

What's News

Business & Finance

◆ **Bill Hwang, the founder** of Archegos Capital Management, was convicted of manipulating stock prices and defrauding banks in a scheme that minted him a multibillion-dollar fortune before his firm collapsed in March 2021. **A1**

◆ **The S&P 500 and Nasdaq** rose 1% and 1.2%, respectively, to records as investors appeared more confident that interest-rate cuts were on the way. The Dow broke a two-day losing streak with a gain of 1.1%. **B9**

◆ **The Biden administration** imposed tariffs on Mexican imports that use steel or aluminum from China in hopes of stopping the metals from entering the U.S. duty free. **A2**

◆ **Honeywell struck a deal** to acquire the liquefied natural-gas process technology and equipment business from Air Products for \$1.81 billion. **B1**

◆ **Shell, BP and TotalEnergies** signed deals to invest in Abu Dhabi's Ruwais liquefied natural-gas project, which is set to boost the U.A.E.'s export capacity significantly as it pushes into global LNG markets. **B2**

◆ **Microsoft relinquished** its seat as an observer on the board of ChatGPT maker OpenAI as regulators on both sides of the Atlantic scrutinize the companies' partnership. **B4**

◆ **German carmakers** struggled in China and suffered a drop in vehicle sales in the second quarter, but experienced diverging fortunes in the hotly contested electric-vehicle market. **B3**

◆ **The biggest U.S. banks** start to report quarterly earnings this week, with results from JPMorgan, Citigroup and Wells Fargo due on Friday. **B1**

World-Wide

◆ **Biden's wall of support** for his re-election bid began to crumble, as a Democratic senator called for him to exit the race, a party heavy-weight indicated his candidacy remains an open question and a Hollywood donor said he can't win. **A1, A4**

◆ **The FTC is preparing** to sue the largest three pharmacy-benefit managers over their tactics for negotiating prices for drugs including insulin, after a two-year investigation into whether the companies steer patients away from less-expensive medicines. **A1**

◆ **Biden and Texas'** lieutenant governor were at odds over who is at fault for the pace of the federal response to Beryl, as Houston-area residents sweltered without power for a third day. **A3**

◆ **The U.S. will soon begin** shipping to Israel the 500-pound bombs the Biden administration had previously suspended, ending a pause it had imposed in a bid to reduce civilian casualties in Gaza. **A7**

◆ **More than a year** after Biden vowed to provide F-16 jet fighters to Ukraine, the first planes are being delivered, boosting Kyiv's capability to down Russian missiles and attack its ground forces. **A8**

◆ **Germany will remove** Chinese components from its 5G mobile networks within four years, in a concession to U.S. warnings about the systems' vulnerability. **A16**

◆ **Alec Baldwin's trial** in the fatal shooting of a cinematographer began after nearly three years of legal battles and sporadic public appearances by the actor. **A3**

CONTENTS	Markets & Finance B9
Arts in Review... A11	Opinion... A13-15
Business & Finance B2	Personal Journal A9-10
Business News... B3	Sports... A12
Crossword... A12	Technology & Media B4
Heard on Street... B10	U.S. News... A2-5
Markets Digest... B6	World News... A7-8,16

Palestinians Mourn Victims of Strike on Shelter



DESPAIR: Women mourn relatives killed in an Israeli airstrike Tuesday. The strike, which Israel said targeted a Hamas militant, killed at least 25 when it struck a school building where thousands were sheltering, according to Palestinian health officials. **A7**

Drug-Benefit Managers Face FTC Suit Over Insulin Prices

By LIZ ESSLY WHYTE AND ANNA WILDE MATHEWS

The Federal Trade Commission is preparing to sue the largest three pharmacy-benefit managers over their tactics for negotiating prices for drugs including insulin, after a two-year investigation into whether the companies steer patients away from less-expensive medicines.

The agency plans to file lawsuits taking aim at business practices related to rebates brokered with drug

manufacturers, people familiar with the matter said.

The FTC is also investigating the role that insulin manufacturers play in the negotiations, one of the people said.

Pharmacy-benefit managers, or PBMs, manage prescription-drug transactions for insurers and employers. They negotiate discounts with drug manufacturers on behalf of those customers.

The three largest PBMs—UnitedHealth Group's OptumRx, Cigna Group's Express Scripts and CVS Health's Care-

mark—handle about 80% of U.S. prescriptions.

Each of the three shares a parent with a large health insurer.

"CVS Caremark is proud of the work we have done to make insulin more affordable for all Americans with diabetes, and we stand by our record of protecting American businesses, unions and patients from rising prescription-drug prices," CVS said on Wednesday.

An Express Scripts spokeswoman said: "We work to

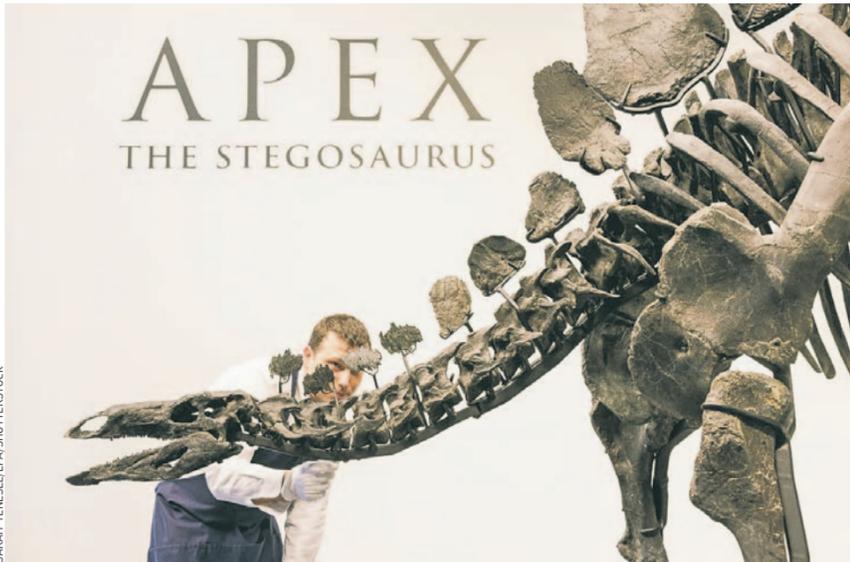
combat the pharmaceutical industry's high prices and lower the cost of thousands of medicines for patients and their health plans, and the data shows that we succeed."

OptumRx declined to comment.

The three largest insulin makers—Eli Lilly, Novo Nordisk and Sanofi—are also under scrutiny from FTC lawyers regarding the rebate negotiations.

"Sanofi's pricing practices have always complied with the

Dinosaur Fossil Gets Ready for Its Closeup



OLD BONES: A handler at Sotheby's in New York inspected a 150-million-year-old skeleton of a stegosaurus to be auctioned off next week for an estimated \$4 million to \$6 million.

Archegos Chief Hwang Found Guilty of Fraud

By PETER RUDEGEAIR

Bill Hwang, the founder of Archegos Capital Management, was convicted Wednesday of manipulating stock prices and defrauding banks in a scheme that minted him a multibillion-dollar fortune before his firm collapsed in March 2021.

A federal jury in New York found Hwang, 60, guilty of 10 out of 11 counts related to running a criminal conspiracy and committing securities and wire fraud. Patrick Halligan, 47, Archegos's former finance chief, was also found guilty for charges related to his role. The convictions have the potential to put Hwang and Halligan in prison for more than a decade.

Archegos's demise impacted much of Wall Street, with its lenders losing more \$10 billion. Credit Suisse sustained wounds from Archegos that contributed to its eventual sale to Swiss rival UBS. UBS later agreed to pay nearly \$400 million in fines related to Credit Suisse's conduct with Archegos. As a result of the firm's collapse, regulators beefed up supervision over banks' dealings with fund clients and the chair of the Securities and Exchange Commission called for more disclosure.

Federal prosecutors in the U.S. Attorney's Office in Manhattan accused Hwang of misleading banks to borrow billions of dollars as part of an

Outliving Your Peers Is Now A Competitive Sport

Longevity zealots vie in contest to slow aging; 'that crazy guy trying to not die'

By ALEX JANIN

Longevity has officially become a competitive sport.

Welcome to the "Rejuvenation Olympics." In this contest founded by tech entrepreneur and longevity bro Bryan Johnson, anti-agers take their health obsession to new levels. Just not dying isn't enough. Instead, you have to not die better than your competitor.

You may know Johnson, 46, as the man who founded—and sold, for \$800 million—the payments company Braintree. Or you may know him as "that crazy guy trying to not die," as Johnson self-identifies in his X bio. He says he has spent millions on

a viral self-experiment to age as little as possible—one that involves a regimen of dozens of daily powders and pills, gene therapies and more.

Once he began publishing his methods and corresponding health data, he encountered reactions from skepticism to outright vitriol. He decided to reframe his pursuit like a professional sport—and invite other players to the game.

"If you see LeBron James going to bed on time and exercising and eating well, you don't think he's crazy," he explains. "You applaud his efforts on the court for what he's doing."

Johnson came up with an

Russia Adapts To Thwart Weapons

Moscow learns in Ukraine to overcome West's high-tech precision munitions

By YAROSLAV TROFIMOV

The Excalibur artillery round performed wonders when it was introduced into the Ukrainian battlefield in the summer of 2022. Guided by GPS, the shells hit Russian tanks and artillery with surgical precision, as drones overhead filmed the resulting fireballs.

That didn't last. Within weeks, the Russian army started to adapt, using its formidable electronic warfare capabilities. It managed to interfere with the GPS guidance and fuzes, so that the shells would either go astray, fail to detonate, or both. By the middle of last year, the M982 Excalibur munitions, de-

veloped by RTX and BAE Systems, became essentially useless and are no longer employed, Ukrainian commanders say.

Several other weapons that showcased the West's technological superiority have encountered a similar fate. Russian electronic countermeasures have significantly reduced the precision of GPS-guided missiles fired by HIMARS systems, the weapon credited for reversing the momentum of the war in Ukraine's favor in mid-2022, Ukrainian military officials say.

A brand-new system, the

Please turn to page A8

INSIDE



SPORTS

U.S. Soccer dismisses Gregg Berhalter as coach of the men's national team. **A12**

PERSONAL JOURNAL

America is a nation of snackers—but many of us are doing it the wrong way. **A9**



U.S. NEWS

Powell's Latest Pivot Draws Notice

Bid to lower inflation without a significant slowdown is 'No. 1 thing' on his mind

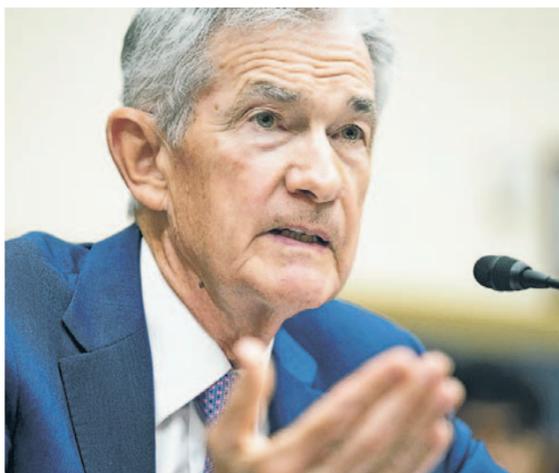
By NICK TIMIRAO

It didn't move markets, but during two days of congressional testimony this week, Fed Chair Jerome Powell made the beginning of a pivot on interest rates that might prove more durable than one that sparked a big market rally at the end of last year.

Around December, Powell and several colleagues signaled they could begin the process of dialing interest rates down as soon as the middle of the year if inflation, which cooled notably in the second half of last year, continued on that path. When Powell testified on Capitol Hill in March, he allowed that the Fed was "not far" from achieving the confidence it needed to cut rates.

That case for reducing rates, it turned out, had been built on a rickety foundation. When inflation turned up in the first quarter and the economy showed solid growth, the justification for lower rates crumbled.

But when Powell returned to Capitol Hill this week, he began laying the groundwork for rate cuts on what could prove to be



Fed Chair Jerome Powell speaking to lawmakers Wednesday

a stronger footing. He pointed to how a cooling labor market means a potential source of ongoing, high inflation has diminished. And he suggested that any further softening in the job market might be unnecessary and unwelcome.

Striking the balance between ensuring inflation comes back to the Fed's 2% goal while preventing a sharp rise in layoffs "is the No. 1 thing that just does keep me awake at night," Powell said on Wednesday. "Trying to make decisions that give that the best chance to happen—that is the thing that I think about in the wee hours."

On Tuesday, Powell said that the labor market was "not a source of broad inflationary pressures for the economy," a revealing observation given the extent to which Fed officials feared over the last two years that overheating labor markets might sustain high inflation.

Instead, Powell said that high inflation had been caused by the collision between very strong demand and supply chains that were already messed up by the pandemic. Inflation fell last year even though the economy grew solidly because labor- and product-market bottlenecks eased. "I think we know more now

about where this [inflation] came from because we can see what made it go away," he said Wednesday.

Inflation fell to 2.6% in May, according to the Fed's preferred gauge, down from 4% a year earlier but still above the Fed's 2% target.

Powell's testimony this week probably didn't make a big splash with investors because he didn't suggest a rate cut was possible at the Fed's meeting later this month and because market participants had already begun to expect the central bank could start cutting rates at their subsequent meeting in September.

Still, for veteran observers of the central bank, the latest comments were notable because they indicate the bar for reducing rates may be lower than it was just a few months ago.

"The tide has turned," said former Fed governor Laurence Meyer in a note to clients on Wednesday. Powell was careful to avoid pre-committing to coming moves by dropping calendar-based hints, having been burned by disappointing inflation readings earlier this year. But his comments suggest he thinks "inflation is back on track" while the labor market "is on the edge of an unwanted slowdown," Meyer said.

Officials are trying to balance the risk of moving too

slowly to reduce rates with the risk of moving too soon. Lowering rates too soon could allow inflation to settle above the Fed's target. While layoffs are low, they tend to rise rapidly as the economy weakens, which argues against keeping rates too high.

The unemployment rate has climbed this year to 4.1% in June from 3.7% at the end of last year, largely because hiring has slowed and it is taking new workers or those re-entering the workforce longer to find work. That's less concerning, for now, because layoffs are still low.

It's possible that immigration, which has boosted the supply of workers over the past two years, declines in the months to come, leading the unemployment rate to go back down.

Fed officials including Powell, however, have signaled that they're on higher alert for signs that the unemployment rate continues to climb for worrisome reasons. "The job is not done on inflation. We have more work to do there," Powell said. "But at the same time, we need to be mindful of where the labor market is, and we have seen considerable softening in the labor market."

◆ S&P 500 clinches longest record streak since '21... B9

Mexican Imports With Metal From China Get Tariffs

By BOB TITA

The Biden administration is imposing tariffs on Mexican imports that use steel or aluminum from China in hopes of stopping the metals from entering the U.S. duty free.

The U.S. will levy a 25% tariff on Mexican imports containing steel from China and a 10% duty on products made with aluminum from the country, the White House said.

Products from Mexico typically enter the U.S. duty free as part of a trade agreement with Canada and Mexico. Steel and aluminum must be melted and poured in the U.S., Mexico or Canada to qualify for duty-free treatment, according to the White House.

U.S. steelmakers and other manufacturers have complained that China is circumventing the existing tariffs on steel and aluminum by routing the metals through Mexico. The U.S. government has said steel and aluminum exported from China are unfairly priced and benefit from unlawful government subsidies.

Companies that produce steel and aluminum have been urging Mexico to step up monitoring of the origins of materials used in goods slated for export. Some U.S. manufacturers have said their products have come under price pressure from low-cost imports from Mexico.

"This reform can only be effective if Mexico ensures that accurate and complete information on the country of melt and pour of its steel imports and exports is collected and made available to U.S. officials," said Kevin Dempsey, president of the American Iron and Steel Institute, a steel-industry trade group.

Mexico is one of the largest sources of imported steel in the U.S., with 4.2 million tons in 2023, second in volume only to Canada, according to the Census Bureau and AISI.

CORRECTIONS & AMPLIFICATIONS

Denali National Park and Preserve is partially explorable by car and bus. An Off Duty article on Saturday about U.S. national parks incorrectly said Denali is largely explorable by car.

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U.S. WATCH



NASA test pilots Suni Williams, left, and Butch Wilmore held a news conference on Wednesday while aboard the International Space Station.

ARKANSAS
Abortion-Rights Ballot Rejected

Arkansas election officials rejected petitions submitted for an abortion-rights ballot measure that organizers hoped to put before voters this fall in the predominantly Republican state.

The secretary of state's office said the group didn't submit statements required regarding paid signature gatherers. Organizers submitted more than 101,000 signatures. They needed at least 90,704 signatures from registered voters and a minimum number from 50 counties.

The group, Arkansas for Limited Government, said its legal team was reviewing the state's letter.

—Associated Press

SPACE STATION
Astronauts Hold News Conference

Two astronauts who should have been back on Earth weeks ago said they're confident Boeing's space capsule can return them safely, despite breakdowns.

NASA test pilots Butch Wilmore and Suni Williams launched aboard Boeing's Starliner capsule early last month. Helium leaks and thruster failures almost derailed their arrival at the International Space Station, and have kept them there longer than planned.

On Wednesday, in their first news conference from orbit, they said they expect to return once thruster testing is complete on Earth.

—Associated Press

NEW YORK
MS-13 Leader Pleads Guilty

A leader of an MS-13 gang pleaded guilty to racketeering and firearms charges in a case involving eight murders, including the 2016 killings of two high-school girls who were hacked and beaten to death in their suburban Long Island neighborhood.

Alexi Saenz entered the plea in federal court in Central Islip and faces 40 to 70 years in prison. The 29-year-old will be sentenced Jan. 31.

Saenz said in a statement read by his lawyer that he had ordered or approved the killings of rival gang members and other people who had disrespected or feuded with members of his clique.

—Associated Press

PENNSYLVANIA
No Death Penalty In Officer's Killing

Philadelphia's top prosecutor won't seek the death penalty for a teenager charged with fatally shooting a Temple University officer, a decision that angered the victim's colleagues and relatives.

District Attorney Larry Krasner, a former civil-rights lawyer, has long been a vocal opponent of capital punishment in a state with a moratorium on it.

Miles Pfeffer, 19, is accused of killing Officer Christopher Fitzgerald, 31, in February 2023 as the officer chased three suspects after a series of robberies and carjackings in the area. Fitzgerald was a married father of four.

—Associated Press

NEW YORK
Ex-NBA Player Porter in Court

Former NBA player Jontay Porter pleaded guilty to conspiracy to commit wire fraud in a federal criminal case tied to the betting scandal that got him banned from the league earlier this year.

The former Toronto Raptors center entered the plea at his arraignment in a New York federal court and was set to be released on bond of \$250,000. His lawyer previously said Porter was cooperating with authorities while being treated for gambling addiction.

Porter is set to be sentenced Dec. 18. He could face from just under three and a half years in prison to a little over four years.

—Associated Press

Archegos Chief Is Convicted

Continued from Page One

effort to drive up prices of a handful of media and tech stocks in Archegos's portfolio. "That's what it meant to run Archegos," said Assistant U.S. Attorney Andrew Thomas in a New York courtroom on Monday. "Lying was part of the job."

Hwang's lawyers argued that his trading instructions were legal and didn't amount to market manipulation. They

also argued Hwang was truthful in his dealings with banks, unlike others at Archegos.

"While we respect the jury, we intend to appeal and believe our client will be exonerated," said Halligan's lawyer, Mary Mulligan. Hwang's lawyers didn't return a request for comment.

Hwang, a protégé of hedge-fund titan Julian Robertson, set up Archegos more than a decade ago as a low-profile family office that managed his personal wealth. Archegos had most of the trappings of a hedge fund, but because it lacked outside investors, it didn't have to comply with many hedge-fund regulations and could stay under the radar.

At the start of the Covid-19 pandemic in March 2020,

Archegos's trading and borrowing from banks went into overdrive and its market footprint eventually ballooned from about \$10 billion to more than \$160 billion. It returned 134% in 2020 and started 2021 up more than 100%, documents from the trial showed.

Over the course of a few days in March 2021, selloffs in some of Archegos's biggest holdings triggered margin calls from its lenders, demanding it put up more cash that the firm couldn't meet. The firm's rapid fall led to the loss of more than \$100 billion in market value.

The prosecution's star witnesses were Scott Becker, Archegos's former head of risk, and William Tomita, the firm's former head trader. The

two previously pleaded guilty for their involvement in the conspiracy and cooperated with the government's case against Hwang and Halligan.

Each testified that they lied to Archegos's banks about the types of stocks that the firm held elsewhere, the concentration of its portfolio in a few big names and the amount of time it would take to unwind its positions. Their goal, they said, was to lay down Archegos's riskiness in order to increase the firm's borrowing capacity and allow it to make bigger bets.

Tomita testified that Hwang directed him to manipulate prices of stocks by doing things like trading aggressively in the minutes before the market closed on a given

day. Many of Archegos's trades took the form of swaps, allowing the firm to avoid public reporting of its total positions in individual stocks.

The defense argued that its tactics were legal.

One of Hwang's lawyers, Barry Berke, said in his closing argument that none of Archegos's banks ever raised compliance concerns about its trading and that Hwang, unlike Becker and Tomita, didn't tell any lies to banks.

Bank executives testified they were falsely led to believe that stocks like Amazon.com and Apple were among Archegos's largest holdings and could be sold to free up cash.

—Corinne Ramey and James Fanelli contributed to this article.

U.S. NEWS

Giuliani's
Bankruptcy
Case Likely
Dismissed

BY BECKY YERAK

Rudy Giuliani's bankruptcy will likely be dismissed after the former Trump lawyer and his biggest creditors reached an agreement to end the case with no settlement of his legal debts.

Giuliani, also the former mayor of New York City, had been fighting to stay in chapter 11 bankruptcy as recently as June, but this month said he wanted to convert to a chapter 7 liquidation that would put an outside trustee in charge of his finances.

Then, in another change-of-heart before a Wednesday hearing in the U.S. Bankruptcy Court in New York, Giuliani agreed to dismiss his case. A bankruptcy judge indicated he would likely grant the request by the 80-year-old disbarred lawyer.

A dismissal would leave his largest creditors, two Georgia election workers who won a \$148 million judgment against him, to try to collect from him outside of bankruptcy. Both sides said the fees and high-ranking claims in the bankruptcy would consume most of the proceeds generated in the sale of Giuliani's assets.

The bankruptcy has been marked by creditor allegations that Giuliani had misreported assets and income, failed to control his spending and flouted requests for information.

The official committee of Giuliani's creditors favors another path, the installation of a chapter 11 trustee to investigate Giuliani and maximize the value of his assets. In a court filing Monday, the committee said Giuliani might be owed roughly \$2 million from Trump.

Judge Sean Lane said Wednesday he is "leaning toward dismissal, frankly" at the end of a hearing. The judge said he expected to make his official ruling later this week.

Giuliani sought protection from creditors in December after a federal court ordered him to pay defamation damages to election workers Ruby Freeman and Shaye Moss. He falsely accused them of meddling with vote counting after the 2020 presidential election. Giuliani has sought to appeal the verdict.

In arguing for dismissal during Wednesday's hearing, Rachel Strickland, a lawyer for the election workers, said his filing for bankruptcy was a "bad-faith litigation tactic."

Giuliani spokesman Ted Goodman said Giuliani is "being unfairly maligned."



Houston-area residents on Wednesday endured sweltering heat without power. Downed trees underscored the storm's impact; below, volunteers handed out water.

Biden, Texas Officials Spar Over Beryl

Leaders trade blame for pace of federal response; power outages persist

BY ALYSSA LUKPAT

President Biden and Texas' lieutenant governor were at odds over who was at fault for the pace of the federal response to Hurricane Beryl, as Houston-area residents sweltered without power for a third day.

Biden didn't issue a major disaster declaration for the state until Tuesday, a day after the storm made landfall as a Category 1 hurricane outside Houston. The storm knocked out power for millions and killed several people.

Biden told the Houston Chronicle he spoke to Texas Lieutenant Gov. Dan Patrick on Tuesday after attempting to reach Gov. Greg Abbott. Both Abbott and Patrick, who is in charge of the state while Abbott is on a work trip in Asia, said they were not responsible for the delay.

"This is a complete lie from President Biden, and frankly doesn't make any sense," a spokesman for Abbott said. "The President and his Administration know exactly how to get in contact with the Governor."

While politicians debated who was at fault, Houston residents Wednesday were facing



a third day of upheaval from the storm. The area has largely come to a standstill as residents wait for power to come back.

More than 1.5 million customers were without power, according to Poweroutage.us. About 2.7 million lost power during the worst of the storm. Frustrated Houstonians were flocking to cooling centers to survive the heat wave, which has pushed temperatures into the 90s. Beryl's remnants were moving through the Midwest on Wednesday morning.

Typically, the president can send federal emergency resources to a state or help pay for relief efforts after state officials declare a major disaster

through the Federal Emergency Management Agency. Biden said in a statement announcing the declaration that FEMA has had resources on the ground since before the storm.

"I've been trying to track down the governor to see—I don't have any authority to do that without a specific request from the governor," Biden told the Chronicle Tuesday.

Patrick said the president only called him once, when they had a cordial three-minute conversation on Tuesday morning.

"He obviously did not know his own employees from FEMA were side-by-side with me for 3 days!," Patrick said on social

media. "All he had to do was call them and have them hand their phone to me."

"To quote President Biden, this is a load of malarkey, and he's shoveling it!" Patrick added.

Biden asked if the state wanted to declare a major disaster, to which Patrick said yes and Biden approved it, Patrick said. Patrick said before making an official request, state officials had to determine what they needed to ask for.

Patrick issued disaster declarations for 81 counties last week, before the storm made landfall. Biden approved them Tuesday, according to the governor's office.

Patrick blamed the lingering

outages on CenterPoint Energy, a utility company, and said the company should have been better prepared for the storm.

CenterPoint said Tuesday it was making solid progress on restoring power, but it didn't provide a timeline. "We know we have a lot of customers counting [on] us to do our jobs as safely and quickly as possible, and that will continue to be our highest priority," said Lynnae Wilson, the company's senior vice president of electric business.

Biden said in a statement Tuesday that the greatest concern was the power outages and extreme heat and that federal officials were bringing in generators. "We will be with the people of Texas for as long as it takes to recover," he said.

On Tuesday, Houston rushed to open more centers in public buildings and YMCAs where people without power could come to cool down as the temperature rose past 95 degrees Fahrenheit.

Late in the afternoon at one recently opened cooling center north of downtown, people gathered to sit on benches in the bare, air-conditioned lobby and charge cell phones. A public employee working at the center went out to get some bottled water and distributed it to the people cooling inside.

One elderly man said Tuesday nobody in his neighborhood to the north had power.

—Phred Dvorak
contributed to this article.

Baldwin Trial for 'Rust' Shooting Begins

BY ITZEL LUNA

Alec Baldwin's trial in the fatal shooting of a cinematographer started Wednesday after nearly three years of legal battles and sporadic public appearances by the actor.

Baldwin faces an involuntary manslaughter charge for the October 2021 shooting on the set of the movie "Rust" that killed 42-year-old Halyna Hutchins. The eight-day trial is taking place in Santa Fe, N.M., before Judge Mary Marlowe Sommer.

Baldwin has maintained his innocence and is trying to rebuild his career. He has granted a few interviews about the shooting as he pursued new film and TV projects, including a return to "Rust."

Baldwin faces up to 18 months in prison if convicted on a charge that he shot and killed Hutchins. The actor was rehearsing for a scene when he pulled out a gun and pointed it at Hutchins and the movie's director, Joel Souza. The gun discharged and fired a live round that killed Hutchins and injured Souza.

A 2023 charge against the actor was dropped after Baldwin's lawyers argued the gun could have been modified, leading to accidental firing. However, a New Mexico grand jury issued an indictment in January following a new analysis of the gun, which deter-



Alec Baldwin spoke with his wife, Hilaria, in court Wednesday.

mined the weapon couldn't have fired by itself.

Special prosecutor Erlinda Johnson in opening remarks accused Baldwin of playing "make believe with a real gun," which she said endangered peoples' lives and ultimately led to Hutchins' death. Johnson said the gun was in "perfect working order" and couldn't have been fired without pulling the trigger.

Defense attorney Alex Spiro acknowledged the "unspeakable tragedy" that took place, but said Baldwin "committed no crime."

"He was an actor, acting. Playing the role of Harlan Rust," Spiro said in his opening statement. Spiro said safety must be ensured "be-

fore the gun is placed in the actor's hand" and wasn't Baldwin's responsibility.

Since the shooting, Baldwin has kept his interaction with the media minimal, first appearing on ABC two months after the incident. Since then, he has participated in a handful of interviews and relied largely on an Instagram account to make public statements.

The shooting has changed his life in every way, he said during an appearance on the podcast "Let's Talk Off Camera with Kelly Ripa," originally released in October 2023.

He has worked on several lower-budget films since the "Rust" incident, some of which were in the works be-

fore the shooting. He told CNN in a 2022 interview that he had lost work because of the shooting.

He returned to a set for the first time in February 2022 to film the thriller "97 Minutes," noting in an Instagram video that it was strange to go back to work. In the video, Baldwin also said a "horrible thing" happened on the set of "Rust."

"Rust," a low-budget western, takes place in 1800s Kansas and follows outlaw Harlan Rust, portrayed by Baldwin, as he comes out of hiding to rescue his young grandson, who was sentenced to death for an accidental murder.

As part of a settlement between the Hutchins family and Baldwin, Rust Movie Productions and other parties, her widower was named executive producer of the film. Baldwin called the settlement a "resolution of this tragic and painful situation" in a 2022 Instagram post. Souza and Baldwin both returned to the film and dedicated their work to Hutchins.

"Rust" resumed filming on the Yellowstone Film Ranch set in Montana the same day initial charges against Baldwin were dropped in April 2023, and 18 months after the shooting. The movie, which was initially scheduled for a 21-day shoot, was completed in May 2023.

July 5th – 28th

SALE

Bubble
Sofa, designed by Sacha Ladicrocheboboïs
PARIS

U.S. NEWS

Biden's Strongest Backers Cite His Record

Progressives and Congressional Black Caucus members voice firm support

WASHINGTON—Democrats on Capitol Hill have thus far largely fallen in line behind President Biden or stopped short of calling for him to withdraw from the race, as he continues to try to assure Democratic voters and donors that he can effectively campaign against, and ultimately defeat, Donald Trump.

By Natalie Andrews, Katy Stech Ferek and Owen Tucker-Smith

His backers point to his legislative record, saying it is deserving of a second term and that they can campaign on achievements such as the infrastructure law and a measure that lowered prescription-drug prices.

Others say it would be unfair to call for him to be removed from the ticket after he won the Democratic primaries, albeit without a serious challenger. And more say the consternation stands to plunge the party further into chaos, taking the attention off Trump.

Progressives and members of the Congressional Black Caucus are among the loudest voices defending Biden as the party's nominee. They have provided Biden some cover as he tries to firm up his campaign following the late June debate that exacerbated concerns about Biden's age and fitness for office and brought his candidacy to the brink.

"I'm riding with Biden," said Rep. Jim Clyburn (D., S.C.), one of Biden's biggest allies and a Black Caucus member. "Just check his record."

"He's been the best president of my lifetime, so we have his back," said Rep. Ilhan Omar (D., Minn.), a progressive critic of Biden's handling of the Israel-Hamas war and the resulting humanitarian crisis in Gaza.

While anxiety remains high, of the 213 House Democrats, nine have publicly called for Biden to be replaced as the nominee. Sen. Peter Welch of Vermont became the first senator



President Biden spoke with union leaders at the AFL-CIO headquarters in Washington, D.C., on Wednesday.

Delaware, point to a series of accomplishments on which they are campaigning, such as: lowering the cost of insulin to \$35, expanding student-loan forgiveness programs using executive action and passing the first substantial gun legislation in decades.

"If you look at the last 3½ years...you have someone that has made LGBTQ rights and women's rights a key cornerstone of his campaign," said Rep. Robert Garcia (D., Calif.).

A counterpoint: Democrats' internal polling data shows that their vulnerable incumbents facing tough races are polling ahead of Biden. Some of those lawmakers are concerned that a lack of enthusiasm for Biden will be a drag on the ticket and cause them to lose seats.

"Is he a great campaigner? I'm not sure. I think that's what makes a lot of folks nervous," said Rep. Julia Brownley (D., Calif.). "But in terms of his ability to govern, I don't doubt that for one second."

Concerns linger

Rep. Jerrold Nadler (D., N.Y.), who said in a private call of Democratic leaders on Sunday that he would like Biden to be replaced, said on Tuesday that his concerns remain but that those are "beside the point" now.

Still, Democratic lawmakers who are sticking with Biden acknowledge they are somewhat stuck on a hamster wheel, potentially facing more moments of Biden stumbles throughout the campaign.

Two people familiar with internal House Democratic discussions said they expected the number of people calling for Biden to step down to soon increase.

Democrats who have called for Biden to be replaced are increasingly worried that Biden isn't up to the task of campaigning and risks a Trump victory. Biden's poll numbers against Trump have slipped since the debate.

"I have heard from people in my district who are united in their concern for our country and our future," said Rep. Mikie Sherrill (D., N.J.), who has called for Biden to withdraw.

Fairness Is a Critical Concern, Some Lawmakers Say

Some lawmakers backing President Biden point to his victory in the Democratic presidential primary this year. He faced little serious Democratic competition, but some lawmakers have said pressuring him out of the race wouldn't be fair to voters.

"The voters have already chosen their nominee," said Rep. Lou Correa (D., Calif.).

It also may not be fair to the president, some say, arguing Biden has been a

loyal Democrat in public service for decades.

"I've known Joe Biden 30 years. He is the most accomplished and consequential president in my lifetime," said Sen. Chris Coons (D., Del.), another longtime Biden ally and national co-chair of his campaign.

Some say it isn't fair to judge Biden primarily on his age and how he presents without taking into account his record.

"Ageism is something we don't cater to, I would say, as CBC members," Rep. Hank Johnson (D., Ga.) said. "We respect our elders."

Johnson, a Black lawmaker representing Atlanta's inner eastern suburbs, said a small number of constituents told him they would prefer Biden step aside. The difficulties of doing so would be like changing "horses literally three-quarters of the way to the other side of the stream."

to ask Biden to step aside in an opinion article in the Washington Post. Many more lawmakers, including those in competitive districts, have expressed concern and said he needs to prove himself to voters and lawmakers.

And Wednesday brought more uncertainty when George Clooney, a close Hollywood ally,

said he should drop out of the race and former House Speaker Nancy Pelosi indicated his political fate remained an open question.

Focus on Trump

Democrats' major defense is: Look at the other guy. Instead of answering questions

about why Biden should remain their nominee, some Democrats on Tuesday tried to shift attention to Trump, the former president and presumptive Republican nominee.

Facing repeated questions about Biden, Rep. Ted Lieu (D., Calif.), the vice chair of the House Democratic Caucus, said: "Donald Trump should

drop out of the race."

Ahead of Trump's Tuesday evening rally in Florida, first lady Jill Biden bashed Trump's record on abortion and his three Supreme Court appointees who voted to overturn a constitutional right to access the procedure.

"Donald Trump is trying to tell women he's a moderate on reproductive rights. Does he think we forgot that his Supreme Court justices killed Roe v. Wade and that he brags about it?" the first lady asked.

If Biden withdraws from the race, Vice President Kamala Harris is his likeliest successor as the nominee. But other prominent Democrats might jockey for the nomination or be recruited by donors to pursue it. Some Democrats argue that such turmoil would stand to damage the eventual nominee—and House and Senate candidates.

Policy milestones

Some lawmakers who have served in Congress with Biden, a former senator from

Pressure on President Keeps Up

Continued from Page One the race to give Democrats a chance of defeating Donald Trump. Clooney—who co-hosted a major fundraiser for

the president last month that featured Biden and former President Barack Obama—wrote in the New York Times that Biden should make way for a stronger candidate.

"It's devastating to say it, but the Joe Biden I was with three weeks ago at the fundraiser was not the Joe 'big F-ing deal' Biden of 2010," Clooney wrote. "He wasn't even the Joe Biden of 2020. He was the same man we all witnessed at the debate."

The developments underscore the continuing uncertainty surrounding Biden, amid Democrats' concerns about his ability to win this fall. He has said he wouldn't exit the contest and has worked to convince voters he deserves another term. He plans to hold a news conference Thursday evening and then sit for a television interview Monday amid broad concerns over whether he is up to the job.

Reps. Pat Ryan (D., N.Y.) and Earl Blumenauer (D., Ore.) became the eighth and ninth House Democratic lawmakers to publicly call for Biden to drop his bid.

A campaign official Wednesday pointed to Biden's previous statements in which he vowed to stay in the contest. "I wouldn't be running again if I did not absolutely believe I was the best person to beat Donald Trump in 2024," he said previously.

Senate Democrats will hold a special caucus lunch on Thursday to hear from senior Biden advisers Mike Donilon and Steve Ricchetti and Biden campaign chair Jen O'Malley Dillon, according to a person close to Senate Democratic leadership.

With her comments, Pelosi is joining many Democrats who, while stopping short of saying Biden should leave, have left open the question of whether the president should withdraw from the race.

"I've said to everyone, 'Let's just hold off,'" Pelosi said. "Whatever you're thinking, either tell somebody privately, but you don't have to put that out on the table until we see how we go this week." She also praised the president, saying he "is beloved, he is respected" by Democratic colleagues.

Pelosi, 84, worked closely with Biden on major legislation including his infrastructure law and climate package, and she has been a steadfast supporter of his. While no longer leading the caucus, she remains in Congress and is an influential figure.

A person close to Pelosi said



Rep. Nancy Pelosi, a former House speaker, said it's 'up to the president to decide if he's going to run,' effectively brushing aside his oft-stated vow to stay in the race.

the lawmaker is hearing constantly from donors who are losing faith in Biden. The person said Pelosi's focus is on winning the House back for Democrats, and she is willing to distance herself from Biden if needed.

The next big public test for Biden will be a news conference Thursday evening wrapping up days of meetings with world leaders.

On Wednesday evening, Biden welcomed North Atlantic Treaty Organization leaders and their spouses to the White House for dinner. He toasted the group—which also included Ukrainian President Volodymyr Zelensky—reading from a script, as he described the NATO members as neighbors who take care of each other like in his childhood neighborhood. "When the bullies threatened the block, you stepped up," he said.

Democrats on Capitol Hill

discussed the president's candidacy in closed-door caucus meetings on Tuesday, and some members remain unconvinced that Biden should stay in the race. Many lawmakers are doubtful he can win, and fear he could drag House and Senate candidates down with him. Two people familiar with internal House Democratic discussions said they expected the number of people calling for Biden to step down to soon increase.

"We're going to continue to have candid, comprehensive and clear-eyed conversations," said Rep. Hakeem Jeffries of New York, the House Democratic leader.

Other allies said they continued to harbor concerns about the president but see no alternative paths if Biden doesn't voluntarily step aside, given that he controls almost all of the party's delegates thanks to sweeping the primaries earlier

this year. If he were to step aside, Democrats would have to quickly coalesce around a new nominee, also a tall order.

Sen. Michael Bennet (D., Colo.) told colleagues in their meeting that he didn't think Biden would prevail this fall. Speaking to CNN, he said he thinks Trump is on track to "maybe win it by a landslide, and take with him the Senate and the House." But he declined to say Biden should step aside.

Sen. Jon Tester (D., Mont.), facing a tough re-election race in November, said at the same meeting that the president isn't doing a good job reassuring people that he is up to the job for the next four years, according to a senior Democratic aide. Sen. Sherrod Brown (D., Ohio), also facing a tough race in 2024, had his own doubts.

"I listen to the people in my state," Brown said Wednesday morning. "They have legitimate concerns about the president. I listen, and my job is to work for Ohio."

—Catherine Lucey, Katy Stech Ferek and Natalie Andrews contributed to this article.

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U.S. NEWS

How Menendez Got Back Into Legal Peril

Soon after senator beat his first case, a new love interest led to his second one

By CORINNE RAMEY
AND KRISTINA PETERSON

After his first public corruption case ended in a mistrial in 2017, Sen. Bob Menendez had a message for his supporters from the steps of the Newark, N.J., courthouse: "Today is resurrection day."

Instead, just weeks later, the powerful Senate Democrat started dating a glamorous woman born in Lebanon who had friends who sought the lawmaker's influence, planting the seeds for his downfall.

Now, Menendez, 70 years old, is back in a courthouse facing corruption charges tied to those new friends, with few supporters and little hope of restoring his political career.

The jury is expected to begin deliberations this week. Prosecutors accused Menendez and his girlfriend-turned-wife, Nadine Arslanian, of engaging in a sprawling web of bribery. He has seen his influence dwindle both in Washington and his home state and has been forced to canvass personally for signatures to help him get a spot on the November ballot as he seeks re-election as an independent candidate.

During the nearly two-month trial, prosecutors portrayed a longtime power broker who, with Arslanian's help, traded the influence of his office for gold, cash and a new Mercedes-Benz convertible.

Menendez's team argued that the senator regularly helps constituents and that Arslanian kept him in the dark about the alleged bribes. "I submit the real question for you is, 'What did Bob know?'" a lawyer for the senator told jurors. Two New Jersey businessmen, Wael Hana and Fred Daibes, are on trial alongside Menendez and have also denied wrongdoing. Arslanian, who has pleaded not guilty, is expected to be tried separately.

Fewer allies

Although long considered a largely solo operator in the Senate, Menendez has grown increasingly isolated, according to lawmakers and current and former Senate aides. Some Democrats—including Cory Booker, the state's junior U.S. senator who testified on Menendez's behalf in the first trial—have called for him to resign, a chorus likely to grow louder if he is convicted.

Another colleague, Sen. Tim Kaine (D., Va.), said: "The charges are of a magnitude that if true, I don't think he could continue to serve in the Senate."

In early 2018, with charges behind him, Menendez was flying high. In Washington, he resumed his political ascent, promising vengeance for his doubters. "To those who were



Sen. Bob Menendez and Nadine Arslanian, above, attending a White House reception in May 2022. Investigators say they found cash stuffed in footwear, right, at his residence.

digging my political grave so they could jump into my seat, I know who you are, and I won't forget you," he warned them. The remark stuck with lawmakers and aides on Capitol Hill, where he was known as a forceful politician focused on foreign policy and immigration who appreciated a good cigar.

In February of that year, the senator began dating Arslanian, who like him was divorced. She was dazzling, the senator's lawyer said: tall, beautiful, highly educated and worldly.

Alongside his new girlfriend came her old friends. One of them, Hana, who was in regular contact with Egyptian officials, saw an opportunity, prosecutors said.

In March 2018, Arslanian and Hana arranged a meeting between Menendez and Egyptian officials in Menendez's Senate office to discuss U.S. military financing to Egypt. Menendez had just reclaimed the post as the top Democrat on the Foreign Relations Committee.

Dozens of meetings like it followed, most coordinated by Arslanian. After a meeting that May, Menendez sought and then passed along State Department information about staffing at the U.S. Embassy in Cairo. (Menendez's lawyers have argued that the information is released publicly.)

That July, Arslanian arranged a meeting in which Menendez met with Egyptian military officials who wanted Congress to greenlight a nearly \$100 million sale of

tank ammunition.

Menendez texted Arslanian the following day. "Tell Will I am going to sign off this sale to Egypt today," Menendez wrote, referring to Wael Hana. Arslanian sent the text to Hana, who forwarded it to two Egyptian officials. One responded with a thumbs-up emoji.

Rocky romance

Even as their relationship with the Egyptians grew closer, the couple's romance was at times rocky. The senator temporarily broke up with Arslanian at one point, his lawyer said, because she was "causing too much drama."

The couple kept close track of each other, using the Find My Friends location-tracking app. "I lost you!" Menendez texted Arslanian, when he couldn't view her location.

Menendez's lawyers argued that the senator kept close

watch on Arslanian because of his concern about her allegedly abusive ex-boyfriend, while prosecutors portrayed his surveillance as supervision over her go-between role in nearly every alleged quid pro quo in the trial.

In December 2018, Arslanian struck and killed a pedestrian while driving at night. "I was worried about you," Menendez texted Arslanian.

The incident left her shaken and carless. She told a friend she wanted a Mercedes C 300, but the couple lacked the cash to buy one. "Bob and I went and test drove on Saturday but the prices are too high



U.S. ATTORNEY'S OFFICE FOR THE SOUTHERN DISTRICT OF NEW YORK

monthly to finance," she wrote.

Prosecutors said Hana and another friend, Jose Uribe, stepped up.

"I remember saying to her, if your problem is a car, my problem is saving my family," Uribe told the jury. Uribe handed her 150 hundred-dollar bills in a restaurant parking lot, then funded car payments on a new C 300 for several years.

Uribe had an ask of his own: Could Menendez help influence a criminal case involving an associate and an investigation of a family friend?

In September 2019, Uribe sat in the couple's backyard when Menendez rang a bell to summon Arslanian to bring him some paper, Uribe testified. Menendez wrote down the relevant names, folded the paper and slipped it into his pants pocket, Uribe said.

Menendez met in his office with Gurbir Grewal, then New Jersey's attorney general, the next day. When Menendez raised the case that Uribe had requested, Grewal told him he couldn't talk about the issue, Grewal later testified.

Grewal and his deputy left Menendez's office less than 15 minutes later. Grewal said his deputy told him: "Whoa, that was gross."

Also in 2019, the couple and

Hana met Egyptian officials for dinner at Morton's The Steakhouse. The restaurant was one of Menendez's regular haunts, with the senator dining there at the same table roughly 250 times a year, his lawyer said. Since 2017, Menendez's campaign reported spending more than \$64,000 at the restaurant.

The group smoked cigars on the patio, and Menendez poured red wine for his companions. Toward the end of the dinner, the conversation, fueled by alcohol, grew louder: "What else can the love of my life do for you?" Arslanian said, according to a nearby diner.

That diner, part of a couple who appeared to be on a date, was actually from the FBI. The pair were there to surveil one of the senator's dining companions and didn't expect Menendez to appear, the investigator testified.

Two days later, Menendez came through on a favor. Hana had been seeking a lucrative export contract from Egypt for his halal business—despite having no experience in the field. Menendez called a U.S. agriculture official whose agency had raised concerns about the monopoly the contract would create.

"Stop interfering with my constituent," Ted McKinney,

the agriculture official, recalled Menendez saying.

That June, Arslanian and Menendez set up Strategic International Business Consultants LLC. "Every time I'm in a middle person for a deal I am asking to get paid and this is my consulting company," she texted her daughter.

By 2019, the couple's relationship turned serious. He called her "the most gorgeous woman" in a message. She later replied, "I have the handsomest sexiest man on the planet for a boyfriend."

On a trip to India, Menendez proposed to Arslanian in front of the Taj Mahal.

The next year, the couple married in New Jersey. One wedding guest: the businessman Daibes, who wanted help resolving criminal charges he faced. Daibes gave the senator a recliner and gold bars in exchange, prosecutors said.

Another wedding guest was a lawyer named Philip Sellinger, who later became the U.S. attorney in New Jersey. He met with Menendez to explain his vision for the post, and Menendez raised the Daibes case, Sellinger later testified. Daibes was being unfairly treated, Menendez told him, and the next U.S. attorney should look into it.

41 Jane Drive

In June 2022, federal agents arrived in unmarked vehicles at the couple's split-level home on 41 Jane Drive in Englewood Cliffs, N.J. Armed with a search warrant, the agents seized what prosecutors would later say were the fruits of the couple's crimes.

Photos show cash stuffed in the midst of suburban clutter. There was \$100,000 in a Burberry bag inside a duffel bag in an office. A pair of brown boots held \$14,500, with tens of thousands more in envelopes, some of which carried Daibes's fingerprints and DNA, prosecutors said.

Then, in September 2023, the U.S. attorney's office in Manhattan announced that the couple had been indicted.

After his first trial, lawmakers had accepted Menendez's return. But this time, his colleagues distanced themselves. The day of the indictment, Menendez temporarily stepped down from his post as chairman of the Foreign Relations Committee.

Menendez and his wife floated separate defenses, with Menendez arguing he was oblivious to the source of the gold in his wife's closet.

For Menendez, the trial was a solitary affair. This time, no lawmakers testified on his behalf. Even Arslanian never showed up in court.

Listen to a Podcast

Scan this code for a podcast about the Menendez corruption trial.

FTC to Sue Drug Managers

Continued from Page One
law and the company is committed to helping patients access the medicine they need at the lowest possible price," Sanofi said.

Novo Nordisk declined to comment. Eli Lilly didn't respond to a request for comment.

List prices for insulin, which is used to treat diabetes, increased every year from 2010-2019, a study published last year in JAMA Network Open found. Since 2015, PBMs have negotiated discounts that brought net prices down.

Sen. Bernie Sanders, an Independent from Vermont, last year accused PBMs of striking secret deals to favor insulin products that gave them the biggest rebates rather than those that cost patients the least.

Lilly has said that it introduced a cheaper version of its most popular insulin but that fewer insurers covered it because PBMs preferred the larger rebates on the more expensive version.

After scrutiny from Sanders



Insulin prices rose every year from 2010-19, a study said.

and other lawmakers, Lilly, Sanofi and Novo Nordisk committed last year to steep price cuts on insulin. They also now offer coupons so that many uninsured and commercially insured patients can get insulin for \$35 a month.

President Biden, a Democrat, signed legislation in 2022 capping out-of-pocket payments for insulin at \$35 a month for Medicare patients.

The FTC released an interim report on Tuesday detailing the results of a two-year investigation that examined whether PBMs end up increasing costs for their clients and sometimes patients at pharmacy counters. The report mostly concerned PBMs' relationships with pharmacies but also said PBMs had agreed to exclude

competing drugs from lists of preferred medicines if manufacturers paid them higher rebates.

"While our analysis is ongoing, our initial review of these contracts shows rebate structures that may impede and impair competition and patient access to affordable medicines," the agency said.

The FTC pointed out that excluding cheaper generic and biosimilar drugs from preferred lists of drugs, known as formularies, can end up costing patients more at the pharmacy counter.

FTC Chair Lina Khan said the agency's scrutiny of PBMs aimed to make healthcare more affordable.

The companies earlier said the report was flawed and misleading and that they save

customers money.

"FTC leadership has shown that they have predetermined conclusions that they want to advance," JC Scott, president of the Pharmaceutical Care Management Association, which represents PBMs, said in response to the FTC's report.

In announcing the interim findings, the agency said several PBMs hadn't been forthcoming and timely with documents and warned the agency could take the companies to court to force them to comply.

Federal law allows the FTC to take companies to court to challenge "unfair or deceptive" trade practices or "unfair methods of competition."

Growing skepticism of PBMs has been bipartisan. Legislators in the House and Senate have proposed bills to rein in PBMs' business practices, and lobbyists for drugmakers have portrayed PBMs as the culprit behind escalating drug costs. The Biden White House this spring hosted PBM critics for an event and called for more transparency.

Rep. Buddy Carter (R., Ga.) a pharmacist, has pushed the FTC to take action against PBMs. "It's time to bust up the PBM monopoly," he said on Tuesday.

—Dave Michaels and Peter Loftus contributed to this article.

Mixed-Martial Arts Boss To Speak Before Trump

By ALEX LEARY

Former President Donald Trump, who has more than anyone turned politics into a combat sport, will accept the GOP nomination at next week's Republican convention in Milwaukee following a speech from Dana White, chief executive of Ultimate Fighting Championship.

A campaign official confirmed the speaking arrangement for Thursday night, the capstone of a dayslong convention that will highlight Trump's dominance in the party.

White and Trump have a long history, and Trump has often attended UFC events as a fan. His walkouts at events draw an explosive reception usually reserved for the top fighters. Trump last attended an event in Newark, N.J., two days after his felony conviction in a New York hush-money case. Moments before, White had appeared in a TikTok video with Trump.

White spoke at Trump's 2016 and 2020 conventions.

In the early 2000s, Trump Taj Mahal in Atlantic City hosted UFC events, a boost for

an organization that was unwelcome in many places because of the brutality of the combat.

"Nobody took us seriously, except Donald Trump," White said in 2016. "Donald was the first to recognize the potential that we saw in the UFC, and encouraged us to build our business."

Today UFC is a juggernaut, selling out 26 of 32 events with live audiences from January 2023 to April 2024. The Newark event last month was also a sellout and pulled in \$7.2 million at the gate, according to UFC. In 2023, some 32.4 million unique viewers watched UFC events on television, with more watching on pay-per-view.

The GOP convention is expected to feature prominent speakers, including Trump's yet-unannounced running mate, and members of his family.

The Trump campaign hasn't offered a preview of his prime time speech Thursday, but the former president is expected to portray America as having decayed at home and abroad, while he vows to usher in a resurgence.

WORLD NEWS

Israel Warns of Attacks on City U.S. Agrees to Ship 500-Pound Bombs

Civilians are told to leave Gaza City after a deadly airstrike on school-turned-shelter

By JARED MALSIN

The Israeli military issued a sweeping call for residents of Gaza City to leave the area after days of punishing airstrikes across the enclave, moves that indicate Israel's high-intensity campaign against Hamas isn't over even as the risk of full-scale war with Hezbollah militants grows on its northern border with Lebanon.

An airstrike in southern Gaza on Tuesday, which Israel said targeted a Hamas militant, killed at least 25 people when it struck a school building where thousands were sheltering, according to Palestinian health officials. That highlighted the fighting's relentless toll on civilians despite Israel's contention that it is moving to a lower-intensity phase of war.

Leaflets distributed in Gaza City—which is in the strip's north—and a message on the Israeli military's social media called on civilians to head toward areas of central Gaza. It said the city remains a "dangerous combat zone."

The notice was unusually broad and departed from previous evacuation orders, which have told residents to leave specific neighborhoods marked on a map using a numbered grid system. The message, the latest in a series directing Palestinians to make way for Israeli military operations, comes as Israeli forces have moved back into areas from which they had withdrawn to battle Hamas militants they say have regrouped.

The Hamas-affiliated interior ministry in Gaza urged residents not to follow the Israeli military's order, which it called "psychological coercion."

Tuesday's strike hit the town of Abasan al-Kabira, near Khan Younis, the city in the southern Gaza Strip from where Israel



A Palestinian woman and her daughter walk amid the rubble after an attack on Khan Younis.

recently ordered civilians to evacuate. The strike left more than 50 people wounded, Palestinian officials said.

The Israeli military said it was looking into reports of civilian casualties in the school as a result of the strike, which it said involved a "precise munition" that targeted a location next to the school.

Footage of the strike aired by Al Jazeera, the Qatar-based news channel, showed a crowded concrete schoolyard and an explosion shaking the building. Screams can be heard as people rush to attend the wounded.

The Israeli military said it was targeting a Hamas member who took part in the group's Oct. 7 attack when militants from Gaza stormed into Israel killing at least 1,200 Israelis, mostly civilians, and took some 250 hostages, according to Israeli officials.

Israel's war in Gaza has killed more than 38,000 people, most of them civilians, according to Palestinian health officials. The figure doesn't specify how many were combatants.

Separately on Wednesday, the Israeli military said it car-

ried out an operation against Hamas and Islamic Jihad militants in a headquarters of the United Nations' agency for Palestinian refugees in Gaza City. A U.N. spokeswoman said the agency left the facility in October. The military said the operation came after it opened civilian evacuation routes.

Israel's willingness to accept a high number of civilian casualties in strikes that target Hamas has been at the heart of the international debate about its approach to the war.

On Wednesday, talks continued in Qatar toward a possible cease-fire deal that also would free Israeli hostages.

The negotiations continue to face major hurdles, with Hamas demanding that a deal result in a guaranteed end to the war. Israeli Prime Minister Benjamin Netanyahu says he wants a pact that would allow Israel to resume strikes after the hostages are released.

The European Union's foreign-policy chief, Josep Borrell, condemned the strike that hit the school building, saying in a social-media post: "How long are innocent civilians going to bear the brunt of

this conflict?"

The strike was the fourth in recent days to hit in or near school buildings in Gaza, many of which have been converted into shelters for displaced civilians. Israel accuses Hamas of using the shelters to store weapons and hide fighters.

U.S. officials have said that Israel's recent Gaza operations have resulted in a lower civilian death toll following pressure from the Biden administration to reduce civilian casualties. Security analysts say the perceived reduction in civilian deaths could be the result of a slower tempo of strikes as Israel shifts to a lower-intensity phase of the conflict, rather than a change in its approach to targeting. "By virtue of the fact that the operational tempo is considerably lower now it's easy to believe that it's less lethal," said Brian Finucane, a former State Department attorney and now a senior adviser at the International Crisis Group, a conflict-resolution organization. "That doesn't mean that individual strikes are more accurate or kill fewer civilians."

—Anat Peled contributed to this article.

By NANCY A. YOUSSEF AND JARED MALSIN

The U.S. will soon begin shipping to Israel the 500-pound bombs the Biden administration had previously suspended, ending a two-month pause it had imposed in a bid to reduce civilian casualties in Gaza, U.S. officials said.

The bombs "are in the process of being shipped," and are expected to arrive in Israel in coming weeks, an administration official said.

Heavier 2,000-pound bombs that were meant to be part of the same shipment are still on hold, the official added.

In May, the U.S. said it had held up one shipment that included 2,000-pound bombs and 500-pound bombs. Israel had sent a ship to Charleston, S.C., to pick up the shipment before the decision was made, a U.S. official said.

President Biden's decision to hold delivery of certain types of bombs marked an escalation of tensions with Israeli Prime Minister Benjamin Netanyahu over his handling of the war in Gaza, where more than 38,000 Palestinians have been killed since October, Palestinian officials said. The figure doesn't specify how many were combatants.

The U.S. suspension came in response to Israel's plans to invade the southern Gaza city of Rafah without what the Biden administration regarded as a credible plan to protect civilians.

More than one million people had taken shelter there, fleeing fighting in other parts of Gaza.

Biden had described a major operation in Rafah as a "red line," but not one that

would lead to a total cutoff of U.S. arms supplies.

"Our main concern had been and remains the potential use of 2,000-pound bombs in Rafah and elsewhere in Gaza," a U.S. official said. "Because our concern was not about the 500-pound bombs, those are moving forward as part of the usual process."

The Israelis had argued they needed heavy bombs to destroy tunnels. U.S. officials said that need was outweighed by U.S. concerns about potential civilian deaths when such large bombs are used in densely populated areas. A spokeswoman at the Israeli Embassy in Washington declined to comment.

In the weeks after the suspended shipment, U.S. officials began looking for ways to separate the 500-pound bombs to

ship them to Israel, which took several weeks, a U.S. official said. The original shipment included 1,800 of heavier bombs and 1,700 of the 500-pound bombs.

"Other than the one shipment with the 2,000-pound bombs that has been paused and remains paused, weapons shipments continue to move in due course. But we're not going to get into specifics of every shipment," a National Security Council spokesman said.

U.S. Defense Secretary Lloyd Austin said at the time that the shipment of bombs would resume after Israel supplied it with a plan to protect the more than a million civilians seeking refuge in Rafah. The administration has said since there have been fewer civilian deaths in Rafah compared with earlier Israeli operations in Gaza.

Axios in June reported the 500-pound bombs would be shipped soon.

The Israelis had argued they needed heavy bombs to destroy tunnels.

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WORLD NEWS

First F-16s Head to Ukraine for Air Defense

Warplanes are aimed at pushing back Russian forces on the front lines

By LARA SELIGMAN

WASHINGTON—More than a year after President Biden vowed to provide F-16 jet fighters to Ukraine, the first planes are being delivered, boosting Kyiv's capability to shoot down Russian missiles and attack its ground forces.

Dozens of the jet fighters are being transferred to Ukraine and will be operational this summer, the U.S., Dutch

and Danish governments said Wednesday. In total, 80 F-16s eventually will be provided to Kyiv, a U.S. official said.

The announcement on the second day of the NATO summit in Washington underscored the push by the 32-member alliance to publicize the steps it is taking to beef up Ukraine's military as it seeks to hold back Russian forces.

The F-16s won't be a "game-changer," but they will provide Ukraine with a greater capability to deny Russia the use of its own aircraft, and permit "deep-strike attacks," said Norway's Minister of Foreign Affairs Espen Barth Eide.

The U.S. and its allies have

transferred more advanced weapons to Ukraine in hopes of shifting the momentum of the war in Kyiv's favor. But providing the F-16s has required training Ukrainian pilots as well as detailed agreements on how they will be used and armed.

The Danish and Dutch governments have started transferring aircraft to Kyiv, according to a statement by President Biden, Dutch Prime Minister Dick Schoof and Danish Prime Minister Mette Frederiksen. The Dutch have promised an initial batch of 24 jets, while Denmark has said it would send 19.

John Kirby, a spokesman for the National Security Council, said Ukrainian F-16 pilots will

be permitted to fire U.S.-donated air-to-air missiles into Russian territory to shoot down missiles and enemy aircraft.

But some of the countries donating aircraft are prohibiting Ukraine from flying their jets in Russian territory, and nations also might limit whether the F-16s can fire air-to-ground missiles into Russia.

Belgium, which plans to provide 30 aircraft to Kyiv, will restrict its jets to flying over Ukrainian territory, Prime Minister Alexander De Croo said Wednesday. He declined to answer whether the aircraft would be allowed to shoot into Russian territory. Barth Eide declined to say whether the

six F-16s Norway is donating initially would be permitted to fly into Russian airspace.

The first deliveries come two days after the largest Russian missile attack on Ukraine in months, a strike on a children's hospital in Kyiv, that was likely timed as a signal from Russian President Vladimir Putin to the NATO summit, Ukrainian officials said.

NATO leaders reaffirmed the long-term goal to bring Ukraine into the alliance in a joint statement Wednesday. But NATO membership will only come "when Allies agree and conditions are met," the statement said. Ukraine needs to improve the interoperabil-

ity of its forces with the alliance, as well as make progress on more democratic and security sector reforms, it said.

President Biden said in March 2023 that the U.S. would support an effort to train Ukrainian pilots to fly Western jet fighters, including F-16s. Until then, the U.S. had said providing Ukraine with F-16s would be too costly and require extensive training.

The announcement comes on the heels of Biden's pledge on Tuesday that the U.S., Germany, the Netherlands, Romania and Italy will provide Ukraine with additional air defenses, which are critical for defending Ukrainian cities.

Russia Learns on Battlefield

Continued from Page One

Ground-Launched Small Diameter Bomb munition, manufactured by Boeing and Sweden's Saab, has failed altogether after its introduction in recent months, in part because of Russian electronic warfare, Ukrainian and Western officials say. It is no longer in use in Ukraine pending an overhaul.

The Pentagon declined to discuss the performance of specific U.S. weapons systems, citing operational security.

Some of the other Western precision weapons, provided more recently, continue to strike high-value Russian targets. U.S.-made ATACMS ballistic missiles and the Storm Shadow cruise missiles manufactured by Franco-British-Italian defense company MBDA have devastated several airfields, command centers and communications facilities in Russian-occupied Crimea and other parts of the country this year. A number of Russia's vaunted S-400 air defense batteries were among the successful hits.

For these weapons, too, it's only a matter of time before Russia learns how to reduce the effectiveness and improve interception rates, Ukrainian military officials and Western defense experts say.

"We should assume that adaptation will always occur, and the Russians have adapted to a variety of things," said Rob Lee, a senior fellow at the Foreign Policy Research Institute. "The capabilities will be most effective immediately after they are introduced, and adversaries will develop countermeasures over time."

Precision vs. mass

Russia's success in electronic countermeasures—closely watched by China, with whom Moscow is believed to share some of its battlefield lessons in dealing with Western weaponry—poses a strategic problem for the U.S. and allies.

Western military doctrine has long relied on a belief that precision can defeat mass—meaning that well-targeted strikes can cripple a more numerous enemy, reducing the need for massive expenditure on troops, tanks and artillery.

That proposition hadn't been tested in a major war until Ukraine. The introduction of Western weapons there showed that what may have worked against Saddam Hussein's army, the Taliban or Islamic State guerrillas won't necessarily perform against a modern military like Russia's or China's.

"We have probably made some bad assumptions because over the last 20 years we were launching precision weapons against people that could not do anything about it," said retired Lt. Gen. Ben Hodges, a former commander of the U.S. Army in Europe. "Now we are doing it against a peer opponent, and Russia and China do have these capabilities."

One of the lessons learned in Ukraine is about the continuing importance of old-school unguided artillery shells, the manufacturing of which is only now beginning to pick up in the U.S. and Europe after decades of decline, said Lt. Gen. Esa Pulkkinen, the permanent secretary of Finland's defense ministry. "They are immune to any type of jamming, and they will go to target regardless of what type of electronic warfare capability there may be," he said.



William LaPlante, the U.S. under secretary of defense for acquisition and sustainment, acknowledged in recent remarks Russia's successes in disrupting precision munitions. "The Russians have gotten really, really good," he said.

Cat-and-mouse game

In every war, the introduction of a new weapons system prompts the enemy to develop countermeasures to blunt its effect, sparking a cycle of innovation in a cat-and-mouse game that goes back to the invention of the spear and the shield.

Russia has upgraded and revised its Iranian-designed Shahed drones as the Ukrainians adopted new ways of detecting and shooting them down. Russia is also constantly improving its cruise and ballistic missiles to make it harder for Ukraine's Western-supplied air defenses to intercept them, Ukrainian Air Force spokesman Yuriy Ignat said after a Russian barrage killed 33 people Monday in Kyiv.

For Ukraine, time is an essential factor—and the carefully limited and gradual introduction of many Western systems has provided Russia with the ability to minimize their impact. "Warfare is about the speed of adaptation," said retired Air Marshal Edward Stringer, a former head of operations at the British Ministry of Defense. "If you drip-feed an antibiotic weekly, you'll actually train the pathogen—and we have trained the pathogen...We didn't need to give them that time, but we did."

Anna Gvozdiar, Ukraine's deputy minister of strategic industries—an agency that oversees the country's defense manufacturing—said she was frustrated by the inability of some Western manufacturers to adapt. "We learn faster because we are on the front line, we have to make decisions to survive," she said.

Some of Ukraine's Western partners are taking notice. In January, Stockholm launched a government initiative to make sure

that Sweden's own defense manufacturers react more quickly to the lessons learned in Ukraine. "One of the things that is really amazing is the Ukrainian ability to innovate and how quickly their innovation cycles are moving. The things that would take five years to develop in Sweden are done in five weeks in Ukraine," Sweden's Defense Minister Pål Jonson said in an interview. "Aggressively attacking bureaucracy is vital if you want to be good on innovation."

When it comes to Ukrainian-made weapons like drones, models that worked just a few months earlier are no longer efficient on the battlefield because of the constantly evolving technology, said a Ukrainian intelligence official. "It's like updating software on your phone—we and the Russians have to do it every month, to keep up," the official said. "But when we get weapons from the West, the manufacturer put in its software many years ago, and rarely wants to change anything."

Many of the American weapons provided to Ukraine, especially under the presidential drawdown authority, are older systems that are being phased out by the U.S. military and replaced with more modern, and usually more expensive, products that aren't necessarily

shared with Kyiv. That provides few incentives for manufacturers to upgrade legacy precision munitions, said an executive at a U.S. defense company.

Leading U.S. defense manufacturers RTX and Boeing referred questions to the Pentagon. A spokesperson for Lockheed Martin, which makes GMLRS missiles for HIMARS, replied to a query about these munitions' battlefield performance by saying that "questions about U.S. or foreign military operations are best addressed by those governments."

A U.S. defense official said the Pentagon is "very aware" of the continuously evolving electronic-warfare threat posed by Russia and has worked closely with Ukraine and industry partners to rapidly address threats and ensure that American precision weapons remain effective in a complex electronic-warfare environment. In some cases, working with industry, the U.S. has been able to provide options for Ukrainian forces within hours or days, the official added.

While Moscow has had successes against older generations of Western precision weapons, some of the more sophisticated systems are being withheld precisely so that Russia—and through it, China—wouldn't develop effective countermeasures, military officials say. In a

potential war, the U.S. and allies would have much more powerful capabilities, starting with massive air power.

"We don't want to overlearn lessons from Ukraine," LaPlante, the under secretary of defense, said at a presentation in April. "They are fighting, necessarily so, in the way that we would not necessarily fight."

Some Ukrainian officials and Western military analysts say they are dismayed by what they perceive as U.S. military officials and defense companies minimizing the problems faced by precision-guidance systems in Ukraine or ascribing them to poor training of troops.

"There is quite a bit of learning, but unfortunately the U.S. military is also learning things about this war that are not necessarily true, and what is being learned is filtered through the conceit that many of the problems faced by the Ukrainian military would not be faced by the U.S. armed forces, or could be easily overcome," said Michael Kofman, a senior fellow at the Carnegie Endowment who has frequently visited Ukrainian front-line units.

Cold War era

Russia's focus on electronic warfare dates back to the development of Western precision weapons in the final decade of the Cold War, a breakthrough that disrupted the balance of power created by the Soviet and Western nuclear arsenals.

Weapons like Excalibur and the GMLRS missiles were designed decades ago—and so it's not surprising that Russian electronic warfare equipment, specifically created to counter this threat, proved able to do so once deployed on a large scale.

Many modern Western precision munitions rely, at least in part, on satellite navigation to hit targets. By summer 2023, the Russians focused on using their mass of electronic-warfare capabilities to jam or spoof satellite navigation.

Russia's own preci-

sion munitions, such as Krasnopol shells, rely on laser designation by Orlan-30 drones that continued to operate without GPS guidance. The U.S. has supplied Ukraine with comparable M712 Copperhead artillery rounds, but Ukrainian forces rarely use them because of a shortage of compatible drones to designate targets, Ukrainian troops say.

More recently, Russia introduced at scale the enhanced Kometa-M satellite guidance kit that is far more resistant to Ukrainian jamming and that has allowed Russian glide bombs to be used to devastating effect against Ukrainian positions.

Russian interference proved particularly successful with Excaliburs, which used fuzes programmed to explode at a certain altitude, and because of GPS tampering failed to detonate altogether, Ukrainian troops say. Other precision-guided artillery shells, such as the Bonus rounds produced by France and Sweden, have also been rendered less effective by jamming.

The picture is more complex with GMLRS munitions for HIMARS. Deviation varies depending on distance—with shorter-range strikes more susceptible to GPS spoofing—and can reach several dozen yards, Ukrainian soldiers say. That's a big issue for the M31-type GMLRS missile with a unitary warhead, which was used to great success in 2022 to target Russian bunkers, command centers, pontoons, weapons depots and hardened equipment.

A deviation of some 10 to 30 yards for that munition is the difference between a hit and a miss. The reduced precision is less of a problem for the M30-type GMLRS missile, which upon impact sprays a wide area with a shower of tungsten balls. Ukraine is continuing to use that munition to hit Russian artillery positions, Ukrainian soldiers say.

For both types of missiles, precision can be improved with better electronic-warfare reconnaissance and more advanced tactics, soldiers say.

A Ukrainian reconnaissance unit commander who guided some 300 Excalibur rounds onto Russian targets in 2022 and 2023 remembered just how devastating that munition used to be. "It's cheap, it's versatile, it was the real weapon of victory," he said. "It could become that again if it were modernized to adapt to the changed battlefield. But, as far as we know, it's not being modernized."

—Alistair MacDonald contributed to this article.



Russian electronic countermeasures have significantly reduced Western weapons' abilities. Left, a HIMARS system on Ukraine's southern front in September 2022. Top, Ukrainian troops prepared drones before operations against Russian forces last year. Below, the debris of a downed Russian Shahed-136 drone near Kyiv last year.

The Russian army adapted, using electronic warfare capabilities.



Visitors looked at a Russian Orlan-30 drone during a forum outside Moscow last year. The drones continued to operate without GPS guidance.

By RAY A. SMITH

Americans aren't as restless in their jobs as they were a couple of years ago.

Numerous surveys show that fewer U.S. adults are currently seeking to leave their roles, compared with the job-switching frenzy of the pandemic years. Other data suggest job satisfaction is rising, and in interviews, formerly job-hopping workers say they're content with the balance they've struck in the positions they have.

Those who are tempted to make a jump face a tightening job market and shrinking pay premium for switching jobs, federal data show.

"Applying for jobs right now, it's like hitting your head against the wall," says Heather Sundell, a director of social strategy and copywriting in Los Angeles.

The current mood is a turn from recent years, when a red-hot labor market helped spur a wave of quits among American workers, or the "great resignation."

So different is the current mood that some labor economists have dubbed it the "big stay."

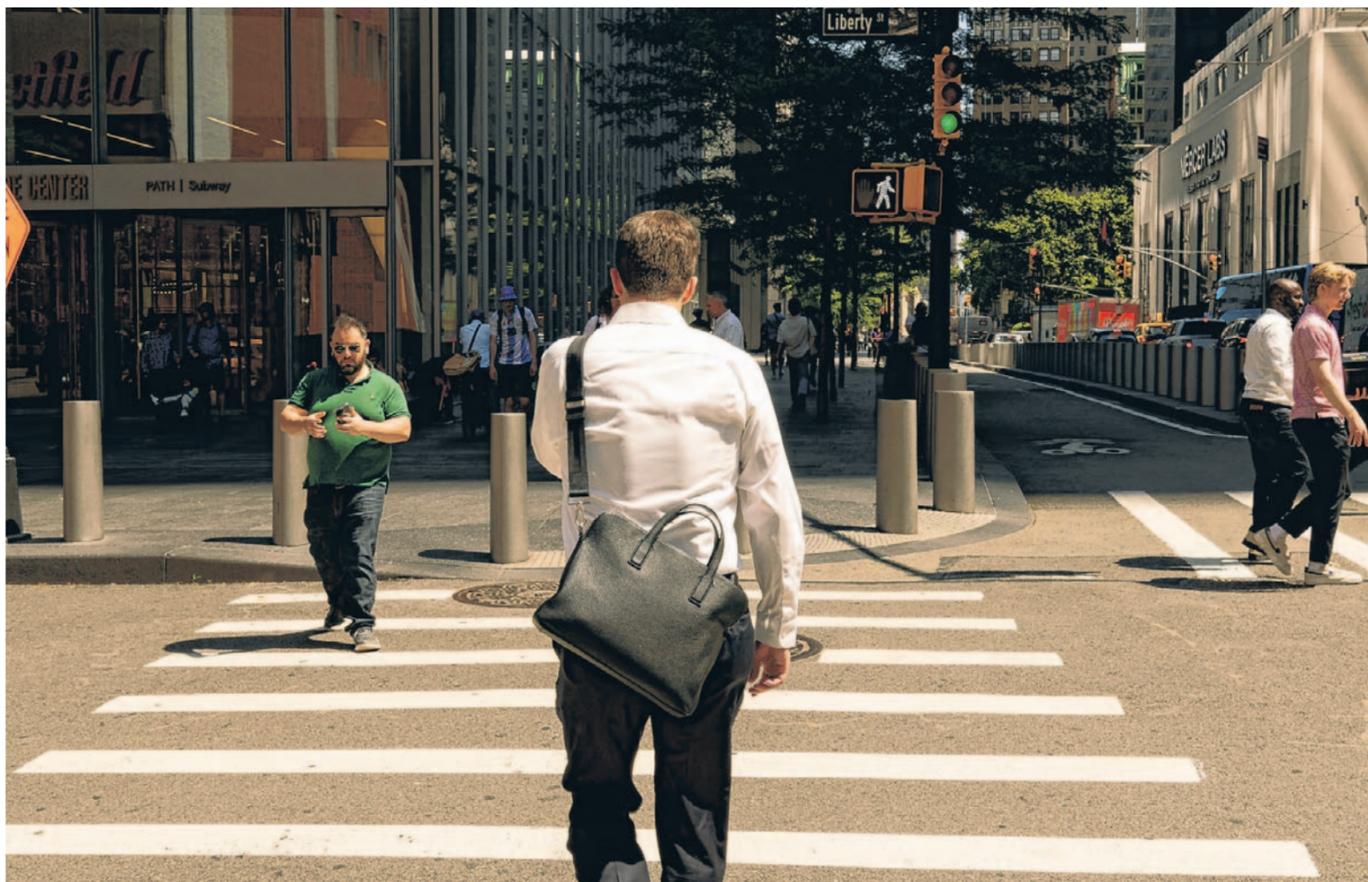
Sundell, 39 years old, spent more than a year scouting new roles and says she got a single interview before landing her current position last October. She likes her company and colleagues and isn't eager to revisit the dispiriting online job-application process, where artificial intelligence and other software often determine which résumés rise to the top.

Sundell, a mother of two and a doctoral student studying organizational psychology, also says it would be tough to find the same kind of flexible, collegial work environment she now enjoys.

"If you say, 'Hey, I have to go pick up my kids,' and no one bats an eye, it's like you're trusted to be autonomous," she says.

Work-life balance

A poll from April shows that 35% of U.S. adults plan to look for another job in the second half of this year, down from 49% a year ago, according to Robert Half, the workplace consulting and recruiting firm. Of 1,000 workers polled, 77% said they were happy with their jobs and 85% reported a good work-life balance.



American Workers Have Quit Quitting Their Jobs—for Now

A tighter labor market and shrinking pay premium for switching is leading to the 'big stay'

"People feel really satisfied with their compensation, and they are very happy with their flexibility, which are two big drivers," says Dawn Fay, Robert Half's operational president.

Another recent study of 2,800 working adults by MetLife found 73% were satisfied at work, up from 69% a year ago.

The number of U.S. workers who quit their jobs in one month peaked at 3% in April 2022, according to Labor Department data, prompting many employers

to boost salaries, give more time off and offer flexible schedules in an attempt to retain talent. Since then the U.S. rate of quitting has drifted below prepandemic levels to 2.2%, where it has held steady.

No big pay boost

The lower quit rate comes alongside a white-collar job slowdown and shriveling pay for new hires.

Two summers ago, job switchers got a median pay bump of 8.5% for making the leap, compared with a 5.9% raise for those who stayed at their jobs, according to the Atlanta Federal Reserve's wage tracker. As of March, job switchers were commanding a median 5.2% jump in pay, while job stayers were getting 4.5%.

"It lines up with where confidence in the labor market is at this point, and that makes sense because the hiring rate is slowing," says Brett Ryan, a senior U.S. economist at Deutsche Bank Securities.

► Heather Sundell says she isn't eager to revisit the difficult online job-application process.

Job postings on hiring website Indeed have steadily fallen in the past year, making the prospect of jumping ship harder, says Svenja Gudell, Indeed's chief economist.

"There's just less out there," Gudell says. "Employers don't have to work as hard to attract talent. Wage growth has cooled, so you're less likely to be enticed to switch jobs."

In interviews and on social media, workers also say they are opting to stay put rather than face multiple interview rounds that can end in ghosting by recruiters and HR managers. That's if they're able to engage with anybody at all, given how automated the application process is for many jobs.

The shift in sentiment is even more stark among younger workers. Gen Zers planning to look for a new job in the second half of 2024 fell to 44%, down from 74% last year, according to



► Colleen Holleran's current employer offers her stretch assignments.

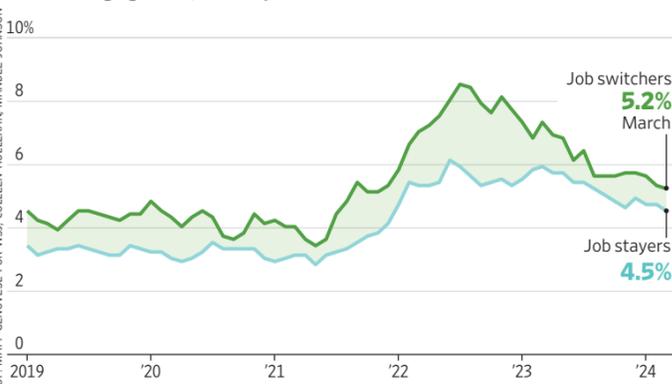
Robert Half. Millennials planning to find new jobs dropped to 45%, from 63%.

Colleen Holleran of Binghamton, N.Y., says her salary, which was less than \$50,000, was the main reason she left her second postcollege job in April 2022. The search-engine-optimization analyst role she landed came with a 66% raise and the ability to work remotely. About a year later, her company promoted her to senior analyst and raised her salary by nearly a quarter. The 26-year-old is expecting another big raise this year, too.

"For me, that's steady, sustainable and fair," she says. "I'm not actively looking to jump."

Holleran's employer is small, which also gives her chances to take on stretch assignments and expand her skill set. Recruiters still reach out, but Holleran says none are offering the combination of salary, flexibility and learning and development that she's getting where she already works.

Median wage growth, monthly



Note: Three-month moving averages of median hourly wage growth. Source: Federal Reserve Bank of Atlanta

The Right Way—and Wrong Way—to Snack

By ANDREA PETERSEN

America is a nation of snackers. A lot of us are doing it wrong.

Noshing outside of traditional mealtimes isn't inherently bad. A snack can stave off hunger, boost energy, provide important nutrients and keep us from overeating later. But snacking can also lead us to eat extra calories and overdo it on sodium, added sugars and saturated fats, which can raise our risk of heart disease and obesity.

How to snack better? Reach for food combinations that keep you fuller longer: Pair carbs like apple slices with protein and fats, like peanut butter. Then plan your snack times, and watch out for the minefield that is evening snacking.

People are snacking more now than they did in decades past. Americans got 23% of their daily calories from snacks in 2017-March 2020, up from 12% in 1977-78, according to national survey data from the U.S. Department of Agriculture. Almost half of American adults now report having two or three snacks a day.

Busy lives with long workdays, long commutes and kids' extracurricular schedules are driving the rise in snacking, nutrition researchers say. So is a food industry that keeps making tasty, cheap and convenient new products, said Lindsey Smith Taillie, associate professor in the nutrition department at the

University of North Carolina Gillings School of Global Public Health.

Here's the science-backed way to snack:

Plan your snack time

When we have a daily snack at about the same time, we are more likely to adjust the rest of our intake to offset the snack calories, says Richard D. Mattes, a professor of nutrition science at Purdue University in Indiana.

With unplanned snacks, we tend to just add the calories to our daily total. If you have cake at the office for a co-worker's birthday, you'll probably still eat the lunch you brought and the dinner you planned,

Mattes says. Splurging is fine once in a while, but frequent randomly timed snacks can make us consume excess calories that can lead to weight gain, he says.

Most people need to eat every three to five hours during the day to keep energy levels up and hunger at bay, said Grace Derocha, a registered dietitian in Troy, Mich., and a spokeswoman for the Academy of Nutrition and Dietetics.

Mix it up

A lot of foods that we typically think of as snacks—bags of chips, cookies or candy bars—are high in sodium, added sugars and saturated fats. They are often ultra-processed

and act on the brain in a way that makes it hard to stop eating them. And many are quickly metabolized, causing quick spikes—and then crashes—of blood sugar that soon leave us hungry, says Sue-Ellen Anderson-Haynes, a registered dietitian in the Boston area and a spokeswoman for the Academy of Nutrition and Dietetics.

Fruit is a healthy snack, containing vitamins and fiber, but Anderson-Haynes notes that eating, say, only an apple will likely leave you hungry an hour later. Instead, add protein and fat to the carbs, she says, by eating the fruit with a handful of nuts. That combination can keep you full for two to three hours.

Other good combo snacks: hummus with carrots or plain yogurt with berries, she suggests.

Broaden your thinking about what constitutes a snack, advises Elizabeth Gollub, assistant professor in the school of nutrition and food sciences at Louisiana State University. Half of a PB&J or chicken sandwich is a good snack. So is cheese with some whole-grain bread, she says. A few bites of leftovers from a previous dinner can be, too.

Look closely at the labels of granola bars and protein bars that are often marketed as healthy snacks, said Smith Taillie. Many contain a lot of added sugar. Choose bars with a short list of ingredients and that mainly consist of nuts and fruit, she said.

Aim for a snack with between

100 and 200 calories, says Derocha. That can stave off hunger until your next meal. If you're snacking to fuel a work out, you can go up to 300 to 400 calories, Derocha says.

Drink water first

People often think they're hungry when they are actually thirsty, Derocha says. So before you reach for a snack, try drinking some water first and see if that satisfies you.

People can get into trouble with sugary beverages though, says Mattes. Sugar-sweetened drinks can add a lot of calories before you feel full, he notes.

Nighttime snacking

At night, people tend to choose unhealthy snacks, like sweets, research has found. And people tend to eat while they are distracted, by watching TV or scrolling on their phone, which can lead to overeating.

"It's relaxed time. It's downtime. It's let me sit around and just enjoy myself and not worry if something is healthy or not healthy," says Gollub, who is the co-author of a review of studies on snacking among U.S. adults that was published in the journal *Nutrients* last year.

For most people, it's best not to snack after dinner at all, says Smith Taillie.

If you do snack at night, decide what to eat ahead of time, suggests Christina A. Roberto, director of the Psychology of Eating and Consumer Health Lab at the University of Pennsylvania's Perelman School of Medicine. Try a healthy snack or a small portion of something more indulgent, "so you're not tempted by anything else in the moment."



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PERSONAL JOURNAL.

An Age-Old Question: What Constitutes Normal Aging?

Short-term memory loss is often not a worry; getting lost in familiar places could be more serious



BY ALEX JANIN

What does normal aging look like? That question has been at the center of a fervid national conversation since last month's presidential debate, when 81-year-old Joe Biden's struggles against Donald Trump, 78, set off widespread speculation about the president's seeming decline.

Both men, who if elected would each be the oldest person ever sworn-in as U.S. president, have slipped up facts or botched remarks in public, fueling attacks about their fitness from both sides. Biden and Trump both maintain they are in robust health.

Watching an older adult display signs of aging is all too familiar within many families, as are questions about what a slowed gait or confused speech signals, and whether an aging person can still,

say, drive a car or live independently. Sometimes, aging is a steady decline; other times, it can appear to happen more rapidly.

As older adults make up a growing share of the U.S. population, there is heightened interest in recognizing signs of healthy or abnormal age-related decline. The number of adults age 65 and older increased by 9.4% between 2020 and 2023, to nearly 60 million.

Aging carries an increased risk of developing conditions that can interfere with physical and mental health. Most older people have at least one chronic health condition, and many have multiple. Signs of aging can appear differently for everyone, gerontologists and geriatricians say, so it can be hard to determine what is normal.

"People vary. Some people decline a little bit more in these areas, a little quicker. Some people maintain it and never decline," says Dr. Mary Tinetti, a geriatrician and professor of medicine at the Yale School of Medicine.

▲ The number of adults age 65 and older in the U.S. increased by 9.4% between 2020 and 2023, to nearly 60 million.

The brain and memory

There's a distinction between the usual mental decline that accompanies aging and mild cognitive impairment, which can progress to dementia, says Dr. John Rowe, a professor of health policy and aging at Columbia University.

Mild cognitive impairment affects roughly 12% to 18% of people age 60 and older, according to the Alzheimer's Association.

Short-term memory deficits, such as misplacing keys or forgetting people's names more often, is generally nothing to worry about, aging specialists say. Memory lapses that affect daily life, like forgetting to pay the bills, missing appointments or getting lost in familiar places could signal something more serious.

Changes in cognitive function

tend to happen over months or years, says Rowe. Sudden decline, over a period of weeks, could be caused by illness, medication interactions, or a brain injury.

Disorientation, lack of social engagement and apathy can be early signs of dementia, says Dr. David Reuben, who directs the University of California, Los Angeles Alzheimer's and Dementia Care Program and geriatrics division.

Doctors use assessments of recent and long-term memory, recall, visual and spatial deficits and executive functioning to diagnose cognitive impairment. Regular testing allows doctors to track trends over time, which is more powerful than looking at any one data point, geriatricians say.

"It's very tempting to judge people in terms of their physical

frailty or cognitive capabilities based on glimpses," says Reuben. "But an evaluation takes more than that."

Doctors note it's not all downhill. Aging can come with benefits, such as improved problem-solving, empathy and vocabulary skills.

Physical strength

People tend to lose strength, endurance, flexibility and organ function as they age. Balance and gait are often affected by these changes, which can increase the risk of dangerous falls. Smoking, obesity and diabetes raise the risk of earlier onset of certain age-related problems.

Regular stumbles, trouble getting out of chairs, or stiff movement with limited arm swinging while walking could signal an underlying condition, such as arthritis or neurological conditions like Parkinson's, geriatricians say.

Frailty, an age-related syndrome characterized by symptoms such as weakness, poor balance and unintentional weight loss, affects between 5% and 17% of older adults. Those with frailty, which can be diagnosed with the help of specific assessment tools, are at higher risk of falls, disability and death.

On the other hand, physical changes like walking more slowly, diminished hearing and needing to urinate more frequently are generally signs of standard age-related decline and not cause for worry, doctors say.

"If you're not as good at pickleball as you were last year, that probably doesn't need an evaluation," says Reuben.

Good days and bad days

People at any age have days when they don't feel their best or sharpest. The variability of "good" and "bad" days is likely to be more pronounced among older people, geriatricians say.

The body and brain's resilience, or reserve, declines as people age, so a poor night of sleep, mild illness or medication change

Lack of social engagement and apathy can be early signs of dementia.

can hit harder. A college-aged student might not be thrown off much by an all-nighter of studying, for example.

"But if you're an older adult with a little bit less reserve and you've had a tough night, you're on a medication that you're not familiar with, or you've got a viral infection, you could have cognitive and physical issues as a result," says Dr. Richard Stefanacci, a geriatrician and adjunct assistant professor at Jefferson College of Population Health in Philadelphia.

Longevity Has Become A Sport

Continued from Page One
antiaging competition that anyone can enter so long as they have completed a specific blood test to measure how fast they are aging biologically.

Online leaderboards launched in January 2023 track who's the best anti-ager.

The key metric is "pace of aging," or how fast your body is aging biologically per calendar year, as measured by a blood test from a company that manages the competition. Someone whose pace of aging is reported to be .85, for example, is said to be aging roughly 10 months for each year that passes. The test costs \$230.

The leaderboard ranks entrants by the lowest average rate of aging.

Coming soon is another leaderboard that will show the slowest agers by organ system—such as who



Julie Gibson Clark, 55, exercises and eats lots of vegetables.

has the youngest kidney, liver and lungs relative to their chronological age. The test for this costs \$500.

Some so-called "antiaging athletes" experiment with changes to their diet, exercise regimens and sleep, as well as supplements, off-label drugs and other medical interventions to see if they can drive down their scores.

"Rookies rule the leaderboards this month," reads a September email from the Rejuvenation Olympics team to competitors unveiling the latest top 20. "Here are the record setting, top aging scores you would need to beat."

Pound of veggies a day

Johnson says his most recent test revealed a biological aging rate of .64. But he isn't leading the pack. Among those who have ranked above

Bryan Johnson, 46, is trying to age as little as possible.

him at some point: Julie Gibson Clark, a (chronologically) 55-year-old recruiter and single mom in Phoenix.

"I'm just Joe Blow, I'm not a millionaire," says Gibson Clark, whose key longevity tenets include walking, weightlifting, taking a supplement powder and eating a pound of vegetables a day. "What I'm doing is way more accessible to people and way simpler."

Another top Rejuvenation Olympian is Saim Land, a 29-year-old biohacking influencer and longevity coach based in Estonia. At one point in June, he snagged the #1 spot on the leaderboard.

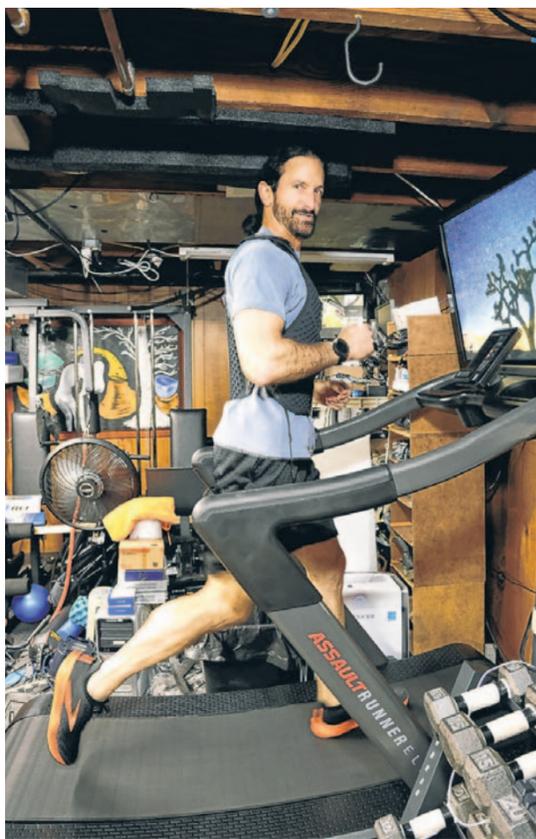
Land, who estimates he spends roughly \$11,700 on his longevity protocol every year, says he's not taking the competition too seriously. Someone else will beat him soon, he figures.

"It's nice to be here right now," he says. "But I'm not thinking about it like an actual title."

Whether competitors are long-time biohackers or new to the nebulous world of aging and longevity—a field often plagued with claims that are hard to back up—many are drawn to the contest's data-driven approach.

The competition is managed by the Lexington, Ky.-based company TruDiagnostic, which makes the biological-age tests contestants must take. There are roughly 8,000 participants in the contest, says TruDiagnostic co-founder Hannah Went.

TruDiagnostic says participants can take the test every few months if they want to see if they have lowered their score. Johnson says he



Dave Pascoe, 61, runs on a treadmill wearing a weighted vest and shorts.

doesn't receive any compensation from TruDiagnostic.

"It's not just about personal health, but it's really about don't die," says Johnson, whose company Blueprint sells hoodies and hats bearing those words: 'Don't Die.' He also sells supplements, olive oil and a powdered version of the vegan, gluten-free "nutty pudding" that he says he eats daily.

Doctors and researchers who study aging caution that, while biological-age tests are gaining traction,

they are still far from perfect.

They don't capture everything that affects biological age and various factors such as health conditions can sway the results. Some are also concerned the competition could push entrants to pursue risky, experimental methods. (To which Johnson says: "Life is a risk.")

Exercise on layovers

In recent weeks, the competition's rules have changed and rivalries intensified, leading some organizations to consider launching their own, separate leaderboards.

Dave Pascoe, who is 61 but whose biological age estimates range from roughly 38 to 52 depending on measure and test, describes himself as a full-time biohacker. He downs about 170 supplement capsules a day—a handful at a time, with a swig of smoothie or V8 juice to help them go down. "We're talking, like, three to six swallows," he says.

The prize for all of this? Right now, just bragging rights.

For Austin Doughty, a 33-year-old pilot and biohacker based in Miami, that would be enough. His first blood test revealed a pace of aging of .66. While working, he exercises on layovers, carries around tins of about 18 supplements he takes daily and packs meals full of ingredients such as lentils and broccoli sprouts.

"I don't want to live my life for the leaderboard," he says. "I just want to see if I can get on it."





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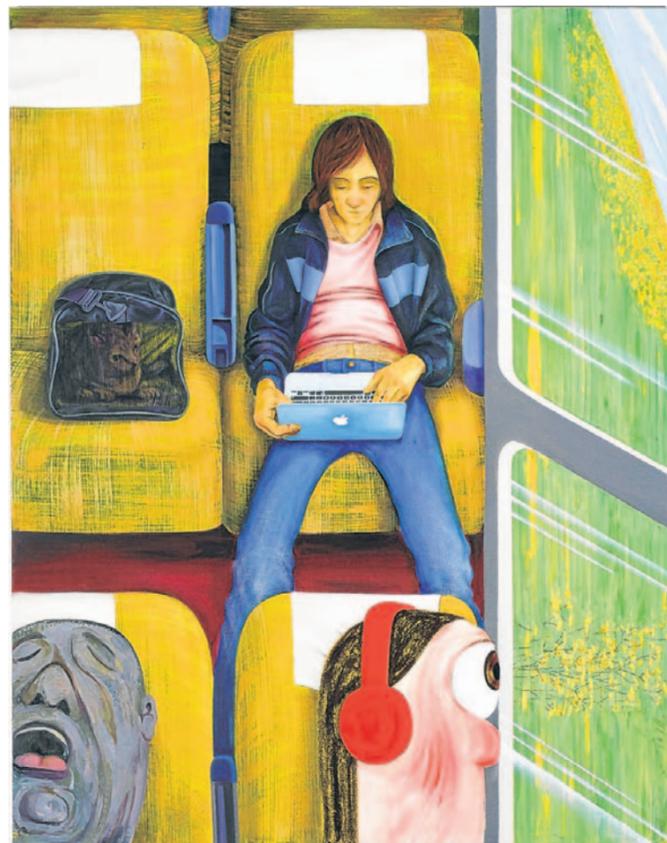
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ARTS IN REVIEW

ART REVIEW

Painting Pictures at Fever Pitch

Artist Nicole Eisenman assumes her place at the forefront of contemporary figurative painting in a new retrospective



BY PETER PLAGENS

Chicago

The deft and empathic painting “Sloppy Bar Room Kiss” (2011) could well have gotten its title—and even its imagery of two women, with their heads on the tabletop, drunkenly locking lips—from the macho post-Beat novelist and poet Charles Bukowski. While the artist who created it, Nicole Eisenman (b. 1965)—female, gay, and holder of a bachelor’s degree—is much the opposite of the grizzled, crudely hetero writer, her earlier work contains scenes as X-rated as anything that ever sprang from Bukowski’s imagination.

But Ms. Eisenman’s oeuvre contains a plethora of art references—from Renaissance masterpieces to Munch and Ensor, Depression-era murals, and underground comics—that make her almost as much an outlaw scholar as a painter. That she was awarded a MacArthur “genius” fellowship in 2015 for restoring “to the representation of the human form a cultural significance that had waned during the ascendancy of abstraction in the 20th century” is testimony to that. Ms. Eisenman’s art also ranges in tone from the cute to the sardonic, from the clever to the vicious.

All of this is on view in “Nicole Eisenman: What Happened”—a raucous retrospective of 102 works, ranging from small drawings to enormous paintings and a few sculptures, at the Museum of Contemporary Art Chicago through Sept. 22. The Chicago curators (the exhibition previously

appeared in Munich and London) are Jadine Collingwood and Jack Schneider.

Ms. Eisenman, who lives in Brooklyn, N.Y., was born in Verdun, France, where her father, an Army psychiatrist, was stationed. In 1969, the family moved to Scarsdale, N.Y. While still in high school she took a summer course at the Rhode Island School of Design, and quickly returned as a full-time student. Before she received her degree, Ms. Eisenman spent a year in Italy, and immediately upon graduating moved to New York. There, she worked at such jobs as creating faux-marble effects in shops and making patinas for brass beds. For several years in the ’90s, Ms. Eisenman was also a heroin addict. “I had a lot of fun,” she told the Guardian newspaper last year. “I really enjoyed that lifestyle. I was very productive.” She also knew that to continue to be the significant artist she is, she had to kick the habit—which she did.

If Ms. Eisenman has a major flaw (and almost every

Eisenman’s ‘Selfie’ (2014), one of the roughly 100 works in the exhibition now on view in Chicago.



‘Beer Garden With Ulrike and Celeste’ (2009), above, and ‘Weeks on the Train’ (2015), right, by the French-born American painter Nicole Eisenman.

artist does), it’s overdoing it—not so much in quantity, but in pounding home, in her major paintings, a sociopolitical point of view. Artists to whom she is pictorially indebted—Philip Guston, Alice Neel and R. Crumb—are much more efficient at it. Stylistically, Ms. Eisenman ranges from a

kind of realism (she can beautifully paint anything she wants, as in the hands in “Sloppy Bar Room Kiss”) to a glorified comic-book style. Such a wide range can cut both ways—indicating a genius who can do anything she wants or revealing an artist who might benefit from some honing down. In Ms. Eisenman’s case—with her remarkable facility with composition and paint itself, and an apparently nonstop stream of pictorial ideas—maximal mostly trumps minimal. Relentlessness is one of her calling cards as an artist.

Given Ms. Eisenman’s enormous, unruly talent—she’s a master of just about every approach to drawing imaginable—coupled to a seemingly manic productivity, some of the paintings in “What Happened” are almost “Where’s Waldo?” in the number of figures they contain. (I counted 28 in one.) Two of the best works are “Heading Down River on the USS J-Bone of an Ass” (2017) and what will likely be seen in the long run as her equivalent of “Washington Crossing the Delaware” by Emanuel Leutze, “The Triumph of Poverty” (2009).

The latter, roughly 82 by 66 inches (most

of Ms. Eisenman’s paintings are about that large), depicts a group of weirdly variegated figures—one in a top hat, tails, and dropped trousers revealing front-facing buttocks—in and around a dilapidated car. In his catalog essay, British critic Mark Godfrey calls the painting “an incredible allegory of capitalism’s calamities,” and it’s as close to a masterpiece as the exhibition contains. “Heading Down River on the USS J-Bone of an Ass,” in which a flute-playing man sits in the bow, as it were, of a gigantic jawbone about to go over the edge of a putrid green waterfall, is almost as good. It isn’t the glorified editorial cartoon that many of Ms. Eisenman’s works are, which makes it a bit more intriguing and much less strident than some paintings in the show.

“What Happened” is, to invoke a cliché, a must-see—less for purely aesthetic reasons than for pleasurable instruction in how an artist’s blunderbuss approach to social issues can mostly hit, but also, occasionally, miss. When so much of the contemporary figurative painting that makes it to galleries (and museums) is either sterile academicism or rehashed German Expressionism, Ms. Eisenman’s work is, if not a refreshing breeze, at least a needed thunderstorm.

Nicole Eisenman: What Happened
Museum of Contemporary Art
Chicago, through Sept. 22

Mr. Plagens is an artist and writer in Connecticut.

FILM REVIEW | KYLE SMITH

Martin Scorsese’s Cinematic Heroes

Martin Scorsese is the ideal moviegoing companion: His fandom is so exuberant, so well-informed, and so contagious, that he makes you want to see every work he mentions (or see it again) to luxuriate in the images as he does. He often discusses his appreciation for the British filmmakers Michael Powell and Emeric Pressburger, and now he is narrating and starring in a feature-length documentary about their oeuvre that he enriches considerably by explaining how scenes in his films were influenced by the pair.

Directed by David Hinton, “Made in England: The Hints of Powell & Pressburger” walks us through the duo’s glorious triumphs, many shot in saturated Technicolor, such as “The Life and Death of Colonel Blimp,” (1943), “Black Narcissus” (1947), “The Red Shoes” (1948) and “The Tales of Hoffmann” (1951). Mr. Scorsese explains that when he was growing up in the 1940s and 1950s, British movies frequently showed on

American television because U.S. film studios were reluctant to allow their product to be distributed on the airwaves.

Stricken with asthma, the boy Marty spent a lot of time indoors, and one of the first films to enchant him was the adventure “The Thief of Bagdad” (1940), which was directed by Powell and others. An Englishman, Powell became friends with a Jewish Hungarian writer, Pressburger, in 1939 through film producer Alexander Korda, and the two went on to share credits as writers, producers and directors of more than a dozen films. (Powell, however, was the chief director, and Pressburger the lead writer.)

After enjoying his first major success with “Mean Streets” (1973), Mr. Scorsese went to London and made enquiries about Powell (1905-1990), whom he found living modestly in a cottage, struggling to pay his bills and utterly forgotten by the British film industry. Powell would live long enough to enjoy a



critical reassessment, the friendship of Mr. Scorsese and other important filmmakers, and marriage to Mr. Scorsese’s editor and friend Thelma Schoonmaker. His partnership with Pressburger (1902-1988) had foundered in 1957 over creative differences, although the two remained friends.

P&P made a diverse array of lasting creations (lots of their films are available on various streaming platforms such as Tubi and Prime Video, and are currently being featured in a series of screenings at New York’s Museum of Modern Art). Some were naturalistic and shot in black and white, such as the

Emeric Pressburger and Michael Powell, whose films include ‘Black Narcissus’ and ‘The Red Shoes.’

romcom “I Know Where I’m Going!” (1945) and the alcoholism drama “The Small Back Room” aka “Hour of Glory” (1949). But their most memorable work was unabashed high artifice, cinema’s answer to opera, and in the case of “The Tales of Hoffmann” an actual adaptation of an opera. A noteworthy element was color saturation, often red. Mr. Scorsese, partly inspired by the style, infused “Mean Streets” with it, and was surprised to learn in one

of his earliest exchanges with Powell that the senior filmmaker thought it contained too much red.

Mr. Scorsese explains that the centerpiece 15-minute ballet of “The Red Shoes” explores dance via what’s going on in the mind of a ballerina whose shoes have taken control of her, and he tried to recapture that subjective feeling in a climactic fight scene he shows us in “Raging Bull.” Boris Lermontov, an exciting impresario in the dance drama, informed Travis Bickle in “Taxi Driver.” The repressed longing in “The Life and Death of Colonel Blimp” underlay Mr. Scorsese’s adaptation of Edith Wharton’s “The Age of Innocence,” and the fencing duel in “Colonel Blimp” also inspired some of “Raging Bull.” Mr. Scorsese cites another sword fight, one in “The Tales of Hoffmann,” as possibly his favorite scene in the history of film.

As he displayed in a long but captivating 1995 documentary, “A Personal Journey With Martin Scorsese Through American Movies,” the director radiates eloquence, charm and insight when speaking on his favorite subject. Yet in an archival interview, Pressburger has the most appealing take on his and his partner’s approach: “I always had the feeling that we were amateurs in a world of professionals. Amateurs stand so much closer to what they are doing and they are driven by enthusiasm, which is so much more forceful than what professionals are driven by.” Mr. Scorsese puts it more succinctly: “Their passion’s outta control.”

SPORTS

By Andrew Beaton

The NFL Superstar Who Has Become Obsessed With Golf

New York Jets All-Pro cornerback Sauce Gardner has embarked on a quest to master the game—by picking up tips off YouTube

New York Jets cornerback Sauce Gardner is one of the premier athletes in the National Football League. He can blaze a 40-yard dash in 4.41 seconds, change direction in the blink of an eye and stick to opposing receivers like bubble gum on a shoe.

But this offseason, Gardner has discovered that there's one sport where the physical gifts that have made him a two-time All-Pro selection don't count for much.

He's spent the past month learning to golf—and just like the rest of us, Gardner has found it to be a diabolical, maddening, soul-crushing pursuit that makes covering NFL's best receivers look easier than spelling "J-E-T-S."

"I'm kind of addicted," he says.

While Gardner is hardly the first pro athlete to fall for the charms of the fairway, the way he has tackled mastering the sport makes him something of an outlier. It would have been easy for Gardner to show up to a country club and start taking lessons from a pro. Instead, he approached his new assignment in exactly the way you would expect from a pro football player. He started grinding film.

Since taking up the game last month, Gardner has studied the PGA Tour's YouTube channel to study the best swings—Scottie Scheffler and vintage Tiger Woods are his favorites. He has also interacted extensively on social media with fans who have offered him advice. He's even been offered a lesson by U.S. Open champion Bryson DeChambeau.

That approach makes the 23-year-old an unlikely emblem for how the golf ecosystem has evolved. At a time the sport is undergoing rapid growth recreationally, that doesn't simply mean that it's harder to come by a tee time at your local muni. It also means there are more ways than ever for people to engage with golf—and even teach themselves how to play the centuries-old sport from scratch.

Gardner's popularity as one of the top defensive backs in the NFL has only amplified that opportunity. As Gardner began to document his newfound obsession on social media, his swing drew responses from star players such as



FROM LEFT: SAUCE GARDNER; SCOTT GAVIN/USA TODAY SPORTS

The Jets' Sauce Gardner has found that some of the skills he has mastered on the gridiron actually have uses on the golf course.

Rickie Fowler and DeChambeau, who has his own popular YouTube channel. When Gardner posts a question about gripping the club, for instance, he's inundated with tips from fans. (Aside from a few trolls, he says he finds 90% of the tips useful.)

This growing subculture has turned people like Justin Kraft,

the director of instruction at Spring Hill Golf Club in Wayzata, Minn., into online celebrities. Kraft's Instagram account, where he posts swing tips, has more than 135,000 followers. So when Gardner posted a video asking for advice on why it looked like he was swinging a driver when he swung his irons, it was only natural for

Kraft to tweet a video response from the PGA of America's X account, explaining that Gardner's arms were too low on his backswing.

"You can find content for almost any golf question, any golf topic, any golf problem that you have," Kraft says. "It really has boomed."

Gardner's posts are entertaining in their own right. He puts up videos of his shots and also comments on frustrating parts of the game that longtime players can relate to—like paying a bunch of money for golf balls only to lose them all. He also posts updates on technical tweaks or equipment changes, such as when he switched to jumbo grips because his hands are rather large.

In one particularly entertaining sequence, Gardner posted a video of himself playing shirtless in the pouring rain. His logic: If it doesn't stop football games, why should it interrupt his round?

Gardner says that his longest drive exceeded 300 yards, though that came with a caveat: It benefited from a long roll down the cart path. "But that counts," he adds.

Gardner has already played with teammates, though not with the one who has famously competed in exhibition golf competitions. Gardner's trips down the YouTube rabbit hole also brought him videos of Aaron Rodgers competing in two editions of "The Match" alongside the likes of Tom Brady and Phil Mickelson.

That's when Gardner realized he has a long way to go before beating the Jets quarterback on the course.

"It was impressive," Gardner says. "I can't lie."



Elimination in the Copa America sealed Gregg Berhalter's fate.

Berhalter Is Out as Men's Soccer Coach

By Andrew Beaton and Joshua Robinson

When Gregg Berhalter was hired to coach the U.S. men's national team in 2018, his task wasn't only to fix a program that ignominiously failed to qualify for that year's World Cup. He was also handed a timeline: With the U.S. selected to co-host the 2026 World Cup, it would be Berhalter's long-term job to harness a bright young generation of American players and mold them into a contender.

But after a disappointing stretch of results, capped by the Americans' elimination in the group stage of this summer's Copa America, U.S. Soccer dismissed Berhalter and said that it had launched a search for his replacement.

"Our immediate focus is on finding a coach who can maximize our potential as we continue to prepare for the 2026 World Cup, and we have already begun our search process," said U.S. Soccer sporting director Matt Crocker.

This Copa America, taking place in the U.S. for only the second time ever, was viewed as an ideal launchpad ahead of the next World Cup. In the tournament primarily consisting of countries from South America, the U.S. came in as one of the highest-ranked teams and hoped to ride home-field advantage into a deep run.

Instead, it turned into a flame-out. The Americans took a disastrous red card on the way to a loss against Panama in their second group-stage game and then lost to Uruguay as they crashed out of the tournament. That sealed Berhalter's fate following a 5-1 trouncing by Colombia in a pre-Copa exhibition.

The WSJ Daily Crossword | Edited by Mike Shenk

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- 30 Many a camp counselor
- 31 On both sides, in combinations
- 32 Seriously wound
- 33 Often elaborate high school invitation
- 34 Monks in the mountains
- 37 McElhone of "The Truman Show"
- 38 Clamors
- 40 Unoccupied
- 41 Salon treatment
- 43 Geriatrics focus
- 44 P-Funk's Collins
- 46 Bank job
- 47 "Once ___ time..."
- 48 Antisocial sort
- 49 Prepare to drive, and a hint to making sense of six pairs of Across answers
- 50 Plus
- 51 Cherry variety
- 52 "M" director Fritz
- 56 Sweetie
- 57 World of Warcraft or Final Fantasy, e.g.: Abbr.

COURSE PREP | By Mike Shenk

Across	31 More than enough	55 Parent on a field trip, say	9 Insects' oothecae
1 Knee-length swim trunks	34 Jimmy, e.g.	58 Unexpected problem	10 Once in a blue moon
5 Flavoring for springerle cookies	35 "I Got You Babe," for example	59 "You really mean it?"	11 Resolved
10 Waste hauler	36 Mustang mom	60 Tire, on a Citroën	12 Sharif of "Doctor Zhivago"
14 "Hard ___!" (tacking command)	37 Church centers	61 Eye sleazily	13 Cantonese cook's collection
15 Bestselling novel of 1924	38 Stoner address	63 John Irving title character	18 Past paunchy
16 Furry falsetto of TV	39 Life in brief	Down	23 At any time
17 Making music	40 Illustrious	1 Edward's rival in the "Twilight" series	25 Pitching goal
19 Reporter's source, sometimes	41 Reach perfection	2 Island greeting	26 Kept for later
20 "I'm onto your game now!"	44 Carry-on spot	3 In-box stack	28 Carpenter's slope
21 Roots for the chef	46 Magistrate of ancient Rome	4 Fall mo.	29 In the altogether
22 Emblems of Lebanon	50 Homes	5 Balance sheet listing	
24 Back row of a choir, perhaps	52 Where to spend a kip	6 Staff markings	
26 Relish	53 Browning, Byron or Blake	7 Bird with a down-curved bill	
27 Mgr.'s underling	54 Sister of Maggie and Bart	8 Gluttony or greed	
28 Diamond trio			

Previous Puzzle's Solution

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

Late Goal by Ollie Watkins Lifts England to Euros Final

By Joshua Robinson

Dortmund, Germany

Ollie Watkins had spent all but 22 minutes of England's European Championship run on the bench before his manager called his name here on Wednesday night. The Three Lions were locked in a 1-1 tie in their semifinal against the Netherlands, running out of ideas and running out of time.

So in came Watkins, the man who had hardly played, to try to make a difference. He touched the ball just four times after entering as an 81st minute substitute. But that was all he needed.

In the 90th minute, he spun in the Dutch penalty area and drilled a low shot into the far corner of the goal before a wall of orange-clad supporters.

Not only did Watkins give England a 2-1 victory, he also delivered his country yet again to the doorstep of a first major trophy since 1966. The Three Lions will now face Spain in Sunday's final in Berlin, just three years after losing the European Championship to Italy in a dramatic penalty shootout.

"We're a big team on being ready," England captain Harry Kane said. "You might get five minutes, you might get one minute. But you can make the difference, you can win us the tournament. And Ollie's been waiting."

These are heady times for the England national team, which had only ever reached one World Cup or European Championship final before 2021. The country had settled into a familiar rhythm. Tournaments would come and go and England would find new and heartbreaking

ways to get eliminated—usually well before the business end of the competition. The Three Lions became a classic British punchline, like jokes about rain, tea, and the complexity of cricket.

But under Gareth Southgate, the mild-mannered English coach who took over the team in 2016 after another hapless Euros defeat to Iceland, those expectations have changed radically. With a wholesale cultural

seemed like a 58-year curse.

Early on Wednesday evening, however, England's unique gift for slipping on banana peels seemed alive and well. Just seven minutes into the game, the diminutive Dutch midfielder Xavi Simons caught Declan Rice in possession, charged to the edge of the English penalty area, and ripped a shot with his right foot. As goalkeeper Jordan Pickford pawed at the air, the ball screeched

into the net and the wall of orange-clad fans in front of Simons erupted in celebration. But the Dutch lead wouldn't last long. Twelve minutes later, England won a penalty after a video review for a high boot on Kane by defender Denzel Dumfries. Kane dispatched the kick himself to make it 1-1.

For the next hour, both sides would come maddeningly close. England's Phil Foden had one shot cleared off the line and later struck the post. The Dutch hit the crossbar from a corner. And with less than 15 minutes of regulation remaining, Bukayo Saka had a go-ahead goal for England ruled out for offside.

Moments later, Southgate rolled the dice by throwing on Watkins, the Aston Villa forward who has proven to be one of the most efficient strikers in the Premier League. "I've been waiting for that moment for weeks," said Watkins.

England has improved with every match of the Euros, even if that progress has been painstaking. But now, two weeks removed from England fans calling for his job after lackluster draws in two of the first three games, Southgate has a team that is peaking at precisely the right moment: 90 minutes from a European title.



Ollie Watkins's goal gave England the win.

transformation that has included breathing coaches, in-depth analytics, and the occasional waistcoat, he has molded the Three Lions into genuine contenders on the world stage.

Just a few years into his tenure, England began to flirt with a dangerous thought: This was a team that might actually lift a trophy in the near future.

They reached a World Cup semifinal in Russia in 2018, a Euros final at home in 2021, then a World Cup quarterfinal in 2022. Now they are once again 90 minutes from breaking what

HECTOR VIVAS/GETTY IMAGES

ALEX GRIMMETT IMAGES

OPINION

King Joe and His Court



WONDERLAND
By Daniel Henninger

Who says Donald Trump can't control himself? It has been two weeks since the former president walked off the fateful debate stage he shared with President Joe Biden, and the most notable Trumpian incident has been Mr. Trump bad-mouthing Kamala Harris while sitting in a golf cart. This doesn't look like the guy Supreme Court Justice Sonia Sotomayor worried in her presidential-immunity dissent might order Seal Team 6 to assassinate an opponent.

But given recent events in U.S. politics, credit Justice Sotomayor for putting a discussable subject on the table—a president who becomes a king.

"The president," Justice Sotomayor wrote, "is now a king above the law." Let me edit that slightly: The law is safe, but the president in power now is behaving like a king above politics. Behold King Joe and his court.

The resistance to reality of Mr. Biden, his family, staff, White House aides and panicked Democrats resembles more than anything the spectacle of weak, addled monarchs in centuries past who clung to the throne while their coterie maneuvered to preserve power and perquisites.

The U.S. presidency is a narcotic. There should be a 12-step program for recovering from it. They didn't reveal the Biden decline because the personal and political benefits of

being inside the orbit of a president have been so great. The most valued attribute of life at this court is obeisance.

'Twas ever thus with the pull of the presidency, so I don't particularly hold the aides accountable for the fix the country is in now. This travesty belongs to Mr. Biden and his wife, Jill. They have chosen to retain their respective seats of power rather than let medicine ameliorate a personal tragedy.

Even the most immovable monarch couldn't stop palace intrigues, which Mr. Biden acknowledged this week on "Morning Joe" when he attacked the "elites." That would be Congress, the press and now one of Hollywood's elite Democrats, George Clooney.

Mr. Biden's adversaries consist mainly of elected Democrats who preside over mini-realms in the north, south and west and fear their disgruntled citizens will join the Trumpian brigades.

The real Biden base, the loyalists, are the progressive department and agency administrators Mr. Biden installed to enact an agenda of vast reach, notably the defossilizing of American society, with trillions in spending spread to party satellites. For the progressive factions now dominant in the Democratic Party, Mr. Biden has been—and would continue to be—the ideal president, who sees his primary job as fixing a signature to their orders. At this level, Mr. Biden knows what's going on. He told George Stephanopoulos last week that his goal is "healthcare for all" along with nationalized childcare and eldercare.

The main compromise emerging over Mr. Biden's too-public decline is that he withdraws and the party dissenters accept Vice President Kamala Harris in his stead. The New York Times published a pre-coronation story with the headline, "Kamala Harris's Strengths and Weaknesses."

This deal would short-circuit the prospect of an open convention's bloodbath. Its attraction for the progressive factions, such as the Congressional Black Caucus, is that it would extend the door-wide-open Biden presidency.

Immovable monarchs centuries ago couldn't stop destructive palace intrigues.

The conventional objection to the Harris-for-Biden compromise is that Ms. Harris can't defeat Mr. Trump. Probably not, but the Democrats' current dilemma runs deeper than Ms. Harris. Progressives have shown they can gain control of institutions such as cities, prosecutors' offices and universities. But they've never showed they can win a presidential election. That has been proved at least twice, when Richard Nixon clobbered George McGovern in 1972 and Ronald Reagan routed Walter Mondale in 1984.

Democratic pragmatism prevailed in 1976 and again in 1992 when the party nominated Jimmy Carter and Bill Clinton, moderate southern governors far removed from

the liberal elites on the east and west coasts. Barack Obama assumed a moderate personality for the 2008 election, then governed from the left.

The idea that this time it's different, that a progressive like California's Gavin Newsom or Michigan's Gretchen Whitmer would beat what First Lady Jill Biden this week called the "evil" Donald Trump is probably wishful thinking. History suggests otherwise.

The intensity of Mrs. Biden's commitment to another presidential run for her husband brings to mind the idea recently floated that the only ones who can convince Mr. Biden to step aside are two former Democratic presidents, Messrs. Obama and Clinton.

Impossible. Conventional wisdom portrays Mr. Biden as one of the nice guys in politics. Maybe. More relevant to the current moment is that Mr. Biden is a man possessed of deep, enduring resentments.

Mr. Obama may be the last person who could talk him out of running. Mr. Biden sees himself as an FDR-like savior who desperately wants a second term to equal Mr. Obama. Mr. Clinton is complicit in the party's humiliating 2015 decision to pass over the two-term vice president in favor of Hillary Clinton.

Kings inhabit their own reality. Joe Biden thinks he can extend his rule no matter what. His retinue agrees. If you have a spare suit of armor in the attic, better try it on.

Write henninger@wsj.com

BOOKSHELF | By David A. Shaywitz

Getting Better, Faster

Superconvergence

By Jamie Metzl

Timber, 432 pages, \$34

It is said that triumphant Roman generals, to ensure that the rapture of victory didn't go to their heads, would require a companion to whisper in their ear: "Remember, you are only a man." Jamie Metzl worries that we may have learned all too well such lessons in humility. Given remarkable recent advances in technology—and the promise of more to come—we need to lean into our emerging godlike powers, he believes, and embrace the opportunity to shape the world into a better place. In "Superconvergence," he sets out to show us how, after first helping us overcome our hesitations.

"Our world today is more livable for more of us than at any point in human history," Mr. Metzl asserts. In the words of a 2013 Oxford report that he cites: "Now is the best time in history to be alive." What's more, humanity is just getting going. Revolutions in genetics, biotechnology and artificial intelligence are amplifying one another—and converging. Some may worry about the dangers of interfering with nature, but Mr. Metzl, a former White House fellow and science autodidact, thinks that such worry is misplaced. We've been "meddling with living systems over tens of thousands of years," he writes, and the effort has worked out pretty well for our species. Now he foresees exponential progress. It is possible, he says, to imagine scientists "unleashing the miracle of human innovation on a planetary level," giving us the capacity to "redirect evolution and re-cast life in all its dimensions."

Propelling Mr. Metzl's breathless narrative is the conviction (shared by many "exponential" thinkers in Silicon Valley) that we're not just getting better but getting better faster, in part because of global interconnectivity. The people of Mesopotamia learned how to smelt copper 7,000 years ago, Mr. Metzl observes, but it took another 4,000 years before the process was independently discovered in the Americas. Today word of discoveries spreads almost instantaneously, and we benefit from a far greater body of accrued knowledge than our forebears did. The current pace of change will itself be superseded, he says, as "more connected and better-educated people apply ever-more powerful tools to do ever-more radical things."

Mr. Metzl is especially taken by the prospects of biology, which he sees as the breakout science of the 21st century—what chemistry was to the 19th and physics to the 20th. Bioengineering, in the near future, may make plants more environmentally friendly by, for example, restructuring their metabolism to absorb more carbon dioxide. And genetics may reduce the environmental impact of animal husbandry. Already there are attempts to create "Enviropigs"—swine that can synthesize a critical digestive enzyme so that it doesn't have to be put into their feed, from which it now leads to harmful runoff.

But the big advances will be in medicine—and indeed are already in evidence. Mr. Metzl points to the blisteringly fast development of the Covid-19 mRNA vaccine, from digital file to widespread immunization in less than a year; and to gene-editing technologies like Crispr. He cites the experience of Victoria Gray, a young woman from Mississippi who was suffering from sickle-cell disease until, in 2019, researchers in Nashville, Tenn., reinfused her with her own cells, which had been Crispr-edited; the treatment worked, liberating her from the disease's tormenting pain and crippling fatigue. For Mr. Metzl, these are just the first intimations of a revolution to come. AI tools like DeepMind's AlphaFold, he says, will help scientists design therapies faster and better.

Discoveries now spread almost instantaneously, and we benefit from a greater body of accrued medical knowledge than our forebears did.

To get smarter about human health, though, AI will need more information, and here Mr. Metzl's ebullience edges toward the willful suspension of disbelief. His imagined future of healthcare will require "collecting huge amounts of genetic and systems biology data in massive and searchable databases." The details will include not only medical records and the results of laboratory tests but data from the sensors he anticipates will be everywhere—"bathrooms, bedrooms, and offices"—as information is hoovered up from "toilets, mirrors, computers, phones and other devices without the people even noticing." While acknowledging that such a scenario sounds like "an authoritarian's dream and a free person's nightmare," he suggests that the chance to catch disease early may offset the risks. This trade-off promises to be a tough sell.

More than many techno-optimists, Mr. Metzl seems to grasp the intricacy of biological systems; he notes that they are beyond our full understanding right now. Even so, a time will come when "the sophistication of our tools and understanding meets and then exceeds the complexity of biology." He is also keenly aware that technology can go wrong. An early advocate of the Covid-19 lab-leak theory (the idea that the virus escaped from a research facility in Wuhan, China), he is sharply critical of China for its initial coverup. He concedes that even in the most reliable hands, godlike technologies can be "extremely dangerous."

To ward off the most dire possibilities, Mr. Metzl offers a series of recommendations. These include initiating forums to catalyze "meaningful, multidirectional public engagement." He envisions coordinators in every country serving a new international body—under the auspices of the United Nations—focusing on a "common response to shared existential challenges." "Imagine," he writes, ". . . if we'd had an international health organization . . . with the power to overrule the Chinese government's cover-up." He may have to keep imagining.

Beneath the gauzy futurism and anodyne policy proposals, Mr. Metzl has identified an important truth: that the convergence of new technologies is galvanizing us to reimagine how to meet urgent challenges in medicine and the environment. It's a compelling opportunity—provided we manage to sidestep self-induced catastrophes along the way.

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

What Biden's Exit Could Do for Democrats

By Karl Rove

President Biden insists he's staying in the White House race. If that doesn't change, it'll be because of his selfishness and congressional Democrats' pusillanimity. Both have kept Mr. Biden's deeply flawed candidacy afloat.

Speaker Emerita Nancy Pelosi has gently raised the issue, but until Senate Majority Leader Chuck Schumer and House Minority Leader Hakeem Jeffries inform Mr. Biden that for the sake of party and country it's time to pack up, he's not going. So far, Messrs. Schumer and Jeffries haven't found the courage to tell their increasingly infirm and isolated standard-bearer the truth. If he loses in November—which is likely—they'll bear much of the blame.

Some Democratic senators and representatives have expressed deep concerns about Mr. Biden's ability to win after his catastrophic debate performance. Many more have remained publicly silent, despite knowing the debate confirmed voters' fears that Mr. Biden lacks the mental acuity and stamina to be president. The president told ABC News's George Stephanopoulos last week that his debate disaster provided "no indication of any serious condition." Voters know better.

Mr. Biden insisted that "the Lord Almighty's not comin' down" to force his withdrawal. But he's mistaken to say he's

the person most qualified to beat Mr. Trump. He may be the only Democrat likely to lose to him.

It's delusional for Mr. Biden to believe he's winning the race. But since the president is getting political advice from his son Hunter, it's clear he doesn't have a rational decision-making process. Bottom line: No presidential candidate whose party is as severely divided, dispirited and unenthusiastic as Democrats are today has ever won.

They want a new candidate to battle Trump in November. It isn't too late.

Rather than accept the national consensus that the president isn't up to the job, Team Biden is trying to push past this moment. But teleprompter speeches before small crowds, call-ins to friendly radio and television hosts, and a handful of awkward public appearances in the next few weeks won't turn this around—especially since Mr. Biden continues stumbling even in the most controlled settings.

One group is very enthusiastic about Mr. Biden's insistence on staying in the race: Team Trump. That campaign team understands that Mr. Biden's debate performance now makes it difficult for Mr. Trump to blow the race. As

long as the former president sounds sensible, avoids recording devices on golf courses and stays away from Truth Social late at night, he has the upper hand.

What if Mr. Biden decides to withdraw? That would upend everything.

Contrary to what Mr. Biden's supporters say, the convention to replace him need not degenerate into a brawl. Hopefuls might slip opposition research to journalists to discredit or weaken their competitors, but that's as far as the mudslinging is likely to go. Any Democrat who ran would understand that public nastiness is a sure path to defeat and perhaps even to future irrelevance. Outwardly, each would accentuate the positive by arguing he or she is the best Democrat to beat Mr. Trump.

All but 43 of the 3,939 convention delegates were slated by the Biden campaign. The Chicago gathering won't be a bunch of Bernie Bros or "Squad" members; instead, it'll be mostly normal Democrats who want to win the election. If no candidate gets a first-ballot majority when the regular delegates vote, then 739 Democratic so-called superdelegates can vote. Talk about a crew of practical politicians focused on victory. And we'll be glued to our screens the entire convention.

Vice President Kamala Harris would be the favorite but hardly the sure thing. Her 2020 bid revealed that she's a

weak candidate. Her unfavorable numbers are worse than Mr. Biden's and Mr. Trump's. And she's in charge of border policy: How has that worked out? If there's a new nominee, that person could keep Ms. Harris as vice president to avoid ditching the first black and Asian-American female veep.

It's true Mr. Biden's war chest can't be transferred to any candidate except Ms. Harris—and only after he's nominated and then withdraws. But it can be transferred to a super PAC supporting the Democratic nominee.

Money may not matter as much for a new face. Remember this winter when polls pitted Republican Nikki Haley against Mr. Biden in a hypothetical matchup? She led him in December by 6 percentage points in a Fox poll and in January by 8 points in a YouGov-CBS News poll and 13 points in a CNN survey. If Democrats picked Arizona Sen. Mark Kelly or Michigan Gov. Gretchen Whitmer, they could find themselves similarly ahead. Americans want new faces.

Mr. Biden's fundraising email on Monday said that "this election is bigger than me or you." If he really believes that, the president should exit the race.

Mr. Rove helped organize the political-action committee American Crossroads and is author of "The Triumph of William McKinley" (Simon & Schuster, 2015).

America's Talk Radio Guest Host

By Gregg Opelka

My brother Mike won't shut up. That's because for three hours a day, two weeks a month, he's behind the microphone of a nationally syndicated talk radio show, sitting in for an ailing or vacationing regular host. Mike is arguably the most successful among only about a half-dozen people in the country who do this kind of work. Since he won't toot his own horn, please allow me to do so.

Conservative talk radio has been booming in the U.S. ever since the late Rush Limbaugh took his program national in 1988. Millions of Americans faithfully tune in each day to hear their favorite conservatives opine for a few hours on the latest political news.

My brother currently fills in 15 days a month in markets across the country. He can be heard subbing for hosts such as Vince Coglianesse (Washing-

ton), Joe "Pags" Pagliarulo (San Antonio), Chris Plante (Washington) and Rich Zeoli (Philadelphia). In the past, he's filled in for Glenn Beck and Buck Sexton, who, according to Talkers.com, are among the top five most-listened-to radio hosts in the nation. Since he began yapping for a living in 2018, my brother has become—his term—America's Talk Radio Guest Host.

The job is akin to being an understudy in a play but for one huge difference. Every professional theater production has several actors waiting in the wings, ready to go on for a performer who, for whatever reason, is incapacitated. The beauty of filling in for a talk radio host is that, thanks to 21st-century technology, the guest host can be hundreds of miles away. He doesn't need to be seen—only heard.

Think of the Hamlet understudy delivering the "To be or not to be" soliloquy to audi-

ences in Philly in the morning, San Antonio in the afternoon and Seattle in the evening, all from his bedroom in Nashville. Have microphone, will travel. My brother broadcasts from a state-of-the-art home studio in Wilmington, Del.

While television talk shows don't use guest hosts, preferring to air reruns, talk radio listeners won't accept recycled fare. Hence my brother's opportunity.

Above all, a guest host must evince two qualities: reliability and likability. He must be ready, often with little warning, to step in and speak engagingly on everything from the presidential election to California's attempt to dictate electric-vehicle standards to the rest of the country. Mike spends the morning hours aggregating leading news stories, which he then emails to producers as potential topics for a given day's broadcasts. Success is 1% inspiration, 99% preparation.

A talk radio fill-in shouldn't copy the regular host any more than a stage actor should imitate the star he replaces. In fact, talk radio audiences tend to embrace a quality guest host as a refreshing change. Then, once the substitute's brief stint has come to an end, the show's star is welcomed back the way Chicagoans hail the return of summer.

I'd often wondered wistfully about my brother's always-bridal-never-a-host status. But as he recently told me, "I prefer to be a hired gun vs. having a regular gig." I guess Milton was right when he wrote, "They also serve who only stand and wait." Mike's hosts are mighty lucky to have him waiting in the wings.

When we were kids, I frequently told my brother to shut up. Fortunately, he didn't listen to me.

Mr. Opelka is a musical-theater composer-lyricist.

OPINION

REVIEW & OUTLOOK

The Left Throws Biden a Lifeline

President Biden is phoning friends across his party to rally support, so pay close attention to who is answering the call. His staunchest defenders are on the left, while moderates in swing districts are asking the President to withdraw from the race. There's more than 2024 electoral calculation behind this highly revealing political turn.

No one outside the Biden family has been more fiercely pro-Biden since the President's debate flop than Rep. Alexandria Ocasio-Cortez. The Queens firebrand promised reporters that Mr. Biden won't leave the race and pledged to campaign for him through Election Day. This show of faith came after she said she "spoke with the President extensively" over the weekend. A Commander in Chief pleading for support from an often critical House backbencher is something to behold.

Another stalwart for the President is Sen. Bernie Sanders, who says he believes Mr. Biden can still win—if he campaigns on the Bernie agenda. Even Rep. Ilhan Omar, who has been denouncing Mr. Biden's Israel policy for months, is now in the Save Biden camp. This week she said "he's been the best president of my lifetime, and we have his back."

There's an ideological method to this loyalty. Ms. Omar has a point about Mr. Biden's first term. While the President campaigned as a moderate uniter, in office he has tried to be the second coming of FDR.

Despite losing the 2020 primary to Mr. Biden, Sen. Sanders gave his endorsement in return for Mr. Biden signing up to the Biden-Sanders Unity Task Force. The agenda included drug price controls, an expanded child tax credit, massive

green energy commitments, and Build Back Better entitlement expansions. Only Sens. Joe Manchin and Kyrsten Sinema stopped him from delivering on more or less the entire Bernie Sanders policy wish list.

If progressives save Mr. Biden now and he goes on to win re-election, the left will be well positioned to cash in again. Mr. Sanders is clear about what he expects in return for sticking with Mr. Biden. In his statement defending the President, he urged Mr. Biden to support a national "living wage," a payroll tax hike, medical debt cancellation and much more. "Biden and Democrats can win this election if they address the needs of the working class," he said.

The desperate President is turning to the left because he knows these Democrats don't face electoral challenges. Progressives are running in safe seats or in Democratic states where Donald Trump has no chance to win. But in his desperation, Mr. Biden is also making a possible second term even more hostage to the left. Bernie and AOC have plenty of unfinished policy business they hope to get done if Democrats control the White House and Congress.

Things will work out for progressives even if Mr. Biden wins but doesn't make it through the entire four years. Their dream scenario would be for President Biden to win, then retire and pass the Oval Office on to Vice President Kamala Harris, who ran as a whole-hearted progressive in the primaries in 2020.

Mr. Biden's political vulnerability, and his turn to progressives for a lifeline, raises the policy stakes even higher for the November election. Bernie Sanders may believe social spending is free, but his political fee is steep.

Progressive lawmakers bet he'll reward their loyalty in a second term.

Where's the Biden Report on Iran's Nuke?

President Biden says Donald Trump is a lawbreaker, but his Administration is hardly any better. A case in point is its failure to file a report to Congress required by law on the status of Iran's nuclear weapons program.

Sen. Lindsey Graham helped to write Public Law 117-263, Section 5593 of the Iran Nuclear Weapons Capability and Terrorism Monitoring Act of 2022. It requires the Administration to send Congress an assessment every six months about Iran's progress on uranium enrichment and other nuclear weapons development.

Mr. Graham has been asking the White House for weeks about the report, and he's finally lost patience. In a letter Wednesday to Avril Haines, the director of national intelligence, the Senator said the Administration is "in violation of the law" for "missing two Section 5593 assessment deadlines over the past year and failing to submit Section 7413 assessments" when Iran reaches a major enrichment threshold.

He said he'll put a hold on DNI nominations, and he'll work with colleagues to condition funding for DNI headquarters, until the reports are sent to Capitol Hill.

There's good reason to be worried. The board of the International Atomic Energy Agency recently censured Iran for failing to cooperate with the United Nations nuclear watchdog and escalating its uranium enrichment. Mr. Graham's letter cites the agency as saying Iran has increased its stockpile of enriched fuel up to 60% purity to 313.3 pounds as of May this year.

As Mr. Graham's letter points out, this is only "a small technical step away from weapons grade 90% purity" and that much closer

to being able to stage a bomb breakout. Israeli officials are expressing their growing alarm in private conversations with U.S. officials.

They're concerned enough that talk of some military operation, long dormant, is back on the table.

Iran's progress may be a reason for the failure of Ms. Haines's office to provide the information to Congress. If it tells the truth about the program, members of both parties would increase the political pressure to do something. Yet the White House has been striving mightily not to say or do anything regarding Iran that could lead to more tension before the November election.

News reports have said the U.S. opposed the IAEA's censure before finally going along with the Europeans. The White House has also failed to help the public understand Iran's role as the head of the terrorist hydra of proxy militias behind the war in Gaza, Houthi attacks on commercial shipping, and attacks on U.S. bases in Iraq, Syria and Jordan.

An Iranian government with a nuclear weapon would make all of these threats exponentially more dangerous. It is therefore "unacceptable," as Mr. Graham puts it, that the Administration isn't providing "an updated assessment that outlines the exact status" of Iran's nuclear program.

Anonymous intelligence sources somehow found it important to leak to the press this week that Russia wants Donald Trump to win the presidential election. After the fiascos of 2016 and 2020, there's no reason to believe anything the intelligence services say about the presidential race. But the least the Biden spooks can do is follow the law and be honest with Congress about Iran's nuclear threat.

The White House has missed deadlines for more than a year.

easier to spend money on health, education, infrastructure and many other important tasks than to invest more in defense." But "if you're not able to preserve peace" the rest "will fail." This means "that we need to invest in security and 2% is our minimum."

Canada's military abdication owes in part to a sense that it can free ride off the U.S. Another reason is that Mr. Trudeau's domestic spending has made a hash of Canadian finances. Defense has lost out to the welfare state.

This is dangerous, and not merely for NATO. As the Arctic Ocean thaws, it is becoming another theater for economic and military competition. This includes greater Russian activity in the air and "a growing number of Chinese vessels and surveillance platforms," according to a report in Breaking Defense based on a Canadian defense analysis. Submarines, long-range aircraft and hypersonic missiles are also making an appearance.

"We're seeing some of the more assertive and even aggressive actions of potential adversaries who are really leaning forward in the Arctic," Canadian Defense Minister Bill Blair said in May. "It really demands that we respond in an appropriate way."

Yet to Mr. Trudeau the Arctic might as well be the Indian Ocean. Europe slept even as Vladimir Putin rearmed and threatened Ukraine. Canada is still sleeping, and if it doesn't meet its alliance obligations, it will have no cause to complain if the alliance wonders if the country should remain a member.

The Trudeau government free rides on everyone else's defense dollars.

Canada Is a NATO Scofflaw

Canada is a member of the G-7 group of leading democracies, but why? Prime Minister Justin Trudeau isn't leading anything, and he won't even commit his country to meet its minimum obligation as a member of NATO.

When we wrote last year about Canada's status as a defense scofflaw, it created a stir in Ottawa. But the Trudeau government remains as much a deadbeat as ever.

This year 23 members of the North Atlantic alliance are on track to meet or exceed the 2% of GDP that each country committed a decade ago to spend on defense. Canada isn't close. This year Ottawa is forecast to hit 1.37% of GDP, which is up from 1% in 2014. Canada appears to think the world hasn't changed since Russia invaded Ukraine, China became aggressive in the Pacific, and both powers began cooperating to dominate the Arctic.

Of the eight nations below the 2% target, Croatia, Portugal and Italy spend more on defense than Canada as a share of GDP. Only Belgium, Luxembourg, Slovenia and Spain spend less. According to World Bank data, except for the period between 1982 and 1988, Ottawa hasn't spent 2% of GDP on defense since 1972. Under its current plan Canada expects to reach a mere 1.76% by 2030.

On a visit to Ottawa last month, NATO Secretary-General Jens Stoltenberg praised Canadian troops who on Europe's eastern flank "lead NATO's multinational battlegroup in Latvia." But he also expressed dissatisfaction with Canada's budgetary contribution. "It's always

LETTERS TO THE EDITOR

How Does Biden Want to Go Down in History?

As a Democrat who is somewhat older than President Biden, I have quickly tired of his recent renditions of King Lear ("The Almighty Calls for Biden," Review & Outlook, July 8).

I have tremendous admiration and gratitude for Mr. Biden's past performance, and I will be forever thankful for his victory over President Trump in 2020. But he is now giving credence to the adage: There is no fool like an old fool.

If he stays in the race, he is ensuring that every day from here to Nov. 5 won't be about Mr. Trump's obvious faults and challenges to our institutions, or about other important issues, but a daily health report on Joe Biden. Each morning, Democrats and thinking independents and moderates will wake up asking one question: Did Mr. Biden falter again? If he does, and my prediction is that he will, what will that mean for the Democratic Party, with even less time to react sensibly and effectively?

Mr. Biden could help pick a replacement, and work vigorously to finish his own term in office and support whatever candidates the party comes up with. If he persists in running and loses to Mr. Trump, however, he will bear the blame for whatever that second Trump term brings. A second term for a man with few, if any, internal boundaries, who was further untethered by the Supreme Court's recent immunity decision. Let the Lord Almighty ponder that one.

BOB RABER
New York

Mr. Biden's interview with George Stephanopoulos was not unlike the conversations I have had, as a practicing medical neuropsychologist, with countless dementia patients regarding their inability to continue driving. "I have been driving for 50 years. Just watch me," they say.

PAUL M. DAMMERS, PH.D.
Baton Rouge, La.

The Lord God Almighty hasn't come down and spoken to Mr. Biden yet, but the frailness, memory lapses and confusion are harbingers of a conversation to come. Father Time is letting the president know the big talk has been scheduled. The timing is increasingly inconvenient for him and alarmingly perilous for the nation.

GEORGE WOLVERTON
Santa Barbara, Calif.

Mr. Biden is behaving like a monarch who serves for life. He would be wiser to follow the example of our first president, George Washington, who announced in 1796 that he wouldn't run for another term. Upon learning of Washington's "rejecting the mantle of emperor," George III observed, "If he does that, he will be the greatest man in the world."

Washington could be trusted with power because he was ready to relinquish it. His aura of greatness was enhanced because he was ready to surrender power when he felt the encroachment of age. If Mr. Biden were to relinquish power, he would leave office with honor.

EILEEN POLLOCK
Baltimore

Does anyone believe that the Democrats and their media allies would be clamoring to replace Mr. Biden if he were six points up? It is all about remaining in power. Mr. Biden is only a frontman who is useful as long as he can beat Mr. Trump and keep the deficit-driving gravy train flowing.

STEVE BECKERLEG
Verona, Wis.

For Mr. Biden, the condemnation from the New York Times is worse than one from above. After years of fawning, the Gray Lady has emerged as a jilted lover. Like a scorned fool, the Lady knew the worst all along.

ALVAN KAMIS
Osprey, Fla.

Roberts vs. the Federalist Papers on Immunity

In "America Depends on Presidential Immunity" (op-ed, July 2), David Rivkin Jr. and Elizabeth Price Foley use Alexander Hamilton's Federalist No. 70 to bolster Chief Justice John Roberts's flawed decision creating broad presidential immunity from criminal prosecution.

Hamilton addresses the topic directly in Federalist No. 77. He asks whether the office of president, as defined by the Constitution, contains "a due dependence on the people, a due responsibility?" He answers in the affirmative and presents as evidence: "the President . . . being at all times liable to impeachment, trial,

dismission from office, incapacity to serve in any other, and to the forfeiture of life and estate by subsequent prosecution in the common course of law."

The term "subsequent prosecution" assuredly refers to the "official acts" Justice Roberts has cordoned off from criminal prosecution. Activities undertaken by the president cease to be official acts reasonably protected by the Constitution if found to be criminal "by subsequent prosecution in the common course of law."

PROF. JONATHAN ADAMS
Saint Joseph's University
Philadelphia

The U.N. Still Won't Condemn Oct. 7 Attack

Elliot Kaufman's op-ed "Israel Struggles Against Global Amnesia" (June 28) raises the question: Where is the world's empathy for Israel?

Oct. 7 was a microcosm of the Holocaust. Palestinian terrorists butchered, tied up and burned to ash Israeli babies, and raped, mutilated and murdered Israeli women and girls. They slaughtered 1,200 people and kidnapped 250 more as hostages, including women, children and an infant. Hamas vowed to repeat Oct. 7 "again and again" until Israel is annihilated.

This was pure evil. Yet the United Nations General Assembly and Security Council failed to condemn it.

Only two Arab countries (Bahrain and the United Arab Emirates) denounced Hamas's attacks, and no Arab leader had the courage to visit an existentially shaken Israel and say: "The Jewish people and a Jewish state are part of the fabric of our region. You are our neighbors, and today we mourn with you." Instead, the world falsely blamed Israel when a Palestin-

ian Islamic Jihad rocket struck a Gaza hospital, and many vilified Israel even for rescuing its hostages.

A similar number of Americans were slaughtered or kidnapped on Oct. 7 as were held hostage from 1979-81 by Iran. Eight remain captives in Gaza, alive or dead. Yet instead of tying yellow ribbons in solidarity, U.S. college students tore down posters of the hostages and attacked Jewish students. Oct. 7 taught Israelis that "never again" was a lie.

STEPHEN A. SILVER
San Francisco

Rishi Sunak's Graceful Exit

Regarding Dominic Green's op-ed "The Least Thrilling Landslide in British Election History" (July 6): Nothing in his prime ministership became Rishi Sunak like the graceful leaving of it. His farewell speech outside 10 Downing Street was a frank acknowledgment of his government's shortcomings and of the nation's demand for change. The people's voices, he said, are the only ones that matter.

On this side of the Atlantic, such a routine—and gracious—transfer of power is starting to seem like a hopeful dream as we face our own election.

R.A. HASKELL
Chapel Hill, N.C.

Pepper ... And Salt

THE WALL STREET JOURNAL



"I only use two and twenty blackbirds. The king never notices."

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OPINION

Somewhere, Robert Bork Is Smiling

By Randy E. Barnett

Robert Bork's 1987 nomination to the Supreme Court was defeated because of his commitment to originalism. For 30 years thereafter, no Republican nominee to the court called himself an originalist, although Justices Antonin Scalia and Clarence Thomas embraced the term after joining the high court.

But 30 years after Bork was borked, Neil Gorsuch was nominated to succeed Justice Scalia. He broke the taboo, confessing during his confirmation hearings that he is an originalist. Around the same time, Justice Samuel Alito described himself as a "practical originalist." Later, Brett Kavanaugh and Amy Coney Barrett identified as originalists at their confirmation hearings without qualification, bringing the number of self-identified originalists to five. Even Ketanji Brown Jackson described her approach to judging in unmistakably originalist terms. All these justices acknowledged that the text of the Constitution was binding on them and the meaning of the Constitution remained the same until it was changed by amendment.

Originalism kept him off the Supreme Court. Now it's the guiding philosophy of a majority of justices.

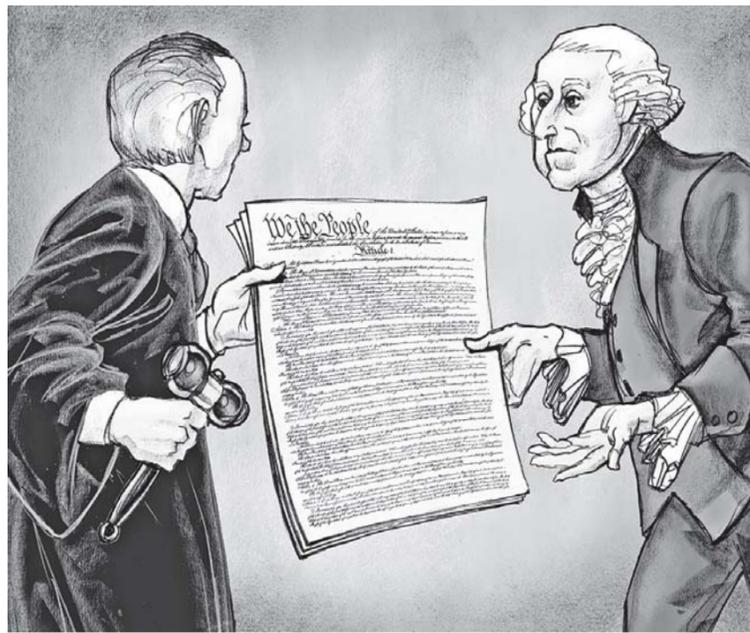
This transformation had deep intellectual and political roots. Academics developed a defensible theory of originalism, and a movement to put originalists on the court culminated in Donald Trump's 2016 promise to do so—a promise he honored with the help of White House counsel Don McGahn.

How originalist is the court in practice? Sometimes it has reached results that are consistent with the original meaning of the text without using explicitly originalist reasoning. Justice Alito's opinion in *Dobbs v. Jackson Women's Health Organiza-*

tion (2022) used the Court's "substantive due process" doctrine to reach an arguably originalist result but failed to consider the original meaning of "due process of law" or "privileges or immunities of citizens of the United States." Only Justice Thomas, in a concurrence, wanted to do that.

The term that just ended included one case that represents an unqualified triumph for originalism. In *Consumer Financial Protection Bureau v. Community Financial Services Assn. of America*, Justice Thomas's opinion for a 7-2 majority explicitly turned on the original meaning of "appropriations" in the Appropriations Clause. "An appropriation is simply a law that authorizes expenditures from a specified source of public money for designated purposes," he wrote. "The statute that provides the Bureau's funding meets these requirements. We therefore conclude that the Bureau's funding mechanism does not violate the Appropriations Clause." For an originalist, it doesn't get any better than this. Justices Alito and Gorsuch dissented, but also in originalist terms. Only Justice Elena Kagan declined to join an opinion employing originalist reasoning.

In contrast, in *Department of State v. Muñoz*, Justice Barrett used the same substantive due process analysis that Justice Alito had used in *Dobbs* to find that a citizen had no constitutional "right to bring her noncitizen spouse to the United States." To recognize an "unenumerated constitutional right," Justice Barrett concluded, the litigant "must show that the asserted right is 'deeply rooted in this Nation's history and tradition.'" As with *Dobbs*, the outcome might have been consistent with originalism, but the reasoning wasn't. And, in his majority opinion in *U.S. v. Trump*, Chief Justice John Roberts offered little, if any, originalist justification for the recognition of a president's immunity for criminal



DAVID KLEIN

prosecution after leaving office. Whatever one thinks of the outcome, this was disappointing.

Still, in other cases, several justices reaffirmed their commitment to originalism in concurring opinions. In *U.S. v. Rahimi*, which upheld the application of a ban on firearms ownership to a man who was subject to a domestic-violence restraining order, Justices Kavanaugh and Barrett objected to the nascent push to have "history and tradition" replace the original meaning of the text as the ultimate touchstone of constitutionality.

"For an originalist, the history that matters most is the history surrounding the ratification of the text; that backdrop illuminates the meaning of the enacted law," Justice Barrett wrote. "Evidence of 'tradition' unmoored from original meaning is not binding law." Likewise, in her concurrence in *Vidal v. Elster*, a free-speech case involving trademarks, she rejected a sole reliance on the existence of a "common-law tradition" or a "historical analogue." "The views of preceding generations

can persuade, and, in the realm of *stare decisis*, even bind," she opined. "But tradition is not an end in itself."

In his *Rahimi* concurrence, Justice Kavanaugh added that traditional practice also plays a role to the degree that constitutional language is vague or uncertain at the margin. He then described in some detail "how courts apply pre-ratification history, post-ratification history, and precedent when analyzing vague constitutional text."

The biggest challenge to restoring the original meaning of the text are *stare decisis*, the doctrine by which justices are bound by precedent, and the fear that adopting original meaning would require wholesale disruption of existing programs and institutions. *Loper Bright Enterprises v. Raimondo*—the case that overturned *Chevron*, which required judges to defer to bureaucrats' interpretations of ambiguous statutes—provided promising answers to each concern.

In his concurring opinion, Justice Gorsuch limited the scope of *stare*

decisis: "When judges reach a decision in our adversarial system, they render a judgment based only on the factual record and legal arguments the parties at hand have chosen to develop. A later court assessing a past decision must therefore appreciate the possibility that different facts and different legal arguments may dictate a different outcome." According to this approach, precedents in which originalist arguments weren't presented don't bar the court from adopting originalist arguments to reach a different result.

But this limitation of *stare decisis* needs to be combined with a point Chief Justice Roberts made in the majority opinion: "We do not call into question prior cases that relied on the *Chevron* framework. The holdings of those cases that specific agency actions are lawful—including the Clean Air Act holding of *Chevron* itself—are still subject to statutory *stare decisis* despite our change in interpretive methodology." This principle allows original meaning to be applied prospectively rather than retrospectively, leaving existing programs in place and thus avoiding a disruptive originalist "big bang."

Had you told me when I was a law student reading Warren and Burger Court "living constitutionalist" opinions that there would be Supreme Court opinions like these in my lifetime, I would have asked what you were smoking. The originalists on the court don't always agree on what originalism requires. But they are feeling their way through this thicket, case by case. In the process, they are educating each other and the nonoriginalist justices, and engaging in a dialogue with legal academics as well as with the American public.

Mr. Barnett teaches constitutional law at the Georgetown University Law Center, where he directs the Georgetown Center for the Constitution. He is author of "A Life for Liberty: The Making of an American Originalist."

Biden's Frailty and the Political Price of Insincerity

By Barton Swaim

The question remains unanswered: How did they let it get this far? How did Democratic power brokers and progressive media personalities—groups not known for their indifference to winning elections—wait until July 2024 to urge President Biden to run for re-election?

Any mildly observant person could see four years ago that Mr. Biden had declined further than a commander in chief should. These pages noted Mr. Biden's diminished state during and after his 2020 campaign. In the 2012 debate with Paul Ryan, the editorial board remarked on Nov. 19, 2020, Mr. Biden "was aggressive and confident. In 2020, in the rare times he speaks off the cuff without a teleprompter, he looks more tentative, as if grasping for an argument or words that he knows are around here somewhere."

Democrats disregarded this and 10,000 similar observations because they took them to be insincere, and the political left has become so ac-

customed to insincerity as not to recognize its opposite. On the left—particularly in the New York Times and other elite outlets—substantive complaints are routinely presented as procedural or ethical ones. Rather than make a straightforward argument that a person or policy is wrong on the merits, elected Democrats, following the media's lead, typically raise technical or otherwise secondary objections they plainly don't care about.

Any time a Republican president nominates a judge to the Supreme Court, Democrats can be counted on to fly quickly past the substantive reasons for their opposition and invent ethical lapses that, even if true, wouldn't bother them in any other situation. No Senate Democrat cared if Brett Kavanaugh behaved badly at some unspecified time and place in the 1980s. They wanted him defeated.

Other defamatory inventions—against Clarence Thomas and Samuel Alito, among others—aren't worth repeating because Democrats themselves didn't care enough to believe or disbelieve them.

Last month the Times published a report claiming that Judge Aileen Cannon, assigned to adjudicate Mr. Trump's classified documents case, had been advised to stand down by "two more experienced colleagues on the federal bench." Judge Cannon hadn't bowed to every Democratic demand in the Trump documents

When people said he seemed unwell, Democrats called it a Republican ploy. That was a costly mistake.

case, so she had to go. Progressive pundits dropped their feminist sensibilities and simply talked down to her. "Girl, stay in your lane," legal analyst Melissa Murray advised Judge Cannon on MSNBC.

None of these talking heads cared a whit about judicial experience. They wanted Judge Cannon gone. The process argument was, as ever, a means to an end.

Did any earnest progressive journalist care, as Manhattan District Attorney Alvin Bragg pretended to care, that Donald Trump once "falsified business records" in furtherance of an unnamed second crime? Of course not. Mr. Trump's business records were irrelevant to Mr. Bragg and his defenders. What they cared about was convicting him of a felony. Any felony.

Progressives in the Washington Post newsroom pretended to care that Will Lewis, the publisher brought on to turn the Post's failing finances around, had once been connected to a phone-hacking scandal in the U.K. None of these newsroom activists cared the first thing about the "scandal" to which they wanted to attach Mr. Lewis. They wanted him fired.

Our pundit class and Democratic officeholders appear to believe that everyone else in the political realm thinks the way they do. Most don't. When right-leaning commentators pointed out that Mr. Biden appeared weak and confused, they did so because Mr. Biden appeared weak and

confused. Democrats evidently thought Republicans were making it up and only wanted to get rid of Mr. Biden. A week before the debate that forced Democrats to acknowledge the reality of Mr. Biden's condition, the Times ran a long and amply illustrated article about how Republicans and "conservative news outlets" had circulated videos of the president that "lacked important context" in order to portray him as old and feeble. The writers of this risible work of advocacy might have reflected that Republicans had every reason for wishing Mr. Biden to remain on the ticket.

Having convinced themselves that the president's infirmity was a right-wing invention, Democrats find themselves in the unenviable position of having to acknowledge the truth of what their opponents have been saying for years. The whole mess might have been avoided if Democrats had credited their critics with sincerity.

Mr. Swaim is an editorial page writer for the Journal.

The Seeds of New York's Disorder Were Planted in 1989

By Andrew Stein
And Douglas E. Schoen

New York's comeback in the 1990s and 2000s is one of America's great urban success stories. But in the past decade or so the city has become progressively worse as crime has risen and the quality of life has deteriorated. One unappreciated cause of the decline is a 1989 Supreme Court ruling that forced the city to change its governance structure.

Before 1994, the city's main policymaking body was the Board of Estimate, which consisted of three officials elected citywide—the mayor, City Council president and city

comptroller—and the five borough presidents. The citywide officials cast two votes each on the board, the borough presidents one each.

In *Board of Estimate v. Morris*, the justices held that the board's power over the city budget made it a legislative body. Since five members were elected by borough and the boroughs had widely disparate populations—Brooklynites were roughly six times as numerous as Staten Islanders—the structure violated the one-person, one-vote rule and was therefore unconstitutional. The city impaneled a Charter Revision Commission, and in November 1989 voters approved a ballot referendum abolishing the Board of Esti-

mate effective Jan. 1, 1994.

The charter revision didn't eliminate any official position, but of the board's eight former members, only the mayor and the comptroller retained any substantive governing authority. The borough presidencies became largely ceremonial posts, and the City Council president became the "public advocate."

The charter commission explained in its 1990 report that it envisioned this officeholder acting as a sort of ombudsman, "receiving and attempting to resolve individual complaints regarding the administrative acts of city agencies." Instead the title attracted politicians with little governing experience who have stoked public outrage and supported far-left policies. Since the public advocate is formally the second-ranking city position, it serves as a springboard to more powerful positions.

Mark Green, the first public advocate, set the example, using his role as a bully pulpit for his antipolice agenda. He took on the New York City Police Department on several occasions, including a 1999 investigative report skewering the department's practices. "I guess he wants to position himself as the antipolice, anti-law-enforcement candidate," Mayor Rudy Giuliani said. Mr. Green won the 2001 Democratic nomination for mayor, but he lost to Michael Bloomberg. Attacking the police turned out to be bad politics in the weeks after 9/11.

Mr. Green never held office again,

but Bill de Blasio succeeded where he failed. On taking office as public advocate in 2010, Mr. de Blasio announced a plan "to train aggrieved residents to organize petition drives, demonstrations and civic actions against City Hall," as the New York Times put it. He opposed Bloomberg administration policies on housing, education and law enforcement and was elected in 2013 to succeed Mr. Bloomberg as mayor.

The city created a new office, public advocate, that sounded innocuous but would turn harmful.

Mayor de Blasio slashed \$1 billion from the NYPD budget; dramatically curtailed the practice of stopping, questioning and frisking those suspected of carrying illegal firearms; increased penalties on officers for using force; and pushed an effort to release criminals from prison. Six of the seven major violent criminal offenses surged in his final year in office.

Leticia James, the public advocate from 2014-18, is now the state's attorney general, best known outside New York for her civil case against Donald Trump. While running for the latter office, she vowed to "work to eliminate cash bail" in favor of "a more just system that doesn't punish

poverty or discriminate against people of color." The state Legislature enacted bail reform in 2019, and crime rose sharply the next year. Yet in 2022 Ms. James called on lawmakers seeking change to resist "the urge to overreact to spikes in crime."

Ms. James has also recused herself—in other words, declined to do her primary job of representing the state government—from a case concerning the housing of migrants, citing a "philosophical difference." Ms. James believes that the requirement to provide shelter to anyone who needs it is a "human right" that should apply statewide, while Gov. Kathy Hochul views the right more narrowly.

The current public advocate, Jumaane Williams, appears to be following the path of Mr. Green, Mr. de Blasio and Ms. James. With migrant crime on the rise, Mr. Williams wants to tie the hands of the police.

For three decades, the office of public advocate has encouraged the advancement of politicians with scant governing experience but an excess of righteous indignation. That is why New York City has gone from one of the safest cities in America to a sanctuary for destructive far-left policies.

Mr. Stein served as New York City Council president, 1986-93. Mr. Schoen was an adviser and pollster to Mr. Stein and Mayors Ed Koch and Michael Bloomberg.

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WORLD NEWS

Strike Shattered Lives at Hospital

One surgeon was operating on a 5-month-old when a Russian missile hit

BY MATTHEW LUXMOORE
AND NIKITA NIKOLAIENKO

KYIV—As a Russian cruise missile the length of a school bus hurtled toward her, junior doctor Olena Hovorova sat in her office at Ukraine's largest children's hospital preparing a report for a conference.

She didn't stop working even when she heard two explosions in the city from other Russian attacks. "We never thought they'd directly strike a hospital for kids," she said.

The third explosion knocked the 23-year-old to the ground, when a Kh-101 rocket fired from a Russian jet fighter detonated its 900-pound warhead over the hospital.

Hovorova survived unscathed and rushed to help some of the 32 people wounded, including eight children. The strike killed a doctor and a nurse, and pulverized a toxicology unit.

Dozens of children who were sheltering in the Kyiv hospital's basement, some of them toddlers suffering from birth defects, were brought dazed into the sunlight. Some were still hooked up to IV drips as they were transferred to other hospitals. Staff and volunteers handed many of the youngest children through shattered windows to rescue workers.

Dr. Oleh Holubchenko was operating on a 5-month-old child with a cleft palate when he was thrown across the room by a massive explosion. When he came to minutes later with shrapnel and shards of glass embedded in his back, he said his first thought was: How is the child?

Russia's conduct of its war in Ukraine is generating fresh opprobrium after the strike on Okhmatdyt Children's Hospital, part of the biggest missile salvo against Ukraine in months. It came during the Monday morning rush, when patients were checking in and out and several operations were under way.

The hospital takes in about 18,000 children each year. Many of them live for weeks on the premises with their parents as they await treatment ranging from bone-marrow transplants to chemotherapy. Most were taken to the basement when the first air-raid siren sounded that day.

Karina, a 33-year-old homemaker, recently had arrived with her 5-year-old son for surgery. She thought the siren that sounded an hour before the



Rescuers removed debris as they searched the rubble on Monday for people at Okhmatdyt Children's Hospital in Kyiv.

missile hit was just a routine air alert. "We all went to the shelter, a big crowd. Children were playing with each other," she said. When a loud blast rang out and a big piece of plaster fell from the ceiling, she said, "the children all started to cry."

Like millions of Ukrainians after 2½ years of war, much of the staff continued working even after their phones lit up with warnings about missiles heading toward the capital.

"We were sure our air defenses would repel any potential attack," said Vladyslav Kryadchenko, a nurse at the hospital. "But it turned out we were wrong." He and his colleagues sought shelter in the basement only when the sliding doors of their wound-dressing department were thrown open by the blast wave.

The doctors are used to working under intense pressure. Regular blackouts caused by missile strikes against critical infrastructure prompted them to equip the hospital with extra generators and rations. And there had been false alarms in the past.

In the aftermath of the attack, hundreds of Kyiv residents brought water and food, and lined up in front of the hospital ruins, handing bricks from one person to another as they combed through the wreckage in search of survivors.

Holubchenko, the surgeon, was among the volunteers.

The baby he had been operating on survived the attack

and was taken to another hospital where the operation was completed. In video taken during the cleanup, Holubchenko is shown helping rescue workers in his blood-spattered doctor's scrubs. "I could not think about my injuries in that moment," he said in a phone call on Wednesday. "I had to go and help."

In a video clip filmed in his office after the missile strike, the hospital's general director, Dr. Volodymyr Zhovnir, urged Ukraine's allies to provide more help. "It's this clinic that gives children hope for health, and for life," he said, standing on broken glass beside a desk covered with dust and plaster from the damaged ceiling.

Russian forces fired 44 missiles on Monday morning at five Ukrainian cities, a barrage that prompted international

condemnation, and came on the eve of a North Atlantic Treaty Organization summit in Washington where support for Ukraine is a top issue.

President Biden announced five additional air-defense systems from Ukraine's Western allies. Lithuania pledged €1 million, or \$1.08 million, to help rebuild the hospital.

Ukraine said that of the 44 missiles Russia fired at Ukraine on Monday, one in four evaded its air defenses. Yuriy Ilnat, a spokesman for the country's air force, said Moscow is constantly adapting its missiles to prevent Ukraine from downing them.

Russia uses a range of weapons from supersonic ballistic rockets to antiship missiles, equipping some with jamming units that can block detection signals, and some-

times flying them as low as 50 meters above ground, which significantly raises the risk of casualties when one is shot down. Four people died in Kyiv on Monday when the debris from a downed rocket hit a maternity ward there.

The Russian Defense Ministry denied targeting civilian areas, and said it struck Ukrainian military industry facilities and air bases. It blamed the deaths on Ukrainian air defenses, without providing evidence.

By Tuesday afternoon, the rescue operation at Okhmatdyt was completed. Windows in the damaged operation rooms had been boarded up. Holubchenko entered the destroyed operating room where he almost died. He has worked at the hospital since 2016. He said he hasn't left Kyiv since Russia's invasion in February 2022, and continued working through blackouts and air-raid sirens. But after surviving Russia's attack on Monday, he said he is reluctant to answer calls from parents whose children on whom he is scheduled to operate.

"I'll take some time now, and see if I can manage to work again," he said.

—Benoit Faucon
contributed to this article.

Watch a Video



Scan this code for a video on the missile strike on a children's hospital in Kyiv.



A blast knocked junior doctor Olena Hovorova down when a Russian detonated a 900-pound warhead over her hospital.

France's Macron Bides His Time on New Prime Minister

BY STACY MEICHTRY

PARIS—When French President Emmanuel Macron called snap elections in June, he billed the vote as a moment of "clarification" for a nation caught in a distortion field of rhetoric from the far ends of the political spectrum.

Now the votes are in, and France is saddled with the most deeply divided National Assembly in the history of its modern republic. After taking a few days to ponder this outcome, Macron broke his silence

on Wednesday with a public letter that called for yet another period of national soul-searching—this time to identify principles that might guide the new lawmakers. Only then, he said, would he get on with the business of naming a prime minister to run the country.

"I am at once the protector of the Nation's higher interests and the guarantor of institutions and of the respect of your choice," Macron wrote, addressing French voters.

With just weeks before Paris hosts the Olympics, Macron's

missive defies the wishes of the New Popular Front, the coalition of leftist parties that finished ahead of his forces. Jean-Luc Mélenchon, leader of the coalition's largest party, far-left France Unbowed, had demanded Macron "bow down" and appoint a prime minister from leftist ranks.

Many voters saw the election as a chance to register their personal animus for Macron and his self-proclaimed "Jupiterian" style of governance. For years, the president governed without building so-

cial consensus, using directives and decrees to advance his pro-business agenda of tax cuts and labor-market overhauls despite widespread protests that often turned violent.

Macron's party and its allies shed dozens of seats on Sunday, finishing second to the New Popular Front and just ahead of Marine Le Pen's National Rally in the 577-seat lower house of Parliament. The districts Macron's party managed to retain were in large part the result of voters holding their nose and casting ballots for any candi-

date that wasn't affiliated with National Rally and its anti-immigrant forces.

Macron acknowledged the prevalence of tactical voting as well as the massive coordination among disparate parties that was required to coalesce votes around a single National Rally opponent in each district.

These same parties now need to find a way to band together as "republican forces," Macron said. Such lawmakers should agree on first principles and form an absolute majority in the National Assembly

that puts "country over party and the Nation above their own ambition," Macron said.

"It's in light of these principles that I'll decide on the nomination of a prime minister," Macron wrote. "That means leaving a bit of time for political forces to build compromises with serenity and respect for each other."

Macron's letter was met with a mix of contempt and derision from his opponents. Mélenchon described Macron's stance as "unique in the democratic world."

WORLDWATCH



COLD BRUIN: A polar bear luxuriated on ice cubes that were spread around its enclosure during a heat wave at the Prague Zoo in the Czech Republic's capital on Wednesday.

UNITED KINGDOM
Police Apprehend Crossbow Suspect

Police said they found the man suspected of killing the wife and two daughters of a well-known BBC radio commentator near London in a brutal crossbow attack.

Hertfordshire Police on Wednesday said Kyle Clifford, 26, was found in the Enfield area of north London, near his home, and that he is receiving medical treatment for injuries.

The BBC confirmed that the woman killed were the family of John Hunt—his 61-year-old wife, Carol Hunt, and their daughters Louise and Hannah, ages 25 and 28, respectively.

John Hunt is the main racing commentator for BBC 5 Live, the corporation's main news and sports radio channel. His voice is known to millions through his coverage of the world famous Grand National and The Derby.

—Associated Press

UNITED ARAB EMIRATES
Court Sentences 43 People to Life

A mass trial of dissidents that was widely criticized abroad sentenced 43 people to life in prison on Wednesday, while others received other prison terms, authorities said.

The sentences given by the Abu Dhabi Federal Court of Appeal came in a case described by the U.A.E. government as involving the Muslim Brotherhood, a pan-Islamic organization declared a terrorist group in the U.A.E. Activists, however, decried the case as targeting dissidents, something that drew attention and protests at the United Nations COP28 climate talks held in Dubai in the top.

"These over-the-top long sentences make a mockery of justice and are another nail in the coffin for the U.A.E.'s nascent civil society," said Joey Shea of Human Rights Watch.

—Associated Press

INDIA
Bus-Truck Crash Kills at Least 18

A double-decker passenger bus collided with a milk truck in northern India on Wednesday, killing at least 18 people and injuring many others, officials said.

The collision occurred on an expressway in Uttar Pradesh state, and 19 injured people were rushed to the hospital by villagers in the area, said police officer Arvind Kumar. The bus was traveling from the northern state of Bihar to the capital, New Delhi.

Gaurang Rathi, a government official, said a preliminary probe found the bus may have been speeding when it struck the truck from behind, which led both vehicles to overturn.

India has some of the highest road death rates in the world, with hundreds of thousands of people killed and injured annually.

—Associated Press

Investors Watch for Banking Weakness

JPMorgan, Citigroup and Wells Fargo report results Friday; here is what to watch

By Alexander Saeedy

The country's biggest banks start to report quarterly earnings this week, with results from JPMorgan Chase, Citigroup and Wells Fargo due Friday. Investors are on the lookout for more signs of weakness in the banking system after last year's bank failures, as well as the impact of higher-for-longer interest rates and cracks in consumers' finances.

Here are some things to watch.

◆ Unrealized losses on banks' balance sheets: Banks are sitting on around \$517 billion in unrealized losses on their balance sheets, according to data from the Federal Deposit Insurance Corp. The bank regulator said in May the amount has been "unusually high" for nearly 2½ years.

Most of that is because banks bought government bonds such as Treasuries and mortgage-backed securities when interest rates were low and banks were flush with customers' deposits during the pandemic.

When the Federal Reserve started to raise rates in 2022, the carrying value of these bonds declined. (Bonds sell at a discount when rates go up to offer investors higher yields.)

Most banks shouldn't have to realize the losses, unless they run into trouble and need to sell assets to raise money.

That happened last year when Silicon Valley Bank sold billions of dollars of mortgage bonds at a loss and sparked a panic in the markets. The bank failed days later.

Analysts expect that unrealized losses should be flat in

the second quarter, given that the 10-year Treasury yield finished the three months ended in June roughly where it started.

◆ Commercial real-estate losses: Banks are at the center of the continuing reckoning in the commercial real-estate market. Economists estimate that banks hold anywhere from 40% to 50% of all commercial real-estate debt outstanding, and delinquencies are rising.

Delinquencies have yet to touch levels seen during the 2008 financial crisis. But a string of defaults this year on commercial-mortgage-backed securities is prompting fears that the rate is likely to grow. For small and regional banks, the downturn stands to be especially tough. They hold a much higher share of commercial real-estate loans as a percentage of their total assets than the biggest banks in the country.

That is because many of them provided loans to help develop properties in the regional markets where they are based.

◆ Profits from lending: Banks are continuing to feel the squeeze from a plateau in interest rates.

Although the banks are bringing in more in profits from lending than they were after the pandemic, they are starting to see the growth in that profit pool slow as the economy adjusts to higher interest rates.

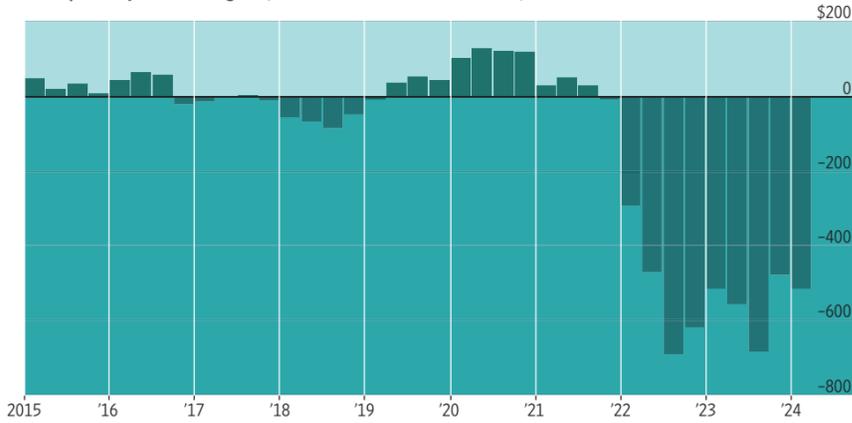
The main reason is that bank customers are rotating their funds from noninterest-bearing accounts into interest-bearing accounts and products.

At the same time, most banks wouldn't be able to raise interest rates any more than they already have on their loans and other products.

Most analysts expect net interest margin to decline further.

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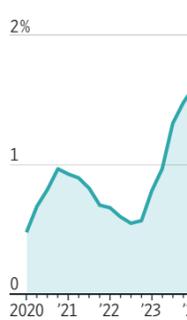
Banks' quarterly unrealized gains/losses on investment securities, in billions



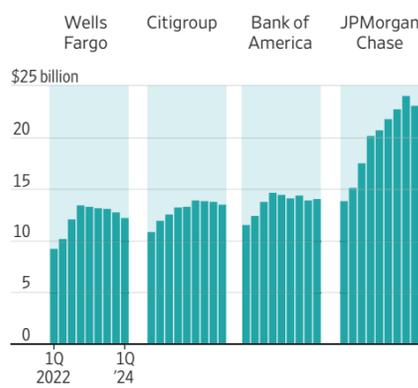
10-year U.S. Treasury yield



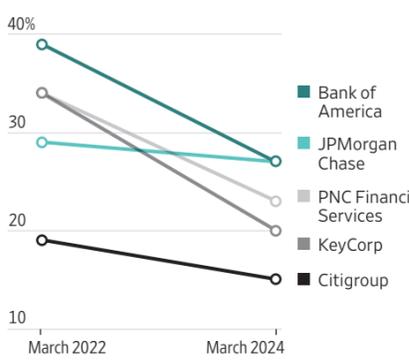
Delinquency rate for banks' commercial real-estate loans



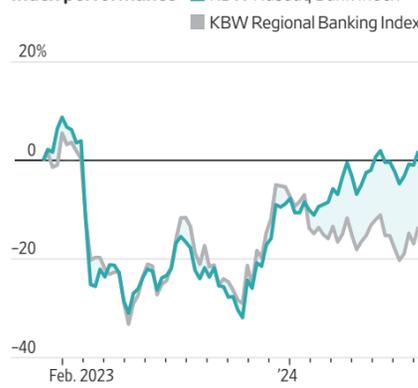
Net interest income, select banks



Noninterest-bearing deposits as a percentage of total deposits, select banks



Index performance



*Figure reflects noncurrent rate for real-estate loans secured by nonowner-occupied nonfarm nonresidential properties. Sources: FDIC (gains/losses, delinquency rate); Tullett Prebon (Treasuries); the banks (net interest income); Moody's Ratings (noninterest-bearing deposits); FactSet (indexes)

Title Insurance Costs Exceed Risks

By Andrew Ackerman

WASHINGTON—Millions of homeowners are forced to pay hundreds or even thousands of dollars when they refinance their mortgages to protect against unexpected costs from a challenged property title.

Yet claims on such insurance are exceedingly rare. Payouts may only amount to about 3% of overall premiums, according to loss data released by Doma, a financial-technology company that sells title-insurance policies.

Doma's data suggest the cost of title insurance is out of sync with the risk it covers, at least on mortgage refinancings.

The obscure insurance product is unavoidable for most homeowners, long required on home loans sold to government-controlled mortgage giants Fannie Mae and Freddie Mac.

But Fannie in late June formally requested bids from companies to join with it on a pilot program that will waive the need for title insurance on certain mortgage-refinancing transactions seen as low-risk. Often, the borrower in such cases paid for the insurance on an earlier mortgage.

The Biden administration has been seeking to lower the costs of such policies as part of a broad effort to slash fees. It hosted a roundtable meeting at the Treasury Department on Wednesday, where the issue was discussed with industry officials, consumer advocates and academics.

Fannie has estimated its pilot program will save thousands of borrowers \$500 to \$1,500 each.

A title declares who has legal ownership of a property, and title insurance offers protection in case someone later says they had a claim against it. Critics have said title insurance is little used and overpriced, with the bulk of the premiums consumers pay going to title agents in the form of a commission.

Fannie's title-insurance program is advancing despite opposition from the title industry, which torpedoed a planned pilot last year. Should the program come together, it could hurt established title insurers such as First American Financial and Fidelity National Financial.

The industry has said Fannie doesn't need a new risk on its books after taxpayers rescued it in the 2008-09 financial crisis.

Please turn to page B9

Retailers, Consumer Brands Carry Fewer Items

By Jennifer Williams

Brands and retailers of everything from toys to T-shirts are cutting back shoppers' choices, reasoning that less means more for the bottom line.

Some companies had dabbled with slimming down product offerings before the pandemic, but once it hit, the shift accelerated: Retailers started thinning their product lines to focus on the items consumers wanted most, while supply-chain bottlenecks made it difficult to stock many items.

But even after Covid-era complications subsided, the trend didn't; in some places, it

is picking up.

Companies from Hanesbrands to Dollar General, Under Armour and Deckers Outdoor are prioritizing in-demand items as they winnow other stock. The approach is meant to hook consumers who have become far more discriminating as inflation appropriates a bigger part of their income and the economy shows signs of cooling.

Offering fewer unique products—and cutting those that don't sell quickly and have to be discounted—is also a way to trim costs and fatten margins.

"When you have higher-demand products, all kinds of things work differently," said

Michael Schwindle, chief financial officer at bag maker Vera Bradley. "The price-point sensitivity is different; the level of discounting you're going to do is different; the inventory cycling is different."

Many in retail, Vera Bradley included, miscalculated in offering a wide assortment of options—which can overwhelm shoppers, according to Schwindle. With wallets stretched, the brand known for quilted bags and backpacks

is narrowing its assortment even as it launches new and redesigned products this month, he said, noting that Vera Bradley doesn't disclose its unique product count, or SKUs, an industry shorthand for stock-keeping units.

"What you're seeing is a consumer who's very discriminating," he said. "So we have been incredibly discriminating in terms of how we manage SKUs."

Others are doing the same. Hanesbrands is cutting its

variety of items significantly, continuing a slimming it began in the pandemic. Net unique products in the quarter ended March 30 were down roughly 50% from 2019, said CFO Scott Lewis.

In the quarter, inventories were at \$1.42 billion, down 28% from a year earlier, because the products that survive the culls are the ones that sell faster, he said.

Trimmer inventory also enables the company to focus on higher-margin wares and invest in new items, he said. Gross margin for the quarter was nearly 40% compared with 32.4% a year earlier, a lift Lewis attributed in

Please turn to page B2

Offering fewer unique products is a way to trim costs and fatten margins.

Alibaba Leans on AI To Expand Overseas

By Raffaele Huang and Kimberley Kao

SINGAPORE—China's e-commerce juggernaut Alibaba Group is reigniting a years-long effort to expand overseas as it seeks to offset a weakened grip on online retail at home. This time, it is adding artificial intelligence to the mix.

Alibaba's family of generative AI models and new teams focused on AI applications are beginning to support the company's drive to expand well beyond China, including by helping small sellers overcome language barriers and take on more-complex tasks like negotiating refunds, said Zhang Kaifu, head of AI development at Alibaba's international e-commerce unit.

For China-based merchants that haven't sold overseas before and may speak only Chinese, "going to our platform may make the most sense, because we have AI and other services" to promote both, he said in an interview.

The technology "can play a particularly big role in cross-border e-commerce" for smaller-scale businesses, he said.

Hangzhou-based Alibaba has been facing slowing growth amid fierce domestic competition, a weakened Chinese economy and changing consumer appetites. International e-commerce, while a smaller component of the company's overall revenue compared with its main Chinese retail operation, has been its fastest-growing division for five quarters running, expanding 45% from the year-earlier period, against Alibaba's overall 7% growth in the quarter ended March.

Zhang, an engineer by training, was tasked a few months after OpenAI launched ChatGPT in late 2022 to head up a team of more than 100 engineers and others to develop generative AI tools for the overseas e-commerce business.

"My main work for the first

Please turn to page B2

INSIDE



BUSINESS NEWS
BMW recalls more than 394,000 vehicles to replace air bags. **B3**



MEDIA
CNN unveils job cuts and a new online subscription product. **B4**

Honeywell to Buy Air Products LNG Business for \$1.8 Billion

By Lauren Thomas

Honeywell has struck a deal to acquire the liquefied natural-gas process technology and equipment business from Air Products for \$1.81 billion.

Honeywell is paying all cash in a deal announced Wednesday, confirming an earlier report from The Wall Street Journal.

The deal would allow Honeywell to expand its offerings to customers as the share of liquefied natural gas, or LNG, in the global gas supply continues to grow. Global demand for LNG is estimated to rise by more than 50% by 2040, British oil-and-gas company Shell has projected.

Currently, Honeywell provides a so-called pretreatment solution for its LNG customers that removes contaminants before liquefaction.

The Air Products LNG business specializes in the design and manufacturing of LNG heat exchangers and related equipment. The unit, which



The deal is Honeywell's fourth transaction in recent months.

has roughly 475 employees, has expanded significantly in recent years, driven in part by heightened demand from power and data centers that is fueling the overall LNG market.

This marks Honeywell's fourth acquisition in recent months. Last month, the industrials behemoth announced a roughly \$2 billion deal to buy aerospace-and-defense

technology company CAES Systems from private-equity firm Advent International.

Vimal Kapur, a longtime Honeywell executive, has been on a buying spree since he took over as chief executive in June 2023. In December, the company struck a roughly \$5 billion deal to buy Carrier Global's security business, which makes products including electronic locks.

INDEX TO BUSINESSES

These indexes cite notable references to most parent companies and businesses in today's edition. Articles on regional page inserts aren't cited in these indexes.

A	Freddie Mac.....B1	P-Q	PepsiCo.....B10
Air Products.....B1	G-H	R-T	Robert Half.....A9
Alibaba Group.....B1	General Motors.....B10	Samsung Electronics.....B4	Sanofi.....A1
Alphabet.....B10	Hanesbrands.....B1	Shell.....B1,B2	Takata.....B3
Apple.....B4,B9	Hasbro.....B2	Tesla.....B3,B9,B10	TotalEnergies.....B2
B	Helen of Troy.....B10	U	Under Armour.....B1
Baidu.....B10	Honda.....B3	UnitedHealth Group.....A1,B10	VeriSign.....B1
Bayerische Motoren Werke.....B3,B10	Honeywell.....B1	V	Vera Bradley.....B1
BP.....B2	Huawei Technologies.....B10	Vodafone.....A16	Volkswagen.....B3
BYD.....B10	Humana.....B10	W	Walgreens.....B10
C	I-L	Warner Bros. Discovery.....B4	Wells Fargo.....B1
Canada Goose Holdings.....B2	Intuit.....B2	X	XPeng.....B10
Carrier Global.....B1	JPMorgan Chase.....B1	Z	ZTE.....A16
Cigna Group.....A1, B10	Levi Strauss.....B2		
Citigroup.....B1	Li Auto.....B10		
Costco.....B10	M		
CVS Health.....A1,B10	McDonald's.....B10		
D	Mercedes-Benz Group.....B3,B10		
Deckers Outdoor.....B1	MetLife.....A9		
Deutsche Telekom.....A16	Microsoft.....B4,B9		
Dollar General.....B1,B10	Mitsui.....B2		
E-F	N		
Eli Lilly.....A1	NIQ.....B10		
Fannie Mae.....B1	Novo Nordisk.....A1		
Fidelity National Financial.....B1	Nvidia.....B9		
First American Financial.....B1	O		
Ford.....B3	OptumRx.....B10		

INDEX TO PEOPLE

A	Gollub, Elizabeth.....A9	Rowe, John.....A10
Altman, Sam.....B4	H	S
Anderson-Haynes, Sue-Ellen.....A9	Hana, Wael.....A6	Sellinger, Philip.....A6
Arslanian, Nadine.....A6	J	Sharma, Mohit.....B10
B	Jerome Powell.....A2	Stefanacci, Richard.....A10
Baldwin, Alec.....A3	K	T
Bell, Tracy.....B9	Kaine, Tim.....A6	Thompson, Mark.....B4
C	M	Tinetti, Mary.....A10
Chomet, Patrick.....B4	Ma, Bryan.....B4	U
D	Mattes, Richard D.....A9	Uribe, Jose.....A6
Daibes, Fred.....A6	McKinney, Ted.....A6	W
Derocha, Grace.....A9	Musk, Elon.....B10	White, Dana.....A6
F	P	Wolfson, Johanna.....B9
Fay, Dawn.....A9	Patrick, Dan.....A3	Z
Felsler, Josh.....B9	R	Zeng, Zerlina.....B2
G	Reuben, David.....A10	Zhang Kaifu.....B1
Geoffroy, Noel.....B10	Roberto, Christina A.....A9	

Intuit to Cut Workers Ahead of Pivot to AI

By DEAN SEAL

Intuit plans to cut about 1,800 employees and shutter two of its worksites in North America as it prepares for a hiring spree in its pivot toward artificial intelligence.

The Mountain View, Calif.-based maker of tax-preparation software said Wednesday that it will lay off about 10% of its workforce and close sites in Boise, Idaho, and Edmonton, Canada, "in service to growing technology teams and capabilities in strategic locations."

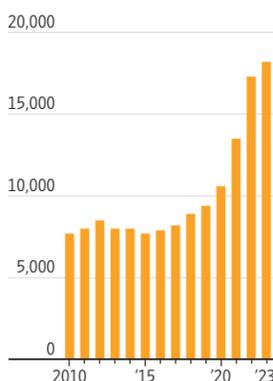
Chief Executive Sasan Goodarzi said in a letter to employees that the company is reallocating resources to key growth areas, including artificial intelligence.

Intuit's layoffs aren't about cutting costs, as the company is preparing to hire another 1,800 workers in fiscal 2025, which starts next month, to support its growth objectives, Goodarzi said. The new positions will be largely in engineering, product, and customer-facing roles, including sales and marketing, the CEO said.

"In context of the actions we are taking today, we expect our overall headcount to grow in FY25 and beyond," Goodarzi said.

The job cuts and closures are expected to cost about \$250 million to \$260 million, which will be largely incurred

Intuit's annual employee count*



*Estimated Note: Fiscal year ends July 31 Source: the company

in the fourth fiscal quarter that ends this month.

The charges include \$217 million to \$227 million in severance payments and employee benefits, along with about \$33 million in noncash charges related to share-based compensation and site closures.

The company said it expects substantially all actions related to the reorganization plan to be completed by its first fiscal quarter ending Oct. 31.

Intuit had about 18,000 employees across 10 countries as of July 2023, according to a regulatory filing.

Shares of Intuit declined 2.6% to \$632.84 in Wednesday's trading.

already starting to show when it comes to the health of the consumer.

Some people are starting to fall behind on their credit-card bills, and delinquencies are showing in banks' earnings. Analysts expect to see modest upticks in delinquency rates during the second quarter.

Investment-banking fees: Fees related to investment banking are expected to have ticked up year over year in the second quarter. Companies have been tapping debt markets as corporate-borrowing costs have gone down and dealmaking is on the upswing.

In the first quarter, banks' investment-banking divisions notched one their best quarters since the Fed's interest-rate increases began dampening corporate dealmaking in 2022. But many banks still haven't seen a return to the heady deal volumes of 2021, when companies took advantage of low rates to make acquisitions and refinance their debts.

—Peter Santilli contributed to this article.

BUSINESS & FINANCE

Shell, BP and TotalEnergies Invest In Major Abu Dhabi LNG Project

By CHRISTIAN MOESS LAURSEN

European energy giants **Shell**, **BP** and **TotalEnergies** have signed deals to invest in Abu Dhabi's Ruwais liquefied natural-gas project, which is set to boost the United Arab Emirates' export capacity significantly as it pushes into global LNG markets.

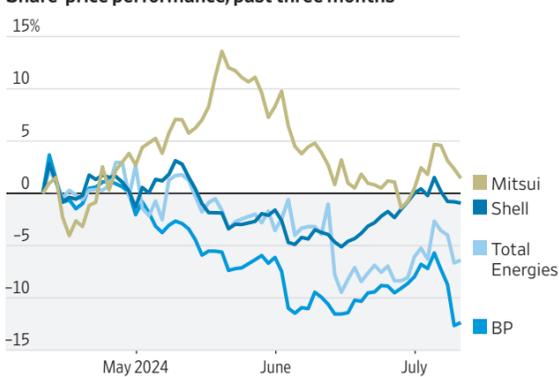
Abu Dhabi's state-owned oil company Adnoc said Wednesday that the three energy majors, along with Japan's **Mitsui**, will each buy 10% stakes in the project for undisclosed sums. Adnoc, the operator of the project, will keep the remaining 60% stake.

London-based Shell will additionally purchase 1 million metric tons of LNG a year, with Mitsui buying 600,000 tons a year, Adnoc said.

The Ruwais plant, with production capacity of 9.6 million tons a year, will more than double the U.A.E.'s LNG production capacity to around 15 million tons annually.

The project—which Adnoc greenlighted last month—will allow the oil giant to provide

Share-price performance, past three months



Note: In local markets

Source: FactSet

more lower-carbon gas to meet the growing demand for natural gas, it said.

"The U.A.E. continues to make significant strides in addressing energy challenges through investment in clean and lower-carbon intensity projects," said Adnoc Chairman and crown prince of Abu Dhabi Sheikh Khaled bin Mohamed bin Zayed Al Nahyan.

Gulf states have been looking to bolster their LNG ca-

pacities as gas is set to play a pivotal part in the global low-carbon transition.

Last month, Saudi Arabia's national oil company Aramco signed a 20-year deal with U.S. energy-industry supplier NextDecade to buy 1.2 million tons annually.

Earlier this year, Qatar outlined plans to expand its North Field project, as it plans to raise production by nearly 85% before 2030.

Shell—the world's largest LNG exporter—said separately that the deal aligns with its strategy to strengthen its portfolio of the super-chilled gas, as it expects global demand will jump more than 50% by 2040. The acceleration of industrial coal-to-gas switching in China, South Asian and Southeast Asian countries will drive this demand, according to Shell.

Shell didn't provide financial details of its investment but said it will be covered by its full-year capital-expenditure guidance of \$22 billion to \$25 billion.

Last month, Adnoc awarded a Technip Energies-led joint venture an engineering, procurement and construction contract and said it would start construction of the project soon. Deliveries of LNG are expected to start in 2028.

The Ruwais plant will use electric-driven motors instead of conventional gas turbines and will be powered by clean energy. It will be the first LNG export facility in the Middle East and North Africa region.

Alibaba Taps AI To Expand

Continued from page B1 year was about identifying the use cases of AI," Zhang said. Internal tests showed that some were able to help merchants increase orders by up to 30%, including by helping sellers communicate in foreign languages, he said.

Today, around half a million merchants use Alibaba's AI tools to create marketing materials, select merchandise and interact with customers, Zhang said. Sellers also use the tools, which are built on Alibaba's Tongyi Qianwen model, to negotiate refunds and returns for faulty products, or to handle customer disputes of bank charges, he said.

Most merchants on Alibaba's global e-commerce platforms are small sellers lacking staff and expertise to handle complex services, he added.

The growth of Alibaba's overseas e-commerce business has been helped by shopping site AliExpress's move last year to launch a new service allowing sellers to ship products to Alibaba and leave sales in the hands of the company, similar to Temu's model and Amazon.com's "Sold by Amazon" program. The service, known as Choice, has since become the main engine of AliExpress, contributing more



Around half a million merchants use Alibaba's AI tools to create marketing materials, select merchandise and interact with customers. An Alibaba e-commerce event in Sydney this year.

than 70% of orders.

The unit still faces a host of challenges. Higher marketing expenses for international expansion was partly the cause of a plunge in Alibaba's profit in the quarter ended March, said Zerlina Zeng, an analyst at CreditSights. The company will likely continue to spend more on AI and marketing to win back market share, which will weigh on profit margin in the coming quarters, she added.

Across e-commerce, Zeng said, "we don't expect material [AI] monetization over the next six to 12 months."

And AI or not, Alibaba's overseas e-commerce unit continues to face competition from the likes of Temu and other rapidly growing rivals already popular in the U.S. and other overseas markets.

Alibaba's quarterly revenue, change from a year earlier



Note: Latest fiscal quarter ended March 31 Source: S&P Capital IQ

Xing Guangzhi, a merchant in the southern Chinese city of Liuzhou, said he has used Alibaba's AI tools for the past

three months to help generate descriptions for the food containers he sells on AliExpress.

The technology seems to have made his products more visible to buyers and boosted sales slightly, though he still receives twice as many orders from selling on Temu, he said.

"I'm not sure how much of a role AI can play," Xing said. "The sales figure is still the No. 1 factor we consider."

Alibaba's Zhang said the question of when new AI technologies can become truly productive remains one of the biggest concerns across industries seeking to tap AI to boost business.

"For us, the increase in cost efficiency made me believe that AI is really useful," he said. "And I think that down the road, the investment will be justified."

Retailers, Brands Pare Items

Continued from page B1 part to product-count management.

Under Armour, meanwhile, aims to cut its style count by around 25% over the next 18 months, executives said in May. Dollar General is planning a net reduction of up to 1,000 SKUs this year as part of a broader plan to streamline its supply chain.

As of late April, **Levi Strauss** had eliminated around 15% of its unique product offerings, a figure that could rise to as much as 25%. Toy maker **Hasbro** had cut around half of its individual product types heading into this year.

"More and more retailers are realizing that today's consumer no longer wants an endless aisle—the right aisle," said Candice Medeiros, an insight strategist at trend forecasting firm WGSN. In a more stable economic environment, many retailers give shoppers the luxury of choice, she said. But following pandemic-era supply-chain hold-ups and with consumers now pinioned by inflation, compa-



Canada Goose maintains a small number of unique products.

nies are reassessing that approach.

"As a result, we're seeing more brands roll up their sleeves" to manage product counts, Medeiros said.

At Deckers Outdoor, the inventory cull started around a year ago. The company, which owns the Hoka brand of chunky sneakers, was especially focused on its trendy Ugg footwear, dropping product types that weren't doing well such as certain slipper variations, said CFO Steve Fasching.

While the company hasn't disclosed how many unique product types have been cut,

Fasching said it was a "decent portion." Benefits came pretty quickly: More products are selling without discounts, he said, and, in a select few cases, are even selling at higher prices. The company's gross margin for the year ended March 31 was 55.6% compared with 50.3% a year earlier.

"That gross margin expansion that we demonstrated was in part driven by SKU management," Fasching said.

For some companies, the balance is to keep a disciplined approach to product numbers while also growing. **Canada Goose** maintains a

small number of unique products, and moves slowly when adding to the count, according to CFO Neil Bowden. The company is branching out beyond luxury down coats to offer products for the warmer months, such as shorts and T-shirts, he said.

To stretch past its traditional peak-season wares is important for full-year profitability, both because those items are purchased more frequently than down jackets and because it means Canada Goose can be drawing in shoppers year-round, he said.

About half of Canada Goose's revenue continues to come from heavyweight down items. But that is down from around 95% in 2010, Bowden said, while other categories, such as lightweight down jackets and apparel, are growing at a faster clip. Nonheavyweight down sales represented 46% of Canada Goose's revenue of 1.33 billion Canadian dollars, or nearly \$1 billion, for the year ended March 31, up from 43% in the previous year.

Still, the company's preference is to add to shoppers' choices in a measured way, rather than move quickly and later have to pare down product numbers, according to Bowden.

"We are growing into categories, but doing that in a smaller way, rather than trying to rationalize too many SKUs," he said.

Banks to Report Earnings

Continued from page B1 ther this quarter as these trends play out.

Liquidity for regionals: Regional banks remain the weak links in the chain of the U.S. banking system, and investors are still worried about their future.

One way that investors will be gauging the health of regional banks is their cash and liquid securities on hand. While big banks and regional banks used to have similar levels of liquidity, bigger banks have pulled ahead and have more funds on hand to manage a rapid drop in deposits than their smaller counterparts.

Credit-card delinquencies: The economy is growing, but the rate of its growth is slowing—and some cracks are

BUSINESS NEWS

German Carmakers Report Sales Drop

Manufacturers cut their prices as competition in EV market intensifies

By DOMINIC CHOPPING

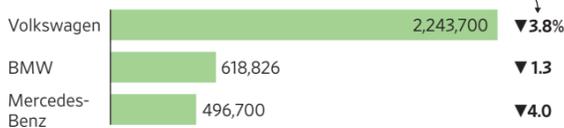
German carmakers struggled in China and suffered a drop in vehicle sales in the second quarter, but experienced diverging fortunes in the hotly contested electric-vehicle market.

Mercedes-Benz, BMW and Volkswagen all posted declines in overall vehicle sales and saw demand drop in China compared with the same quarter last year. Mercedes-Benz reported a 25% slump in battery-electric car sales, but Volkswagen managed to eke out a 0.1% sales increase while BMW's EV sales surged over 22%.

Competition in the electric-vehicle market has intensified and car makers have been cutting prices to try and gain market share, particularly as production of new cheaper models

Vehicle sales in the second quarter

OVERALL SALES



BATTERY-ELECTRIC SALES



Source: the companies

from Chinese makers have hit the market and begun to gain traction in Europe.

The European Union recently placed additional tariffs on Chinese-made EVs, after a similar move by the U.S. China has yet to respond and executives at European brands fear an escalating trade war could hurt Europe's industry in the long term.

Mercedes-Benz said overall sales of its cars fell 4% in the

second quarter, with a slump in customer appetite for battery-electric vehicles in some of its biggest markets. The German luxury-car maker said sales in China fell 6%.

Battery-electric vehicle adoption eased in important Mercedes-Benz markets as the company focused on growth amid a tough market that has seen manufacturers offer their cars at heavy discounts, it said. Volkswagen noted some

manufacturers are offering price discounts of up to 50% in China, with the majority even launching new models with high discounts.

"The Volkswagen Group has always made it clear that profitability is the company's top priority," the company said. "We rely on a sustainable business model and do not buy market share at the expense of profitability."

Volkswagen overall car deliveries fell 3.8% on the year while deliveries in China fell 19%. BMW reported a 1.3% drop in overall sales and sales in China fell 4.7%.

Despite sluggish sales in the quarter, all three manufacturers expect sales to pick up in the remainder of the year as a result of new model launches.

Mercedes-Benz expects passenger car sales to further improve in the second half, while Volkswagen backed guidance for a slight increase in global deliveries this year. BMW said it is looking forward to the second half of 2024 with confidence.

Volkswagen Reduces Its Margin Forecast On Possible Plant Closure

Volkswagen lowered its sales margin forecast for the year, saying the possible closure of an Audi electric-vehicle plant in Brussels would have a significant effect on Volkswagen's results.

The German car manufacturer trimmed its guidance for 2024 operating return on sales to a range of 6.5% to 7% from 7% to 7.5% because of the potential closure and other unplanned expenses.

The company's leadership was informed that the supervisory board of Audi decided at a recent meeting to support an information and consultation process at the Brussels site as required by Belgian law, citing demand for the

Audi Q8 e-tron model in certain markets. The site may be closed at the end of the review process, Volkswagen said.

The company said its unplanned expenses will amount to about €2.6 billion, or \$2.81 billion, in 2024. They include exchange-rate losses related to the deconsolidation of Volkswagen Bank Rus in the Financial Services Division, charges connected to the planned closure of a MAN Energy Solutions gas-turbine operation, and costs announced in April from termination of administrative personnel.

Volkswagen is expected to publish its half-year financial report Aug. 1.

—Victor Swezey

BMW Recalls More Than 394,000 Vehicles Over Air Bags

By MICHAEL SUSIN

BMW North America is recalling more than 394,000 vehicles to replace malfunctioning air bags that could explode upon deployment, the U.S. National Highway Traffic Safety Administration said Wednesday.

The German carmaker's recall includes 3 Series sedan and sports-wagon models from between 2006 and 2012 that may have been equipped with faulty front air bags from **Takata**. A former auto-parts supplier, Takata was at the center of one of the largest U.S. recalls in history because of its defective air bags linked to deadly explosions.

The report said that the

air-bags' inflator propellant alters over time and potentially leads to an "overly aggressive combustion" when deployed. If the inflator ruptures, metal fragments could pass through the air-bag cushion material, leading to injury or death.

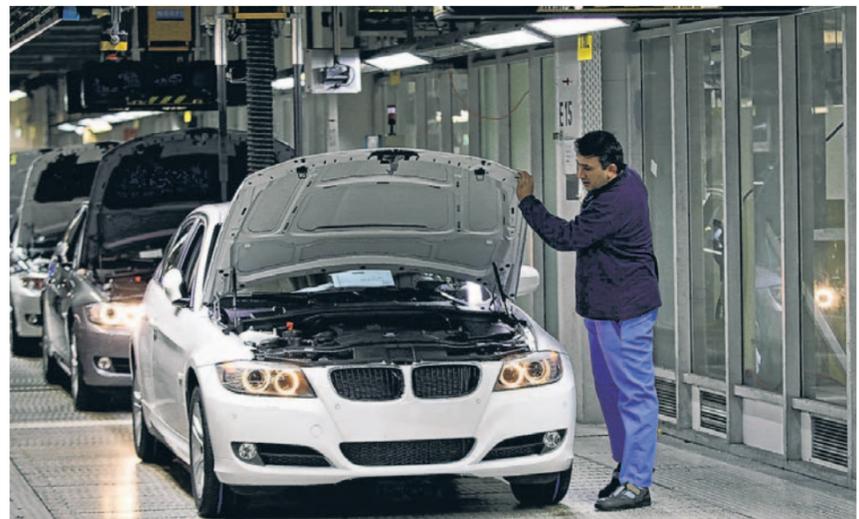
BMW said that the air bags in the affected vehicles could have been installed by an owner even though it wasn't officially offered or approved by BMW. Counterfeit air bags continue to enter the U.S. illegally and make their way into vehicles, often as replacement parts.

NHTSA has linked at least 27 deaths and 600 injuries in the U.S. to Takata air-bag inflators. Takata filed for bankruptcy in 2017, and about 67

million of its air bags in tens of millions of vehicles have been marked for recall.

The malfunction is caused by a chemical compound deterioration in the air bag, mainly because of long-term exposure to high heat and humidity, NHTSA said. Vehicles in warmer states such as Texas and Florida are at greater risk to have the defect, with the deterioration occurring over six to nine years, while vehicles in colder states could be affected in between 15 and 20 years.

BMW is among 19 carmakers including **Ford**, **Honda** and **Tesla** that have set aside billions of dollars of costs tied to the yearslong mass recall.



The recall affects 3 Series sedan and sports-wagon models from between 2006 and 2012.

Who's Who of Distinguished Leaders: 2024 Honoree

Since 1898, Marquis Who's Who has remained the standard for reliable and comprehensive biographical reference material. We are proud to highlight hand-selected listees who have been recognized as *Distinguished Leaders* in their fields of endeavor.

Of 1.5 million listees, only a small percentage is recognized with the *Distinguished Leaders* honor. We laud these individuals for their ambition, professional fortitude, industry contributions, and career accomplishments. It is our great pleasure to present one of them here:

Joan Ava Gillman.



www.marquiswhoswho.com



JOAN AVA GILLMAN
EDUCATOR
THE BROWNING SCHOOL

Hailing from over 40 years of excellence in the field of education, Joan Ava Gillman has distinguished herself through her role at The Browning School, a college preparatory school for boys in New York City. Well-regarded as a National Geographic Certified Educator and specializing in the areas of science and mathematics, Ms. Gillman works to foster a sense of curiosity and responsibility toward the environment in her students. Having always considered teaching to be a profound calling, she previously distinguished herself in educational roles throughout the tri-state area, including at the Calhoun School in New York City, Yeshivat Noam in Paramus, New Jersey, the Anna C. Scott Elementary School in Leonia, New Jersey, the Bede School in Englewood, New Jersey, and Joytown Kent Elementary School in New York City. Her teaching journey began at the St. Angela Merici School in New York City in 1982.

In addition to her primary efforts at The Browning School, Ms. Gillman has also been one of two teachers in charge of The Green Team—an all-school sustainability club that works to emphasize the importance of being good stewards of the environment. As members

of The Green Team, students are responsible for planning the annual Biodiversity Day, participating in Central Park cleanups periodically throughout the year, deciding on the "Green Action of the Week," and conducting fundraisers for environmental causes.

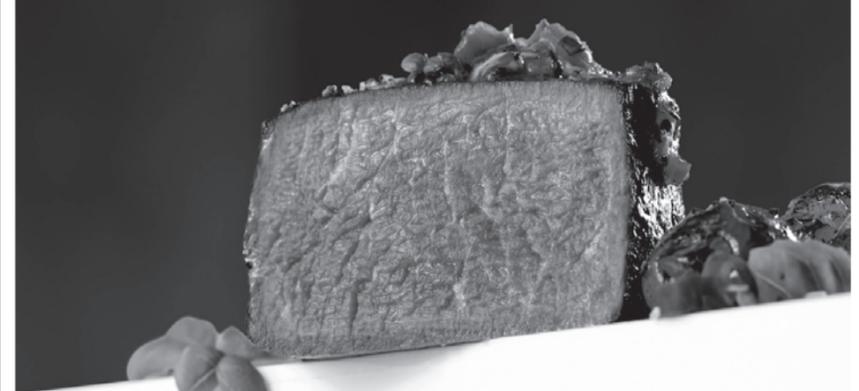
Ms. Gillman's expertise in the STEM fields has led to various invitations to present workshops with like-minded professionals, as well as participation in several educational conferences throughout the years. Highly sought after for her opinions on science and education, she has contributed to publications like the STANYS Bulletin and Science and Children. Her article, "Straw Rockets are Out of This World," debuted in 2013 and was later featured in the book "Bringing STEM to the Elementary Classroom." Additionally, to remain aware of developments in the field, she has held memberships in organizations, such as SEEDS – Science Educators for Equity, Diversity, and Social Justice, the Science Teachers Association of New York State, the National Science Teaching Association and Kappa Delta Pi—an honor society in education.

Driven to help children reach their fullest potential, Ms. Gillman was drawn to education out of a desire to prepare the next generation to carry on the important work of environmental sustainability. She first studied at Felician University, where she graduated with a Bachelor of Arts, summa cum laude, in 1980. Subsequently, she pursued a Master of Arts at New York University's Steinhardt School of Culture, Education, and Human Development, completing her degree in 1982. In 2019, she was designated as a National Geographic Certified Educator after a rigorous three-part process.

Ms. Gillman was recently featured in an article in The National Digest called "Interdisciplinary Learning Creates a Classroom of Creation in Inclusion" in February 2024. Moreover, her remarkable achievements have resulted in numerous accolades. In 1980, she was featured in Who's Who in American Universities and Colleges. Later, she received the Young Teachers Incentive Award from the Professional Children's School in New York City. In 2011, she earned the East Asian International Studies Program Curriculum Development Award at Cornell University, followed by the Urby Thompson Teacher of the Year Award at the Calhoun School in 2017. Notably, Ms. Gillman was also appointed as an ambassador by the Half-Earth Project in 2018.



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CNN Unveils Job Cuts, Online Fee

Its CEO says it is mulling subscription bundle similar to the New York Times

BY ISABELLA SIMONETTI
AND JOE FLINT

CNN said it is cutting about 100 jobs and will launch its first CNN.com subscription product later this year as it looks to lessen its dependence on its cable-TV channel.

In a memo sent to employees on Wednesday, CNN Chief Executive Mark Thompson said the network's television newsgathering and digital-news divisions would be merged into a single unit as the company shifts more of its focus on digital expansion.

"We recognize its potentially enormous impact on the individuals affected," Thompson said.

CNN, which has more than 3,500 employees, said the cuts would happen across the company.

Since taking over in October, Thompson has emphasized the importance of improving CNN's digital offerings as its legacy cable business declines. The parent company, **Warner Bros. Discovery**, launched CNN Max



CNN's prime-time viewership sunk in recent quarters to levels not seen for about a decade.

last year, a live-news streaming service within its Max platform that carries some of the network's highest-profile content.

Thompson said in Wednesday's memo that CNN was building a billion-dollar-plus digital business. He declined to provide specifics about the coming digital-subscription product but said it would "be

significantly built out of CNN.com."

Thompson earlier served as CEO of the New York Times, where he oversaw a digital transformation that increased its subscribers from under 600,000 to more than six million.

When asked if CNN would pursue a subscription bundle like the one the Times offers,

he said: "It's a logical possibility."

The memo said coming digital-subscription products would eventually include news and analysis as well as paid offerings around lifestyle journalism.

During his initial address to staff last fall, Thompson said that conventional TV "can no longer define us," and that the

network is "nowhere near ready for the future."

CNN's prime-time viewership has sunk in recent quarters to levels not seen for about a decade. The network got a boost from last month's presidential debate, which was watched by 9.53 million people on CNN's platforms. In total, more than 50 million people tuned in to watch the debate, which was simulcast on other networks. CNN's prime-time viewership reverted back to the network's decade-low levels the day after the debate.

Other cable-news networks have seen viewership decline since the pandemic, but to a far lesser degree than the drop experienced by CNN.

Separately, Warner Bros. Discovery, is planning a small number of layoffs in the coming weeks within the media conglomerate's entertainment operations, people close to the situation said. The cuts are part of the company's continuing efforts to streamline its myriad business operations and reduce redundancies, the people said.

Warner Bros. Discovery, like many of its competitors, has been challenged by cord-cutting, a weak advertising market and costly streaming investments.

Microsoft Exits Board Of OpenAI Amid Scrutiny

BY MAURO ORRU
AND CHRISTIAN MOESS LAURSEN

Microsoft has relinquished its seat as an observer on the board of ChatGPT maker OpenAI, as regulators on both sides of the Atlantic scrutinize the partnership between the tech giant and the artificial-intelligence startup.

Microsoft realized its observer position had unsettled some antitrust officials and decided to abandon the position rather than defend a role it no longer needed, a person familiar with the decision said.

The software giant made the move after OpenAI's recently appointed chief financial officer made plans to start building the startup's first investor relations team, which will work to keep its backers informed about its progress at regular intervals, another knowledgeable person said. These updates will be held separately from the company's regular board meetings.

In a letter sent Tuesday to the AI company behind ChatGPT, Microsoft said it resigned with immediate effect because it believed OpenAI's board had gained stability, meaning Microsoft's involvement was no longer necessary.

"Over the past eight months we have witnessed significant progress by the newly formed board and are confident in the company's direction," Microsoft said.

OpenAI went through a tumultuous period late last year with the abrupt firing and reinstatement of Sam Altman as chief executive, along with the formation of the new board. In that shake-up, Microsoft gained a nonvoting observer position, a role it said provided the tech giant with insights into transitional work from OpenAI's board without compromising its independence.

A spokeswoman for OpenAI on Wednesday said the startup is "establishing a new approach to informing and engaging key strategic partners—such as Microsoft and **Apple**—and investors."

Apple had been set to have a board observer seat after signing a partnership to put ChatGPT on its iPhones and other devices as part of a broader AI initiative called Apple Intelligence, one of the knowledgeable people said.

Under the new structure, OpenAI will no longer have board observer seats for any partner.

OpenAI started gaining traction in late 2022 after the release of ChatGPT. Microsoft entered the picture as a major partner, agreeing to invest \$13 billion in OpenAI in exchange for what is essentially a 49% stake in the earnings of its for-profit arm.

The observer role was part of that tie-up, which is now facing antitrust scrutiny in the U.S. and Europe.

Earlier this year, the Federal Trade Commission opened a broad investigation of Microsoft's investment in OpenAI, while the U.K.'s Competition and Markets Authority said it was looking at whether the partnership should be considered a de facto merger.

The European Union also scrutinized the partnership from a merger control angle to determine whether Microsoft had acquired control on a lasting basis over OpenAI. Margrethe Vestager, the EU's competition czar, said last month that the bloc concluded this wasn't the case but pledged the EU would keep monitoring the relationship.

Since the debut of ChatGPT and a series of other AI offerings, tech and nontech companies have rushed to sign deals with AI firms like OpenAI, creating a patchwork of alliances across the tech world and through other industries.

News Corp, owner of Dow Jones Newswires and The Wall Street Journal, has a content-licensing partnership with OpenAI.

—Deepa Seetharaman
and Tom Dotan
contributed to this article.

Samsung AI Phone to Offer Clues on Apple

BY JIYOUNG SOHN

SEOUL—**Apple** says it will soon introduce generative artificial intelligence to its new iPhones. **Samsung Electronics**, Apple's chief smartphone rival, offers clues on how the experience might go.

Since January, Samsung has rolled out many of the same AI features that Apple has promised, from real-time translation to photo editing to text summarization. The generative AI capabilities, which are the most-promising leap for smartphones in years, are now available to roughly 100 million users of Samsung's recent flagship devices, the firm says.

The initial takeaway: The new AI services have won greater adoption than expected, but the features alone aren't swaying people to upgrade their yearsold devices. At least not yet.

Dylan Huynh of Calgary, Alberta, is one of the early adopters, having tried many of the generative AI features on his Galaxy S24 Ultra, which hit shelves early this year. He has taken most to the "Circle to Search" feature, where he can instantly summon a Google search for anything he sees on his phone by highlighting it. In the past, Huynh would have needed to toggle among different apps, he said.

"You don't need to stop what you're doing," said the laboratory research assistant. "I'm definitely using it multiple times a day."

With Apple soon coming on board, the smartphone's generative AI era is primed to go mainstream among affluent buyers who deliver the bulk of the industry's profits. Just under one-fifth of smartphones shipped worldwide this year will be packed with generative AI features, according to market research company International Data Corp. By 2028, such devices will represent an estimated 70% of global shipments, IDC said.

Samsung added to its AI-phone lineup on Wednesday when it unveiled its new Galaxy Z Fold 6 and Galaxy Z Flip 6 foldable-display devices, and some of the generative AI features offered will be new and optimized for the phones. Samsung also introduced next-generation wearables, including a new Galaxy Ring that uses AI to monitor a user's sleep patterns and energy levels.

The phones hit shelves in the U.S. and other markets on July 24. The new Galaxy Fold 6 costs about \$1,900 and the Galaxy Flip 6 at around \$1,100—an increase of roughly \$100 from last year's models.

It remains unclear whether generative AI can juice hardware sales. Smartphone buyers worldwide have expressed strong interest in AI features,

according to a recent survey by market researcher Canalis, though consumers still value more traditional draws like improved cameras or processors when considering an upgrade. While the hype has built around so-called AI PCs, just 3% of PCs shipped this year will meet Microsoft's threshold for AI processing power, according to a recent IDC analysis.

Kevin Lee of Cincinnati may need to see more. Lee, who isn't fluent in Korean, tried the real-time "Interpreter" translation feature of his Galaxy S24 Ultra on a recent trip to South Korea. He said it worked well in quiet settings, like giving directions to a taxi driver. But during a family meeting at a restaurant, the phone produced solid Korean-to-English translations—of the music playing in the background.

"It was very accurate," said Lee, a transportation engineer, "but it wasn't what we wanted."

When the generative AI features launched in January, Samsung expected uptake would be modest given their novelty, but those internal expectations have been exceeded, said Patrick Chomet, who heads the firm's customer experience office for mobile products. For instance, the Circle to Search feature has a weekly usage rate of roughly 55%, while certain photo-editing features have adoption in the 20% range, he said.

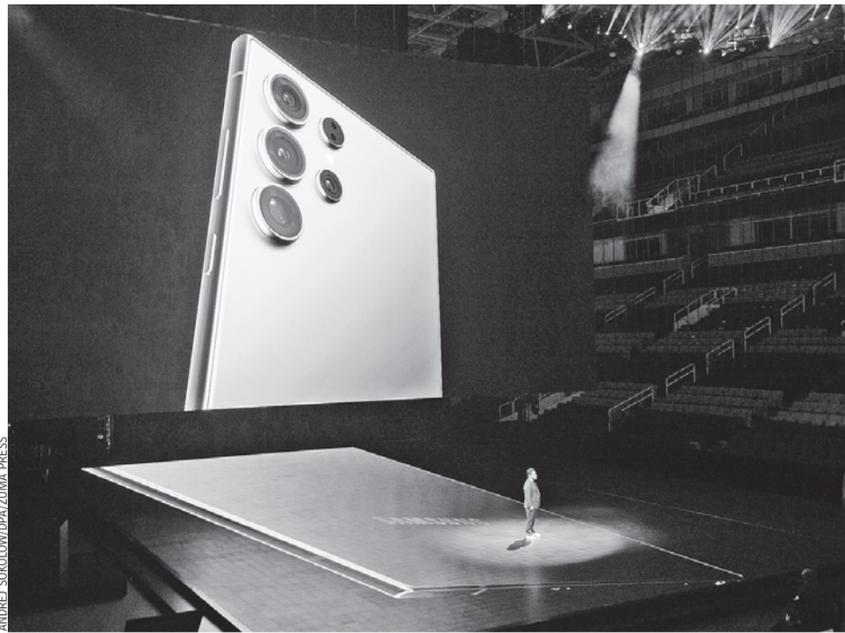
"I was very surprised," Chomet said. "These are not AI gimmicks but real useful things that people are using."

Juan Pablo Gutierrez, a business-operations analyst in Leon, Mexico, sends emails or text messages in English from his work computer—sometimes with the help of ChatGPT. But when he is on the go he likes having similar translation and text-editing features on his Galaxy S24+ device, which can check his English grammar and the message's tone. "It helps me sound more professional," he said.

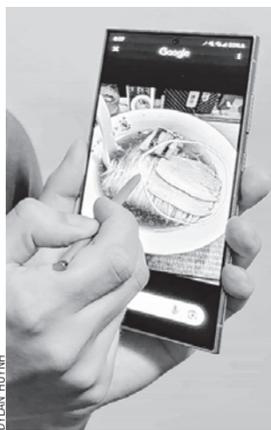
David William Knox of Tonsberg, Norway, found Samsung's generative AI photo-editing software handy when he wanted to spruce up hundreds of photos taken with his Galaxy S24 Ultra after a recent trip to the U.S. The software, powered by Google, allowed him to crop out random people or background objects with just a few taps, swipes and presses. AI then regenerated the background naturally.

"No need to download anything. It's built into the phone," said Knox, who works in food p

Dylan Huynh, 25, from Calgary, Canada, regularly uses the "Circle to Search" function on his Galaxy S24. Though it has an in-house



Clockwise, Samsung smartphone boss TM Roh presents his new top device series; Kevin Lee (far right), uses on-demand translation feature; Dylan Huynh, from Calgary, Canada, regularly uses the 'Circle to Search' function on his Galaxy S24 smartphone.



generative AI engine, Samsung works closely with long-running partner Google. The South Korean firm's head start over Apple offers some bragging rights and more lead time to develop new features, but may not produce many crossover sales, said Bryan Ma, an IDC vice president. That expectation is largely because the iPhone is seen getting similar features and users are willing to wait.

Last month, Apple unveiled plans to introduce new features powered by generative AI including voice transcription, text summarization and photo editing. The iPhone maker also said it would upgrade the capabilities of its Siri voice assistant and join with OpenAI's ChatGPT for more complex tasks requiring stronger computing capabilities.

Some of the "Apple Intelligence" features, like the ChatGPT add-on for Siri, will be available in the coming



months, with the iPhone 15 Pro and Apple's coming phones likely to be announced this fall. The remaining features are expected to arrive next year, according to Apple.

The announcements drew a job from the official X account of Samsung's U.S. mobile division. "Adding 'Apple' doesn't make it new or groundbreaking. Welcome to AI," the X post read, with an apple emoji at the end.

Samsung delivered the first large-scale release of generative AI phones in January. Google's Pixel 8 phone came out late last year with similar features, though it has a fraction of the user base. Several Chinese brands, including Huawei and Vivo, have also fielded rival products for their home country—a cutting-edge advantage that has contributed to a weakening of Apple's standing in the world's largest smartphone market.

Phone makers are at a

BIGGEST 1,000 STOCKS

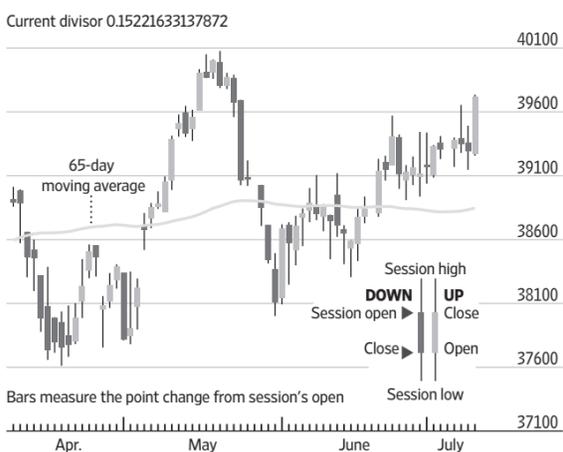
How to Read the Stock Tables				Stock				Stock				Stock				Stock				Stock															
The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are consolidated from trades reported by various market centers, including securities exchanges, Finra, electronic communications networks and other broker-dealers. The list comprises the 1,000 largest companies based on market capitalization.				Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg				
Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.				DECK	893.37	-45.68		FullTruck	YMM	8.15	-0.06	JohnsonControls	JCI	67.80	0.66	Moody's	MCO	437.29	1.34	QuantaServices	PWR	257.87	3.08	Starbucks	SBUX	72.51	-0.24	U.S. Foods	USFD	50.21	0.15				
Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher.				DELL	145.77	0.03		GHI				MorningStar	JRI	207.59	1.55	Morgan Stanley	MS	134.46	0.85	QuestDiagnostics	DGX	140.45	2.09	Starline	STRT	85.38	1.45	UWM	UWM	7.09	0.23				
Footnotes: F=New 52-week high; F-1=New 52-week low; dd=Indicates loss in the most recent four quarters.				DELTA	46.86	0.00		GE Aerospace	GE	165.70	2.57	KB Financial	KBF	60.91	-0.37	Mosaic	MOS	26.83	-0.08	RBC Bearings	RBC	282.27	4.15	United Therapeutics	UTHR	329.25	6.60	Uber	UBER	69.27	-2.05	Ubiquiti	UBI	151.53	-0.24
Stock tables reflect composite regular trading as of 4 p.m. ET and changes in the official closing prices from 4 p.m. ET the previous day.				DE	351.53	2.69		GE HealthCare	GEHC	79.14	2.27	KBR	KBR	63.80	1.26	Northern Trust	NTRS	85.40	1.27	Revlon	REV	62.30	0.22	United Therapeutics	UTHR	329.25	6.60	Unilever	UL	56.54	0.99				
				DECA	109.15	2.48		GE Vernova	GEV	179.75	6.75	KE Holdings	KE	15.49	0.37	Norwegian Cruise	NCL	18.75	0.09	Roblox	RBLX	37.42	0.17	United Therapeutics	UTHR	329.25	6.60	Unilever	UL	56.54	0.99				
				DECB	16.71	0.05		GF Energy	GF	36.93	1.93	KKR	KKR	109.45	3.83	NIO	NIO	46.22	0.12	Royal Caribbean	RCL	116.05	0.51	SuperMicro	SMCI	899.88	4.37	Unilever	UL	56.54	0.99				
				DECD	12.79	0.25		GSK	GSK	38.56	-0.04	KLAC	KLAC	392.35	17.45	NIN	NIN	46.22	0.12	SunComms	SUI	118.63	0.51	Unilever	UL	56.54	0.99								
				DEDE	109.15	2.48		GlobalWatt	GW	267.80	3.87	NKE	NKE	72.54	0.64	Norwegian Cruise	NCL	18.75	0.09	SunLife	SUNL	49.85	0.72	Unilever	UL	56.54	0.99								
				DEDF	202.39	-0.21		GameStop	GM	24.97	0.37	NRG Energy	NRG	79.16	-0.10	Norwegian Cruise	NCL	18.75	0.09	SunLife	SUNL	49.85	0.72	Unilever	UL	56.54	0.99								
				DEEG	15.63	0.33		Genie	GEN	45.14	0.34	NVR	NVR	763.76	13.98	Norwegian Cruise	NCL	18.75	0.09	SunLife	SUNL	49.85	0.72	Unilever	UL	56.54	0.99								
				DEEH	129.20	0.80		Gap	GPS	22.68	-0.44	NXP Semicon	NXP	282.37	7.46	Norwegian Cruise	NCL	18.75	0.09	SunLife	SUNL	49.85	0.72	Unilever	UL	56.54	0.99								
				DEEM	10.97	-0.08		Garmin	GRMN	163.45	1.96	Nasdaq	NDAQ	61.63	0.82	Norwegian Cruise	NCL	18.75	0.09	SunLife	SUNL	49.85	0.72	Unilever	UL	56.54	0.99								
				DEEN	48.51	0.24		Gartner	G	44.81	0.42	Natera	NTRA	115.82	2.15	Norwegian Cruise	NCL	18.75	0.09	SunLife	SUNL	49.85	0.72	Unilever	UL	56.54	0.99								
				DEEP	240.67	0.47		GenDigital	GEN	24.60	0.47	NationalGrid	NGG	61.44	1.09	Norwegian Cruise	NCL	18.75	0.09	SunLife	SUNL	49.85	0.72	Unilever	UL	56.54	0.99								
				DEER	49.03	0.16		Genie	GEN	45.14	0.34	NationalGrid	NGG	61.44	1.09	Norwegian Cruise	NCL	18.75	0.09	SunLife	SUNL	49.85	0.72	Unilever	UL	56.54	0.99								
				DEES	127.50	1.04		Genie	GEN	45.14	0.34	NationalGrid	NGG	61.44	1.09	Norwegian Cruise	NCL	18.75	0.09	SunLife	SUNL	49.85	0.72	Unilever	UL	56.54	0.99								
				DEET	102.48	-1.55		General Mills	GIS	62.66	0.57	NationalGrid	NGG	61.44	1.09	Norwegian Cruise	NCL	18.75	0.09	SunLife	SUNL	49.85	0.72	Unilever	UL	56.54	0.99								
				DEEU	79.75	0.27		General Motors	GM	8.95	0.27	NationalGrid	NGG	61.44	1.09	Norwegian Cruise	NCL	18.75	0.09	SunLife	SUNL	49.85	0.72	Unilever	UL	56.54	0.99								
				DEEV	477.99	1.29		Genmab	GENM	25.71	0.07	NationalGrid	NGG	61.44	1.09	Norwegian Cruise	NCL	18.75	0.09	SunLife	SUNL	49.85	0.72	Unilever	UL	56.54	0.99								
				DEEW	175.36	0.43		Genmab	GENM	25.71	0.07	NationalGrid	NGG	61.44	1.09	Norwegian Cruise	NCL	18.75	0.09	SunLife	SUNL	49.85	0.72	Unilever	UL	56.54	0.99								
				DEEX	51.21	0.13		Genmab	GENM	25.71	0.07	NationalGrid	NGG	61.44	1.09	Norwegian Cruise	NCL	18.75	0.09	SunLife	SUNL	49.85	0.72	Unilever	UL	56.54	0.99								
				DEFA	20.72	0.54		Genmab	GENM	25.71	0.07	NationalGrid	NGG	61.44	1.09	Norwegian Cruise	NCL	18.75	0.09	SunLife	SUNL	49.85	0.72	Unilever	UL	56.54	0.99								
				DEFB	16.71	0.05		Genmab	GENM	25.71	0.07	NationalGrid	NGG	61.44	1.09	Norwegian Cruise	NCL	18.75	0.09	SunLife	SUNL	49.85	0.72	Unilever	UL	56.54	0.99								
				DEFC	10.97	-0.08		Genmab	GENM	25.71	0.07	NationalGrid	NGG	61.44	1.09	Norwegian Cruise	NCL	18.75	0.09	SunLife	SUNL	49.85	0.72	Unilever	UL	56.54	0.99								
				DEFD	202.39	-0.21		Genmab	GENM	25.71	0.07	NationalGrid	NGG	61.44	1.09	Norwegian Cruise	NCL	18.75	0.09	SunLife	SUNL	49.85	0.72	Unilever	UL	56.54	0.99								
				DEFE	15.63	0.33		Genmab	GENM	25.71	0.07	NationalGrid	NGG	61.44	1.09	Norwegian Cruise	NCL	18.75	0.09	SunLife	SUNL	49.85	0.72	Unilever	UL	56.54	0.99								
				DEFF	129.20	0.80		Genmab	GENM	25.71	0.07	NationalGrid	NGG	61.44	1.09	Norwegian Cruise	NCL	18.75	0.09	SunLife	SUNL	49.85	0.72	Unilever	UL	56.54	0.99								
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				DEFG	10.97	-0.08		Genmab	GENM	25.71	0.07	NationalGrid	NGG	61.44	1.09	Norwegian Cruise	NCL	18.75	0.09	SunLife	SUNL	49.85	0.72	Unilever	UL	56.54	0.99								
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				DEFG	10.97	-0.08		Genmab	GENM	25.71	0.07	NationalGrid	NGG	61.44	1.09	Norwegian Cruise	NCL	18.75	0.09	SunLife	SUNL	49.85	0.72	Unilever	UL	56.54	0.99								
				DEFG	10.97	-0.08		Genmab	GENM	25.71	0.07	NationalGrid	NGG	61.44	1.09	Norwegian Cruise	NCL	18.75	0.09	SunLife	SUNL	49.85	0.72	Unilever	UL	56.54	0.99								
				DEFG	10.97	-0.08		Genmab	GENM	25.71	0.07	NationalGrid	NGG	61.44	1.09	Norwegian Cruise	NCL	18.75	0.09	SunLife	SUNL	49.85	0.72	Unilever	UL	56.54	0.99								
				DEFG	10.97	-0.08		Genmab	GENM	25.71	0.07	NationalGrid	NGG	61.44	1.09	Norwegian Cruise	NCL	18.75	0.09	SunLife	SUNL	49.85	0.72	Unilever	UL	56.54	0.99								
				DEFG	10.97	-0.08		Genmab	GENM	25.71	0.07	NationalGrid	NGG	61.44	1.09	Norwegian Cruise	NCL	18.75	0.09	SunLife	SUNL	49.85	0.72	Unilever	UL</										

MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

39721.36 ▲429.39, or 1.09%
 High, low, open and close for each trading day of the past three months.
 Last: 27.53, Year ago: 22.92
 Trailing P/E ratio: 19.15, P/E estimate*: 18.22
 Dividend yield: 2.13, All-time high: 40003.59, 05/17/24



Current divisor 0.15221633137872
 *Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; *Based on Nasdaq-100 Index

S&P 500 Index

5633.91 ▲56.93, or 1.02%
 High, low, open and close for each trading day of the past three months.
 Last: 24.15, Year ago: 19.69
 Trailing P/E ratio*: 22.65, P/E estimate*: 20.10
 Dividend yield*: 1.30, All-time high: 5633.91, 07/10/24



Nasdaq Composite Index

18647.45 ▲218.16, or 1.18%
 High, low, open and close for each trading day of the past three months.
 Last: 32.36, Year ago: 31.25
 Trailing P/E ratio*: 29.51, P/E estimate*: 28.92
 Dividend yield*: 0.76, All-time high: 18647.45, 07/10/24



Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
Dow Jones									
Industrial Average	39736.20	39256.72	39721.36	429.39	1.09	40003.59	32417.59	15.6	5.4
Transportation Avg	15105.25	14992.56	15099.11	105.35	0.70	16695.32	13556.07	-5.1	-5.0
Utility Average	918.89	907.73	918.50	9.66	1.06	955.01	783.08	-0.9	4.2
Total Stock Market	55436.64	54956.10	55424.80	550.03	1.00	55424.80	40847.04	23.8	16.0
Barron's 400	1141.05	1128.65	1140.86	12.21	1.08	1166.53	907.97	14.2	6.4

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
Nasdaq Stock Market									
Nasdaq Composite	18655.19	18467.58	18647.45	218.16	1.18	18647.45	12595.61	34.0	24.2
Nasdaq-100	20690.97	20479.94	20675.38	222.36	1.09	20675.38	14109.57	35.1	22.9

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
S&P									
500 Index	5635.39	5586.44	5633.91	56.93	1.02	5633.91	4117.37	26.0	18.1
MidCap 400	2923.67	2896.73	2922.47	35.00	1.21	3046.36	2326.82	8.9	5.1
SmallCap 600	1295.83	1283.87	1295.47	14.23	1.11	1345.71	1068.80	4.5	-1.7

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
Other Indexes									
Russell 2000	2051.75	2032.18	2051.75	22.28	1.10	2124.55	1636.94	6.1	1.2
NYSE Composite	18217.89	18048.58	18215.18	166.60	0.92	18388.26	14675.78	13.8	8.1
Value Line	583.92	578.43	583.86	5.43	0.94	615.81	498.09	-0.1	-1.7
NYSE Arca Biotech	5385.80	5322.63	5384.81	62.18	1.17	5511.46	4544.40	2.0	-0.6
NYSE Arca Pharma	1080.73	1068.42	1080.39	11.97	1.12	1080.39	839.43	28.7	18.7
KBW Bank	107.32	106.02	107.30	1.07	1.01	107.64	71.71	29.0	11.7
PHLX ^S Gold/Silver	149.64	147.00	149.32	4.00	2.75	151.36	102.94	17.6	18.8
PHLX ^S Oil Service	84.27	83.02	84.19	0.82	0.99	98.76	76.90	-4.3	0.4
PHLX ^S Semiconductor	5913.95	5799.43	5904.54	139.34	2.42	5904.54	3185.18	58.7	41.4
Cboe Volatility	12.92	12.39	12.85	0.34	2.72	21.71	11.86	-5.1	3.2

§Nasdaq PHLX Sources: FactSet; Dow Jones Market Data

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	After-Hours % chg	High	Low
NVIDIA	NVDA	17,565.7	135.49	0.58	0.43	135.75	50.13
Energy Transfer	ET	7,008.0	16.27	-0.02	-0.09	16.29	16.23
SPDR S&P 500 ETF Trust	SPY	5,739.0	561.07	-0.25	-0.04	561.45	560.94
SoundHound AI	SOUN	3,710.3	5.18	0.11	2.07	5.45	5.05
Bank of America	BAC	3,672.2	41.71	-0.03	-0.07	41.76	40.98
Vanguard Long-Term Treas	VGLT	3,373.7	58.03	-0.08	-0.14	58.10	58.03
Bank of Montreal	BMO	3,169.0	83.20	-2.07	-2.43	85.64	83.20
Comcast CIA	CMCSA	2,744.9	37.14	-0.29	-0.77	37.50	37.14

Percentage gainers...

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
WD-40	WDFC	89.4	245.01	25.26	11.49	246.70	219.30
CoreCivic	CRX	204.9	13.75	0.60	4.56	13.75	13.00
CRH	CRH	136.9	80.00	2.93	3.80	80.00	76.72
Method Electronics	MEI	224.9	9.79	0.35	3.71	9.91	9.44
Cemex ADR	CX	2,136.3	6.90	0.22	3.29	6.95	6.66

...And losers

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
EZopen Parent	ETWO	636.7	3.99	-0.46	-10.34	4.71	3.35
Zapp EV	ZAPP	368.1	8.54	-0.81	-8.66	9.50	7.82
Helix Energy Solutions	HXL	118.0	11.25	-0.58	-4.90	12.30	11.25
FIGS	FIGS	83.1	5.02	-0.19	-3.65	5.35	5.01
Copa Holdings CIA	CPA	67.0	91.00	-3.34	-3.54	94.41	91.00

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	800,253,584	10,975,895
Adv. volume*	607,329,864	7,679,119
Decl. volume*	187,643,240	3,134,961
Issues traded	2,875	302
Advances	2,101	182
Declines	703	106
Unchanged	71	14
New highs	144	10
New lows	54	5
Closing Arms [†]	0.91	0.55
Block trades*	3,941	144

*Total volume*5,228,244,406 189,961,854
 Adv. volume*3,697,480,830 135,713,219
 Decl. volume*1,458,250,186 53,236,242

	NYSE	NYSE Amer.
Issues traded	4,370	1,971
Advances	2,699	1,693
Declines	1,505	249
Unchanged	166	29
New highs	192	457
New lows	139	39
Closing Arms [†]	0.71	2.67
Block trades*	33,481	850

*Primary market NYSE, NYSE American NYSE Arca only.
 †(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World	MSCI ACWI	824.77	6.99	0.85	13.4
	MSCI ACWI ex-USA	337.01	1.97	0.59	6.4
	MSCI World	3613.61	34.28	0.96	14.0
	MSCI Emerging Markets	1111.22	-0.48	-0.04	8.5
Americas	MSCI AC Americas	2113.85	21.44	1.02	16.5
Canada	S&P/TSX Comp	22350.23	307.73	1.40	6.6
Latin Amer.	MSCI EM Latin America	2301.63	31.11	1.37	-13.6
Brazil	Ibovespa	127218.24	110.02	0.09	-5.2
Chile	S&P IPSA	3506.10	-1.61	-0.05	1.1
Mexico	S&P/BMV IPC	54279.88	948.07	1.78	-5.4
EMEA	STOXX Europe 600	516.42	4.66	0.91	7.8
Eurozone	Euro STOXX	509.71	5.41	1.07	7.5
Belgium	Bel-20	3994.31	43.74	1.11	7.7
Denmark	OMX Copenhagen 20	2850.42	30.61	1.09	24.8
France	CAC 40	7573.55	64.89	0.86	0.4
Germany	DAX	18407.22	171.03	0.94	9.9
Israel	Tel Aviv	2040.79	-13.17	-0.64	9.4
Italy	FTSE MIB	34306.40	441.93	1.30	13.0
Netherlands	AEX	939.62	8.92	0.96	19.4
Norway	Oslo Bors All-Share	1630.98	4.59	0.28	7.3
South Africa	FTSE/JSE All-Share	80445.31	-174.71	-0.22	4.6
Spain	IBEX 35	11071.60	172.78	1.59	9.6
Sweden	OMX Stockholm	979.81	4.97	0.51	8.5
Switzerland	Swiss Market	12151.19	113.83	0.95	9.1
Turkey	BIST 100	10743.30	-53.27	-0.49	43.8
U.K.	FTSE 100	8193.51	53.70	0.66	6.0
U.K.	FTSE 250	20927.76	282.74	1.37	6.3
Asia-Pacific	MSCI AC Asia Pacific	185.19	0.18	0.10	9.3
Australia	S&P/ASX 200	7816.80	-12.91	-0.16	3.0
China	Shanghai Composite	2939.36	-20.01	-0.68	-1.2
Hong Kong	Hang Seng	17471.67	-51.56	-0.29	2.5
India	BSE Sensex	79924.77	-426.87	-0.53	10.6
Japan	NIKKEI 225	41831.99	251.82	0.61	25.0
Singapore	Straits Times	3459.93	33.83	0.99	6.8
South Korea	KOSPI	2867.99	0.61	0.02	8.0
Taiwan	TAIEX	24007.08	107.00	0.45	33.9
Thailand	SET	1323.28	3.36	0.25	-6.5

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Close	Net chg	% chg	52-Week High	52-Week Low
Inspire Veterinary Ptrs	IVP	7.40	3.88	110.23	410.00	1.23
Cyclerion Therapeutics	CVCN	3.81	1.51	65.64	5.25	1.75
Longeveron	LGVN	4.55	1.68	58.54	37.50	0.77
uniQure	QURE	10.12	3.45	51.72	11.59	3.73
Antelope Enterprise	AEHL	5.46	1.84	50.83	8.70	1.22
Phoenix New Media ADR	FENG	4.03	1.33	49.26	4.15	1.10
NaaS Technology ADR	NAAS	4.68	1.43	44.00	146.60	1.42
Solaris Oilfield A	SOI	11.36	3.09	37.36	11.40	6.59
Lantheus Holdings	LNTH	106.18	28.48	36.65	106.99	50.20
ZyVersa Therapeutics	ZVSA	6.18	1.43	30.11	90.65	3.41
GeoVax Labs	GOVX	3.20	0.68	26.98	10.24	1.09
SMART Global Holdings	SGH	29.32	6.10	26.27		

COMMODITIES

Futures Contracts

Table with columns: Metal & Petroleum Futures, Copper-High (CMX), Gold (CMX), Palladium (NYM), NY Harbor ULSD (NYM), Gasoline-NY RBBO (NYM), Natural Gas (NYM), Agriculture Futures, Corn (CBT), Oats (CBT), Soybeans (CBT), Soybean Meal (CBT), Soybean Oil (CBT), Rough Rice (CBT), Wheat (CBT), Wheat (KC), Hogs-Lean (CME), Lumber (CME), Milk (CME), Cocoa (ICE-US).

Table with columns: Contract, Open, High, Low, Settle, Chg, Open interest. Includes Coffee (ICE-US), Sugar-World (ICE-US), Sugar-Domestic (ICE-US), Cotton (ICE-US), Orange Juice (ICE-US).

Table with columns: Interest Rate Futures, Ultra Treasury Bonds (CBT), Treasury Bonds (CBT), Treasury Notes (CBT), 5 Yr. Treasury Notes (CBT), 2 Yr. Treasury Notes (CBT), 30 Day Federal Funds (CBT), Three-Month SOFR (CME).

Table with columns: Currency Futures, Japanese Yen (CME), Canadian Dollar (CME), British Pound (CME), Swiss Franc (CME), Australian Dollar (CME), Mexican Peso (CME), Euro (CME).

Table with columns: Index Futures, Mini DJ Industrial Average (CBT), Mini S&P 500 (CME), Mini S&P Midcap 400 (CME), Mini Nasdaq 100 (CME), Mini Russell 2000 (CME), Mini Russell 1000 (CME), U.S. Dollar Index (ICE-US).

Cash Prices

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

Table with columns: Energy, Metals, Battery/EV metals, Gold, per troy oz, Silver, troy oz, Coins, wholesale \$1,000 face-a, Other metals, Grains and Feeds, Fibers and Textiles, Food, Fats and Oils.

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; D=CME; E=Manfra, Tordella & Brookes; H=American Commodities Brokerage Co; K=b=weekly; M=monthly; N=nominal; n.a.=not quoted or not available; P=Scanlon Publishing; R=SNL Energy; S=Platts-TSI; T=Totalook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. **Data as of 7/9

Source: Dow Jones Market Data

Bonds | wsj.com/market-data/bonds/benchmarks

Tracking Bond Benchmarks

Return on investment and spreads over Treasuries and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Table with columns: Total return close, YTD total return (%), Index, Yield (%), Latest, Low, High. Includes Broad Market, U.S. Corporate, U.S. Agency, Global Government, U.S. Agency, High Yield Bonds.

Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. Treasuries on benchmark two-year and 10-year government bonds in selected other countries; arrows indicate whether the yield rose (▲) or fell (▼) in the latest session

Table with columns: Coupon (%), Maturity, Country, Latest, Yield (%), Spread Under/Over U.S. Treasuries, in basis points. Includes U.S., Australia, France, Germany, Italy, Japan, Spain, U.K.

Source: Tullett Prebon, Tradeweb FTSE U.S. Treasury Close

Corporate Debt

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific expectations

Investment-grade spreads that tightened the most...

Table with columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Spread, in basis points. Includes PACCAR Financial, Cooperatieve Rabobank, Suncor Energy, Banco Santander, Athene Global Funding, Berkshire Hathaway, National Australia Bank, Royal Bank of Canada.

...And spreads that widened the most

Table with columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Spread, in basis points. Includes Inter-American Development Bank, Halliburton, Swedbank, Wells Fargo, Republic Services, Toyota Motor Credit, AutoZone, Banque Federative du Credit Mutuel.

High-yield issues with the biggest price increases...

Table with columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Bond Price as % of face value. Includes Hughes Satellite Systems, Bausch Health, Telecom Italia Capital, Paramount Global, Occidental Petroleum, Rakuten, Embarq.

...And with the biggest price decreases

Table with columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Bond Price as % of face value. Includes Paramount Global, Bombardier, Xerox, United States Cellular, DISH DBS, Rakuten, Telecom Italia Capital, Advance Auto Parts.

*Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury; 100 basis points=one percentage pt; change in spread shown is for Z-spread. Note: Data are for the most active issue of bonds with maturities of two years or more

Source: MarketAxess

Exchange-Traded Portfolios | wsj.com/market-data/mutualfunds-etfs

Largest 100 exchange-traded funds. Preliminary close data as of 4:30 p.m. ET

Table with columns: Wednesday, July 10, 2024, ETF, Symbol, Closing Price, Chg, YTD (%). Includes CommSvsSPDR, CnsmrDisCsel, DimenUSCoreEq2, EnSelSectorSPDR, FinSelSectorSPDR, HealthCRselSect, IndSelSectorSPDR, IPO Scorecard, Performance of IPOs, most-recent listed first.

ETF Closing Price Chg YTD (%)

Table with columns: ETF, Symbol, Closing Price, Chg, YTD (%). Includes iShCoreS&P500, iShCores&P MC, iShCores&P SC, iShCores&PTotUS, iShCores&PUSGrw, iShCoreTotUSDdBd, iShCoreUSAggBd, iShEdgeMSCIMinUSA, iShEdgeMSCIUSAQual, iShGoldTr, iShiBoxx\$IGCpBd, iShMBS, iShMSCIACWI, iShMSCIEAFE, iShMSCIEM, iShNIUMiniBd, iShNYATIGCpBd, iShI-3YTreabD, iShRussMC, iShRuss1000, iShRuss1000Grw, iShRuss1000Val, iShRuss2000, iShS&P500Grw, iShS&P500Value, iShSelectDiv, iSh7-10YTreabD, iShShortTreabD, iShTIPSBond, iSh20+YTreabD, iShUSTech, iShUSTreasuryBd, iShO-3MTreabD, iShJPM EqPrem, iShJPM UITSnlcm, iShPacerUSCashCows, iShProShUltPrQQ, iShSPDRBbg1-3MTB, iShSPDRDJIA Tr, iShSPDR Gold, iShSPDRPhDevxUS, iShSPDRS&P500Value, iShSPDRPHTS&P500, iShSPDRS&P500Growth, iSchwabIntEquity, iSchwabUS BrdMkt, iSchwabUS Div, iSchwabUS LC, iSchwabUS LC Grw, iShSPDR S&P MidCpTr, iShSPDR S&P Div, iShTechSelectSector, iShVanEckSemicon, iShVangdSC Val, iShVangdExtMkt, iShVangdDivApp, iShVangdFTSEAWXUS, iShVangdFTSEDevMk, iShVangdFTSE EM, iShVangdFTSE Europe, iShVangdGrowth, iShVangdHdIV, iShVangdInfoTech, iShVangdInterBd, iShVangdIntmCorpBd, iShVangdIntmTrea, iShVangdLC, iShVangdMegaGrwth, iShVangdMC, iShVangdRealEst, iShVangdRuss1000Grw, iShVangdS&P500ETF, iShVangdST Bond, iShVangdSTCpBd, iShVangdShortTrea, iShVangdSC, iShVangdTaxExemptBd, iShVangdTotIntBd, iShVangdTotIntBd, iShVangdTotIntStk, iShVangdTotIntStk, iShVangdTotWrdStk, iShVangdValue, iShVangdVTR, iShWFRTR.

Source: FactSet

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NOTICE OF SALE

NOTICE OF PUBLIC UCC SALE OF COLLATERAL. PLEASE TAKE NOTICE, that in accordance with the applicable provisions of the Uniform Commercial Code, as enacted in New York, Generation Equity Capital, LLC ("Secured Party"), as collateral agent for certain lenders, as set forth in the applicable Pledge Agreement, will offer for sale, at public auction, 100% of the outstanding shares, including all economic rights and governance rights associated therewith, of SOHI Follower Barber, Inc. (the "Collateral"), a New York corporation. The public auction, will be held on August 15, 2024 at 3:30 p.m. (EST) at Holland & Knight LLP's office located at 787 Seventh Avenue, 31st Floor, New York, New York 10019 with an option to participate virtually via the following Zoom meeting link: https://bit.ly/SohiUCC (URL is case sensitive). Access Code: 663 683 6226. Password: 663883. Call-in number: +1 646 931 3860 (US). The sale will be conducted by Matthew D. Mannion of Mannion Auctions, LLC, a licensed auctioneer. Any interested bidders who experience technical difficulties while attempting to participate in the auction virtually via the above Zoom meeting link or dial-in number should contact Mr. Mannion by telephone at 908-752-1852 or by email at mdmannion@jpsandc.com for assistance. The Collateral will be sold to the highest qualified bidder; provided, however, that Secured Party reserves the right to cancel the sale in its entirety, or to adjourn the sale to a future date. The Collateral will be sold together in a single block. Parties interested in bidding on the Collateral must be Secured Party's counsel, Jack Docherty, Esq., at Holland & Knight LLP, by telephone at 212-751-3005 or email at jack.docherty@hknllaw.com. Upon execution of a standard confidentiality and non-disclosure agreement, the Terms of Sale, Bidding Instructions and additional documentation will be available. Interested parties who do not contact Secured Party's counsel prior to the sale will not be permitted to enter a bid.

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MARKETS & FINANCE



EV maker Tesla climbed 0.4% in an 11th consecutive session higher, heading further into positive territory for the year.

S&P 500 Clinches Longest Streak of Records Since 2021

Traders are showing confidence rate cuts are on the way after Powell's testimony

By Karen Langley

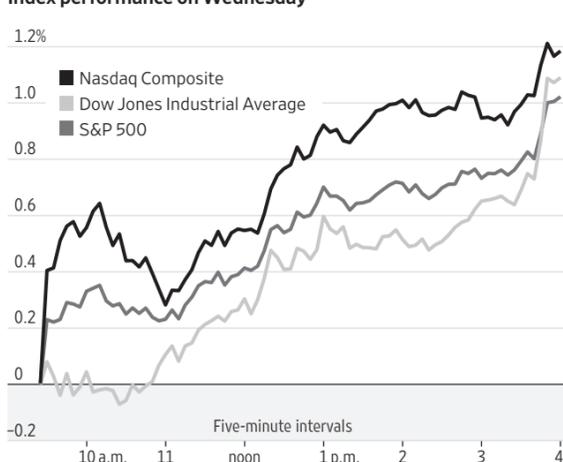
The S&P 500 and Nasdaq Composite cruised to records, with investors appearing more confident that interest-rate cuts are on their way.

The broad index logged its sixth straight record close—its longest such streak since 2021—with all 11 of its sectors advancing. The tech-heavy Nasdaq Composite notched its seventh record in a row.

Major indexes rose as Federal Reserve Chair Jerome Powell spoke to a House committee, after his first day of congressional testimony on Tuesday inched the Fed closer to lowering interest rates.

Investors seemed pleased with the signs that lower rates might finally be near. They had entered 2024 thinking the Fed might lower rates some half-dozen times, but were forced to reconsider as

Index performance on Wednesday



Source: FactSet

inflation remained persistent early in the year.

"He's being consistent with his message that the Fed needs to continue to gain confidence that inflation is trending lower," said Tracy Bell, chief investment officer of First Horizon Advisors.

Traders and analysts will get more clues on the outlook for rates Thursday, when the consumer-price index for June offers the next look at inflation.

The S&P 500 rose 1% to end at its 37th record close of

the year. The Dow industrials added 1.1%, or about 429 points. It is off 0.7% from its record on May 17. The Nasdaq Composite jumped 1.2%, notching its 27th record close in 2024.

Among individual stocks, it was another big day for some of the market's biggest drivers this year. Chip maker Nvidia added 2.7%, while Apple rose 1.9% and Microsoft gained 1.5%.

Tesla continued its turnaround after a lengthy spell as a stock-market laggard. Shares of the electric-vehicle maker climbed 0.4% in an 11th consecutive session higher, heading further into positive territory for the year.

On June 24, right before the 11-day climb, Tesla had closed down 27% year to date. The shares then logged five sessions higher before the better-than-anticipated results powered them up 10% in a single day. Tesla is now up 5.9% in 2024.

In bond markets, the yield on the benchmark 10-year U.S. Treasury note fell to 4.280% from 4.297% on Tuesday.

Overseas, the Stoxx Europe 600 rose 0.9%. At midday Thursday, Japan's Nikkei 225 was up 0.8% to 42179.84. It closed Wednesday at a record 41580.17. Hong Kong's Hang Seng Index was up 1.2% and the Shanghai Composite was up 0.8% early Thursday. S&P 500 futures were down 0.1%.

AUCTION RESULTS

Here are the results of Wednesday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

Table with 2 columns: Application type (17-WEEK BILLS, NINE-YEAR, 10-MONTH NOTES) and Amount/Rate.

Table with 2 columns: Application type (Applications, Accepted bids, etc.) and Amount/Rate for Treasury auctions.

OPEC Maintains Its Bullish View For Oil Demand

By Giulia Petroni

The Organization of the Petroleum Exporting Countries kept its bullish outlook for oil-demand growth unchanged and raised its economic-growth forecast for this year, citing solid momentum across major economies.

The cartel reaffirmed in its latest monthly report that it forecasts oil demand to grow by 2.2 million barrels a day in 2024, with total demand reaching 104.5 million barrels a day on average.

Strong mobility and air travel are set to be the main demand drivers over the summer, especially in the U.S., while manufacturing and petrochemical activities in Asia should also support growth.

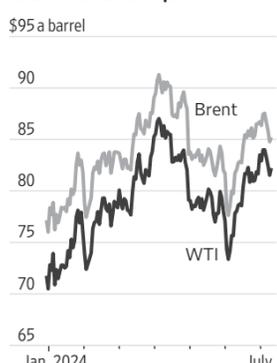
Healthy oil-demand levels will be supported by a resilient global economy, with inflationary pressures projected to continue easing in the second half and major central banks expected to lower interest rates, OPEC said.

The group raised its estimates for global economic growth to 2.9% from 2.8% this year, and left its forecast for 2025 unchanged at 2.9%, but said there is potential for further growth. Growth in the eurozone is now projected at 0.7% in 2024 from 0.5% previously, driven by a recovery in tourism and a gradual rebound in industrial production, and at 1.2% in 2025.

Still, OPEC said that the Federal Reserve's cautious approach to rate cuts presents a challenge to global oil markets, as the currently high rate environment increases the cost of capital—especially at a time when capital discipline is already limiting investments in exploration and production—and supports U.S. dollar strength, resulting in higher commodity prices.

Wednesday's report comes as Brent crude trades around \$85 a barrel, while West Texas Intermediate is around \$82 a barrel. Both oil benchmarks steadied after four consecutive weekly gains after talks over a cease-fire deal in Gaza resumed and concerns of widespread disruptions to energy infrastructure due to Hurricane

Crude-oil futures price



Source: FactSet

Beryl eased.

Crude is currently supported by signs of a tighter market balance due to strong summer demand and output cuts from OPEC and its allies, but gains are capped by uncertainties around the path of interest rates in the U.S. and concerns over demand in China after the latest consumer prices data disappointed markets.

Overall OPEC crude-oil production fell by 80,000 barrels a day in June, the cartel said, citing secondary sources. Oil production from Saudi Arabia decreased 76,000 barrels a day, while Libya's production rose by 24,000 barrels a day to 1.2 million barrels a day.

The group of oil-producing countries last month agreed to extend all production curbs into next year. It decided to roll over voluntary cuts of 2.2 million barrels a day until the end of September and said it aims to gradually phase them out from October 2024 to September 2025.

OPEC left its estimates for supply growth from countries not participating in the Declaration of Cooperation—the formal name for OPEC+—at 1.2 million barrels a day for 2024, saying the main drivers of growth are expected to be the U.S., Canada and Brazil. Growth estimates for 2025 also were maintained at 1.1 million barrels a day.

The International Energy Agency is due to release its monthly oil report on Thursday. The Paris-based agency's current projections are substantially lower than OPEC's, with oil-demand growth estimated at 960,000 barrels a day for this year and 1 million barrels a day for next year.

Venture Woes Hit Climate Tech

By Yuliya Chernova

Climate-tech investments were frequently a bright spot in a largely gloomy venture market over the past couple of years. No longer.

Global venture-capital funding for climate-tech startups totaled \$11.3 billion in the first half of this year, down 20% from a year earlier, and representing a 41% decline compared with the second half of 2023, according to a report by CTVC, a climate-focused newsletter that uses data from its sister research firm Sightline Climate.

Several factors are contributing to this drop in funding, said Johanna Wolfson, general partner and co-founder of climate-focused venture firm Azolla Ventures, including high interest rates.

"Unfortunately, macro climate finance trends do often follow market ebbs and flows despite the climate crisis only moving sharply in the negative direction," Wolfson said.

Another factor is the boost of confidence for climate tech that stemmed from the passage of the Inflation Reduction Act is giving way to uncertainty ahead of the U.S. presidential election, she said.

"Finally, it's possible that the hard realities of climate-tech investing, which can in-

volve capital intensity, tough sales cycles and hardware risks, are being relearned by some new entrants of the 2021-22 climate-tech financing boom," Wolfson said.

Funding for growth deals declined 33% in the first half, while the number of growth deals dropped 13%, compared with a year earlier, according to CTVC. That is problematic for a sector in which many companies funded a few years ago are just hitting the stage during which they would need growth capital. Early stage deal and funding totals declined.

Insurance On Titles Questioned

Continued from page B1

Under the pilot, Fannie itself would be responsible for managing what little title risk exists.

Title insurers said their one-time, upfront fees don't just cover the risk that a title isn't clear, but also incorporate "curative" work to manually review the title and to fix any defects before a homeowner closes on a new mortgage. Homeowners without required title insurance will be put at

greater risk, the industry said.

"Any assertion regarding the cost of title claims that cherry-picks only the lowest-risk refinancing transactions while omitting that it takes at least six years to fully realize the possibility of claims is clearly designed to mislead consumers," said Marcus Reese, the chief communications officer at First American, one of the biggest U.S. title insurers.

Others said there are less-expensive ways to check a title. In addition to a traditional title-insurance business with a 3% loss rate, Doma operates an

instant, algorithmic title-insurance business that it said is both cheaper and less risky. Five years into a mortgage, losses for its instant business

are about half as much as some traditionally underwritten policies, the company said.

Doma is among the real-estate companies whose stocks fell dramatically soon after going public during the pandemic, thanks to climbing interest rates that sent the housing market into a deep freeze. The company agreed in March to be sold to a larger title-insurance underwriter, Title Resources Group.

Title insurers say their one-time fees also incorporate 'curative' work.

Mutual Funds

Data provided by LIPPER

Table with 4 columns: Fund, NAV, YTD Chg, % Ret. Lists top 250 mutual-funds listings for Nasdaq-published share classes by net assets.

Table with 4 columns: Fund, NAV, YTD Chg, % Ret. Lists various mutual funds including AB Funds, American Century Inv, and others.

Table with 4 columns: Fund, NAV, YTD Chg, % Ret. Lists various mutual funds including CoreBond, EdInc, and others.

Table with 4 columns: Fund, NAV, YTD Chg, % Ret. Lists various mutual funds including Vanguard Index Fds, Vanguard Instl Fds, and others.

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

China Takes Aim at Full Self-Driving Cars

Fierce competition to attract wealthier customers is driving rapid advances as Chinese manufacturers chase Tesla

China dominates electric-vehicle technology. Now it seems to have caught up with the West in the bumpy race to automate driving, too.

After years of frustrated hopes, the excitement around driver automation is building again. Tesla Chief Executive Elon Musk is largely responsible, having zeroed in on the company's driver-assistance technology as the best answer to its growth woes. Google-owner Alphabet's driverless-taxi project Waymo shrugged off concerns caused by a high-profile accident at its struggling Cruise, which is controlled by General Motors. Waymo recently signaled its confidence by opening its doors in San Francisco to anyone who downloads the app. But there has arguably been more progress in China, judging by the sheer number of companies with technology at or close to the cutting edge.

Baidu, often called China's Google because of its search engine, has a driverless-taxi project similar to Waymo and it isn't the only one. The driver-assistance systems of Chinese EV makers, including U.S.-listed Xpeng, Li Auto and NIO, are evolving rapidly. This month, XPeng, a pioneer of the technology in China, is pushing out an over-the-air upgrade that will make its flagship self-driving package available on all public roads in China. Sanctioned technology giant Huawei, which integrates its system into vehicles manufactured by other brands, is considered another market leader. Users report that XPeng's flagship package, XNGP, has similar



Baidu has a driverless-taxi project similar to that of Waymo. A Baidu robotaxi on a road in Wuhan, China.

functionality to Tesla's full self-driving software. Both companies are betting on artificial intelligence to make progress rather than exhaustive mapping and coding. XPeng appears to be following Tesla down the road of dispensing with expensive lidar technology for perceiving the vehicle's surroundings. The approach is more reliant on cameras but will improve the economics of the technology if it works.

These are only "Level 2" systems, according to the standard industry classification, because they require the constant supervi-

sion of a human driver. But Chinese regulators appear open to the crucial next step. Last month, China's Ministry of Industry and Information Technology said it approved nine automakers, including EV giant BYD, to trial "Level 3" automated driving on public roads. This means the human driver no longer needs to pay attention, subject to certain conditions, passing liability to the automaker.

Mohit Sharma, an analyst at technology-research company Counterpoint, expects China to dominate the rollout of Level 3 vehicles in the coming years. Mercedes-Benz and

BMW are starting to sell highly conditional Level 3 systems in Germany, and the former launched its system in the U.S., but they are moving ahead much more slowly than their Chinese rivals.

Driverless taxis count as Level 4 technology—they drive themselves without human supervision, or the speed and other restrictions that define Level 3. Because they are expensive to make and operate within tight geographic areas, their revolutionary technology doesn't show signs of triggering an industry revolution. The shift from Level 2 to Level 3 on vehicles

consumers can actually buy is potentially more meaningful.

Tesla pioneered EV technology, but Chinese companies, led by BYD, are taking the lead in commercializing it at scale. Something similar might be happening with driver automation. Faced with a price war, Chinese EV brands are desperate to attract wealthier consumers with the latest gadgetry. Beijing is only too happy to support the development of advanced technology.

In fact, Tesla may be one of the tools the Chinese government can use to help its domestic industry. Beijing signaled tentative support for the rollout of FSD in China when Musk made a surprise visit to the country in April. The stock jumped as investors anticipated software sales in the company's second-largest market, where it currently only sells a limited version of its flagship driver-assistance package.

But China could gain, too. Tesla will have to work with local partners such as Baidu for mapping. The U.S. company seems likely to be required to keep its Chinese driving data, which is potentially valuable for training its self-driving system, in China.

The construction of Tesla's Shanghai plant in 2019 is credited with jump-starting the Chinese EV supply chain, paving the way for today's dominance. A deal between Beijing and Tesla over FSD might similarly help close any remaining gap in self-driving technology, and even foster China's AI ecosystem.

—Stephen Wilmot

How Drug Middlemen Keep Beating the System

Drug middlemen, known as pharmacy-benefit managers, have accomplished something rare in Washington: Their business practices have led to a bipartisan consensus of sorts around the need for more regulation.

Yet successfully cracking down on the tactics that drive health costs higher won't be easy. That is because PBMs operate in a highly complex and opaque world where key information is kept from the public.

The reaction on Wall Street to a highly anticipated Federal Trade Commission investigation into the largest PBMs spoke volumes. When the FTC launched its investigation two years ago, investors grew concerned about potential regulatory changes that would cut into the profit drivers for the three largest companies—UnitedHealth Group's OptumRx, Cigna's Express Scripts and CVS Health's Caremark. (All three are integrated within large healthcare insurance conglomerates and they collectively manage roughly 80% of U.S. prescriptions.)

But when the 73-page interim report dropped on Tuesday, shares of CVS Health, UnitedHealth Group and Cigna actually finished higher for the day. On Wednesday, CVS closed down slightly while Cigna and UnitedHealth rose despite a Wall Street Journal report that the FTC is preparing to sue the largest three PBMs over their tactics for negotiating prices for drugs including insulin. To be fair, the political backdrop might already be somewhat priced into the stocks. But the lack of further pressure on the

stocks attests to the fact that investors might not be so worried. While the report highlighted several ways in which the highly consolidated PBM industry contributes to higher healthcare costs, it didn't exactly deliver a smoking gun or call for immediate antitrust action.

To be clear, the FTC report pointed to very specific ways in which middlemen are creating conflicts of interest and pushing costs higher. In two case studies of old cancer drugs, the FTC showed how PBMs steered patients to their own pharmacies and away from unaffiliated ones. They did so even when that meant patients would be charged up to 200 times what they could pay for the same drug at Costco. Those practices resulted in the parent companies pocketing an extra \$1.6 billion over three years for just those two drugs, according to the FTC.

The "optics are not good and must be addressed," an executive at a PBM parent organization was quoted as saying in a document obtained by the FTC. "You can get the drug...at a non-preferred pharmacy (Costco) for \$97, at Walgreens (preferred) for \$9,000, and at preferred home delivery for \$19,200...Compounding the challenge/optics is the fact that we've created plan designs to aggressively steer customers to home delivery where the drug cost is ~200 times higher."

The allegations made by the FTC are, of course, upsetting to independent pharmacies, patients, doctors and policymakers. But they aren't exactly new. The Wall Street Journal has reported that mail-order pharmacies that share an owner with a PBM have marked up the prices of drugs compared with other pharmacies.

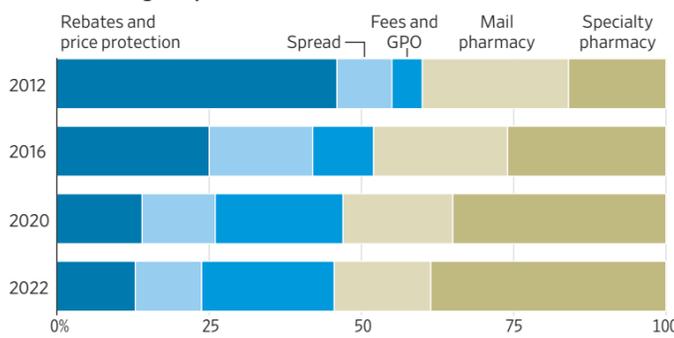
What the FTC report underscored is that PBMs, which in their early days were adept at negotiating drug prices on behalf of clients, also have become quite good at exploiting their dominant role as key units within vertically integrated conglomerates. The FTC points out that the four largest health conglomerates have revenue exceeding \$1 trillion, or 22% of national health expenditures.

The report also shows that as scrutiny of their business practices has intensified, PBMs have evolved, changing the way they make their profits in such a way that might shield them from new regulations.

About a decade ago, PBMs made about 46% of their gross profits from rebates paid by pharmaceutical companies, according to a Nephron Research report. Drug companies pay PBMs to be included in benefit formularies and PBMs would essentially pocket some of those rebates. To avoid running afoul of potential regulatory actions targeting those rebates, PBMs have

PBMs have evolved, changing the way they make their profits.

Source of PBM gross profits



Source: Nephron Research PBM Gross Profit Model, August 2023

started passing on most of those rebates to employers. By 2022, rebates had declined to just 13% of gross profits, according to Nephron.

As rebate profits fell, PBMs increasingly turned to specialty pharmacies and other fees to boost their bottom lines. Some of those fees are collected by rebate aggregators known as group purchasing organizations. The rebate aggregators of the big three PBMs are Ascent (affiliated with Cigna's Evernorth, Prime Therapeutics and Humana), Zinc (affiliated with CVS Caremark) and Emisar (affiliated with OptumRx.) Notably, Emisar is headquartered in Ireland while Ascent is in Switzerland.

In its report, the FTC cites experts who argue that the PBMs may have spun off these rebate aggregators as separate entities to keep more of the savings they create in their pockets instead of passing them on to employers. The report quotes a former OptumRx executive who helped establish Emisar: "The intention of the G.P.O. [rebate aggregator] is to create a fee structure that can be retained and not passed on to a client."

Ideally, the FTC report would have shown exactly how that is done. But the opacity of the PBM business model may have to be

fought out in court. When the FTC issued orders requiring documents and data from the big three PBMs' rebate aggregators, some said they don't think they will have the files ready until 2025. By that time, the FTC could well have a new leader with different priorities.

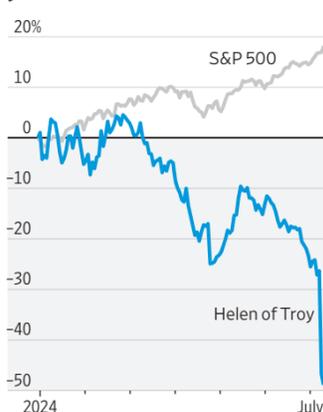
The PBMs have argued that the FTC is basing its conclusions on incomplete evidence.

"This report is based on anecdotes and comments from anonymous sources and self-interested parties, and supported only by two cherry-picked case studies that are implied to be representative of the entire market," JC Scott, president of the Pharmaceutical Care Management Association, a trade association representing PBMs, told The Wall Street Journal. CVS Caremark, for its part, wrote that "our efforts have resulted in members on average paying less than \$8 per 30-day supply of medication."

PBMs have managed to unite a whole lot of people in the healthcare industry as well as in regulatory and legislative bodies, many of whom blame them for driving up healthcare prices. But the latest revelations show that outrage is unlikely to translate into an existential threat to the industry.

—David Wainer

Share-price and index performance, year to date



Source: FactSet

Is This a Canary in the Consumer Coal Mine?

Helen of Troy was famously the most beautiful woman in the world—the "face that launched a thousand ships."

On Tuesday, her modern namesake, shares of the beauty, grooming, home and outdoor products company, had the ugliest day in their more than half-century history, plunging almost 30%. Investors were shocked at weakness in sales during Helen of Troy's fiscal first-quarter results announcement on Tuesday and the cut in guidance by the maker of Revlon, Braun, Vicks, OXO and Osprey products. The results and manage-

ment comments paint a dire, deteriorating picture for spending. The stock fell 4% on Wednesday.

"Consumers are even more financially stretched and are even further prioritizing essentials over discretionary items," said Chief Executive Noel Geoffroy. "Specific to our business, we have seen some areas become more challenged over the last three months. For example, an unexpected slowdown in the global outdoor category impacted sales of our packs and accessories."

It doesn't seem specific to one type of product either given Helen of Troy's wide variety of goods.

Geoffroy went on: "We've heard broadly from mass retail that traffic overall is slower throughout the country and promotional pressure is increasing. In reaction to these dynamics, retailers are managing inventories more closely to account for the slowdown, and some are implementing new systems to allow for just in time inventory management."

As earnings season kicks off, pressure on the segment of the population most pinched by the rising cost of necessities and least buoyed by rising 401(k) balances warrants close attention. Compa-

nies like McDonald's, Dollar General and PepsiCo (which releases results on Thursday) will offer clues.

Are the problems specific to this one company and consumer weakness just an excuse for poor execution? With other measures of consumer health such as retail sales data from the federal government and unemployment looking benign, economic soothsayers are mostly seeing positive signs. Of course that is what they said about a certain wooden horse before Greek soldiers came spilling out of it.

—Spencer Jakob