.

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JOURNAL REPORT | INVESTING MONTHLY

Retirement Rookies • Stephen Kreider Yoder and Karen Kreider Yoder



The Big Question in Retirement: Who Am I Now That I'm Not Working?

One of us is struggling with that question, and one of us has largely figured it out

The first year in retirement is often the most difficult. But it also can set the stage for how you'll fill the years ahead—both financially and psychologically. Stephen Kreider Yoder, 66, a longtime Wall Street Journal editor, joined his wife, Karen Kreider Yoder, 67, in retirement last year. In this monthly column, they chronicle some of the issues they are dealing with early in retirement.

• **STEVE:** The iPhone buzzed on my nightstand the other morning. "TIME SENSITIVE," the screen shouted. "ENTERPRISE MEETING Today at 9:00 AM."

It does that every Monday, and my heart leaps a bit each time. The vibration heralds the weekly confab of my group at The Wall Street Journal. Even though I left the job more than a year ago.

Yes, I'm still in denial. Retirement has been a blessing, don't get me wrong. I lost the press of daily journalism and won more time—and mental leeway—to travel, be with family, tinker in my workshop, read and generally goof off while making no excuses about it.

But I can't bring myself to delete that smartphone notification. It's one of the few links I have left to my old identity, and I'm not sure what my new one is.

A retired pastor friend assures me I'm in good company, existential-angst-wise. It has been three years, he says, and he's still not used to it. But a nagging voice in my head tells me I ought to decide who I am pretty soon.

The voice is bringing with it a strong sense of déjà vu. I last heard it when I graduated from college with no clear career prospects. I clung for months to my nearly lifelong identity as a student by studying for grad-school exams and hanging around my old campus, which was pretty pathetic.

I'm in similar denial today partly because I think back fondly to many aspects of my career, and I sometimes wonder if I should have held on longer. There's nothing like the buzz of the newsroom and the gratification that comes from helping shepherd stories into the world.



I recently joined some still-working former colleagues at a pub near my old office and found myself envying their chatter about work. "I don't miss working," I tell people who ask. "But I miss work."

I'm also in denial because I quit work before thinking through what to do long term. As we wrote in our first column, Karen and I left our garage, mere hours after I retired, on a cross-country bicycle trip—for the adventure and to put off any second-guessing of my decision to retire.

The magic of adventure travel lies partly in stepping out of your workaday identity. When you're a couple of 60-somethings pedaling a tandem bike through a West Texas desert or Kentucky holler, your oddball existence alone is enough of an identity to satisfy most anyone you meet.

"You guys are badass!" concluded a driver who approached us at a rest stop on the Continen-

tal Divide in Wyoming. That identity worked for us.

When we were traveling overland through Algeria this spring, locals seldom asked about our jobs. A typical exchange included: "American? Welcome!" That was enough: No need to ask ourselves who we were.

Back home, though, we can't escape that annoying existential interrogatory: What do you do?

"Retired" doesn't seem like an adequate answer. Citing my erstwhile profession feels like singing to a karaoke track of "Glory Days." Listing my pastimes seems superficial. At a recent class reunion, many of our retired peers happily identified as grandparents, but that isn't an option for us.

Many of our generation have probably tied our self images too closely to our careers. Perhaps retirement offers a fresh chance to take an unapologetic Popeye approach: "I yam what I yam, and

that's all what I yam."

For now, I'll leave the Monday meeting on my phone calendar. It's also a reminder that I don't need to snap to, anymore. I can just pull the covers back up and decide who I am later.

• **KAREN:** I'm glad to be retired. I never look back.

At least, that's my line when Steve is wringing his hands about his lost identity. And it's true, mostly.

I retired at the beginning of Covid, in 2020. It was clearly time to leave.

Until then, my favorite time of life was always doing what I was doing at the time. In my 42 years in education—teaching kindergarten through fifth grade in public and private schools in America and Japan, instructing university students, building a graduate teacher-ed program—I loved doing whatever was in front of me.

But suddenly, work wasn't my favorite time. A switch went off. It became clear that other interests took precedence.

My favorite time, again, is what's in front of me—retirement and the opportunities it holds. I sew comforters for refugees. I host church groups at our house. I volunteer at a prison, guiding inmates who teach their peers to read and write. I teach an adult at the public library to read the newspaper and write his memoir. I chat with our boys as often as I can, and hop on the tandem bike with Steve on yet another long-distance ride.

I no longer have the career that was the dominant part of my identity. Instead, I have a many-faceted identity.

Sure, there are mornings when I feel melancholy, often when the coming day feels unstructured or without purpose. On rare occasions, I stay in my pajamas all morning and wish I were back to my routine of setting off before dawn by bike to the ferry, across the San Francisco Bay and back on the bike for the last leg to the university. It was an invigorating commute, and I had heady work building a department that made an impact in the community.

But the pressure and the stress? The sleepless nights preparing for meetings and classes? I am happy to have left that behind, and the place it had in my identity. Now, if I'm not satisfied with my day, it's my own fault.

My professional-educator self does emerge from time to time. This summer, my sister in the Midwest took me out for a long lunch before I caught a plane home in the evening. She was ready to launch a series of sessions with children in her church. She wanted my advice. How is the flow of this series? How could she link the lessons to the children's lives, work with a wide age range, build anticipation each week?

My old self set right in, suggesting modifications to the series. It felt good to use my skills, built up over decades, to give immediate and specific advice. I didn't need payment for this to still be part of my identity.

I was happy to be needed, listened to and valued. That's what I miss about my former work-life identity. Perhaps I need to find more opportunities to crack out the old identity. But without the stress.

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If Interest Rates Are Peaking, These Investments Are Likely to Do Best

Judging from past rate plateaus, it may pay to bet on small-cap and growth stocks—and to do it early

BY DEREK HORSTMAYER

WITH THE Federal Reserve signaling it could pause interest-rate increases if inflation continues to cool, a rate peak may be at hand in the U.S.

That would be welcomed by interest-rate-sensitive borrowers and lenders after more than a year and a half of rate increases. But what does a rate peak mean for investors' portfolios, and how can they take advantage of it?

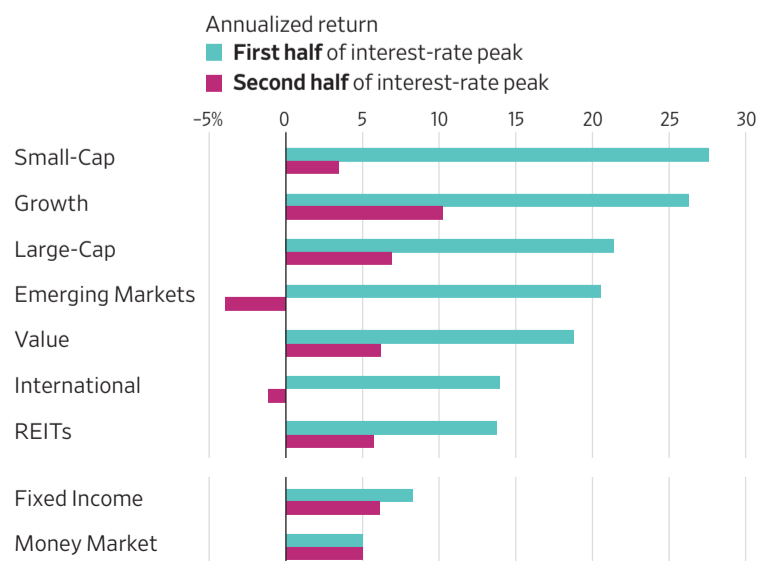
The simple answer: Stocks, especially small-caps and growth companies, are the asset classes that fare best during periods when rates peak and then plateau. But there is a caveat—most of the benefits accrue during the first half of the plateau.

To study this issue, my research assistants Duy Vu and Riyan Khawaja and I pulled return data going back 50 years for various asset classes and subclasses, including U.S. large-caps, small-caps, growth stocks, value stocks and real-estate investment trusts, as well as emerging-market stocks, international stocks, money-market instru-

ments and fixed income. We then isolated six peak-and-plateau occurrences over the 50-year period where the Fed stopped raising rates and kept rates steady for three months or more.

Rate Expectations

The first half of an interest-rate peak has historically been where investors can get the best returns, with returns falling off sharply during the second half.



Note: Shows the average annualized returns for various asset classes during the first and second halves of an interest-rate peak. Source: Derek Horstmeyer, George Mason University



stocks of all stripes do well when interest rates first reach their peak, but they don't do nearly as well during the second half of a plateau.

Take large-caps. The average large-cap stock in the S&P 500 returned 21.4% annualized during the first half of rate plateaus compared with 6.9% during the back

end. To put these numbers into context, the average annualized returns for U.S. large-caps were 12.5% over the 50-year period. When we look at small-caps and growth stocks, we see even better returns during the first half of rate plateaus. For small-caps, the average annualized return is 27.6%, and for growth stocks it is 26.3%. Those returns cool off in the second half of plateau for both asset classes—averaging 3.5% and 10.2%, respectively.

On the other end of the spectrum, REITs and international stocks had the weakest annualized returns in the equities category during the first half of plateaus—averaging gains of 13.8% and 13.9%, respectively. Like the other groups, their returns were lower during the second half of plateaus.

Fixed-income assets, on the other hand, don't do nearly as well as stocks during interest-rate plateaus: Fixed-income instruments

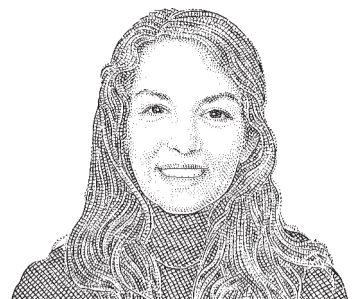
had an average annualized return of 8.25% during the first half of a plateau and 6.13% in the second half. Our results may reflect a number of factors. For one, investors often react positively when the Fed says it will stop raising rates since it is a signal that policy makers are done trying to curb spending and investment to fight inflation. But as an interest-rate plateau drags on, investors begin to look ahead and position for uncertainty as to where Fed policy is headed.

Overall, our results suggest that for investors looking to benefit from a pause in the Fed's rate-hiking cycle, the ideal time to get into stocks is early in a plateau. Wait too long and they will miss out on most of the excess returns.

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Young Money • Allison Pohle



My Parents' House Is Full of Stuff. I Don't Want Most of It.

How do we decide which things are worth keeping—and what to throw away?



ON A RECENT visit to my parents' house, I took a closer look at six Beanie Babies that long took up a spot in my childhood bedroom. Unlike my other Beanie Babies, these six, including a special-edition Princess Diana bear, weren't played with. My grandma urged me to take the utmost care with them, for they would be "collectors' items" one day.

If only she were right. My parents' house is filled with no shortage of things my grandma mistakenly considered to have collectors'-item potential: Precious Moments figurines, special-edition Barbie dolls, Welch's glass jelly jars, even some McDonald's toys. My grandma, the fifth of six children who told us she had two dresses as a child, also had collections of her own, the most notable being dozens of small, cartoonish glass ducks.

My grandma died several years ago, and unfortunately, none of her investment hopes have come true. When it came time to go through her things, all of that stuff—the ducks, the figurines, the old china—became just that: stuff.

A difficult question

By now, it is common knowledge that millennials like me don't want the old furniture, china or trinkets that we could inherit when our relatives die, or are offered to us as our parents downsize. In general, we want to experience the world, but not have physical items signifying it. As I've watched my parents navigate their own parents' deaths, and have observed the sheer number of physical items to sort through, I wondered: "How do we millennials know what to throw away and what to save?"

Home organizers, financial planners and consignment shops tell me it's a conversation they have with clients every day. They say, though awkward, it is better to

have honest conversations about estate planning when you can, rather than trying to navigate doing so in the anguish or time crunch after a family member dies.

My other grandma collected Hummels, the porcelain figurines popularized in Germany. Some of her giant collection came from her own mother, who grew up there. When my grandma died, my aunt took many of the Hummels. My brother, sister and I each took one.

I also took one of my grandma's ducks. But, even though I have spent the past decade living in apartments with a limited amount of space, I did have some guilt about not wanting more of her things. Was I somehow disrespecting her memory, and our connection, by rejecting the things that were important to her?

Many people feel responsibility to care for items because they were important to someone else, says Mindy Godding, president of the National Association of Productivity & Organizing Professionals. Some of

my friends have china plates sitting in cabinets, while others have boxes of ornaments their parents collected on their behalf.

I asked my parents about their own senses of responsibility. The basement in my childhood home is filled with things from my grandparents and from me and my siblings when we were younger. My dad says they keep them out of guilt or sentimentality. But going through the loss of his own parents has changed how my dad thinks about the things he will leave behind: "What I'm trying to do isn't to burden you with the guilt of my sentiment," he says.

Birthday cards

I appreciate that, because I know what it's like to struggle to let go of things. The dozens of cards my grandma sent me aren't just pieces of paper, but represent specific birthdays and holidays. And, for my wedding last year, some guests went off-registry and sent monogrammed

items, though I didn't change my last name. I now wonder what to do with these things, but feel bad getting rid of them because they tell the story of people who thought of me during that special time.

It is common to assign emotional attachment to inanimate objects, Godding told me. There are stories tied to things and people fear they will lose the story if they get rid of the item.

If you are presented with a gift that has a meaningful story attached to it, Godding recommends taking the gift in the spirit that it was given. "Then, when it becomes your possession, you can do whatever you want with that thing, even if that means stopping at Goodwill on your way home," she says.

No thanks

All of this is why so many people struggle with what to do with inherited collections and other items. "The most common thing we hear is, we don't really want anything,"

says Travis Sholin, a family wealth adviser at Keystone Financial Services in Omaha, Neb.

That's partly a generational thing. As physical things have become more accessible, younger generations find more meaning, and fulfillment, in experiences, says Alex Melkumian, founder of the Financial Psychology Center in Los Angeles. We splurge on concert tickets, vacations and celebratory events, like weddings and bachelorette parties.

What's more, it isn't as if we're discarding stuff that could bring us wealth. As a general rule, the internet has made it easier to find collectibles, so the value of common items is diluted, says Dennis Sewell, president of the Association of Resale Professionals. Sewell co-owns a consignment store and says he has seen everything from stamp and QVC collections to assortments of Precious Moments like the ones my grandma had and gave to my mom, siblings and me.

Still, in the end, what to keep and what to donate—or pitch—is highly personal. Melkumian suggests assessing both the financial and emotional return on investment. The financial ROI can be assessed through market research or a professional appraisal, he says. The emotional ROI is equally important, though harder to quantify. "Ask yourself how much joy, comfort or sense of connection the item brings to your life," he says.

There is also a cost to holding on to things. For me, that most often comes at the cost of space. For others, it can have an emotional cost. "If the costs of keeping the item outweigh the benefits, it might be time to consider letting it go," Melkumian says.

My mom has started that process. She spent time in the basement combing through art projects my siblings and I made when we were younger, as well as things from her own mom. She took pictures of everything before deciding whether to throw it away or donate it. "It's hard, but you can't keep everything," she says. In this way, she has separated the story from the item, but still has a photo to show why it was meaningful.

As I think about what to keep and what to get rid of, I'll try to keep this advice from my dad in mind: "Try to find a good home for it, but it doesn't mean that home has to be in *your* home."

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Is Robinhood's IRA Match Worth It?

While the 1% match could encourage younger people to save for retirement, some advisers worry about speculative trading and limited investment options

BY DAISY MAXEY

FOR SOME people, Robinhood Financial's new retirement-savings accounts with a 1% match might seem too good to pass up.

The trading app began offering traditional individual retirement accounts and Roth IRAs in January. The accounts offer a 1% match on contributions from any account, including IRA transfers or 401(k) rollovers, up to annual investment limits set by the Internal Revenue Service. Those paying \$5 a month for Robinhood Gold, the firm's premium account option, will receive a 3% match.

The match is deposited into the IRA. To keep it, investors must leave the funds in the IRA for at least five years. For 2023, the limits set by the IRS for IRA contributions are \$6,500 for those under age 50 and \$7,500 for those age 50 and older, which means investors could earn up to \$65 or \$75, respectively, from the 1% match this year.

The Robinhood accounts might be especially enticing for gig workers, workers whose companies don't have a 401(k) matching program, or people who simply want to juice their IRA contributions. But advisers offer words of caution. Some worry about the potential for speculative trading, while others say the investment options are

limited, among other things.

Stephanie Guild, senior director of investment strategy at Robinhood, says the company set out to make investing more accessible and more affordable and will continue to do that. "Safety first is one of our core values," she says.

Here are some points to consider before opening an account.

Getting going

One of the pros of Robinhood's matching program is that it is "a good incentive, especially for young investors who can allow that to compound over decades," says Conor Feldmann, senior portfolio manager at Truepoint Wealth Counsel, an independent wealth manager in Cincinnati.

Those who already have a 401(k) account with an employer can max out those contributions to get their company match, then contribute to the Robinhood IRA to get the 1% match, as long as they don't exceed certain IRA-related income limits, Feldmann says.

Speculating or saving?

Robinhood doesn't offer portfolio-management services for a fee. Instead it is compensated primarily by third-party market makers when customers trade, a model known as payment for order flow. This gives Robinhood an incentive to encourage active trading, a model that some advisers say isn't great for retirement savers.

"You have to recognize that they're in the business to make a profit," says Gerard Klingman, founder of New York wealth manager Klingman & Associates. "To do that, by the structure of the accounts, they want you to trade."

Studies show that the more investors trade their retirement accounts, the poorer their returns. It sounds nice that Robinhood doesn't charge an annual fee like some other robo and traditional advisers, says Klingman, "but at least with that, the clients' and the adviser's interests are aligned," he says.

"We don't charge a fee like other advisers because we aren't one," Robinhood's Guild says. "We do have interests aligned in a way because we are trying to incentivize people to add more to their

IRA over time with the match."

Some advisers worry that young investors who have been drawn to Robinhood to engage in speculative trading in the past may continue to do so in their Robinhood retirement accounts.

Encouraging speculation in a brokerage account isn't a problem specific to Robinhood, says Feldmann, "but Robinhood is the broker with the dubious title of having paid the largest-ever Finra financial penalty." In 2021, the Financial Industry Regulatory Authority said Robinhood agreed to pay nearly \$70 million to resolve regulatory allegations that it misled customers, approved ineligible traders for risky strategies and didn't supervise technology that failed and locked out customers.

Investment options

With its IRA offerings, Robinhood hopes to mature into a service that can maintain customers as they grow wealthier. Some advisers

question the firm's readiness to serve that clientele.

Savers who open Robinhood IRAs can invest in a recommended portfolio of five to eight exchange-traded funds developed by the company's investment-strategy team and based on an investor's age, time horizon, risk tolerance and main goal. Investors also can choose their own mix of stocks and ETFs, and those who qualify can trade options.

Diane Compardo, a partner at Moneta in St. Louis, says retirement savers should consider their overall financial needs and how they compare with the services Robinhood offers. For example, there is no automatic rebalancing like you might get from robo advisers or wealth-management firms.

Robinhood's IRAs also don't offer direct bond investments or many direct alternative investments, though they do offer a variety of bond ETFs and ETFs investing in alternatives. The lack of bonds and mutual funds skews the risk for all portfolios, says Susan Kaplan, president at Kaplan Financial Services in Newton, Mass.

"No client, regardless of age or risk tolerance, has zero Treasuries, corporate bonds, etc.," she says. "I think that this would preclude anyone from using Robinhood as the place to house the entire portfolio."

Guild says Robinhood has "near-term and long-term plans" to expand its product offerings. It is also working on an advisory offering that will provide an experience "close to what a high-net-worth investor might receive from an adviser over time," but at a better price point by using technology. She declined to provide further details on expansion plans.

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