

What's News

Business & Finance

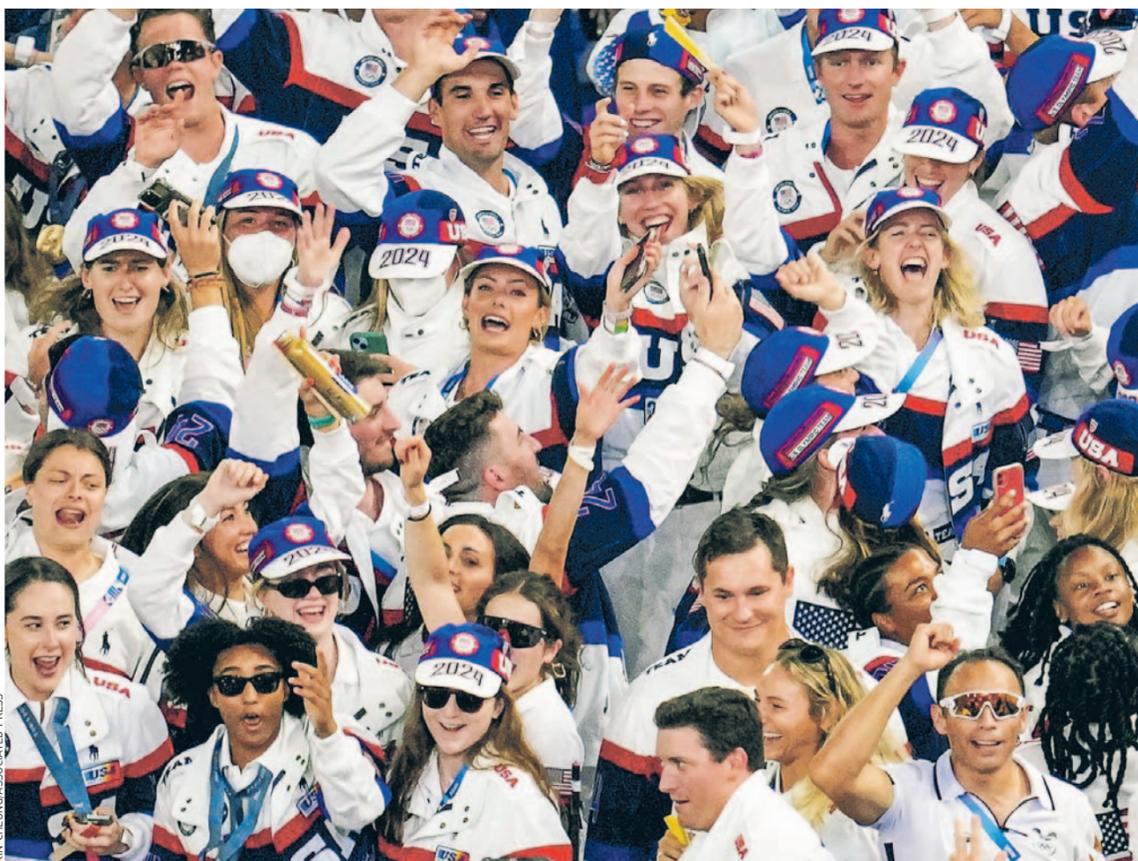
- ◆ **The hourly labor market** is beginning to show some of the same signs of strain as the white-collar economy, employers and workers said, suggesting wage earners are finding fewer openings. **A1**
- ◆ **Disney detailed its plans** for billions of dollars of investment in the company's Experiences division, which includes theme parks, cruises and videogames. **B1**
- ◆ **North Texas is expanding** its presence in financial services as banks and brokerages commission buildings in the state, accelerating the growth of what is known as Y'all Street. **B1**
- ◆ **San Francisco's hospital-ity business imploded** during the Covid-19 pandemic and now the city's hotel owners are drowning in bad debt as never before. **B1**
- ◆ **Investors retreating** from the leveraged trades they recently used to bet on everything from crypto and foreign currencies to hot tech companies are setting up more potential upheaval in the markets. **B1**
- ◆ **New York hospital system** Northwell Health, which has provided locations for film shoots, recently established a production company of its own to work on more projects. **B4**
- ◆ **Nvidia's coming GB200** server racks, which contain its next-generation Blackwell chips, will mainly be cooled by circulating liquid, rather than by air. **B3**
- ◆ **Disney's "Deadpool & Wolverine"** maintained its position at the top of the box-office chart, trailed by Sony's "It Ends with Us," which took in \$50 million over its debut weekend. **B2**

World-Wide

- ◆ **The U.S. is pursuing** a long-shot bid to push Venezuelan President Nicolás Maduro to give up power in exchange for amnesty as overwhelming evidence emerges that the strongman lost last month's election, people familiar with the matter said. **A1**
- ◆ **Israel's military killed** dozens of civilians, Palestinian authorities and witnesses said, in an airstrike on a Gaza City school complex it said was used as a militant command post and as a shelter for displaced people. **A8**
- ◆ **Newly released records** offer the deepest look yet at the previously documented failures in response to the 2022 Uvalde, Texas, school shooting and the trauma inflicted on a community. **A3**
- ◆ **Vice President Kamala Harris** called for ending taxes on tips, attempting to seize on a policy idea advanced by Republican presidential nominee Donald Trump. **A4**
- ◆ **The Trump campaign** said some of its internal communications had been hacked and suggested Iran was responsible and seeking to undermine the former president's prospects in the November election. **A4**
- ◆ **Brazilian air-crash** investigators combed over the remains of a twin-engine passenger plane a day after the aircraft spun to the ground, killing all 62 people on board. **A9**
- ◆ **Bangladesh's chief justice**, Obaidul Hassan, resigned, following new protests by a group of students and other demonstrators in the South Asian nation. **A6**
- ◆ **Died: Susan Wojcicki**, 56, internet ad-tech pioneer. **B3**

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Olympians Bid a Fond Adieu to Paris



GOLD-MEDAL SMILES: Members of the U.S. Olympic team participate in the closing ceremony at the Stade de France just outside of Paris on Sunday. The U.S. won the most medals with 126 total and tied with China for gold with 40. **A14**

Hiring Frenzy Simmers Down For Workers With Hourly Pay

By CHIP CUTTER AND LAUREN WEBER

In the bowels of Boston Logan International Airport, a sign on the door of ABM Industries recently warned would-be job seekers: "WE ARE CURRENTLY NOT HIRING," it said. "PLEASE KEEP CHECKING."

The company employs people to clean the airport terminals—exactly the sort of hourly role that, for years, has been among the toughest to fill in a booming job market.

Now, employers and workers said, the hourly labor

market is beginning to show some of the same signs of strain as the white-collar economy, a shift that could have broad consequences for the U.S. economy and millions of workers. There are plenty of jobs but the hiring frenzy is over.

At 4.3% in July, unemployment remains low by historical standards. The rise in the rate—up from 4.1% in June—was from more people looking for jobs, rather than people losing their jobs. Still, many economists fear recent trends, such as lower job creation and weaker wage growth, portend

a troubling downturn rather than simply a rebalancing of the labor market.

For months, hiring has been a bright spot for lower-wage workers. Even as companies from tech to banking pulled back on corporate recruiting, executives regularly bemoaned that they couldn't find enough retail clerks, warehouse workers, cooks, housekeepers and others. That trend is shifting, one of the key factors weighing on the labor market.

Manufacturer John Deere has shed about 15% of its hourly workforce since No-

vember, or about 2,100 production workers.

Spirit Airlines has stopped recruiting flight attendants, and is offering some of them voluntary unpaid leaves of absence as it looks to cut costs. The airline will also furlough about 240 pilots and downgrade about 100 captains in a move to cut costs.

Others said hiring is now less difficult. Daycare giant Bright Horizons Family Solutions is finding it easier to

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◆ **James Mackintosh: Investors wary despite rebound.....** **B1**

Musk Uses Business Empire To Boost His AI Bet

By MEGHAN BOBROWSKY

Elon Musk has big plans for his startup xAI. A key part: using his other companies.

The billionaire's year-old artificial-intelligence bet is relying on talent, data and hardware from his other businesses to help it develop what he has said will become the most powerful AI in the world by December.

So far, xAI has hired at least 11 employees who have worked at Tesla, according to xAI's website and LinkedIn profiles. That includes six who have worked directly on the Autopilot team focused on AI-powered self-driving technology that Musk has said is pivotal for Tesla's future.

The startup has leased computer chips critical for AI—called graphic processing units, or GPUs—from his social-media platform X, according to people familiar with the matter, and it boasts access to real-time X data.

Musk also has asked for GPUs that were reserved for Tesla to be redirected to xAI and X. He has talked publicly about the troves of visual data that Tesla collects, which he has said could serve as a resource to train xAI's models, and said last fall that X shareholders will own 25% of xAI.

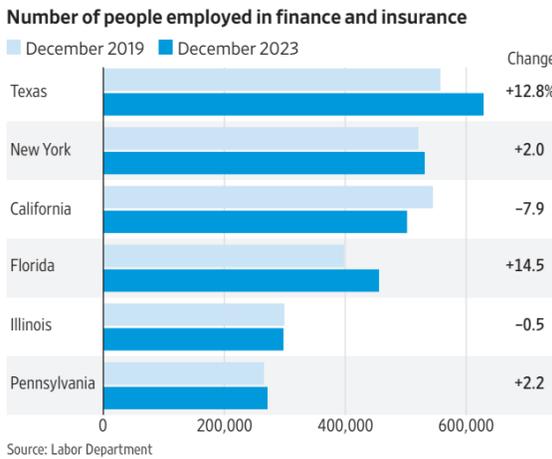
"xAI is a fairly new com-

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◆ **Tim Higgins: Musk's wild week of free speech.....** **B4**

Texas' Wall Street Inroads

Texas is luring Goldman Sachs, JPMorgan and other financial companies to the state with its lower taxes and cheaper housing costs, plus more business-friendly regulation. **B1**



Panda Express: A Zoo Raced To Bring the Furry VIPs to America

A former Disney executive helped San Diego prep for bears coming from China

By CHIP CUTTER

SAN DIEGO—In a meeting in Beijing last December, Paul Baribault, CEO of the San Diego Zoo, got confirmation. Pandas would return to the U.S. for the first time in two decades.

The request from Chinese officials: Could it happen in six months, please?

Baribault, a long-time Disney executive who had taken the top job at the San Diego Zoo Wildlife Alliance only a few years before, looked at a colleague, Dr. Megan Owen. Her eyes widened. Both knew it typically takes up to two years to bring

pandas into the U.S.

U.S. Fish and Wildlife officials would need to sign off on permits and a care plan for the threatened species. A new panda habitat would have to be constructed to meet updated standards. Staffers who cared for the zoo's last pandas, which returned to China in 2019, had retired or been reassigned; a new care team would need to be put in place. "I don't know how that's going to happen," Baribault recalled thinking. "There are a lot of steps."

Chinese officials appeared eager to resume so-called

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Medicare Opioid Caps Fall Short

Limits didn't protect a Florida doctor's patients from deadly overdoses

St. PETERSBURG, Fla.—Many who have died of overdoses in this retirement haven in recent years have a

By Mark Maremont, Christopher Weaver, Tom McGinty and Anna Wilde Mathews

common thread. They were Medicare patients of Dr. Ricky Lockett, a local pain specialist.

Lockett is one of the nation's most prolific prescribers of opioid painkillers to elderly or disabled people covered by the federal program, according to a Wall Street Journal analysis of Medicare data.

At least 21 of his Medicare patients died of drug overdoses between 2017 and 2021, the highest number for any doctor in the U.S., the

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Deaths in Israeli Prisons Fuel Abuse Allegations

In the weeks after Oct. 7, orthopedic surgeon Adnan Bursh worked out of a series of northern Gaza hospitals as Israeli bombs rained down.

A prominent figure in elite Palestinian circles who had

By Jared Malsin, Fatima AbdulKarim and Anat Peled

trained in London, he posted videos from darkened hospital rooms, praising colleagues who worked without electricity on wounded patients. Angry at Israel, he tweeted support for Hamas's attack on the country, which left 1,200 dead and took some 250 hostages.

"We will die standing," he wrote in his last public post on Facebook on Nov. 20.

Israeli soldiers raided the hospital where he was working

and detained Bursh. His wife and six children waited for news until May, when Palestinian authorities said Israeli officials had informed them that Bursh had died in prison—with no explanation how it happened.

Bursh's case, with dozens of others who have died in Israeli custody, is now at the center of a growing furor over Israel's treatment of Palestinians it has detained, usually without trial, since the war with Hamas began last year.

In a separate case, the Israeli military detained Israeli reservists on allegations they sexually abused a Palestinian prisoner at Sde Teiman detention center. The case has roiled the country, spurring soul searching and de-

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◆ **Israeli strike kills dozens of Gaza civilians.....** **A8**

U.S. NEWS



THE OUTLOOK | By Jason Douglas

China's Fear: A New Trump Trade War

China was bruised by its trade war with the U.S. under President Donald Trump, but ultimately bounced back. If Trump wins the White House in November, round two will be much tougher.

The Republican nominee has said he would raise tariffs on Chinese imports to 60% or more if he wins. The economic damage to China would be much steeper than in Trump's first term because the tariffs would be higher and China's economy is much more vulnerable.

Trump "will be putting his elbow into the Chinese economy as it deflates," said Matthew Gertken, chief geopolitical strategist at BCA Research. "They are more vulnerable."

The trade war erupted in 2018 when Trump placed tariffs of up to 25% on \$350 billion of imports from China—65% of the 2018 total—including solar panels,

washing machines, steel and aluminum. China retaliated with tariffs of its own on U.S. goods.

Most economists say China got the worst of that trade fight, but the effect didn't last. Its exports bounced back strongly during the pandemic as consumers in the West gorged on consumer electronics and other home comforts.

Chinese exporters have since found new markets, aided by state support and low prices. China's surplus in goods trade hit a monthly record in June of almost \$100 billion, lifted by exports to the European Union and Southeast Asia.

The export surge is a bright spot for an otherwise struggling economy. An epic property crunch is now in its third year.

Burned by the property meltdown and lingering trauma of the pandemic, Chinese consumers are keeping a tight grip on their wallets. Local government finances are un-

der severe strain, and private-sector confidence is in the doldrums.

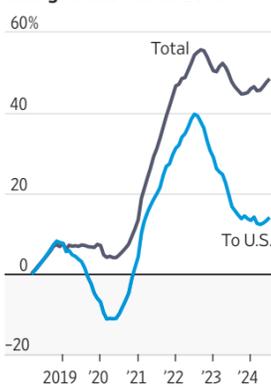
This reliance on manufacturing and exports leaves China much more sensitive to an escalation in the U.S.-China trade war.

Patrick Zweifel, chief economist at Pictet Asset Management, estimates that if a Kamala Harris presidency stuck with the more selective tariff policy of the Biden administration, it might shave perhaps 0.03 percentage point off Chinese economic growth next year.

Raise tariffs to 60% on all Chinese goods, as Trump has proposed, and the hit would be far larger, at perhaps 1.4 percentage points, which in his forecasts would pull growth in 2025 down to around 3.4% from an expected 4.8%.

UBS estimates that tariffs of 60% on U.S. imports of Chinese goods would hold back GDP growth by about 2.5 percentage points in the 12 months after imposition,

China's exports, change since March 2018



Note: 12-month moving average in U.S. dollars
Source: CEIC Data

though the drag could be just 1.5 percentage points if China takes offsetting actions.

Among those responses: Chinese policymakers could let its currency weaken further, extend tax rebates and other perks to exporters, and cut interest rates. They could try to force the U.S. to reconsider by retaliating, such as

by raising tariffs on U.S. products, withholding supplies of critical minerals, and possibly selling U.S. assets, such as Treasuries, according to Goldman Sachs.

Studies published by universities in China and Stanford University found Trump's first round of tariffs not only pinched exports but squeezed corporate earnings, hurt business and consumer confidence and throttled investment and hiring. Economists say those effects would be repeated and amplified this time since Trump would impose tariffs on every Chinese import.

Chinese firms' profits are under pressure from feeble demand and chronic oversupply. Producer prices have been falling for almost two years. A firm operating on a profit margin of 5% or 6% couldn't swallow 60% tariffs, said Nick Borst, director of China research at Seafarer Capital Partners, a California asset manager focused on

emerging markets.

Since 2018, China has re-oriented some exports away from the U.S. and is selling more to developing economies. With the U.S. market effectively closed by a 60% tariff, China would be forced to sell even more to those other markets. But some, such as India, Brazil and Mexico, are now pushing back against Chinese imports out of concern for domestic jobs and industries.

"If China is basically locked out of the U.S. market...they are going to have to push their goods even harder onto other destinations. And other destinations may not tolerate that," said Adam Slater, lead economist at Oxford Economics.

China could defuse such tensions by building factories overseas to serve local markets. But China's leadership has mixed feelings about overseas expansion, said Borst, given that it potentially means lower manufacturing employment at home.

U.S. WATCH



Debris filled a street after a house exploded in Bel Air, Md., Sunday, amid a report of a gas leak.

MARYLAND

Two Dead After House Explosion

Two people were killed and 12 families displaced after a Maryland house exploded Sunday amid reports of a possible gas leak, fire officials said.

Neighbors described feeling and hearing the early morning blast that damaged a number of surrounding houses in Bel Air, a town about 30 miles northeast of Baltimore.

Firefighters were called to the scene around 6:40 a.m. for a report of a gas leak, said Oliver Alkire, a master deputy with the State Fire Marshal's Office. As firefighters were approaching, they received calls that the house had exploded. First responders pronounced one person dead at the scene, and a second body was later found in the rubble.

Alkire said a home next door to the explosion was heavily damaged, and a woman in that house was treated for her injuries. Two utility workers were in the area to work on an electrical issue, but authorities didn't say if that was related to the blast.

The first victim found was later identified as a contractor for the utility BGE. The Fire Marshal's Office said the second body is believed to be the home's 73-year-old owner, but positive identification was pending.

—Associated Press

WEATHER

Flood Peril Remains In Wake of Debby

The weather system previously known as Hurricane Debby was not quite done with parts of the U.S. Sunday as flood warnings remained in effect in North Carolina and thousands were without power in New York, Ohio and Pennsylvania.

After hitting Florida as a hurricane Aug. 5, the storm spent nearly a week unleashing tornadoes and flooding, damaging homes and taking lives along the East Coast before moving into Canada on Saturday.

While many rivers had receded by Sunday, flood warnings remained in effect across central and eastern North Carolina, where more thunderstorms were possible over the next few days. With the ground already saturated from Debby, the National Weather Service said localized downpours could result in additional flash flooding throughout the coastal Carolinas.

Authorities in Lumberton, N.C., said Saturday that one person died after driving into floodwaters on a closed road and getting swept away.

Even in drier areas, more than 35,000 homes and businesses in Ohio, New York, Pennsylvania and Vermont still had no power.

—Associated Press

OBITUARY

Pioneering Editor Betty Prashker, 99

Betty Prashker, a pioneering editor of the 20th century and one of the first women with the power to acquire books, died July 30 at age 99. She had published such classics as Kate Millet's "Sexual Politics" and Susan Faludi's "Backlash" and helped oversee the careers of Jean Auel, Dominick Dunne and Erik Larson, among others.

Prashker died at a family home in Alford, Mass., according to her daughter, Lucy Prashker, who cited no specific cause of death. At various times, Prashker held executive positions at Crown and Doubleday, both now divisions of Penguin Random House.

Born Betty Arnoff in New York City and a graduate of Vassar College, Prashker was a longtime bookworm, storyteller and tennis player whose life and career mirrored those of many women after World War II. In the late 1960s, she learned of a Columbia University graduate student writing a Ph.D. dissertation on how women were depicted in Western literature. Prashker signed up the student, Millett, and published what became "Sexual Politics," a cornerstone of second-wave feminism that Prashker would call an "educational experience for a dilettante like me."

—Associated Press

Firms Pull Back on Hourly Hires

Continued from Page One
staff its child-care facilities. Defense contractor General Dynamics is having little problem recruiting people to build naval vessels. D.R. Horton said it has enough workers to build new homes.

A spokesman for ABM, which employs about 123,000

people, including those who push wheelchairs, service planes and clean hospitals, said the company had open positions in Boston earlier this summer, but recently held a successful job fair, prompting staffers to post the "not hiring" sign.

After The Wall Street Journal reached out, inquiring about the sign, the company said it had been removed. ABM continues to accept applications on a rolling basis, and its number of job openings has been stable, the spokesman said.

Some industries continue to add workers, many of them

in hourly roles.

July's job gains were concentrated in the healthcare sector, which added 55,000 jobs; construction, which added 25,000; and leisure and hospitality, which added 23,000. In an indication that white-collar hiring remains depressed, the information sector shed 20,000 jobs.

Restaurant relief

The casual-dining chain BJ's Restaurants is finding there is less need for its recruiters to attend job fairs or similar events to help staff its more than 200 restaurants—a shift from the pandemic, when the company had to think up creative ways to find people. While BJ's is still hiring, it is finding that referrals from existing employees and more traditional word-of-mouth about job openings can draw people to its locations.

"It's, dare to say, feeling normal," said Thomas Houdek, the company's chief financial officer.

Like many employers, BJ's is noticing that its restaurant workers are staying on the job longer, with turnover rates now lower than even 2019 levels. Pay is up year-over-year, though increases are slowing. Execution in its restaurants is improving as longer-tenured employees understand the job better.

Houdek said he didn't see a glut of restaurant-industry employees looking for jobs, and plenty of openings still exist. The dynamics, though, are now "feeling balanced," he said.

Workers are feeling the change. Matt Newell has decades of experience as a res-

taurant server and manager, along with an associate degree from the Culinary Institute of America. So when he decided to leave his job at a New York City eatery in June, he didn't think he needed to have a new role lined up. In the past, job opportunities came up quickly.

But this time, "I'm now looking at two months of constantly pushing out résumés," he said. From what he can see, "there are not as many roles out there and a lot of people applying."

Newell, 50 years old, hoped to get hired as a floor manager or assistant general manager, but he has expanded his search to other possibilities that would use his customer-service skills, including waiting tables and working in hotels.

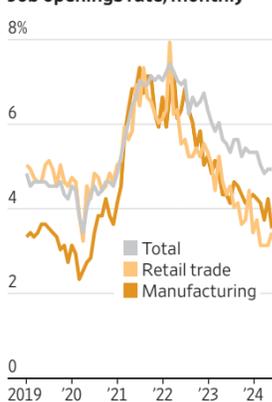
"I wish I'd known the market was going to be as bad as it is before I left my last job," he said. "I thought I'd have no trouble finding work. It's been pulling teeth even getting a response for an interview."

'Big silent layoff'

The first signs of a slowdown started showing up over a year ago, said Fred Goff, chief executive of Jobcase, a job board and networking community for hourly workers. Employers such as retailers and warehouse operators use the platform to access a large pool of job candidates for high-volume hiring. As far back as January 2023, Goff said, employers were starting to pull back on seasonal and permanent hires.

The pullback lines up with a shifting focus on profitability that might change compa-

Job openings rate, monthly



Note: Seasonally adjusted. The job openings rate is openings divided by the sum of employment and openings. Total excludes farm jobs.
Source: Federal Reserve Bank of St. Louis

nies' long-term calculus on head count, he said. "You're going to have all these public companies that get rewarded by growing their profits, not by embracing generative AI or innovating but by cutting their costs, which means labor," he said.

The result, he said, is a "big silent layoff," whereby companies shrink their workforces through attrition and by hiring fewer workers.

Thermon, a manufacturing and services firm in Austin, Texas, has cut its U.S. manufacturing workforce by about 5% in the past two years, to 230 people, as revenue has increased by 34%. The company, which helps industrial customers heat and electrify their operations, said investments in efficiency and worker retention has led to a reduced need for new hires.

"We've done a lot to improve processes to save time, so as we've had attrition, we

haven't had to replace labor at the same rate, nor have we had to do any reductions in force," said Candace Harris-Peterson, senior vice president of human resources.

At the same time, Thermon sweetened the job itself to improve retention. It added benefits such as an on-site medical clinic, gave production workers the chance to earn higher bonuses, and created a clear pay-progression plan that allows an entry-level worker to get a 10% pay increase for hitting certain milestones after four to six months on the job.

Trucker troubles

Some hourly positions, including those for truck drivers and tradespeople, remain difficult to fill. The U.S. has faced a driver shortage for 30 years, said Jon Vander Ark, CEO of trash-hauler Republic Services, and he expects the issue to continue.

"I can guarantee you there's going to be a driver shortage for the next 30 years," he said. "That's one of these evergreen problems."

Republic has had success luring drivers with a quality-of-life proposition: Its employees might start their shifts early in the day, but they sleep in their own beds every night.

Hiring maintenance staffers has proven to be more complicated.

The company started an academy to develop technicians because it is still tough to hire enough of them; about 40% of its technicians are now hired through that internal program. "Technicians I worry about," Vander Ark said.

CORRECTIONS & AMPLIFICATIONS

Nvidia's fiscal year ended in January. The Keywords column in some editions on Saturday incorrectly said it ended in February.

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

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U.S. NEWS

Home-Buying Market Is Toughest Since '80s

Mortgage rates are lower now, but more supply then led to better affordability

BY NICOLE FRIEDMAN AND ALANA PIPE

Today's housing market is the most difficult in decades, a great frustration for millennials and Gen Zers looking for a starter home. Baby boomers can relate.

Home-buying affordability dropped last fall to the lowest level since September 1985, and it fell near that level again in June. In 1985, millions of Americans were in their late 20s and early 30s, the prime first-time home-buying years. They also found themselves priced out of the market.

But because buyers in the mid-80s had much more housing supply, homes became more affordable as mortgage rates fell in subsequent years.

First-time home buyers these days have it considerably harder. While affordability is likely to improve by year end if borrowing rates ease and inventory continues to grow, it won't get significantly better without more home building, economists say.

The National Association of Realtors' affordability metric incorporates median single-family existing-home prices, mortgage rates and median family incomes. Even though

it is roughly the same today as in the mid-1980s, the drivers of the housing market and consumer sentiments are nothing alike.

In the mid-1980s, home prices weren't unusually high relative to incomes. It was the mortgage rate, which soared above 18% in 1981 and held above 10% for most of the decade, that frustrated buyers.

Mortgage rates currently sit just below 6.5%, according to Freddie Mac, which is more than double where they stood in 2021 but below the long-term average level since 1971. But home prices are much higher, having soared more than 50% since 2019.

Mortgage rates rose rapidly in the late 1970s as the Federal Reserve increased short-term rates to slow inflation. After home-buying affordability hit a record low in 1981, home sales slumped. But median existing-home prices, which aren't adjusted for inflation, kept rising on an annual basis, according to NAR. Affordability improved after 1981 as inflation got under control and mortgage rates declined. That is a key difference from today: Home buyers in 1985 were more optimistic than they are today, because affordability had improved from a few years earlier.

In September 1985, 72% of consumers said it was a good time to buy a home, according to the University of Michigan's consumer sentiment survey. In

June 2024, just 12% said the same.

In January 2021, a family needed income of \$49,152 to afford the median-priced single-family home with a 20% down payment, according to NAR's affordability index. In June 2024, the family would need an income of \$110,544 to make the same purchase.

Other costs associated with homeownership, including property taxes and home insurance, have also risen.

Existing-home sales slid in 2023 to the lowest level since 1995 and have held at low levels in the first half of 2024.

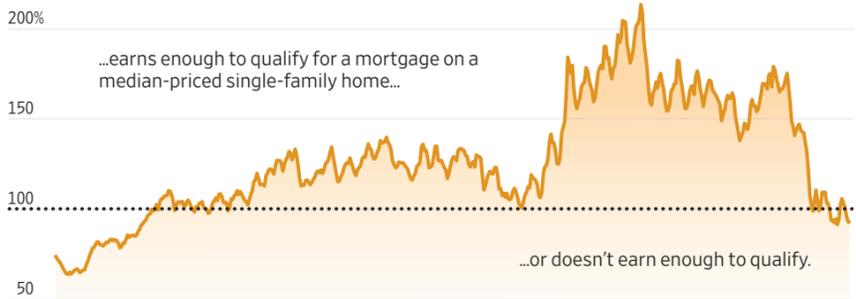
Another sign that the housing market was easier in the mid-1980s is that home buyers were younger.

The typical first-time home buyer in 1984 was 29, according to a NAR survey conducted at the time. In NAR's 2023 survey, the median first-time home buyer age was 35.

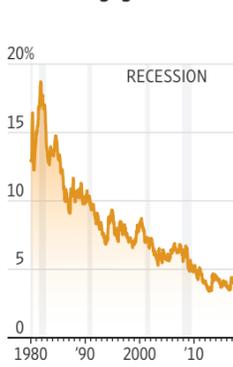
Millennials are getting married and having children later in life than prior generations. Three-fourths of first-time buyers in 1984 were married couples and about half had children. In the 2023 survey, 52% of first-time buyers were married couples and 36% had children.

Almost 60% of baby boomers were homeowners at age 33, compared with about 40% of millennials at the same age, according to an analysis by Victoria Gregory, an economist at the Federal Reserve

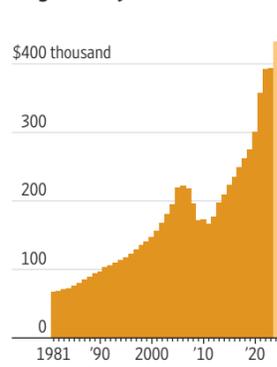
The housing affordability index* shows whether the typical family...



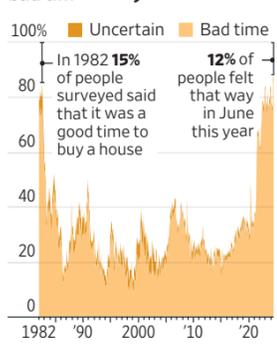
Average rate on a 30-year fixed mortgage



Median sales price on existing single-family homes†



"Generally speaking, do you think now is a good time or a bad time to buy a house?"‡



*Assuming a 20% down payment and 30-year fixed-rate mortgage. June 2024 data is preliminary. †2024 figure is June median. ‡2024 figures through June. Sources: National Association of Realtors (housing affordability index, median price); Freddie Mac (average rate); University of Michigan (Consumer Sentiment Survey)

Bank of St. Louis.

Millennials are catching up as they get older, and many jumped into the market during the pandemic-era housing boom. About 55% of millennials were homeowners in 2023, according to real-estate brokerage Redfin.

Buyers in the 1980s also took advantage of loans that helped them evade high mortgage rates. Just over half of

conventional single-family mortgages originated in 1985 had adjustable rates, which have historically had lower upfront rates than fixed-rate loans, according to the Federal Housing Finance Agency.

ARMs today aren't as appealing to buyers. ARMs made up 5.6% of mortgage originations in the first five months of 2024, according to Intercontinental Exchange.

Buyers today benefit from a broader array of down-payment assistance programs, real-estate agents say.

But policy changes put in place after the 2008 financial crisis have made lending standards stricter. That makes it less likely that there will be another large foreclosure crisis. It also makes it harder for some potential homeowners to enter the market.

New Details Emerge of Police Inaction in Uvalde Massacre

BY ELIZABETH FINDELL AND GINGER ADAMS OTIS

After an 18-year old shooter raced into a Uvalde, Texas, elementary school in 2022, his uncle called the police in a panic, trying to find out if he could help, according to records made public Saturday.

"My nephew, ma'am, he's the shooter," a distraught Armando Ramos told a 911 dispatcher. "Maybe he could listen to me...Maybe he could stand down or something."

Ramos said his nephew had been angry at his grandmother for "bugging him too much." When put on brief holds, Ramos could be heard wailing.

Minutes earlier, law enforcement had taken down shooter Salvador Ramos, who killed 19 fourth-grade students and two teachers. Before attacking Robb Elementary School, Ramos shot his grandmother in the head. She survived.

The uncle's phone call was released as part of a trove of



Officers responding to the 2022 school shooting in Uvalde, Texas.

911 calls, body-camera footage, radio-traffic recordings, text messages and official documents made public Saturday after a lawsuit from a coalition of media organizations including The Wall Street Journal.

Even in an era of frequent mass shootings, the May 24, 2022, attack shocked the nation. It occurred as nearly 400

law-enforcement officers, outside the doors of the classroom and school, waited for more than an hour to intervene.

The records offer the deepest look yet at the previously documented response failures, the lack of cohesion between law-enforcement officers and the trauma inflicted on a community. In one 911 call, between a dispatcher and a child

inside the actual classroom, the little girl can be heard counting bodies, shushing other crying children and begging for police—who were just outside the door—to help.

"There's a lot of dead bodies," she said. "My teacher is dead."

The 911 calls began just before 11:30 a.m., when witnesses across the street from the school saw Ramos crash a white truck into a ditch. Callers reporting it turned panicky as he shot at them and then jumped a fence and ran into the schoolyard.

"Oh, my God, oh my God, these kids—Father, please, in the name of Jesus, please Jesus," one caller cried as a dispatcher assured him officers were on the way. "Please, he's going into the school, you've got to hurry! Oh, my God, he's going to shoot."

Radio audio on both police and sheriff's frequencies shows a chaotic response to two different scenes: the

school and a location a few blocks away, where the woman later identified as Ramos's grandmother was found injured.

The audio shows confusion and inaction on the part of officers who, over the course of more than an hour, waited for other agencies to respond and asked for supplies such as ballistic shields and flash bangs.

At times, misinformation spread over the radios, which worked poorly inside the walls of the school. At 11:40 a.m., an officer wrongly described the suspect as contained, saying "he's barricaded in one of the offices...still shooting." Another call falsely claimed an officer was in the room with the shooter.

Other radio calls, however, indicate at least some officers were aware the room was a classroom, potentially with students and teachers inside. At 11:41, a call identified it as teacher Eva Mireles's classroom, asking: "See if the class

is in there right now or if they're somewhere else."

Mireles was pronounced dead after officers entered the classroom. She had been communicating with her husband, a school district police officer at the scene, to say she was shot.

At 12:12 p.m., during the first call with the little girl in the classroom, the dispatcher told officers that she was on the phone, and that Room 112 was "full of victims." An officer responded, asking the status of the shooter. The dispatcher said she was trying to find out and requested a phone number for someone in command.

After the shooting, families of the victims battled for information and police accountability. In May, they filed a lawsuit against 91 Texas Department of Public Safety officers who were at the scene, and the school district, for response failures. They accepted a \$2 million settlement from the city.

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U.S. NEWS

Trump Keeps Up Attacks on GOP Governor

Calling Kemp disloyal and 'bad guy' alarms allies looking to win battleground Georgia

By CAMERON McWHIRTER

ATLANTA—Georgia Republicans are having a bad case of déjà vu.

Republican presidential nominee Donald Trump has once again taken to attacking Georgia's Republican Gov. Brian Kemp, leaving GOP leaders and strategists fearing that the public and ugly intraparty feud could hurt Trump's chances in this battleground state.

Trump's loss here in 2020 left the state's Republican Party deeply fractured, with Trump blaming Kemp and other statewide GOP officials for refusing to overturn President Biden's narrow victory in the state. Republican officials have blamed the feuding for repeated losses in Senate races.

"I thought any kind of bad blood had blown over, and I don't know why President Trump would want to reopen that wound and attack a very popular governor," said state Sen. Larry Walker III, a member of the Georgia Senate GOP's leadership.

Trump, at a recent Atlanta rally at Georgia State University, called Kemp "a bad guy."

"He's a disloyal guy and

he's a very average governor. Little Brian, little Brian Kemp," Trump said.

Walker called Trump's comments "definitely unproductive and unwarranted," adding: "If we continue with this kind of feud, it will make it more difficult" to win Georgia.

Ryan Mahoney, a longtime Georgia political strategist who has worked for Kemp and other Republicans, called it "political suicide."

Mahoney added: "We've seen this movie before, and the former president's baseless and ill-advised remarks will make it damn near impossible for Republicans to prevail in November."

Only weeks ago, with Biden in the race, some state polls showed Trump up by 5 percentage points. Since the president dropped out, Georgia polls show Vice President Kamala Harris running a much closer race, with some surveys finding Harris and Trump tied. Two major political handicappers now rate Georgia as a toss-up after previously rating it "Lean Republican."

Trump pressured Kemp and others publicly in 2020 to overturn his loss. He also made telephone calls to state leaders, pressing them to find evidence of election fraud, including an infamous call to Georgia Secretary of State Brad Raffensperger urging him to "find" votes for Trump. Investigations



Georgia Gov. Brian Kemp didn't overturn President Biden's win.

and audits found no evidence of widespread fraud.

In August 2023, Democratic Georgia prosecutor Fani Willis announced an indictment against Trump and others, charging them with operating a criminal enterprise to overturn the 2020 election. The case is ongoing.

During Trump's Atlanta rally, a crowd of thousands booed at the mention of Kemp's name. Trump said he didn't want Kemp's endorsement, adding, "In my opinion, they want us to lose...If we lose Georgia, we lose the whole thing."

He then posted similar attacks on Truth Social, his social-media platform, calling Kemp "a bad guy" and Georgia's economy "average."

"Brian Kemp should focus his efforts on fighting Crime, not fighting Unity and the Republican Party!" he wrote.

Georgia Republican leaders had hoped the quarrel between Trump and Kemp was in the past.

Kemp told The Wall Street Journal in June that he was willing to move on and support Trump's candidacy. Afterward, Kemp said on X that Trump should stop "engaging

Campaign Says It Was Hacked

The Trump campaign said some of its internal communications had been hacked and suggested Iran was responsible and seeking to undermine the former president's prospects in the November election.

Documents belonging to the campaign "were obtained illegally from foreign sources hostile to the United States, intended to interfere with the 2024 election and sow chaos throughout our Democratic process," said Steven Cheung, a Trump campaign spokesman.

He cited U.S. government statements that accused Iran of seeking ways to prevent Trump from returning to the White House, including an alleged assassination plot. Cyber-threat research published Friday by Microsoft has also detailed Iran's election hacking operations.

The Trump campaign tied the hack to the new Microsoft cyber-threat research that laid out a range of election interference operations it said were linked to several Iranian cyber groups.

—Dustin Volz

in petty personal insults, attacking fellow Republicans, or dwelling on the past."

On Friday, during an interview with conservative radio host Erick Erickson at an event in Atlanta, Kemp said he still planned to support the Republican ticket in the fall. "Regardless of the noise, we're plowing ahead," he said.

Infighting and other problems within the state Republican apparatus after the 2020 election led Kemp to set up his own get-out-the-vote operation. That statewide effort, apart from the state GOP, helped Kemp win the primary

and the general election in 2022. Kemp also formed a federal political-action committee, Hardworking Americans, which has aided GOP Senate candidates around the country. He has another state committee aiding candidates in Georgia.

A person with direct knowledge of Kemp's political operation said Trump's remarks were uncalculated, and said any joint appearances between the two were now likely "off the table." This person added that conversations between the Trump and Kemp camps "aren't taking place."

Harris Pitches Her Own Plan for No Tax on Tips

By SIOBHAN HUGHES

WASHINGTON—Vice President Kamala Harris on Saturday called for ending taxes on tips, attempting to seize on a policy idea advanced by Republican presidential nominee Donald Trump.

Harris's announcement, during a rally in Las Vegas, comes as she prepares to roll out parts of her broader platform this week. Harris's campaign has experienced a surge in popularity in recent weeks, and her tax proposal seeks to further blunt Trump's populist economic appeal.

"It is my promise to everyone here: When I am president, we will continue our fight for working families of America, including to raise the minimum wage and eliminate taxes on tips for service and hospitality workers," Harris said. The idea could prove popular in the swing state of Nevada, which is populated by casino and other service-industry workers who rely on tips.

Trump in June at a rally in Las Vegas floated a plan to eliminate taxes on tips.



Vice President Kamala Harris attended a campaign event Saturday at the University of Nevada, Las Vegas.

Trump narrowly lost Nevada in 2016 and 2020, and the state is competitive again this year, ranking as one of

six tossup states in the presidential contest, according to the Cook Political Report, an independent elections arbiter.

The state is also a Senate battleground: Sen. Jacky Rosen, a Democrat seeking re-election, has already backed eliminating taxes on tips.

Trump accused Harris of copying his plan.

"This was a TRUMP idea," he wrote on Truth Social, his social-media platform. His campaign began testing out a new moniker, calling her "Copy Cat Kamala," and complained that her stance contradicts a Biden administration proposal unveiled last year to establish a voluntary tip-reporting program.

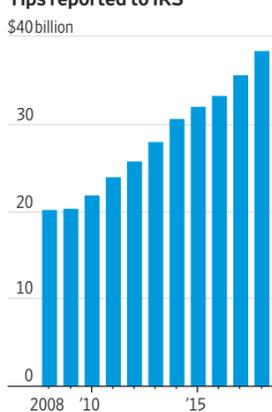
The Culinary Workers Union in the state had initially panned Trump's proposal to eliminate taxes on tips, but has since come out in support of the general idea.

On Sunday, a Harris campaign official said that, as president, Harris would push for eliminating taxes on tips alongside an increase in the minimum wage. The official said that Harris would work to impose an income limit and strict requirements to prevent hedge-fund managers and lawyers from structuring their compensation to take advantage of the policy.

On Saturday, Harris told reporters that she would this week unveil her policy platform, which she said would be focused on the economy and "what we need to do to bring down costs and also strengthen the economy."

Tips are currently taxable income—a box on the W-2 form says "wages, tips and other compensation"—but the

Tips reported to IRS*



*As taxable income for Social Security purposes. Source: Internal Revenue Service

Internal Revenue Service has long struggled to get employers and workers to report that income accurately. The IRS maintains that reporting tipped income correctly isn't difficult and involves keeping a daily tip record, reporting tips to the employer and then reporting that income on the tax return.

The amount of tips reported to the IRS has risen steadily in recent years and exceeded \$38 billion in 2018, according to IRS data.

Changes in the way tips are taxed would require approval from Congress, which is already dealing with an undercurrent of tensions related to the country's \$35 trillion in debt. Eliminating taxes on tips could take away federal income-tax revenue along with taxes that are applied to finance Social Security and Medicare.

Even an income-tax break would benefit service workers who make enough to pay income taxes, while a full exemption from income and payroll taxes would aid more people but leave gaps in the finances of Social Security and Medicare.

The proposal could create a two-tiered labor market where tipped workers would gain a significant advantage over other low-wage employees because they would face lower tax rates. And it could encourage even more tipping—a practice that has proliferated because of automated prompts at checkouts —by creating incentives for both employers and employees to structure compensation so that it maximizes tax-free tips and minimizes taxable wages.

The conservative-leaning Tax Foundation estimates that eliminating just income taxes on tips would cost around \$107 billion over 10 years at a minimum. It has said that it expected such a plan could result in more service industries adopting the restaurant-industry approach, which would make the policy "dramatically more expensive."

There is likely to be a large debate in Washington in 2025 over the tax code, as big sections of the 2017 tax-cut law are scheduled to expire. The next president will have the opportunity to shape these changes during negotiations with Congress.

The proposal seeks to further blunt Trump's populist economic appeal.

RFK Jr.'s Support Further Declines

Robert F. Kennedy Jr.'s ability to run a competitive presidential campaign appears to be in free fall.

By Natalie Andrews, Jimmy Vielkind and Elizabeth Findell

Kennedy's support in national polls, already slipping before President Biden ended his re-election bid, has dropped even further since Vice President Kamala Harris emerged as the Democrats' standard-bearer. He has faced many controversies, from a sexual-assault allegation to a photo of him with a barbecued dog. Last week, he acknowledged leaving a dead bear cub in Central Park in 2014 as a prank. He has barely been seen on the campaign trail.

The third-party candidate is on the ballot in 17 states after qualifying for Texas on Thursday. He is unlikely to participate in any debates with Harris and former President Donald Trump. His campaign says he will be on more ballots by the end of the summer, though he faces costly legal challenges to do so.

Kennedy, 70 years old, began his campaign running for the Democratic nomination before switching to independent, and he gained support from people frustrated with both establishment-party options. But polls show that group has narrowed since Harris joined the race. Democrats are excited about their candidate, and Republicans have rallied around Trump after his near assassination. In a Wall Street Journal national poll of the presidential contest released in late July, Kennedy received 4% support, down from 7% in early July—when Biden was still in the race—and 9% in February.

Kennedy has denied reports that he has discussed with Trump the possibility of endorsing the Republican in exchange for an administration position. Asked last week what he wants his campaign to accomplish, Kennedy replied: "I only have one intention, which is to get to the White House."

Kennedy, an environmental lawyer, has stirred controversy with his skepticism of vaccines and his unfounded health messages, such as linking gender dysphoria to contaminated water. On Friday, podcaster Joe Rogan, who was a critic of Covid-19 vaccines, said that Kennedy is "the only one to make sense to me."

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U.S. NEWS

Musk Uses His Firms to Boost AI Bet

Continued from Page One
pany,” Musk said in a July interview with conservative psychologist Jordan Peterson. “So we have a lot of catching up to do relative to companies that have been around for five or 10 or 20 years.”

Investors’ concerns

The concern for some investors is that as Musk shifts manpower and hardware to xAI, his other businesses don’t benefit. Musk has said such sharing benefits investors in all of his companies, but the practice has brought lawsuits and was used as an argument by critics against Tesla giving him a pay package worth tens of billions of dollars.

At least three Tesla shareholders—the electric-vehicle maker is Musk’s only publicly listed company—have filed suits claiming that a shifting of resources to xAI has hurt the carmaker’s investors. Those cases are pending in the Delaware Court of Chancery.

“It’s all going to be problematic,” said Brian Quinn, a law professor at Boston College. “Every time he’s playing with the resources of any of these companies, he’s dealing with other people’s money. He can’t treat all these assets as his own personal assets.”

As recently as last month, Musk was pitching potential collaborations between his companies. He posted a poll on X, asking users if Tesla should invest \$5 billion in xAI, and said it was meant to test the waters because any such move would require board and shareholder approval. After X users voted 68% in favor of the move, Musk posted: “Looks like the public is in favor. Will discuss with Tesla board.”

Musk, Tesla, xAI and X didn’t respond to requests for comment. Musk posted on X last month that xAI, Tesla and X are all looking to hire talent. He also has said previously that hiring employees from his other companies at xAI is a way to prevent prized engineers from going to competitors.

The shifting of resources between Musk’s companies isn’t new. For years, he has used his companies—SpaceX, the rocket startup; Neuralink, the brain-implant chip firm; tunnel maker Boring Co.; and X, the social-media platform, in addition to Tesla and xAI—to help one another.

When Musk bought the company then known as Twitter in 2022, he brought in employees from across his business empire to help with the transition. In court testimony, Musk said the Tesla engineers briefly helped out on a voluntary after-hours basis.

“Did Tesla no longer need those engineers?” a lawyer asked him.

“No. Tesla needed the engineers,” Musk responded.

One of Tesla’s board members said in court testimony that the engineers were paid for their work.

xAI also has capitalized on its connections to Musk’s network of companies to raise \$6 billion in recent months. xAI investors say they were pitched on the idea that xAI could use data from Musk’s other businesses, including Tesla, to train its large-language models.

Some investors said those connections were part of the allure.

Big ambitions

xAI now boasts a \$24 billion valuation, second only to OpenAI in terms of size of AI startups. Musk co-founded OpenAI in 2015 and left the company’s board of directors in 2018.

Since its launch in July 2023, xAI has released a chatbot named Grok and is building what Musk has called the biggest data center in the world. Musk’s record of building businesses has engendered loyalty from some investors. Several xAI investors have poured money into his other companies.

Others have bristled at the overlap. The Tesla shareholders behind the recent lawsuits are accusing Musk of violating his fiduciary duties by moving talent and other resources to xAI, seeking damages and asking the court to order Musk to move his equity stake in xAI to Tesla. In one suit, shareholders are asking that Musk’s interest

in xAI be put in a trust.

Tesla didn’t respond to questions about the lawsuits. Musk said on an earnings call last month that “Tesla is learning quite a bit from xAI. It’s been actually helpful in advancing Full Self-Driving and in building up the new Tesla data center.”

Sharing resources between companies isn’t illegal on its own, if each entity is fairly compensated. But such arrangements are rare at big corporations and considered fraught practice because they raise concerns that the chief could make decisions for one company at the expense of another.

Negotiating deals—and settling on a price—becomes awkward when a CEO is on opposite sides of the same deal. Among the fears are that conflicted CEOs might want to steer new business to their



The startup xAI has hired at least 11 employees from Tesla.

struggling companies, or pay unfairly low prices in deals with their successful ones.

“The law doesn’t prohibit people from having fiduciary

responsibilities to multiple companies,” said Scott Cummings, a law professor at the University of California, Los Angeles. “What the law prohib-

its is acting in ways that essentially harm one company to the benefit of another.”

Musk might have more leeway with his private companies than with Tesla, but he is still beholden to investors in those firms, including xAI, according to corporate governance experts. The difference is that investors in Musk’s private companies might be less likely to take legal action against him.

The stakes are higher with Musk’s public company, Tesla, where he doesn’t own a majority stake. One of the institutional investors suing him is the Employees’ Retirement System of Rhode Island, which says it provides benefits to roughly 60,000 public employees.

Tesla and xAI each have distinct AI ambitions, putting the companies in an awkward position as they compete for re-

sources. Tesla is trying to develop fully autonomous driving software and a humanoid robot, in addition to selling cars.

One of the shareholder suits, filed by the Cleveland Bakers and Teamsters Pension Fund, takes aim at the GPU reallocation between the companies.

“Musk is creating enormous value at xAI—potentially worth hundreds of billions of dollars in the near future—at Tesla’s expense,” the complaint says.

After CNBC reported Musk had asked for Nvidia’s chips to be redirected to xAI and X from Tesla, he offered an explanation in an X post: “Tesla had no place to send the Nvidia chips to turn them on, so they would have just sat in a warehouse.”

—Alexa Corse, Alexander Saeedy and Deepa Seetharaman contributed to this article.

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WORLD NEWS

Kyiv Incursion Catches Moscow by Surprise

Ukraine's advance into Kursk raises questions about Russian capabilities

By YAROSLAV TROFIMOV
AND THOMAS GROVE

In the five days since Ukrainian forces pushed into Russia's Kursk region, at least 76,000 Russian civilians have fled the fighting—some seen racing away in shrapnel-peppered cars. A tent city for refugees is being set up in the regional capital.

The first major foreign military invasion of Russian territory since World War II, the Ukrainian incursion caught Moscow by surprise. Kyiv's forces have advanced at least 20 miles in from the border and raised a Ukrainian flag in the town of Sudzha.

Videos posted online show a column of Russian reinforcements taking heavy losses Friday near another town in the area, Rylsk, and Ukrainian troops released footage with well over a hundred Russian prisoners. At least three Russian combat helicopters have been shot down, according to Russian military analysts.

Still, on Russian TV—and in the Kremlin's pronouncements—the tumultuous events of recent days are presented as nearly routine, with Ukrainian forces usually referred to as “saboteurs” who are “attempting” an incursion. President Vladimir Putin described the advance of Ukrainian armored units as “yet another large-scale provocation.”

The chief of Russia's general staff, Gen. Valery Gerasimov, said no more than 1,000 Ukrainian troops were involved. Russia's Defense Ministry later said 1,120 Ukrainian



People gathered at an apartment building damaged after shelling by the Ukrainian side in Kursk, Russia, on Sunday.

troops have been killed, sparking online ridicule of the defense establishment by Russian nationalist bloggers.

On Friday, the Russian government described activities in the border regions of Kursk, Bryansk and Belgorod as a “counterterrorist operation.”

This placed the fighting on the Ukrainian border under the overall command of the Federal Security Service, Russia's domestic intelligence agency—rather than the military.

“There can be no rally around the flag effect for an authoritarian regime that is losing,” said self-exiled Russian political analyst Abbas Gallyamov, who used to be one of Putin's speechwriters. “The authoritar-

ian public only respects strength—if you win, you become more popular. But if you start losing, and the defeat in Kursk is obvious, then you remain alone and people don't just turn away from you, they start hating and despising you.”

It appears that Russia has managed to slow down Ukrainian advances in Kursk, but it is nowhere near regaining the lost territory so far, and Russian military bloggers said Kyiv seized an additional Russian village, Plekhovo, on Saturday. “We must look at this situation with sobriety,” Russian lawmaker Andrey Gurulev, a retired lieutenant-general, told Russian TV. “We won't be able to push them out quickly.”

The Ukrainian move into Sudzha followed a similar, but less successful, Russian cross-border offensive in Ukraine's Kharkiv region in May. That operation prompted the U.S. and allies to relax longstanding restrictions on using Western-supplied weapons on Russian soil.

Putin's muted reaction to the invasion of Kursk raises questions about what red lines the Russian leader really has—and whether Western hesitation to arm Ukraine, a result of concerns about Russian escalation, was a strategic mistake.

“We have to see how the Russians respond, but this is an assault on its territorial integrity and ultimately sover-

eignty,” said John Foreman, a former U.K. defense attaché in Russia. “So the question is what is a red line.”

For now, at least, there is no evidence of popular outrage directed at Putin outside the immediately affected areas of Kursk region. Russia's hypernationalist war analysts are fuming about the failures of the Russian Defense Ministry. Some of them have demanded the firing of Gerasimov, and the return to the front of former Ukraine war commander Gen. Sergei Surovkin, who was briefly detained and sidelined last year, and Maj. Gen. Ivan Popov, the commander of the 58th Combined Arms Army who criti-

cized the General Staff last year and is now in jail on corruption charges.

“War has become so routine in people's minds, that even such serious failures as the seizure of internationally recognized Russian territory is treated as something like: Meh, it happens,” said Alexandra Prokopenko, a fellow at the Carnegie Russia Eurasia Center. “I don't think anything can mobilize Russian society at this point. Generally speaking, the Russian people have wanted and keep wanting the same thing: to be left alone.”

The Russian Ministry of Emergency Situations on Saturday said there were 76,000 registered refugees from affected areas of the Kursk region. The total population of the Kursk region, home to one of Russia's main nuclear power stations, is just over one million, with nearly half living in the regional capital. Putin announced after the invasion began that each person displaced from the border area will be eligible for a one-time payment of 10,000 rubles, or \$115, a small sum even in Russia.

In the city of Rylsk, as few as 5,000 people out of 15,000 residents still remain as buses and private cars evacuate them to safety, according to district chief Andrey Belousov.

In a video posted on a Sudzha chat group after the Ukrainian incursion, a crowd of local residents said they were forced to flee their homes. In their appeal to Putin, they said they supported the war in Ukraine he unleashed in February 2022 but now had been left with nothing. “Over the course of several hours our city was turned into rubble,” said one resident of the region around Sudzha. “Now we've had our land and homes taken from us and we escaped under fire.”

Freed Russian Dissidents Aim to Fight On From Exile

By MATTHEW LUXMOORE

BERLIN—Among the first things Ilya Yashin did after being freed with other Russian dissidents last week was to go shopping for a watch and clothes to replace his prison uniform.

Then he went into campaign mode. On Wednesday evening, he was greeted by a standing ovation as he stepped onto a stage in a Berlin park and paid tribute to the hundreds of Kremlin critics still in Russia.

“I don't know how to be a Russian politician abroad. But I'll learn,” he promised. “Guys, you can count on me.”

Yashin, 41, was released as part of the largest East-West prisoner swap since the Cold War, an exchange that also freed Wall Street Journal reporter Evan Gershkovich.

For the vast community of Russians who have fled their homeland since President Vladimir Putin launched his invasion of Ukraine in 2022, the release of jailed opposition politicians was a cause for celebration and hope.

But many of those dissidents—now essentially barred

from a country they had fought to change—consider it a grave injustice. For Yashin, placing himself mentally in Russia is crucial to his mission of being an activist in exile.

“The people around me will prevent me from severing my connection to Russian realities,” he said in an interview after a packed book-signing event in Berlin for a memoir he finished in prison.

More than 700 Kremlin critics still languish in Russian jails. Alexei Navalny, Putin's main political opponent and a close friend of Yashin's, died in a prison colony last winter.

Yashin was sentenced to more than eight years for a YouTube broadcast in which he accused Russia of massacring Ukrainian civilians. He was charged with spreading false information about Russia's military campaign.

The risks of speaking out have risen so dramatically that most activists now do so from Europe and the U.S. But most of the dissidents released in this month's swap had chosen to remain in Russia.

The journalist and politician Vladimir Kara-Murza returned to Russia weeks into

Putin's invasion of Ukraine despite being the target of two poisonings he blames on the Kremlin. Former Navalny aide Ksenia Fadeyeva continued speaking out against Putin as a regional lawmaker in Siberia. Human-rights activist Oleg Orlov was penning antiwar articles from his Moscow base long after Russia introduced laws that made that a criminal offense.

In Russia, they struggled with a wrenching choice: risk arrest by staying, or risk losing relevance by leaving. Many see opposing the regime from abroad as doomed, because it is difficult for activists living in comfort in Europe to convincingly urge supporters inside Russia to risk imprisonment by taking to the streets.

But returning to Russia now would likely mean a very long prison sentence with no option of being included in another prisoner swap. It would also undermine the efforts of the governments that lobbied for their release.

The Russian opposition abroad is riven over how best to weaken Putin.

“Directly influencing what-



Ilya Yashin drew a crowd to a book-signing event in Berlin for a memoir he finished in prison.

ever happens inside Russia is impossible when you're dealing with a highly repressive authoritarian regime,” said Yekaterina Schulmann, a Russian political scientist now also based abroad.

By exiling them, Putin has robbed the freed activists of some of their symbolic power. Every word they spoke in recorded court hearings or wrote in letters to supporters carried a weight they don't have when uttered from exile.

Banishing opponents is an age-old Kremlin tactic. The Bolsheviks set up in Switzerland, Paris and London before returning to the collapsing Russian Empire to seize

power. Soviet dissidents such as writer Alexander Solzhenitsyn came home after the U.S.S.R. collapsed.

Kara-Murza invoked the example of those Soviet forerunners during an emotional press conference less than 24 hours after the freed dissidents arrived in Germany. Sitting beside him, Yashin denounced his inclusion in the prisoner swap, holding up a written appeal against his expulsion that he says he handed to Russian officials.

“More than anything I want now to go back home,” Yashin said, fighting back tears.

On the flight from Moscow,

there was a sense of collective tragedy, said Andrei Pivovarov, an activist who had one month left to serve of a four-year sentence for working for a banned political organization.

Some of the Russians cried or just sat in stunned silence. Others jokingly asked agents of Russia's Federal Security Service who accompanied them whether there was space on the flight back to Russia, Pivovarov said. Referring to Gershkovich and the other freed Americans, he said: “They were going home. We were leaving our home.”

—Bojan Pancevski
contributed to this article.

WORLD WATCH



FOOTLOOSE: To bring a good harvest, Indonesians faced off at the 'Sisemba' festival Sunday.

BANGLADESH
Top Judges Resign As Protests Renew

Bangladesh's chief justice, Obaidul Hassan, resigned Saturday following new protests by a group of students and other demonstrators, as the country's interim government led by Nobel laureate Muhammad Yunus started functioning days after a mass uprising forced Prime Minister Sheikh Hasina to resign and flee to India.

Asif Nazrul, law, justice and parliamentary affairs adviser to the interim government, said his office received the resignation letter and would forward it to the country's figurehead president, Mohammed Shahabuddin, for further procedures.

Later Saturday, five more top judges also resigned, in an attempt by the new government to reorganize the judiciary.

—Associated Press

UGANDA
Landfill Collapse Kills at Least 18

A vast landfill site in the Ugandan capital has collapsed, killing at least 18 people, the Red Cross said.

An additional 14 people were injured when the Kiteezi landfill, which serves as a waste-disposal site for much of Kampala, collapsed late Friday. At least two of the dead were children.

The collapse is believed to have been triggered by heavy rainfall. The city authority said there was a “structural failure in waste mass.”

The Kiteezi landfill is in an impoverished part of the city. Women and children gather there to scavenge plastic waste, and some homes have been built nearby. President Yoweri Museveni ordered an investigation, asking on X why people were living close to an unstable heap of garbage.

—Associated Press

GREECE
Cocaine Seizure Tops 200 Pounds

Customs agents seized around 205 pounds of cocaine at the port in the northern Greek city of Thessaloniki, authorities said.

The cocaine was found on a ship that had sailed from Ecuador to Thessaloniki carrying bananas to be delivered over land to Romania by a French company, according to Greece's Independent Authority for Public Revenue, which oversees customs operations.

Customs agents X-rayed a container and found 80 packages hidden inside the container's cooling mechanism, the revenue authority said, adding, “the investigation to track down the recipients of the drugs continues.”

The estimated street value of the cocaine was more than €2.9 million, equivalent to \$3.16 million, authorities said.

—Associated Press

WORLD NEWS

Israeli Strike Kills Dozens of Gaza Civilians

By ANAT PELED
AND ABEER AYYOUB

Israel's military killed dozens of civilians Saturday, Palestinian authorities and witnesses said, in an airstrike on a Gaza City school complex it said was used as a militant command post as well as a shelter for displaced people.

The strike around dawn Saturday triggered a wave of criticism from Arab governments and threatened to complicate a U.S.-led effort to restart moribund talks toward a cease-fire next week.

Israel's military said the school and nearby mosque were used by Hamas as a command and control center, and that its intelligence showed 20 militants from Hamas and Islamic Jihad were killed in the strike, including senior commanders.

Residents said the Taba'een school in the neighborhood of Daraj in eastern Gaza City, which included a mosque and playground in its compound, was also being used as housing by Palestinians who had few places to go after being displaced from their homes by the fighting. The neighborhood was one of the last undestroyed areas of Gaza City.

Amro Selim, 22, who lives next door to the school, said he woke up to the sound of an



Israel said the school complex sheltering displaced people was also a militant command post.

explosion early Saturday morning and went to help with the rescue efforts.

"The mosque and the first floor were targeted," he said. "I saw dead bodies over each other, body parts everywhere. A lot of them were children and women."

Selim said a fire broke out on the first floor, which had been reserved as a shelter for women. "We started to bring water trying to extinguish the fire, but a lot of women were burnt dead already," he said.

Hamas said the strike occurred during dawn prayers. A video of the aftermath verified by Storyful, owned by Wall Street Journal parent News Corp, showed bodies of bloodied victims strewn among the rubble of a building and first responders attempting to reach the injured and dead.

Israel's military said it took steps to mitigate harm to civilians before the strike including "the use of precise munitions, aerial surveillance, and intelligence information."

The military said it used three munitions for the strike and blamed Hamas for embedding itself in civilian infrastructure.

Dr. Fadel Naim, the head of Al-Ahli hospital in Gaza City, the only hospital in service in the area, said the hospital began receiving dozens of bodies as well as injured including children and elderly around 5 a.m. Naim said some of the wounded were in very critical condition.

"We have a lot of amputation surgeries, cases of severe

skin burns," Naim said. "This might lead to an increasing number of the dead."

The incident was the latest in a series of strikes on school buildings in Gaza that now mostly function as shelters but which Israel says are frequently used by Hamas.

Israel struck two schools in Daraj Tuffah on Thursday, saying they were being used by Hamas militants to plan attacks. Israel also struck the Hassan Salame and Nasser schools in Gaza City on Monday and said it killed a Hamas battalion commander.

Israel invaded the Gaza Strip after the Hamas-led Oct. 7 attacks on southern Israel left 1,200 people dead and some 250 taken hostage. The war has reduced much of once bustling Gaza to rubble and has killed more than 39,000 Palestinians, most of them civilians, according to Gaza health officials, who don't say how many were combatants.

The strike is likely to further complicate efforts by the U.S. to get Israel and Hamas to agree to a cease-fire in the enclave and return some of the 111 Oct. 7 hostages thought to remain in the Gaza Strip, many of whom are believed to be dead. The U.S., Egypt and Qatar called on the parties to resume talks on Aug. 15, promising to present their own proposal for bridging the

remaining gaps if necessary.

The U.S. says Israel has welcomed the invitation. Hamas, whose officials had yet to confirm whether they would participate, on Saturday accused Israel of "a serious escalation."

Israel's military has wound down major operations in Gaza and is in a counterinsurgency phase of raids that target suspected concentrations of militants. While the fighting is generally less intensive and involves fewer Israeli troops than in the earlier months of the war, strikes are taking place in crowded civilian areas and continue to be deadly.

Several Arab and Muslim countries condemned Saturday's attack, including Egypt, Saudi Arabia, Qatar, Jordan and Iran.

Egypt called the attack an "unprecedented disregard for international law and international humanitarian law," adding that it was a clear sign of Israel's "lack of political will" to end the conflict.

Lebanon's foreign ministry also condemned the strike, which took place during intensified efforts to de-escalate the continuing conflict between Israel and Hezbollah, accusing Israel of trying to "prolong and expand the war."

—Suha Ma'ayeh
and Saleh al-Batati
contributed to this article.

Deaths in Israeli Jails Fuel Charges

Continued from Page One
bate around the allegations. Right-wing protests breached a military base and facility where the reservists were being questioned. Doctors reported the prisoner's injuries were so severe they required surgery, medical staffers familiar with the matter said. The suspects deny the allegations.

Bursh's family and lawyer, citing accounts from others held with Bursh, alleged Israeli prison staff tortured the doctor to death without charging him with a crime. Israeli police, which operates separately from the military, said they have opened an investigation into Bursh's case after receiving a report of his death inside Israel's Ofer prison, near the West Bank city of Ramallah.

Khaled Hamouda, a doctor held with Bursh who was subsequently released, told The Wall Street Journal he saw Bursh and believed he had fractured ribs from a beating. A lawyer with Hamoked, an Israeli human-rights group, who visited the prison said that another Palestinian man held there told her he saw Bursh brought to a cell by guards dazed and unable to stand, and then thrown to the floor shortly before he died.

An Israeli police document viewed by the Journal said Bursh's body was being stored by Israel's National Center for Forensic Medicine. An Israeli court order, viewed by the Journal, that granted permission for an autopsy attended by a family representative, said Bursh died on April 19. His family said they declined to have the government perform an autopsy and they instead are petitioning for an independent investigation.

In response to questions from the Journal, Israel's military accused Bursh of having an affiliation with Hamas and said it detained him on suspicion of "offenses committed in jeopardy of the State's security," but didn't say what the alleged offenses were.

The military said it handed Bursh over to Israel's prison service soon after his detention. It has rejected allegations of systematic abuses in its detention centers.

The Israeli prison service declined to comment on Bursh's case, saying it was "not aware" of claims related to his treatment and other prisoners who died. It said it operates according to the law and that "all basic rights required are fully applied by professionally trained prison guards."

Bursh's family and friends, along with officials from Hamas and its main rival, Fatah, all denied that Bursh had any affiliation with Hamas, which the U.S. designates a terrorist organization, or any other Palestinian faction. Friends said he didn't



Mohamad Abu Salmiya was detained by Israel in November and released in July. Another prisoner, Adnan Bursh, died in custody.

hold radical political views, despite his October tweet supporting Hamas's attack on Israel, which called it "everything one could have wished for."

Graeme Groom, a British surgeon and army veteran who helped bring Bursh to London for a fellowship at King's College Hospital, said Bursh's tweets were "offensive, deeply insensitive and counterproductive. But injudicious remarks on social media do not usually constitute a capital offense."

Accounts of abuse

Forty-four Palestinian detainees have died in Israeli military custody from Oct. 7 through July 2, according to an Israeli military written response to a question from Physicians for Human Rights Israel, an independent watchdog group, that was viewed by the Journal.

In addition, a Journal tally based on death notices published by Palestinian authorities and separate counts by Israeli human rights groups indicates at least 16 deaths in prisons, which are managed separately from the military facilities.

Israeli officials haven't released autopsies or causes of death in most of the cases.

Israel's military said an unspecified number of detainees who died had been wounded when they were picked up on the battlefield in Gaza.

Since launching the war, Israeli forces have rounded up thousands of people from Gaza, bringing its total number of Palestinian detainees—including some from the West Bank and some from before the war—to more than 9,000, according to figures provided by the Israel Prison Service to Hamoked, the Israeli human-rights group.

A document signed in late June by the head of Israel's internal security service, Shin Bet, and viewed by the Journal, warned that conditions in which Palestinians were being held

could violate the U.N. convention against torture. It called for greater Red Cross access and said Israeli behavior in prisons "verges on abuse." Shin Bet itself has been accused of torturing Palestinians in the past, a charge it disputes.

Israeli National Security Minister Itamar Ben-Gvir, a far-right politician who oversees the prison system, said in June he had intentionally imposed "harsh" conditions for Palestinians in Israeli prisons, including cutting back food rations.

He said in a tweet that the decision was part of a crackdown in response to Oct. 7. Ben-Gvir, who referred last year to Palestinian prisoners as "human scum," called in April for some detainees to be executed to make room in the overcrowded prison system.

"Everything published about the abominable conditions of these vile murderers in prison was true," said Ben-Gvir in July, referring to news reports of ill-treatment of Palestinian prisoners. "One of the highest goals I have set for myself is to worsen the conditions of the terrorists in the prisons, and to reduce their rights to the minimum required by law."

Doctors affiliated with Physicians for Human Rights-Israel, the watchdog group, attended autopsies of two Palestinian prisoners from the West Bank who died in custody. They wrote reports, reviewed by the Journal, that said the bodies had bruises and broken ribs, which the documents said were evidence of possible violence.

A third prisoner died after being denied care for a serious pre-existing condition, a doctor with the human rights group wrote in a report after observ-

ing the autopsy.

Mahmoud Qatanani, a former Palestinian detainee, said in an interview with the Journal that he witnessed more than a dozen guards beating another detainee to death.

A dozen other freed detainees said in interviews they had been beaten, in many cases with batons and fists by prison guards. Two said they had been sexually assaulted by guards, including by having objects inserted in their anuses.

Their accounts are consistent with those of medical personnel and lawyers who have visited Israeli detention facilities and say they saw evidence of abuse, with bruises on detainees' extremities, as well as with lawyers' documentation of detainees' accounts of assaults of prisoners.

The Biden administration said it has been clear that Israel must ensure accountability for any abuses or violations. "The reports of rape, torture and abuse are deeply, deeply concerning, and we have been clear and consistent with Israel that it must

treat all detainees humanely and with dignity in accordance with international law," said White House press secretary Karine Jean-Pierre.

International authorities have increased pressure on Israeli officials to more fully address the allegations, including those surrounding Bursh, the Gaza surgeon.

Bursh's case "raises serious concerns that he died following torture at the hands of Israeli authorities," said Tlaleng Mofokeng, the U.N. special rapporteur on the healthcare rights, in a statement.

A separate investigation by the Office of the United Nations

High Commissioner for Human Rights, based on interviews with Palestinians detained with Bursh, raised the same concerns. "The testimony of Palestinians detained with him raise serious concerns that he died following torture or mistreatment at the hand of Israeli authorities," the report says.

Former detainees and Israeli and Palestinian human rights groups say the abuse of prisoners has surged since Oct. 7.

Tensions escalated after authorities in early July released the former director of Al-Shifa Hospital, where Bursh once worked, without charging him with a crime.

Mohamad Abu Salmiya, whom Israel's military had accused of collaborating with Hamas, said he was beaten and denied access to a lawyer. Like other detainees from Gaza, he was held under a 2002 Unlawful Combatants Law, which was amended after Oct. 7 to let prisoners be detained up to 75 days without seeing a judge and up to 180 days without access to a lawyer.

While some in Israel denounced his release, human-rights advocates said it proved their argument that Israeli forces had been arresting Palestinian civilians on spurious charges.

Israel's military has said Hamas used Al-Shifa as a base and command center. Israeli forces said they discovered militant tunnels beneath the hospital and recovered weapons from hospital buildings.

For several months, the first stop for many Palestinians detained by the military, including Bursh, was Sde Teiman, a military camp in southern Israel.

Palestinian detainees at Sde Teiman have been shackled to their beds for weeks at a time, wearing little more than blindfolds and diapers, said an Israeli medical worker who visited the facility, in an interview.

A report released in April by

the United Nations Relief and Works Agency for Palestinian refugees based on interviews with hundreds of returning Gazan detainees, found that ill-treatment in Sde Teiman and other facilities included beatings with guns and boots; deprivation of water, food, sleep and toilets; and "humiliation such as being made to act like animals or getting urinated on."

The Israeli military has rejected allegations of abuses at the facility.

In response to a lawsuit brought by local human-rights groups, Israel's government agreed in June to move 500 of what it said were 700 detainees currently held at Sde Teiman to other facilities.

A doctor disappears

Bursh, known for his toothy smile and tight curls, had grown up near Gaza City and studied in Europe, including a six-month fellowship at King's College Hospital in London. When not working, he swam in the Mediterranean, wrote poetry and played soccer. "He was one of life's enthusiasts," said Groom, the British doctor who brought Bursh to London through a small charity.

"Lots of doctors had the chance to leave, but he decided to stay," said Zuhair Khoudary, a former patient. "The people needed him."

Bursh didn't hide his support for Palestinian causes and sometimes posted violent or defiant messages online after treating Gazans wounded in Israel-related protests. "With the stones, I'd like to fight back. Digging the grave of my enemy," he wrote on Facebook after one such protest in 2018.

After Oct. 7, Bursh worked at Gaza City's Shifa hospital, treating the war wounded. He sometimes slept at the hospital and posted photos of himself helping injured children.

While his wife, Yasmin, moved with their children from place to place fleeing Israeli attacks, Bursh relocated from Shifa to northern Gaza's Indonesian Hospital, a smaller, 100-bed facility. Israeli forces closed in on the Indonesian hospital in late November, saying it was built on top of Hamas tunnels, an allegation Indonesia's foreign ministry denied.

Eventually Bursh moved to work at Al-Awda, a Palestine Red Crescent Society hospital. Then he disappeared.

Sheltering in a crowded U.N. school in Gaza, Bursh's wife contacted everyone she could think of for news. Released detainees said they had spotted Bursh first in Sde Teiman, then in two other detention centers in southern Israel, and finally in Ofer prison in the West Bank.

For months, Yasmin believed her husband would come home. She saved dried roses for his arrival, and despite being short of food, made plans for a breakfast upon his return.

On May 2, the call finally came from the Palestinian Ministry of Prisoners' Affairs. It had received notice from Israel that Bursh had died more than a week earlier.

WORLD NEWS

Deadly Brazil Crash Remains a Mystery

By SAMANTHA PEARSON

VINHEDO, Brazil—Brazilian air-crash investigators combed over the remains of a twin-engine passenger plane Saturday, a day after the aircraft spun to the ground, killing all 62 people on board. The twin-engine plane's descent—it fell at up to 24,000 feet a minute while rotating horizontally—was highly unusual, aviation specialists said. While experts have pointed to a possible buildup of ice on the wings, authorities in Brazil are still working to understand what happened to the ATR turboprop, used in many countries including the U.S.

"I thought I was going to die," said Victor de Sousa, 12 years old, who was at the local middle school about a mile away from the crash site when the plane began whirling overhead, a scene captured on video and seen worldwide.

Nestled among grape plantations, Vinhedo (Portuguese for "vineyard") is where some affluent residents of São Paulo retire. Families were sitting down to lunch Friday in the Recanto Florido residential complex when the 89-foot plane hurtled from the sky, bursting into flames in a backyard. Rescue workers had removed the bodies of about 30 passengers by 1 p.m. Saturday. The victims were so badly burned that authorities must

rely on dental records and DNA analysis. A Portuguese woman, three Venezuelans and at least four children were among the victims, authorities said.

"We're trying to get the bodies out as carefully as we can but many are not intact," said Rodrigo Sanfurgo, head of São Paulo's federal police.

The plane took off from Cascavel in the southern state of Paraná at 11:58 a.m., climbing to around 17,000 feet, according to aviation-tracking site Flightradar24. But as it started its approach to São Paulo-Guarulhos International Airport at about 1:21 p.m., it dropped to about 4,000 feet in little over a minute.

Air force officials investigating the crash said Saturday they were analyzing information from the flight-data recorder. The pilots on board didn't alert air-traffic controllers to any emergency in the moments before the plane began plummeting, officials said.

No one was hurt on the ground, which some people here said was nothing short of a miracle. Video showed one house in flames Friday.

Watch a Video



Scan the code for a look at videos showing the plane crash in Brazil.



U.S. Offers Amnesty To Maduro

Continued from Page One and tasked the Supreme Court, stacked with his handpicked allies, with resolving the impasse, buying him time.

International action might be the only avenue to force out Maduro, who over 11 years of authoritarian rule has overseen an economic implosion, diplomatic isolation and the exodus of nearly eight million Venezuelans—more than war-torn Syria and Ukraine. Maduro has given transnational gangs a haven, U.S. and Colombian officials said, and allowed Russia, China and other U.S. rivals to gain a foothold in the Western Hemisphere.

Maduro's total grip on power stacks the odds against the Biden administration. The U.S. had made an amnesty offer to Maduro during secret talks in Doha, Qatar, last year, but he declined to discuss arrangements where he would have to leave office, people familiar with the matter said. One person close to the regime said Maduro's position hasn't changed, for now.

Maduro has said that he is open to talks as long as Washington shows him respect. At other times, he tells the U.S. to mind its own business. "Don't mess with Venezuela's internal affairs, that's all I ask for," Maduro said in a news conference Friday.

Latin America's three most populous countries—Brazil, Mexico and Colombia—are also involved in trying to resolve the standoff. U.S. officials want these countries—run by leftist leaders sympathetic to Maduro—to take a tougher stance than their current position of pressuring him to present evidence he won.

The U.S. has five months before Venezuela's presidential inauguration to pull off a deal and much depends on the outcome of the presidential election in November.

A Donald Trump victory



The U.S. is pursuing a bid to push President Nicolás Maduro to give up power in Venezuela in exchange for amnesty.

could squelch the talks if the ex-president revives his previous aggressive policies toward Maduro that began in 2019.

Still Maduro mistrusts Washington, no matter who inhabits the White House, said people familiar with the sentiment in Caracas. This includes the Biden administration, even though it had lifted most economic sanctions in the hope of fostering a free and fair July election.

So far, the talks have taken place virtually between Jorge Rodríguez, president of Venezuela's congress and a Maduro confidant, and Daniel P. Erikson, who directs policy toward Venezuela at the White House National Security Council. U.S. officials have signaled that they won't force Western oil companies to leave Venezuela.

An NSC spokeswoman declined to comment on diplomatic engagements with Caracas but said the U.S. supports international efforts to demand transparency over the vote and will determine next steps based on U.S. interests.

"We are considering a range of options to incentivize and pressure Maduro to recognize the election results and will continue to do so, but the responsibility is on Maduro and Venezuela's electoral authorities to come clean on the electoral results," the spokeswoman said.

The Biden administration "is focusing on carrots, like offering to lift the indictments in exchange for transition talks, rather than sticks like sanc-

tions," said Geoff Ramsey, a Venezuela expert at the Atlantic Council think tank.

The U.S. attempt to offer Maduro a face-saving option dovetails with the opposition's strategy, which favors negotiations that would include guarantees for regime leaders and a transition to a González government.

The U.S. talks wouldn't be happening without the Venezuelan opposition's months-long preparations to document and make public the vote tally, which showed González won by almost 38 percentage points.

Opposition leaders said they were sure Maduro would steal the election. He had already banned the most popular opposition leader, María Corina Machado, from running.

They decided their best shot at documenting victory was to obtain the paper tabulation of the ballots that every Venezuelan voting machine emits, known as an *acta*. Venezuelan law requires *actas* be made publicly available. The opposition trained tens of thousands of poll watchers, who are permitted into voting stations to retrieve the *actas*.

As the voting ended, poll workers noticed González was winning at station after station, even in the Caracas neighborhood called 23rd of January—a stronghold for the radical leftist movement that has ruled for a quarter-century. "We couldn't believe it," said one poll worker.

Another poll worker across

town was stunned as he saw Maduro losing in districts that had been "hyper-Chavista," referring to the president's predecessor and mentor, Hugo Chávez.

Soldiers, who normally carry out the regime's orders, did nothing to stop the opposition's effort.

"They were happy," the poll worker in 23rd of January said of the soldiers. "It was surprising."

The poll watchers, using a QR code on the *actas*, sent the results electronically to the opposition. They also kept physical copies, posting many on social media.

Long after the voting ended, the regime was silent, even though the country's modern electronic-voting system is designed to spit out results minutes after polls closed. It wasn't until after midnight that the election council's president, Maduro confidant Elvis Amoroso, said the president had won, citing no evidence.

By then, the opposition was on its way to collecting 83% of the *actas*. Their tally showed González had won far more votes in every Venezuelan state and nearly 300 of 330 counties.

Jennie Lincoln, who oversaw the Carter Center's effort to monitor the election, said Amoroso didn't present station-by-station results, as required by electoral law. Without offering proof, the regime has said a North Macedonian hacker had breached the system, making it impossible to publicly share the *actas*.

"And the hacking," Lincoln said, "it's bogus."

The results collected by the opposition were similar to pre-election surveys by independent pollsters and exit polls. The opposition digitized the *actas* and published them on a website. "We were able to show the world the truth and what had happened in Venezuela," Machado told The Wall Street Journal.

From the presidential palace, Maduro, 61 years old, has called the opposition's strategy a coup and launched a crackdown, with his regime pledging to investigate Machado and González.

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FROM PAGE ONE

Caps On Opioids Show Holes

Continued from Page One
analysis showed. Scores more survived overdoses. Some of them mixed prescription and street drugs.

Betty Jean Clark, a long-time Lockett patient on Medicare, died of an overdose at age 73. A week before Thanksgiving in 2019, police discovered Clark sitting motionless on a white sofa in her apartment in a senior-living community. Nearby were pill bottles, including methadone prescribed by Lockett. There was evidence of cocaine use.

During the five-year period analyzed by the Journal, Lockett wrote more than 2,800 opioid prescriptions for patients who had previously overdosed, and prescribed the drugs at high doses to hundreds of patients a year, the Journal's analysis showed.

The private companies that run Medicare's prescription-drug plans paid for the opioids, even after the overdoses.

"I don't like it for anyone to die, particularly on my watch," Lockett said in an interview at his office here. "I try to be conservative. I know that I do."

Lockett said hospitals rarely tell him when a patient survives an overdose, and patients themselves don't always volunteer such information. That's why he sometimes continues prescribing opioids to overdose survivors, he said.

Opioid abuse has mushroomed into a national crisis that thus far has defeated all efforts at a solution. In recent years, Medicare set out to limit the abuse of pain medications, but the controls it put in place proved porous and have failed to stop some doctors from prescribing dangerous amounts.

Medicare, which now covers about 67 million people, outsources drug benefits for many to private insurers under a program known as Medicare Part D. In 2018, it proposed asking those insurers to impose a daily dosage limit on opioid prescriptions in line with public health recommendations at the time.

But many pain doctors and insurers pushed back, arguing that an abrupt cutoff of high doses could be dangerous for long-term opioid patients and difficult to manage. Insurers didn't want to have to mediate requests from doctors to make exceptions to the cap.

The Medicare agency instead set the maximum daily dosage at more than twice the level it had initially proposed. The cap starting in 2019 was set at 200 morphine milligram equivalents—the amount of narcotic in 20 10-milligram Vicodin tablets, a very high dose for most people. Patients and their doctors could still seek exceptions.

And for the insurers, it was a recommendation rather than a requirement. Only half of Part D drug plans adopted it as of 2022, a spokesman for the Centers for Medicare and Medicaid Services said.

As a result, hundreds of thousands of patients continued to get potentially dangerous opioid dosages exceeding that higher cap, paid for by Part D drug plans. The Journal analysis showed 237,713 Medicare recipients got that dose or higher in 2021.

Researchers have found that the risk of overdose rises with dosage. A University of



Clockwise: Dr. Ricky Lockett in his St. Petersburg, Fla., office; Yvette Gaugh, daughter of Betty Jean Clark, who died of an overdose in 2019; a photo of Clark and a note she wrote before her death.



North Carolina study found that the overdose risk is at least 20 times higher at 200 morphine milligram equivalents a day than at 40.

While the total volume of opioids prescribed to Medicare patients has dropped, overdose deaths are more common than ever, the Journal found.

About 13,500 Medicare recipients died from opioid overdoses in 2021, up 40% from 2017, the Journal found. Patients survived roughly 50,000 overdoses in 2021.

After they survive an overdose, many Medicare recipients continue to get painkillers, the Journal found.

More than half of 109,000 active opioid patients who overdosed from 2017 to 2021 were still getting opioids six months later through Medicare drug plans. Most of those were on even higher doses than at the time they overdosed, the data show.

Many of the overdoses are tied to illicit drugs such as black-market fentanyl, but prescription drugs paid for by Medicare insurers play a role. Around three-quarters of Medicare patients who were treated for overdoses had received pain-pill prescriptions at some point during the period analyzed by the Journal, many of them just before their overdoses. "We still have a massive overprescribing problem, and there are few incentives for plans to care," said Mark Atalla, a pharmacist and former Medicare official. Many plans will adopt opioid limits, he said, "only to the extent they are required to do it, because it is a cost."

A Medicare spokesman said fighting the opioid epidemic is a priority. He said the agency's rules aim to limit inappropriate prescribing while protecting patient access to needed care.

The Journal obtained the Medicare data, which doesn't include patient names, under a research agreement with the federal government. The data includes information about doctor visits, hospital stays, prescriptions and other medical care patients receive. The Journal identified pa-

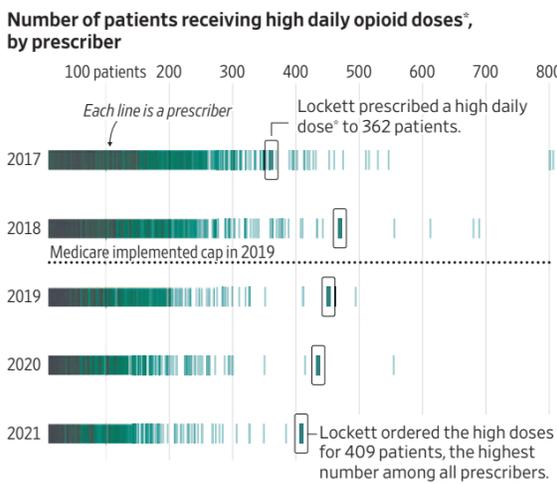
tients through police reports and medical-examiner records.

In analyzing opioid prescriptions, the Journal excluded drugs given to patients in hospice care or with conditions such as cancer and sickle-cell disease, who aren't subject to the dosage cap.

Lockett said he knows he is an unusually heavy opioid prescriber. He attributed that to his population of patients, mostly on Medicare, who often come to him with longstanding pain and disability issues, and to his practice's focus on medication-based pain management.

"I don't give every individual as much as some docs do," he said. In 2021, Lockett prescribed opioids at or above the suggested Medicare cap to more patients than any other Medicare doctor in the country—409 of them, the Journal analysis found. They represented about two-thirds of his Medicare opioid patients. He was among 233 doctors and nurse practitioners who prescribed at or above that threshold to a majority of their Medicare opioid patients

Some patients who previously overdosed get prescribed opioids again



that year.

Lockett said he moderated his prescribing after a 2022 advisory from the Centers for Disease Control and Prevention. He said he regularly gives urine tests to patients to detect illicit drug use, refers those who fail to a psychologist, and sometimes requires "pill counts"—making patients come in midmonth to check whether they have the appropriate number of pills left.

Even with those precautions, he said, "once we have written the medication, we have no control of how they use it." Lockett said

he wasn't aware that Clark, his 73-year-old patient, had died of an overdose. He said he recalled her as a loner, but didn't remember any problems. She just stopped coming, he said.

Rob Valuk, a University of Colorado professor of pharmacy, called the failure to notify doctors of overdoses a systemic problem. He said he's worked with Colorado officials to develop a system to make such information more available to doctors.

Clark's daughter, Yvette Gaugh, said her mother be-

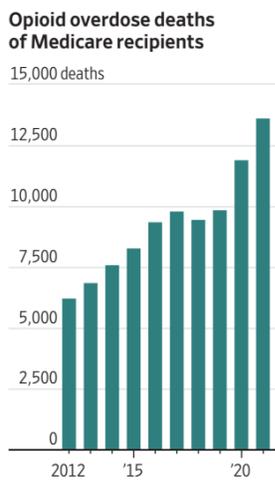
came addicted to painkillers after falling off a horse decades ago in Georgia. She later moved to St. Petersburg and began seeing Lockett, her daughter said.

"It was a slow downhill from there," said Gaugh. Her mother, she said, "was acting all kinds of crazy."

Clark's Medicare records, provided by her daughter, show she was getting two painkillers—oxycodone and methadone—in the year before her death, along with a generic form of Xanax, an anti-anxiety drug the FDA has warned since 2016 can cause respiratory problems or even death when combined with opioids. Lockett said he wasn't aware of public-health warnings about mixing the two until 2022, after Clark died.

A spokesman for Humana, the Medicare insurer that covered Clark's medications, said the company is "committed to help address the opioid epidemic." He declined to comment on Clark's case or Lockett's prescribing, aside from saying that the doctor was no longer in its physician network.

Clark took to selling some of her drugs on the street for cash to buy other drugs, and at one point sold her BMW for drug money, her daughter said. Gaugh said she put her mother into rehabilitation



Zoo Races To Bring In Pandas

Continued from Page One
panda diplomacy after president Xi Jinping broached the topic during a U.S. visit last fall. China has long sent the cuddly-seeming bears to the U.S. under essentially fixed-term lease agreements.

As the relationship between the two governments deteriorated, many zoos had to send their pandas back. Teary farewells followed.

In Beijing, Baribault made no guarantees but told Chinese officials he and his colleagues would do their best to

meet the six-month timeline. "We will be ready," he vowed. Back in San Diego, as Baribault told members of his executive team, some expressed skepticism. Still, they agreed to try. And so began an all-consuming logistical odyssey that culminated Thursday with the public unveilings of Yun Chuan, a 5-year-old male bear, and Xin Bao, a 4-year-old female, in San Diego.

To get to this point, the zoo needed a plan. Enter the panda task force.

Every two weeks, starting in December, about 30 senior zoo employees gathered on a Zoom call to talk through details of the pandas' return. "The whole point of it was: Lay the stuff on the table that is the problem," Baribault said. "What is hard right now?" People weren't shy.

The horticulture team-

pressed concerns that, with limited time to construct a panda exhibit, the grass and flowers would be too young to withstand the constant abuse of the more than 200-pound animals. Some worried the pandas might rip everything out of the ground.

"They're bears," Baribault said. "You just don't know."

The pandas munch on bamboo, but horticulturalists didn't know what variety these new bears would prefer. The zoo ended up growing multiple bamboo species and shipping "tasters," or samples, to the bears while they remained near Chengdu, China.

A race emerged among employees to get on the new team that would care for the bears. Nicki Boyd, the zoo's curator of mammals, heard from colleagues across departments. She told them: "You

need to show that you're suited for this."

Once the care team was established, a focus turned on how to safely ship the bears to the U.S. The bears grew up learning commands in Mandarin; they don't understand English. Baribault knew two Chinese handlers would join the bears on the flight from Chengdu, but he insisted two of San Diego's care team members fly with them, too.

The zoo plotted a marketing plan for the bear's unveiling that could rival a Hollywood premiere. Baribault, with his Disney background, knew imagery mattered. He didn't want photos or videos to leak early, and was concerned footage of the bears arriving in a cargo plane would show regal creatures in a crate. For safety reasons, too, the zoo didn't announce

when the bears would land.

Some aviation spotters camped out near the San Diego International Airport, expecting the pandas to arrive there. Instead, they touched down at Los Angeles International Airport. The bears were then loaded into unmarked vehicles. As the bears settled in, Baribault had to manage pressure to see them.

He politely told board members and donors who wanted an early peek that the bears needed to remain in quarantine to acclimate to their new surroundings. (Some glimpses were unavoidable. On a Monday before the opening, excited riders could be heard shouting: "Panda! Panda! Panda!")

A delegation that cared for the bears in China will remain in San Diego for three months, sending daily reports home.

programs three times, but nothing stuck.

She has kept a handwritten note her mother penned during one of her darker drug episodes: "If I make the nite I will change my life back."

Around 2016, Gaugh said, she went with her mother to Lockett's office to confront the doctor, but his staff wouldn't let her in. "I wanted to tell him to stop prescribing my mom drugs," she said. "I didn't even know how he could prescribe based on the way she was acting."

Lockett said he didn't recall Gaugh asking to see him. If she was so worried, why didn't she try harder, he asked, adding that he welcomes input from people concerned about his patients.

An autopsy of Clark found opioids and cocaine in her blood. "My mother was a normal person until she became addicted," Gaugh said.

In 2022, Medicare tried to improve treatment for patients with a history of overdosing. It required insurers to monitor the opioid use of many of those patients and consider restricting their access, such as by requiring them to get all their pain pills from a single doctor.

Based on data for that year—for which full information was available for about half of Medicare beneficiaries—the rate at which patients who overdosed and went on to get drugs from multiple doctors or pharmacies declined only slightly.

Lockett, 66, graduated from the University of Pennsylvania and received a medical degree from the Philadelphia College of Osteopathy, according to Florida medical board records. He said he moved into pain management after watching rehab patients struggle because of uncontrolled pain.

Lockett said the campaign against prescribing opioids has led some doctors to dial patients back to lower doses too quickly. "We know that a rapid decrease definitely will send them to some type of crisis," he said.

Other medical experts also said shifting long-term opioid patients too quickly to safer treatments can cause withdrawal or push them to seek illegal narcotics.

"This is a really fraught clinical area," said Dr. Marc LaRoche, an addiction expert at Boston Medical Center. "What's not clear is how to decrease the risk once people have been prescribed those medications."

Until 2020, Lockett operated from a building he owned in St. Petersburg. He said he moved to his current office because of the pandemic, citing air-quality issues at his old location. Court records show that months before the pandemic, a lender sued to foreclose on that building after Lockett failed to make payments on a loan, and he was later evicted.

Lockett said CVS Health pharmacies stopped filling his opioid prescriptions in November 2022, though he didn't get a clear explanation. The move came as CVS was entering a roughly \$5 billion settlement with state and local governments over its alleged mishandling of pain pills.

CVS's Medicare drug plans kept covering Lockett's prescriptions in December 2022, the data show—so long as patients filled them at other pharmacies, including at Walgreens stores. Later, Walgreens drugstores cut him off, too, Lockett said. CVS declined to comment on any individual doctor. A spokesman said, "any single person overdosing on opioids is too many."

The Chinese team asked San Diego employees to weigh the pandas' poop every day to ensure their digestive functions were OK—a task zoo officials are complying with.

On a recent sunny afternoon, the bears splashed in a pool, lounged against a tree and calmly munched bamboo. Baribault is emphasizing the zoo's conservation efforts, noting how research with animals in a zoo environment can translate into a better understanding of how to support them in the wild.

With the exhibit opened, the panda task force has disbanded. The team held a celebratory Champagne toast. Even the horticulturalists are happy: All the plants and trees in the panda exhibit are still alive. Baribault says the moment feels surreal. "Just take it in," he is telling colleagues.



WORK & LIFE
RACHEL FEINTZEIG

You work so hard. Why aren't you getting ahead? "Literally, what more can I do?" Alison Fragale, a professor who studies power, says the office workhorses among us think. We're the ones picking up the slack when teammates fall short, the ones the boss calls when she needs something done fast, or last minute, or after hours. And still we aren't the stars. Maybe we missed the memo on what it takes to win at work. Putting in effort is a given if you want that raise or promotion. But anyone can grind it out, researchers told me—that's just a matter of sacrificing your life. To get that next job or big, high-profile project, you have to be known for more than long hours. You have to change how your colleagues and bosses see you.

"We are given opportunities all the time to tell our story that we throw away," says Fragale, a professor of organizational behavior at the University of North Carolina and author of a forthcoming book on the science of status.

The next time a colleague stops to chitchat in the hallway or asks how you are, don't say "fine" or "busy," she says. Share your most recent win and its impact—this project is going to save us \$3 million a year, or that client just re-upped their contract because they were blown away by our proposal.

If you're worried about sounding like a braggart, consider that office show ponies are doing this all the time, Fragale says. Imagine how effective you could be if you paired your hard work with a dose of self-promotion.

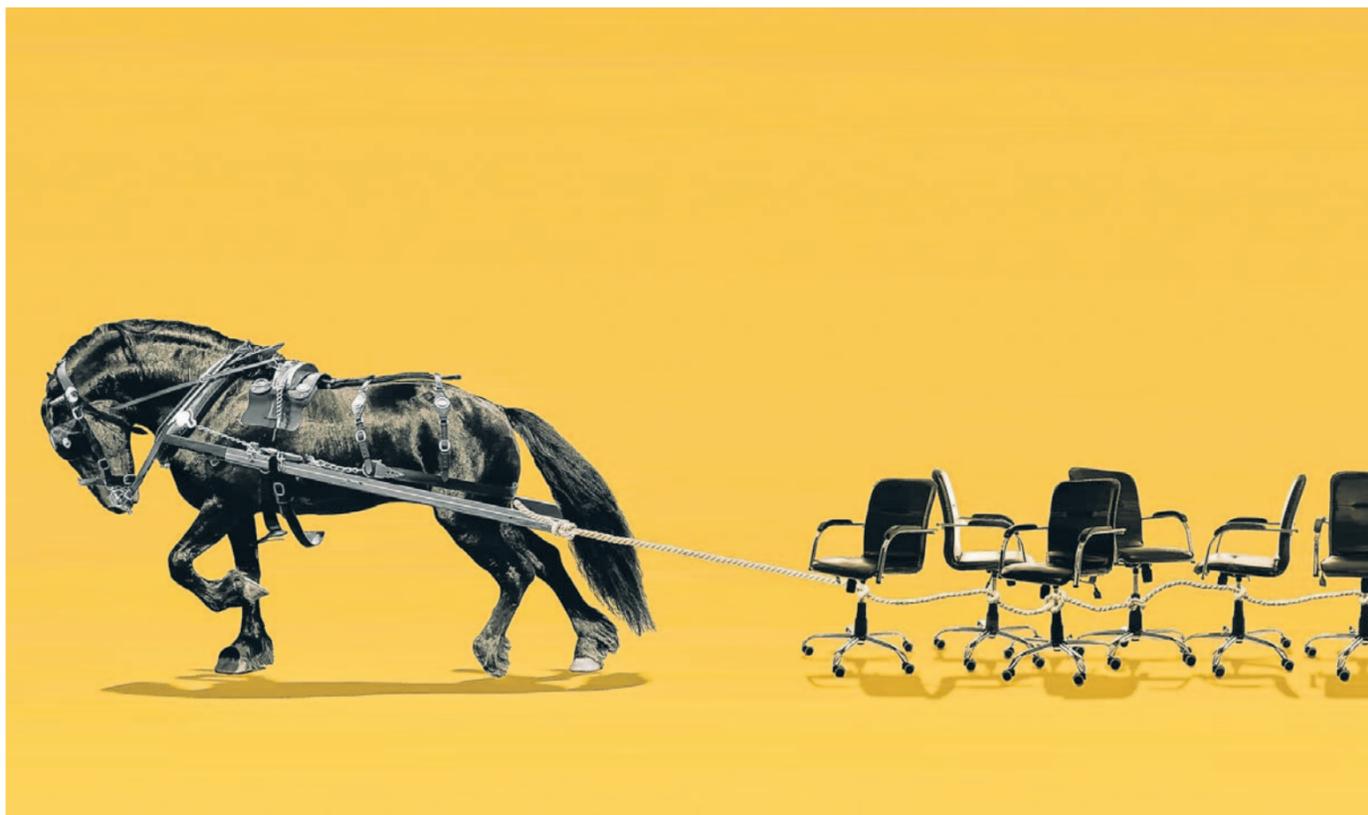
Ask yourself: What positive parts of your work are invisible to others? Share that, not complaints about how you worked yet another weekend, or how the office coffee is getting weaker.

The workhorse trap

We want people to like us. We want to help out. When we say yes, the boss praises us, or the colleague is grateful, and it feels good. Then we realize people pleasing isn't getting us anywhere.

"I never got into that seat even though I did that work," says Alessandro Chesser, who lives in the San Francisco area. For years he ground it out at a startup, building a sales division of 200 people. He made a lot of money—millions a year including stock. But he never achieved his dream of being named chief revenue officer.

It was like he couldn't shake



Why the Office Workhorse Rarely Gets Ahead at Work

To get that next job or big, high-profile project, you have to be known for more than long hours

his image as the young, inexperienced salesperson who'd joined the startup in its infancy, he says. Eventually, he left to launch his own company, GetDynasty, an on-line provider of trusts.

First impressions can be hard to break. Lia Garvin, who spent a decade working for big tech companies, would start new roles with an internal pledge to be available at all hours, and take on everything.

"That became the expectation," she says.

She became stuck in the weeds, the go-to person to execute someone else's big-picture strategy. When she raised her hand to work on higher-level projects and roles, bosses were incredulous.

"They'd be like, 'Really? I don't know if I see you that way,'" says Garvin.

She began sending weekly emails outlining her accomplishments to higher-ups. She stopped using phrases like "helped out" or "we" when she was the one responsible for a win. Instead, she chose words like "lead" and "drive." She leaned on data, ginning up metrics like time saved

when there wasn't a clear revenue number tied to her project.

When she started a new job as a team operations manager at Google, she drew up a document that outlined her responsibilities. It helped her look strong and strategic, while also enabling her to say no to requests that didn't fit the outline.

Now she works as a consultant, helping companies with team management.

Invisible labor

We're increasingly doing extra work behind the scenes, as we log on from home and field requests from multiple managers. Research from Tessa West, a psychology professor at New York University, finds that 80% of us play multiple roles at work, say, running a committee or collaborating on a project for another department.

"People often assume they're getting credit for these things, but the credit just lives in the boss's head," she adds—if the boss remembers at all.

Your manager might not even want to publicly share the extra

pinch-hitting you're doing. Admitting that he's calling at 10 p.m. or asking you to redo a teammate's slide deck makes him look bad, West says, like he's a haphazard planner who lacks the assertiveness to cull underperformers.

West recommends asking your boss if the additional tasks you're doing come up during annual performance conversations. Remind yourself that stars often say no to things and protect their time, spending it focused on their one defining skill.

On a résumé, how would you describe the extra load you're taking on? If you can't think of how you'd crisply package it, West says, it's probably not helping your career.

Shout-outs

Eager to please, Jessica Chen got tagged as the worker bee in her first television news job out of college. She couldn't say no to extra weekend shifts. So she decided to leverage them.

Stuck at the studio on a quiet Saturday or Sunday, she'd rally the small team present to help re-

hearse clips of her anchoring a newscast—her real dream. Soon she had a robust reel to send along to new jobs. Before long, she'd landed one.

We all have to do annoying work sometimes, says Chen, who now runs her own communications training agency. Use it to get what you really want.

Meradith Stretz, of Boonville, Mo., tried to call attention to her work for years, outlining her wins in PowerPoint presentations for executives at her company.

Instead of being promoted to director, she just got a bigger load: 18 direct reports, up from four. After she left, three people took over her responsibilities, she says.

Now working for a consulting firm that helps companies implement Salesforce, she's been clear that exposure is important.

She shares her wins on a company Slack channel and asks her boss to include her on high-profile projects with executives. She keeps track of compliments that come her way.

"To me," she says, "it's job security."

Olympic Winners Become Internet Hunks

By CHAVIE LIEBER

Thomas Ceccon holds the world record for fastest men's 100-meter long-course backstroke, and took home two medals at the Paris Olympics. And yet it isn't his speed that sent much of the world into a frenzy, but rather his stomach's perfectly chiseled lower abs. In the last two weeks, fawning videos of the Italian swimmer have flooded TikTok, Instagram and X with comments like "he can swim in my ocean." "He is Greek god gorgeous," one X user declared.

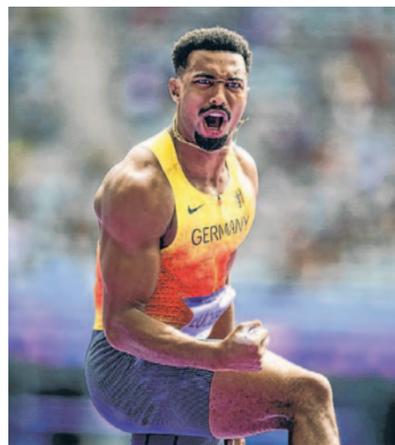
As close to Adonis as he may be, Ceccon said he'd been caught off guard by the global attention.

"I didn't expect it. Now it becomes more difficult to manage both on social media and in normal life," Ceccon said, noting his Instagram account went from about 97,000 followers to over 700,000 in the span of two weeks.

Ceccon is one of a handful of Olympic athletes who have become viral sensations during the 2024 Olympics, specifically as talented eye candy or "internet boyfriends," as men who are publicly adorable are known.

These athletes can now work with brands to cash in on their fame in a way that didn't exist during past Olympic Games.

Francesca Ramasso, an agent at Dao Sport who represents Ceccon,



said he was quiet and shy, but he had been inundated with offers from fashion brands, cellphone companies and cosmetics labels.

"We have a lot of requests," said Ramasso. "We have to wait for the storm to be off because now it's too much."

Several men are experiencing a similar fame. Leo Neugebauer, a German track and field star who won silver on Aug. 3 in the decath-

commented on his page. Turkish athlete Yusuf Dikeç has been crowned by Instagram fans as "the sexiest man alive" after he won silver in air pistol shooting without any protective equipment.

Henrik Christiansen, a Norwegian swimmer, has captivated scores of online fans with his videos of the Olympic Village chocolate muffins. Brands like Coca-Cola, Clif Bar, Marshalls and Princess Polly have left enthusiastic comments, as have fans.

Of these breakout hunks, the most famous may be Stephen Nedoroscik, a previously little-known

American gymnast. He went viral during the Paris Olympics when he removed his glasses ahead of his pomel horse routine and then went on to win two bronze medals. Viewers likened him to a real-life Clark Kent.

"I'll be personally scrolling through TikTok and see myself and I'm like, what is happening right now? This is insane," Nedoroscik said in a Zoom interview.

He said he had never really done any paid endorsements either. But Britt St. George, cofounder and CEO of talent agency Smith&Saint, which represents Nedoroscik, said his team was now overwhelmed with collaboration requests from big clothing labels, gaming companies, glasses brands and for general appearances.

It will be a few weeks until fans start seeing promotions featuring some of these stars. Rule 40 of the International Olympic Committee's charter requires athletes to adhere to a blackout period with nonofficial

Olympic sponsors until a few days after the closing ceremony.

Harry Poole, a vice president at Excel Sports Management, which pairs athletes with brands, said this year would bring more athlete sponsorships than ever, thanks to social media. Brands were already paying up, with the IOC estimated to track \$1.34 billion in sponsorship revenue, according to research firm Ampere Analysis, up 60% from the 2020 Tokyo games.

"The tools athletes have to market themselves did not exist with previous Olympics," Poole said. "Brands see opportunity. It might not be with the Simone Biles or the Noah Lyles of the world, but there's still an opportunity to come out of the games with a bang."

He cited Nedoroscik as an Olympian that's likely to be at the top of brand wishlists. "If Stephen doesn't get a glasses company sponsorship, he probably needs a new agent," Poole joked.

Some brands have already seen the impact of viral athletes. Still, Poole said big national TV campaigns were reserved for top medalists.

"Gold matters more than a viral moment," he said. "Because at what point does a meme play out, to where we feel like we've seen it enough? But no one will get tired of seeing the [2008] Michael Phelps relay."

Ramasso said she was focused on signing Ceccon with brands that could commit to four-year-deals. Longer partnerships are better for an athlete's longevity, she said.

St. George, Nedoroscik's agent, said the team was open to deals for Nedoroscik that were both long-term and one-offs.

She said it was hard for athletes to make money and that while many took on side jobs, Nedoroscik trained full time.

Ceccon said he'd be open to modeling. But right now, he said, "my focus is only the pool."

CLOCKWISE FROM TOP: EUROPA PRESS VIA GETTY IMAGES; GETTY IMAGES; (2)

PERSONAL JOURNAL.



YOUR HEALTH
SUMATHI REDDY

Millions of people are flocking to drugs like Ozempic and Wegovy to lose weight and treat health problems. Doctors say one group that could benefit from the drugs is missing out: seniors.

For older people, these medications can help in ways that go beyond losing weight, physicians say. Fewer pounds can lead to more mobility and better balance, allowing older people to become more active. That can boost mood, overall health, and sometimes makes the difference between walking freely or using a wheelchair or cane.

Doctors say they're hearing more from older people who are interested in taking the drugs. However, seniors face insurance hurdles to get the drugs covered. And doctors note that older people need to be careful about losing muscle mass when on the drugs, as well as possible interactions with other medications.

Nine percent of people 65 and older reported taking GLP-1 medications, such as Ozempic, Wegovy and Zepbound, compared with 19% of people ages 50 to 64, according to a May KFF poll.

"These drugs would really benefit seniors but there's always these additional worries," says Dr. Sun Kim, an associate professor in the division of endocrinology at Stanford University School of Medicine. "I think sometimes we prioritize the risk over benefit when people get older."

Concerns for seniors

Doctors say it's important to counsel seniors that they can lose muscle, not just weight, on GLP-1 drugs, increasing their vulnerability to bone problems and injuries. Seniors already grapple with sarcopenia, age-related loss of muscle mass and strength.

The drugs can also be more complex to manage for older people taking multiple medications. Someone with high blood pressure may take a diuretic medication



Doctors Wish More Seniors Took Ozempic

These medications can help in ways that go beyond losing weight

that makes them more prone to dehydration, for instance. And GLP-1s can reduce a person's appetite for food and fluids, potentially increasing risk of dehydration.

Another significant hurdle for seniors: Medicare, the federal insurance program for people age 65 or older, doesn't typically cover weight-loss medications—including GLP-1 drugs—if they are prescribed solely for weight loss. Medicare will cover the drugs if they are used to treat Type 2 diabetes, or for people who are overweight or obese and have a history of heart disease.

People who lose weight on the medications in their early 60s could find themselves in a tough spot when they turn 65. Many

can't afford the out-of-pocket cost, which is upward of \$1,000 a month. They can try to keep weight off with diet and exercise, or with help from older weight-loss medications, but that approach isn't always as effective.

Most people on GLP-1 drugs who lose coverage at age 65 end up gaining weight back, says Dr. Caroline Apovian, co-director of the Center for Weight Management and Wellness at Brigham and Women's Hospital in Boston.

Dr. Amanda Velazquez, director of obesity medicine at Cedars-Sinai Center for Weight Management and Metabolic Health in Los Angeles, says when patients are in their early 60s, she explains that they may not have coverage of the

drugs once they hit age 65. But she doesn't discourage them from trying the treatment.

"If we can allow you to improve your health for a period of your life—three, four, five years—that's better than no improvement of your health for that duration of time," she says.

Precautions, benefits

Extra steps—such as strength training, eating more protein, and losing weight slowly—can counter some of the concerns about muscle loss and weakness, says Dr. Katherine H. Saunders, an obesity medicine physician at Weill Cornell Medicine and co-founder of FlyteHealth, a medical obesity-treatment company.

Dr. Jaime Almandoz, medical director of the Weight Wellness Program and associate professor of internal medicine at UT Southwestern in Dallas, says that when he treats older patients for weight loss, he has them see a dietitian as well. If he's concerned about balance and falls, he refers them to a physical medicine or rehabilitation program to help them learn how to safely be more active or do resistance training.

He may also increase the dose of GLP-1s more slowly in older people, because many take other medications like blood-pressure or thyroid medications, whose doses may need to change when weight fluctuates.

He says he has seen big improvements in his elderly patients after they lose significant weight, including people who no longer have to use a wheelchair or walking cane, and can walk into his office unassisted. Every pound someone loses takes 2 to 4 pounds off each joint, says Saunders, so weight loss can help older adults become more mobile, alleviate joint pain and start exercising again. "If somebody loses 25 pounds that's up to 100 pounds taken off their joints," she says.

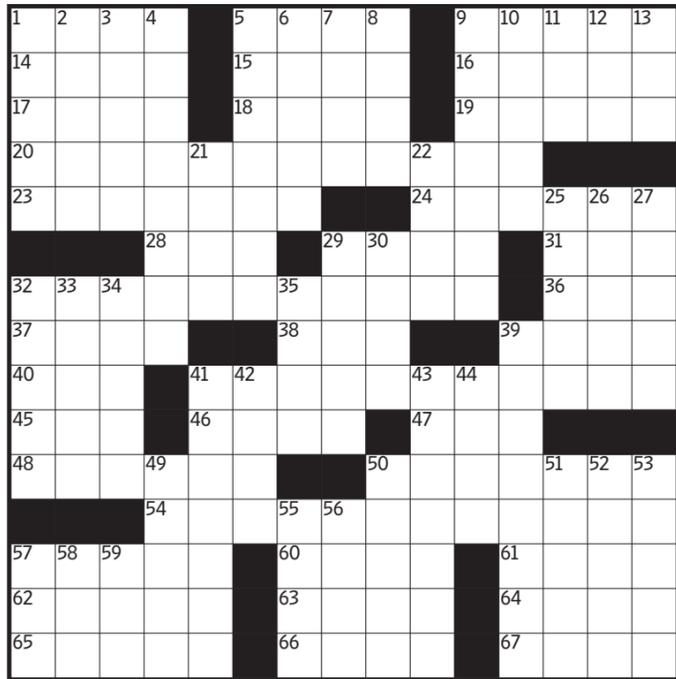
Losing weight can also help seniors who are likely to need a joint replacement surgery with the procedure and recovery, says Stanford's Kim. One of her wheelchair-using patients wanted to lose weight to reduce the burden on her partner who had to frequently lift her up.

"If you're no longer carrying around an extra 30 to 50 pounds, there's so much more that people can do," Almandoz says. "Their physical activity increases, which improves their health and their minds."

Taking GLP-1 drugs helped George Barlow, a 78-year-old retired lawyer in Fort Worth, Texas, get down to about 245 pounds from 290. Medicare helped cover the cost because he had prediabetes and a history of heart disease, he says.

Losing weight has helped him in big ways and small, he says. He can more easily get up and out of a chair. He walks on a treadmill twice a week and goes to regular golf games with his friends. "It maintains my ability to get out and socialize," he says.

The WSJ Daily Crossword | Edited by Mike Shenk



- 26 "Fingers crossed!"
- 27 Muscularly firm
- 29 Pangs of conscience
- 30 Affectedly snobbish
- 32 Really impressed
- 33 Love, in Italy
- 34 Not available
- 35 Mascots for Duolingo and Tripadvisor
- 39 Loses all restraint
- 41 Sent overnight, perhaps
- 42 River of Russia
- 43 Showing cruel disregard for others
- 44 Milky gemstone
- 49 Stopped snoozing
- 50 Punishment-related
- 51 TV, radio, newspapers, etc.
- 52 Patriot Ethan
- 53 Winter gliders
- 55 Ear part
- 56 Cry of pure delight
- 57 It glistens on grass
- 58 Longoria of "Desperate Housewives"
- 59 Freightier unit

THREE TIMES A CHARM | By Jay Silverman

- Across**
- 1 Baby's post-meal sound
 - 5 "Moneyball" star Brad
 - 9 Larger than large
 - 14 Son on "The Andy Griffith Show"
 - 15 Gillette razor brand
 - 16 Driving maneuver that's often illegal
 - 17 Landlord's collection
 - 18 Summer coffee choice
 - 19 Sweeping stories
 - 20 *Fit as a fiddle
 - 23 Unscheduled winter break
 - 24 "Betcha that's true, no?"
 - 28 Silent agreement
 - 29 Make headway
 - 31 Question of identity
 - 32 *You might dip a bucket in one
 - 36 Years and years
 - 37 Poet Khayyám
 - 38 Dorothy Parker, famously
 - 39 Stare in wonder
 - 40 Cantonese frying pan
 - 41 *Like a tough piece of meat
 - 45 Before, in poetry
 - 46 Formerly, in poetry
 - 47 Chimp, for one
 - 48 Common reply to "Gracias!"
 - 50 Some flat-panel TVs
 - 54 Comment upon a revealing discovery, and a description of the starred answers
 - 57 Rehab step
 - 60 "Heavens!"
 - 61 Not busy
 - 62 Conjure up
 - 63 Gentleman caller, quaintly
 - 64 Told tales
 - 65 Slowly declined
 - 66 Twisty fish
 - 67 Levy and Aykroyd, e.g.
 - 7 Beech or birch
 - 8 Verbal fanfare
 - 9 Four-time French Open champ Henin
 - 10 Salt Lake City native
 - 11 Hot cocoa serving
 - 12 Lingerie top
 - 13 Switch positions?
 - 21 Sensory whiff
 - 22 Secular
 - 25 Make small adjustments to
 - 59 Freightier unit

Previous Puzzle's Solution

R	E	V	U	P	C	O	M	P	H	E	W
A	L	T	C	E	O	P	I	E	H	U	G
N	I	L	L	A	P	E	N	D	O	H	O
A	T	L	A	N	T	I	C	T	I	M	E
T	E	A	U	N	E	C	U	B	I	S	M
A	T	T	R	I	B	U	T	E	D	T	O
P	O	E	M	S	S	U	R	E	E	A	T
O	W	I	E	O	S	A	G	E	I	S	T
L	E	G	S	P	C	A	U	T	T	E	R
A	T	H	L	E	T	I	C	T	A	P	E
R	O	T	I	N	I	O	F	F	A	D	
A	T	O	M	I	C	T	H	E	O	R	Y
T	O	M	B	N	E	M	O	E	X	X	O
I	D	O	L	A	M	P	M	R	E	E	S
M	E	M	E	L	O	S	E	S	E	S	

The contest answer is **AT&T**. The first word of each theme answer begins with AT- and the second begins with T-, suggesting the contest answer.

Young People Find a Perfect Match

BY ANNA GRACE LEE

In cities across the country, people are hunting for a pocket-size treasure: branded matches from bars, restaurants, hotels and shops. On TikTok, users share videos of their quests to find matchbooks. They trade tips on where to find matches and discuss swapping special ones. Many make DIY art or decor that doubles as an aesthetic trophy.

They are some of the many young people who are embracing phillumeny—the hobby of collecting matchbooks, matchboxes and other match-related items—and displaying their collections at home and online. It's a resurgence of an interest which harks back to a time when matches were ubiquitous as smoking and advertising tools.

There are matchbook illustrations and prints; matchbooks branded "Match My Freak," after Tinashé's popular song; and custom matches for homes or events. On Etsy, searches for matchbook or matchbox art are up 92% in the last three months compared with the same time last year, a company representative said.

In the past year, the custom party supply company For Your Party has had about a 40% increase in match sales, according to Sari Mintz, the company's owner and president.

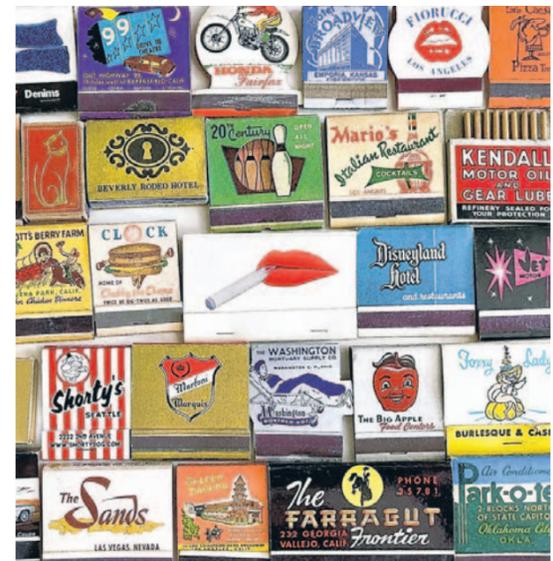
"Matches have been sort of a tried-and-true, old school favor, for a long, long, long time," said Mintz. As smoking declined, match use declined, she said, but they have remained a kind of "nostalgic collectible."

D.D. Bean & Sons Co., a match manufacturer founded in Jaffrey, N.H., in 1938, has had a 15 to 20% increase in orders for their advertising line in the past year, according to Brooks Gunderson, vice president of operations.

"Every week, we are steadily seeing our sales pick up. Call it retro," said Regina Clark, national sales

manager and head of customer support at D.D. Bean.

TikTok may feed into some of the match mania, as the brand Kate Spade New York saw firsthand when some of its match-themed wallets went viral on the app. In fall 2023, the brand introduced multiple match-themed accessories including the Morgan Matchbox Embossed wallet, which features designs inspired by real New York City haunts.



▲ The match collection of Denise McKinney, president of the Rathkamp Matchcover Society.

"It was immediately sold out," said Jennifer Lyu, a senior vice president and head of design at Kate Spade. The wallet, which comes in two sizes, has sold out three times, she said. On TikTok and in reviews on the brand's website, fans eagerly track restocks of what some call an "it girl wallet."

On the runway for its Spring/Summer 2024 collection, New York-based brand Dauphinette featured a see-through minidress filled with vintage matchbooks.

The brand's founder, Olivia Cheng, has noticed the trend—particularly on display in the living rooms of down-

town Manhattan dwellers. "Maybe before, people would keep them in a shoebox as a reminder of the places they've been," said Cheng, 26. "But it seems very statusy now."

To some, matches are associated with a certain restaurant-hopping lifestyle that is increasingly harder to achieve. It's \$25 martinis and Diptyque candles and reservations that require razor-sharp Resy timing, a

connection or the right American Express card.

Tracy Nascimento, a 30-year-old tech recruiter in Austin, Texas, said that collecting matchbooks may have replaced the "millennial trope of taking a photo of your brunch."

For some collectors, matches are appealing because they tell stories of the past. "It's a little bit of history that you can hold in your hand," said Denise McKinney, president of the Rathkamp Matchcover Society.

Don Angie, a popular Italian-American restaurant in New York's West Village, has offered matches since it first opened in 2017.

"I like the idea of giving someone a memento when they walk out the door," said chef and owner Angie Rito.

ARTS IN REVIEW

EXHIBITION REVIEW

A Fashion Archaeologist

A show focuses on designer Mary McFadden, whose divine collections took inspiration from history

By LAURA JACOBS

Philadelphia

In “Sleeping Beauties,” an exhibition currently on view at the Metropolitan Museum of Art, a Fortuny “Delphos” gown is laid out behind glass, its days of gleaming life over and done. The springy vertical micropleating of the silk, so like the fluting on a classical column, or the bark of an ancient tree, or the rivulets running off a rusalka—so redolent of antiquity and myth—was the result of a secret patented process invented in 1909 by Henriette and Mariano Fortuny. Yet despite the intimations of immortality, the pleats were not long-lived. When the sharp edges began to go soft, the dress would be sent back to Fortuny for another pleating. In time, the silk tore along the edges.

In 1975, a new designer on the New York scene, Mary McFadden, patented her own classically inflected pleating process, and her pleats didn’t loosen or tear. Like the Fortunys, she too took inspiration from antiquity, and was imaginatively invested in cultures of rich history. All designers take aesthetic ideas from the past, and all act as style oracles (that’s their job!). But some are keepers of the flame, their collections produced with an artisanal air of the altar, a poetic charge. At Drexel University, in the Robert and Penny Fox Historic Costume Gallery, the exhibition “Modern Ritual: The Art of Mary McFadden” presents the work of a woman who’s been called a “design archaeologist” and a “high priestess of fashion.”

Ms. McFadden, now age 85, ran her business from 1973 to 2002. Raised in privilege, having studied sociology and anthropology at Columbia University and the New School for Social Research, she thought she would be a writer. With no experience, she talked her way into a publicity job at Christian Dior. In her 30s, when she was working as the special projects editor at *Vogue*, a dress she designed for herself was featured on its cover—a simple tunic made from a square of cloth. Geraldine Stutz, the president of the boutique department store Henri Bendel, was so impressed she gave Ms. McFadden a fashion show, which booked a million dollars in business. The label was launched, its designs soon coveted by women of achievement and wealth.

Ms. McFadden recently gave her archive of 360 runway samples plus ancillary items to Drexel, and “Modern Ritual” is a taste of that gift. At 40 pieces it’s a small show that focuses on the clothes—no catwalk films, vitrines of ephemera, videos. Rachel Sepielli, the as-

sistant curator of the Mary McFadden Archive, has organized it around Ms. McFadden’s craft—workmanship influenced by her passionate world travel during nearly 30 years in business. Each collection, Ms. Sepielli tells us, was “named for an era of history, an art or literary movement, or an ancient civilization.”

The exhibition comprises four parts. Three sections each home in

on a technique—permanent pleats; hand painting; embellishment beaded and woven. On a long back wall, Ms. Sepielli has arranged 28 garments in which those techniques give wing to Ms. McFadden’s historical flights, in collections titled “Medici,” “Elizabethan,” “The Symbolists,” “Le Bal de Hermitage” and “Cypriote,” to name a few.

Pleating is the motif that pow-

Clockwise from left: detail of an evening gown from the ‘American Indian’ collection (Spring/Summer 1989); ‘The Symbolists’ gown (Spring/Summer 1992); ‘Tale of Genji’ coat (Fall/Winter 1988); and an ‘Elizabethan’ gown (Fall/Winter 1986).

ered the McFadden brand. Her six-step heat-transfer treatment—called “Marii,” a Japanese rendering of Mary—was not applied to silk but to a lasting polyester charmeuse she sourced in Australia and had dyed in Japan. These pleats worked best in column and caryatid shapes. For a Grecian collection of 1991, Ms. McFadden cites the Getty Aphrodite as an ideal—its mass and flow suggested in a blood-red Marii gown crossed with glittering bands of gold, ruby and sapphire. In the many variations on view here, she works those pleats vertically, horizontally and on the bias. They skim serenely along the body, never pulling or pinching.

Due to the machine presses involved, the Marii pleating process is not couture. The other techniques are. The brand’s hand painting, done mostly on silk quilted in very fine horizontal channels, is simply exquisite. And the quilting gives these silhouettes volume, modernity. The painted coats from the “Tale of Genji” collection, Fall/Winter 1988, with their cloud and gar-

den images, capture the wistful brevity of Japanese brushwork. (Did women dare wear these artworks out to dinner?)

The show’s embellished pieces are celebrations of the deeply wrought crafts of many cultures. A jacket and miniskirt from the Fall/Winter 1992 “Java” collection re-creates a simple cotton batik pattern in a dense beading of blue, black and gold. And a Fall/Winter 2000 “Byzantium” gown sequined with a radiating sunburst captures Ms. McFadden’s special love of Greece and Egypt.

My favorite piece in the show doesn’t fall into any of the craft categories. It’s a long sheath covered in *mignon* rows of bottle-green tulle over a lavender lining—the colors of an artichoke. Sequins and crystals glitter beneath the tulle. It’s from the Fall/Winter “Sabaean” collection of 2001. Sabaean was an ancient group of South Arabians. They founded the kingdom of Saba, thought to be the biblical land of Sheba. A dress, then, for a millennial Queen of Sheba.

Modern Ritual: The Art of Mary McFadden

Drexel University, Robert and Penny Fox Historic Costume Gallery, through Oct. 11

Ms. Jacobs is the Arts Intel Report editor for the weekly newsletter *Air Mail*.



MUSIC REVIEW

Shelby Lynne Sings Of Love’s Aftermath

By BARRY MAZOR

Singer-songwriter Shelby Lynne has been making records steadily since a first duet single with country great George Jones in 1988. Over the 36 years since, she has proved to be one of the most reliably moving and artful vocalists on the broad American roots-music spectrum—and one of the most likely to change direction abruptly when she feels the pull of another musical flavor. Her latest surprise is in keeping with that: a new album of breakup songs, “Consequences of the Crown” (Monument, out Aug. 16), that rides the line between soulful R&B and hip-hop yet still leans, in part, on country storytelling and imagery.

In some ways, the project is a musical commentary on her soulful, assertive breakthrough album “I Am Shelby Lynne,” which, to the amusement of many, brought her the Grammy award for Best New Artist of 2000, a dozen years into her career. That record was one of her more dramatic musical moves. She’d been a lauded if not terrifically successful mainstream country artist, named the Academy of Country Music’s best New Female Vocalist

in 1991. Feeling hemmed in by the standard material and image assigned her, she offered a jazzy, Western Swing album, “Temptation,” in 1993, a sign of her lasting attraction to more blues-inflected Deep South sounds. The “I Am” album came with a move to Los Angeles and new concentration on personal, confessional songwriting and R&B instrumentation. Widely viewed as an influential classic, the album heralded the broadening of the rootsy Americana genre’s limited “alternative to country” focus to the exploration of R&B and soul.

Written and sung from the viewpoint of someone left and feeling lost, it portrayed the aftermath of a painful romantic breakup, pointedly and with well-delineated anger, in tracks such as “Your Lies” and “Life Is Bad.” By contrast, this new cycle reflects more life experience from the start (Ms. Lynne is 55 years old now), and comes from the standpoint of the leaver, not the left, the combative winner of that alleged “Crown” in the album title. It turns out that “winning” doesn’t feel much better than losing. In the song “Consequences,” the one left is admonished, “I must have been out of my mind / Loving you has conse-



quences / . . . Used me up, now I’m defenseless.”

The album marks Ms. Lynne’s return to a much-changed Nashville. Its dozen songs are all originals, most written in collaboration with country singer-songwriter Ashley Monroe, sometimes with additional co-writers, including Karen Fairchild from Little Big Town (together those three produced the album along with engineer Gena Johnson), Angaleena Presley and Waylon Payne.

With prominent synthesizer key-

boards, beat programming and a string section, this one sounds different from any of the 18 original Shelby Lynne albums that have come before. Her distinctive, reedy voice, more clarinet- than saxophone-like, was generally brought far forward in the earlier albums’ mixes. Here, taking advantage of her musicality and her voice-as-instrument capabilities—jazz chanteuse style—the singing is often an element in a thicker sonic brew. At times, as in the opening track, “Truth We Know,” the vocal moves

◀ Ms. Lynne, whose record ‘Consequences of the Crown’ comes out Aug. 16.

in and out of intimate monologue patter to melodic lines, in a way akin to modern hip-hop. That all makes sense for a set of songs in which the lyrics are as often used as sounds and rhythm markers as they are narratives.

Memorable melodies do emerge, nonetheless. “Clouds,” about getting high and sick on a plane while leaving a partner, firm about not going back, is one of those; it also turns around “Gotta Get Back” from the “I Am” album, where the singer is flying on a different plane, imagining a return. And “Over and Over” is a quite touching and beautiful torch number. Two songs do step somewhat outside the main after-the-breakup theme. “Butterfly” is an empathetic salute to Ms. Lynne’s singing sister Allison Moorer, whom “everybody wants to be around,” and “Regular Man” describes a Mississippi-raised singer who drinks, charms and goes home, silently hurting.

In the middle of the stream-of-consciousness, rap-like “Gone to Bed,” recalling how a radio hit could break a heart if heard at the wrong time, the 1966 Bacharach-David movie theme song “Alfie” is interpolated, sung by Ms. Lynne as well. But nobody hearing this is involved, so her singing will be asking, “What’s it all about, Shelby?” The mood, the effect and the intentions are unified, contemporary and clear. Still feisty and knowing just who she is, if sometimes still a little lost, Ms. Lynne shares how that feels. Many will relate.

Mr. Mazor reviews country and roots music for the *Journal*.

PARIS 2024

JASON GAY

Steph Curry Paints His Masterpiece

Team USA's 3-point maestro puts away France to capture the last basketball prize he wanted



Is there a prettier, more joyful expression in sports than a Steph Curry 3-point barrage?

Yeah, I don't think so, either. At these Summer Olympics, we've witnessed plenty of magic: the hurdle-leaping grace of Sydney McLaughlin-Levrone; the heaven-touching vault of Mondo Duplantis; Simone Biles being Simone Biles.

Plus there was whatever that enthusiastic Australian break-dancer was trying to do, flipping across the floor like a marlin on the deck of a Boston Whaler.

But what Steph Curry did Saturday in Paris is probably the apex. In a town thick with Monet, Manet and Michelin stars, the undersized 36-year-old from Davidson College painted his own masterpiece, sinking home team France with a string of late, long-distance shots which left even his own teammates dazed in disbelief.

"He went crazy," said Anthony Edwards.

The U.S. players had seen Curry do this before, but they'd never seen him do it on such a stage. These were Curry's first (and likely last) Olympics, and the U.S. found itself in a wrestling match with an opponent brimming with belief. France, energized by long-limbed big man Victor Wembanyama and a variety of underrated players, was sticking around in a game they had no business sticking around.

Until Curry went cuckoo, as the Ant Man noted. If you watched him unleash you couldn't help but yelp out loud. I yelped-repeatedly. In the closing minutes of the fourth quarter, the (barely) 6-foot-2 guard started taking the ball at the top of the 3-point circle and unleashing the sort of torrent which had been used to win NBA titles but not a global moment like this.

Curry's shot is gorgeous and whimsical, beginning with a car-

toonishly high arc before plunging to Earth with increased velocity. It takes long enough for the opponent to have a flicker of dread. *Oh no.* As France watched helplessly—as a team and nation—Curry delivered a string of soul-crushing 3s, his final shot an absurd fall away heave from a double team, with four hands in his face.

It was the type of high-risk, coach-stressing shot that gets anyone else yanked to the bench. But that shot is just another shot for Curry, who stands alone.

He finished 8-of-13 from the field for a total of 24 points, which, when added to the 9 3s and 36 points Curry delivered versus Serbia in the semifinals, forms one of the greatest back-to-back performances in men's basketball history.

Other Team USA players played essential roles over these two weeks: Kevin Durant, Devin Booker, Joel Embiid, defender supreme Jrue Holiday, and the pushing-40 dynamo LeBron James, who, it should be noted, was named the Olympic tournament's most valuable player.

This was a strange, sometimes awkward run for the U.S. men. Curry struggled early. They were lucky to get past Serbia, and they know it. Head coach Steve Kerr couldn't find minutes for all of his talent, though versus France he unfroze Boston's Jayson Tatum, pulling the NBA champ off the bench for 11 dignified minutes. Not everyone saw time. Indiana's Tyrese Haliburton playfully rolled with his DNP after the gold medal ceremony, comparing his contribution to doing nothing on a classroom project and still getting an A.

Team USA nailed the assignment, which is all that matters in the end. Those Curry 3s are what they'll remember most from Paris. After making his final 3-pointer, Curry urged the crowd to drift off, racing down court with his hands pressed together against his head, doing his pat-



Steph Curry hit eight 3-pointers in the gold-medal final to lead Team USA to a win over France on Saturday.

ented "Night, night" celebration. *Bonne nuit.*

Obnoxious? Absolutely! Curry gets away with it because he is basketball's favorite underdog, the slender NBA scion from the small school who found a pathway amid the giants through endless practicing and changing the geometry of the game.

What Wilt Chamberlain and Bill Russell did muscling under the basket, or Michael Jordan accom-

plished flying through the air, Curry has done by finding his genius from behind the arc.

"The best shooter to ever live," Booker said.

Nobody questions a superlative like that anymore. It's an accepted fact.

Curry offered his usual low-key commentary afterward, saying the gold medal was a "relief." He said he never thinks about the pressure before launching a shot: "Your

mind goes blank. You don't really care about setting or the scenario or anything. It's just a shot."

It's just a shot. I guess that's technically true, but with Curry, it's never simply a shot. It's the most entertaining highlight basketball has to offer, a visual that will outlive his astonishing career. At the Olympics it was enough to seal gold and flip the switch. Steph Curry left Paris another priceless treasure. Good night.

Paris Ends an Olympics That Brought Surprise Joie de Vivre

By SAM SCHECHNER

PARIS—One final roaring crowd greeted the closing ceremony of the Paris Olympics, ending an uncharacteristically joyous interlude for the French capital.

Centered in the massive Stade de France just north of Paris, the Sunday evening ceremony featured high-wire theatrics, throbbing pop music and a flying cameo from actor Tom Cruise. But there was also an air of melancholy echoing in the arena and across Paris as the city extinguished its Olympic flame and bid *adieu* to a collective experience that has boosted battered spirits.

On Monday morning, it is back to reality.

Without cheers and medals and *tricolore* face paint to unite the country, France will be thrust back into political chaos that had taken a welcome pause since the games began.

Deeply unpopular, French President Emmanuel Macron will face renewed pressure from the left and right to name a prime minister who can survive a no-confidence vote in the fractured National Assembly. At the same time, the government will have cut costs to narrow France's ballooning deficit, which is driving up the country's borrowing costs.



Fireworks lit up Sunday's closing ceremony for the Paris Olympics, an event that lifted the spirits of much of France.

That France would even get this two-week respite was far from a given. Organizers raised the degree of difficulty by hosting the opening ceremony on the Seine River and holding major events at landmarks in the middle of the city. That forced officials to mobilize some 45,000 police officers and 10,000 soldiers, turning Paris into a fortress. Then, on the morning of the opening ceremony, saboteurs cut and burned signaling cables, disrupting all but one line of France's high-speed rail system.

Despite the initial wobble, however, the city somehow managed to stick the landing. Nothing major went wrong. Even the weather mostly cooperated.

Yes, the unapologetically French opening ceremony came in for criticism and took place under occasionally pouring rain. But inside Paris, the evening turned into a street party, with soaked strangers dancing together in front of giant

screens set up on boulevards and squares around the city. "This is what Paris is about!" yelled one Frenchwoman dancing in a crowd near the Eiffel Tower after accidentally bumping into this reporter.

Yes, that rain caused fecal bacteria levels in the Seine to spike, forcing the delay of a triathlon. But the levels later fell, and the event took place. Athletes since then have mostly competed under mostly blue skies and celebrated in front of Instagram-ready sunsets.

Locals hadn't expected Paris 2024 to be this much fun. Notoriously unflappable, with a well-honed ability to find dark linings in silver clouds, many Parisians had fled the city—only to return early to seek tickets. Paris metro employees, quick to go on strike over issues such as retirement or wages, worked through peak vacation season to help direct throngs, with smiles on their faces.

"We saw ourselves as a nation

of chronic complainers," Tony Estanguet, the Paris organizing committee chief, said in a speech during the ceremony. "We woke up in a country of unbridled sports fans who can't stop singing."

The French medal haul—64 in total, its most since 1900 and behind only the U.S., China and the U.K.—certainly helped boost the ambience. Every evening, crowds poured out of bars, restaurants and fan zones, roaring for athletes like swimming champion Léon Marchand, now among the most famous people in the country, his picture plastered on the side of central Paris's tallest building, even if he was practically unknown here three weeks ago.

Macron is attempting to keep the good vibes going. On Monday, he will host a ceremony to thank public and private-sector workers who staffed the Games. And he announced a parade along the Champs-Élysées in mid-September

to celebrate French Olympians. He has proposed resurrecting the Olympic cauldron—which is currently suspended beneath a giant balloon in the Tuileries Garden—even after the Olympics wrap up.

Organizers rushed to get the Stade de France ready for Sunday's ceremony before more than 71,000 spectators. Less than 24 hours earlier, the arena was hosting a series of track and field events, including the men's high jump and the women's 4x400-meter relay.

A section in the middle of the show was again directed by Thomas Jolly, who faced threats after parts of his opening ceremony offended some viewers. His spectacle on Sunday, dubbed "Records," featured French indie-rock band Phoenix and depicted a gold-clad extraterrestrial traveler who arrives in a dystopian future where the Olympics have disappeared.

"It's a reminder of the Games's preciousness, their uniquely shared experience, and ultimately, their fragility," Jolly said ahead of the ceremony.

Toward the end, Cruise, as rumored, showed up atop the stadium and took a 140-foot plunge on a wire to collect the Olympic flag—part of the ceremonial handoff of the Olympics to Los Angeles, the next host city.

As the ceremony drew to a close, and officials declared the games closed, the crowd audibly sighed in disappointment. Many sang along with the finale, French singer-songwriter Yseult's rendition of "My Way," that bittersweet anthem of endings popularized by Frank Sinatra.

Outside, thousands of Parisians and visitors gathered at terraces and squares across the city to watch the festivities. Paris police gave special permission for bars to stay open all night.

But as of Monday morning—hangover or not—the party is over.

Medal Count				
Country	Gold	Silver	Bronze	Total
United States	40	44	42	126
China	40	27	24	91
Japan	20	12	13	45
Australia	18	19	16	53
France	16	26	22	64
Netherlands	15	7	12	34
Great Britain	14	22	29	65
South Korea	13	9	10	32
Italy	12	13	15	40
Germany	12	13	8	33

For the latest medal count, go to [WSJ.com/sports](https://www.wsj.com/sports)

OPINION

Is Silicon Valley Turning Right?



INSIDE VIEW
By Andy Kessler

Minutes after the assassination attempt on Donald Trump, Elon Musk tweeted, “I fully endorse President Trump and hope for his rapid recovery.” Venture capitalist David Sacks spoke at the Republican National Convention last month, echoing investor Peter Thiel’s 2020 convention speech. Netscape co-founder turned venture capitalist Marc Andreessen said he’ll support Mr. Trump. Even Facebook CEO Mark Zuckerberg said Mr. Trump’s reaction to his assassination attempt was “one of the most badass things” and told him in a phone call that he won’t support a Democrat.

What’s going on? Has deep-blue Silicon Valley turned conservative? Last week, J.D. Vance was shaking the money tree at a fundraiser in Palo Alto, Calif. It was reported that Mr. Musk, snubbed by President Biden over electric vehicles, would donate \$45 million to a political action committee to elect Mr. Trump, although Mr. Musk later responded to this report by tweeting a meme of “Fake Gnus.”

Conservative? It’s a high climb. Silicon Valley keeps re-electing congressman Ro Khanna, who was co-chairman of “democratic socialist” Bernie Sanders’ 2020 presidential campaign. Gov. Gavin Newsom

and Democrats rule California with a progressive fist. Mr. Biden won the Golden State by more than five million votes over Mr. Trump in 2020, 63.5% to 34.3%.

That might seem strange, given that so much wealth has emerged from big tech and venture-capital investing, which relies on low capital-gains rates and anyone-can-take-on-anyone-else free-market capitalism. Why vote Democrat?

Silicon Valley leanings are beyond left and right. Forbes’s then-publisher Rich Karlgaard explained to me years ago, “In Silicon Valley, everyone is a libertarian whether they know it or not. Democrat libertarians and Republican libertarians.” By libertarian he means the “don’t tell me what to do” kind. The “get government off my back while I invent the future” mentality.

So many wealthy young techies have been minted by free markets in the past decade, yet they fall for big-government idealism to protect “victims” and those run over by technology’s disruptions. The libertarian in them means they’re all for their own freedom but not yours, as they pursue their controlling progressive dreams at all costs. A little schizophrenic, no?

You can see it in action. Google admitted that if you typed “assassination attempt on tr” it autocompletes with “Truman” but not “Trump,” blaming a bug. Uh-huh. Google also suggests an algorithmic error caused a search

for Donald Trump to produce news about Kamala Harris, but not vice versa. Are the inmates running the asylum? Their Gemini artificial-intelligence platform was so DEI-compliant, it returned pictures of blacks in Nazi uniforms and Native American Vikings. In 2018 Google coders refused to help the Pentagon use AI to improve drone targeting, which would save lives. So that’s a hard “no” on the Googlers turning conservative.

Elon Musk backs Trump, but nearly 800 signed a ‘VCs for Kamala’ pledge.

It continues: OpenAI CEO Sam Altman funds universal basic income, although recent study results, often twisted by the media, report worse outcomes for those receiving \$1,000 a month. Mr. Altman also wants a “global coalition” to regulate AI. Intel CEO Patrick Gelsinger pushed for industrial policy and the Chips Act, funding that Intel gladly accepted, and now Intel is laying off some 15,000 workers.

Microsoft and Amazon, honorary members of Silicon Valley, are located in the barista-infested, CHAZ-autonomous-zone-enabling, blue-in-the-face Seattle and lean hard left. I don’t see that changing.

Often there are mixed messages. LinkedIn co-founder Reid Hoffman is all in for Ms.

Harris, but of Silicon Valley nemesis Federal Trade Commission chairwoman Lina Khan, he told CNN, “I would hope that Vice President Harris would replace her.” Netflix co-founder Reed Hastings donated \$7 million to a super PAC supporting Ms. Harris, although Netflix occasionally shows acts of defiance by not censoring or canceling comedians Dave Chapelle and Ricky Gervais. Apple CEO Tim Cook has donated to the left and right and even joined Mr. Trump’s business advisory panel until it disbanded.

For now, the Valley is still a blue hue. Forget “White Dudes for Kamala.” Almost 800 venture capitalists signed a “VCs for Kamala” pledge. Yes, there are way too many venture capitalists. And they invest as free-market libertarians but vote as progressives.

Confusing, right? For the most part, Silicon Valley is nonunion, has exorbitant tax rates, dabbles in crypto, hates the FTC and is against wealth taxes. Conditions are ripe to vote for a conservative candidate, if only we had one. Ripe, but there’s still little change. When I meet conservatives at cocktail parties, they often whisper their views.

The monster money men may be flirting with support for Mr. Trump, but the rank and file have a long way to go. Still, as the burdens of California’s brand of progressivism drive more companies to Texas, maybe Silicon Valley is becoming more conservative than they care to admit.

Write to kessler@wsj.com.

BOOKSHELF | By Melanie Kirkpatrick

Freedom Found, Author Inspired

A Plausible Man

By Susanna Ashton
New Press, 368 pages, \$28.99

‘Uncle Tom’s Cabin’ was the 19th century’s bestselling book after the Bible, and it remains one of the most influential novels of all time, its impact on a par with that of Charles Dickens’s “David Copperfield” and “Oliver Twist,” progenitors of Britain’s child-labor laws, and George Orwell’s “1984,” with its searing portrait of totalitarianism. The powerful antislavery message of “Uncle Tom’s Cabin” helped lay the moral groundwork that led to the Civil War.

Just how did a middle-aged New England faculty wife, mother and occasional magazine writer come to pen such an important piece of literature? In “A Plausible Man,” Susanna Ashton, an expert on slave narratives and a professor of



English at Clemson University, credits a chance encounter between Harriet Beecher Stowe and a fugitive slave in December 1850.

John Andrew Jackson, born in bondage in South Carolina around 1820, spent one night at Stowe’s home in Brunswick, Maine, on his flight to freedom in Canada, where, since it was part of the British Empire, slavery had been abolished in 1833. By providing food, shelter and warm clothing to a desperate man, Stowe was fully aware that she was breaking the

law. Three months earlier, Congress had passed the Fugitive Slave Act, making it a crime for anyone, anywhere in the U.S., to help an escaped slave. A Jackson-like character appears briefly in “Uncle Tom’s Cabin,” when a senator similarly defies the same law to give shelter to a runaway slave.

Stowe’s description of Jackson’s visit in a letter to her sister Catharine Beecher, as well as Jackson’s brief account in his memoir, provides details of their meeting. Jackson showed her the scars on his back from a whipping ordered by his white master. He played with Stowe’s children and sang songs to the family. He likely spoke of his wife, Louisa, and daughter, Jinny, whom he hoped to redeem with money collected from lecturing about slavery. Several weeks later, inspired by her time with Jackson, Ms. Ashton believes, Stowe began to write “Uncle Tom’s Cabin,” which would be published in 1852.

For Stowe, the importance of the meeting, Ms. Ashton writes, “seems to be the fact that it happened in her home, around her kitchen. A man fleeing for his life was not an abstraction. . . . Even her home in the northernmost state could not escape the pain and injustice she now understood as her shared responsibility as an American and as a Christian.” The two probably never met again, though Stowe wrote a character reference for Jackson to present to possible patrons when he was living in England.

Ms. Ashton mines family lore and the historical record to piece together Jackson’s life story. She begins with his father, called “Doctor,” according to descendants, because of his ability to cure snake bites, a skill he learned from his own father, who had been kidnapped from Africa. She describes Jackson’s years in slavery and his audacious escape in 1846 as a stowaway on a ship headed for Boston. She covers his career as a popular speaker on the abolitionist circuit first in New England, then in Britain, as well as his Reconstruction-era efforts to assist emancipated slaves in his hometown of Lynchburg, S.C.

Lincoln’s Emancipation Proclamation may have freed Jackson in 1863, but back in the U.S. in the postwar South he finds himself deprived of his freedom once more when he runs afoul of the white-supremacist legal system and lands on a chain gang. He escapes.

On his flight to freedom, a man born in bondage was sheltered for a night by Harriet Beecher Stowe. Her famous novel appeared two years later.

“A Plausible Man” is a remarkable piece of historical sleuthing and often a riveting read. Ms. Ashton’s tale is enhanced by the inclusion of numerous photos of people and places important in Jackson’s life. I was moved by a photo of an 1848 Charleston slave badge worn by day laborers hired out by their owners. I imagined the badgeless Jackson’s fear of discovery as he moved around the dockyards seeking a ship on which to hide.

There are many frustrating gaps in Jackson’s story: How and when did he learn to read and write? What happened to Louisa and Jinny? Where is he buried? When the trail of her research grows cold, Ms. Ashton relies on her extensive knowledge of the era to suggest what Jackson “might have” done or “probably” did in given situations.

Ms. Ashton often quotes Jackson’s memoir, “The Experience of a Slave in South Carolina,” published in Britain in 1862. She is creative in relying on unorthodox sources, such as a 1936 WPA interview with an elderly former slave from Jackson’s hometown who remembered Jackson’s postwar work assisting freed slaves. Her book takes its title from an 1847 poster in which Jackson’s enslavers offer a \$50 reward for the return of their property, warning that the fugitive “speaks plausibly.” That is, don’t allow this nimble-witted, well-spoken man to trick you into believing that he is something that he’s not.

The most compelling aspect of “A Plausible Man” is Ms. Ashton’s sympathetic exploration of Jackson’s character. The former slave Stowe met in 1850 was far different from the pious, gentle fictional hero she created in “Uncle Tom’s Cabin.” But neither was Jackson an “Uncle Tom” in the contemporary use of the term, an insult referring to a black man who is servile to white people. Rather, Ms. Ashton presents Jackson as a man who emancipates himself, and she calls his life a “story of self-liberation.” He is “bold,” “energetic,” “charismatic,” “clever,” “a droll raconteur” and “a bit of a hustler.” He often survived with “bravado and flash.” Jackson is the hero of his own life.

In his memoir, Jackson recalls a close call during his escape from South Carolina when someone asks him: “Who do you belong to?” Jackson talked his way out of that dangerous moment. Many years later, writing about the incident, he explains: “It was none of their business whom I belonged to; I was trying to belong to myself.” Jackson was his own man—and what a man he was.

Ms. Kirkpatrick, a former deputy editor of the Journal’s editorial page, is a senior fellow at the Hudson Institute and the author of “Escape From North Korea.”

Don’t Give Up on Venezuela



AMERICAS
By Mary Anastasia O’Grady

Venezuelans hoping to restore their liberty are in the fight of their lives. Opposition candidate Edmundo González Urrutia won 67% of the vote against

strongman Nicolás Maduro’s 30% in the July 28 presidential election. But the military dictatorship refuses to recognize its defeat and has unleashed a ruthless crackdown.

The democratic opposition could use unified international support. They aren’t getting it. Costa Rica, Panama, Argentina, Uruguay, Ecuador and Peru, after reviewing verified vote totals from precincts around the country, have pronounced Mr. González Urrutia the winner. Spain’s Socialist former Prime Minister Felipe González supports the democratic opposition and the Organization of American States has issued a statement acknowledging its victory at the ballot box.

The Biden administration, though, has been ambiguous at best. Four days after the polls closed, Secretary of State Antony Blinken finally admitted that Mr. González Urrutia won the most votes. But the U.S. hasn’t yet called him president-elect. State Department spokesman Matthew Miller explained last Monday that Foggy Bottom is waiting for three Latin American countries to come on board—all al-

lies of Mr. Maduro and communist Cuba. “We are in close contact with our partners in the region—especially with Brazil, Mexico, and Colombia—about a path forward,” he said. Apparently Russia and Iran aren’t available.

State’s complacency at this pivotal moment for the region is tough to fathom. Long after the end of the Cold War, Latin America is still threatened by leftist ideologues who thirst for power and are hostile to the U.S. As Venezuelans stick their necks out for democracy and freedom, they deserve full-throated American support. Instead the Biden administration is pulling its punches by deferring to the hemisphere’s most notorious apologists for Havana.

Caracas says it has arrested some 2,000 people, and press reports say 23 civilians have been killed. Freddy Superlano, a key opposition leader, was detained on July 30. On Tuesday Maria Oropeza, a González Urrutia campaign coordinator in the state of Portuguesa, was taken from her home without an arrest warrant by officials.

The regime sees no cost to its police-state tactics. On the contrary, it delights in allegations of torture at its notorious Helicoide prison as a way of spreading terror. Blunt instruments of repression applied selectively are useful in tamping down protests. After a few months on low boil, demonstrators are expected to tire and go home. This modus operandi has worked for

more than two decades to control uprisings. So rinse and repeat.

Pessimists point out that Daniel Ortega has gotten away with morphing a democracy into a dictatorship in Nicaragua and Cuba’s totalitarian regime is 65 years old. Why can’t Mr. Maduro and his henchmen do the same?

Maduro’s regime is more unstable than it looks, and U.S. officials are too timid.

The answer is that the Venezuelan case is different.

Start with an economy in full meltdown, which means a shortage of hard currency. Mr. Maduro’s drug-trafficking businesses generate income, but not enough for all his needs. Loyalists expect to be compensated. The military’s humiliation at the hands of Cuban minders, the impoverishment of their families, and the rising number of arrests of soldiers are feeding resentment among the troops. Repression in the barracks can work for a while, but without carrots, long-term success is doubtful.

Venezuela is an oil economy and the industry has collapsed. In 1998, the year before Hugo Chávez took power, the country pumped 3.4 million barrels a day. But Chávez used the state-owned oil company PdVSA as his piggy bank

while management neglected maintenance and development of new wells. Human capital fled the country. In 2020 oil output sank below 350,000 barrels per day.

Last fall Mr. Maduro agreed to hold the presidential election as a way of legitimizing himself in the eyes of the world. The Biden administration rushed to issue licenses to Chevron and a few other companies, and output is now around 800,000 barrels a day. That isn’t enough to save the economy, and analysts say the country’s crude output can’t go much higher without tens of billions of dollars in new infrastructure investment.

Sanctions don’t help, but the bigger problems are Venezuela’s pariah status among investors and the \$160 billion in debt that the government and PdVSA owe. Russia wants the price for its own oil to go higher and has no interest in boosting global supply. China is unlikely to pour more money into a country that already owes it billions. As Francisco Monaldi, an energy expert at the Baker Institute in Houston, put it in a July paper for the Wilson Center, “The Venezuelan oil industry will not fully recover without political and institutional change.”

The Maduro project is unstable, which means it may not take much to tip it over. That would be a good reason for the Biden administration to get out of its defensive crouch and try to help.

Write to OGrady@wsj.com.

A Summer Break From American Disunity

By Caroline Aiken Koster

I was charmed when Olympic swimming sensation Katie Ledecky recalled how, as a girl watching the games on television, she and her family would stand with hands over hearts to sing the national anthem. I grew up in Kentucky in the 1970s and my family did the same—and more. During the 1972 Munich games, we adopted a dachshund puppy and named him Mark Spitz after the star swimmer. We even adorned him with seven miniature gold medals.

Back then, we seemed more unified by our flag and anthem. They represented all Americans—whether Team USA, Archie Bunker or Fred Sanford was on the tube. Lately, few seem satisfied with our national emblems. Each identity group has to rejigger what should be unifying symbols to meet its separate goals. But thanks to these Olym-

pics, the nation has recaptured our flag. From Simone Biles to Cole Hocker to Rai Benjamin, every victor has been blanketed with the same star-spangled quilt and song.

Earlier in the summer, I was worried. Along the Gateway National Recreation Area in New York, everybody seems to have restitched Old Glory. At Jacob Riis Park, the colors fly

The Olympics brought us together under banner and anthem.

in LGBTQ rainbows. Toward Breezy Point, the police and fire contingents’ redesign is in mostly black and white. Near Fort Tilden, topless beach revelers fly it upside down—for what distress? No sunscreen? Nearby, there’s a 1776 meshup flying with the coiled snake of the “Don’t Tread on Me” Gadsden flag and Donald Trump’s

head. At the Jersey Shore, one banner looked familiar, but come closer—the stripes are rifles and the stars are bullets.

Even self-described traditional patriots lack respect. My Eagle Scout husband’s troop would have long ago buried the faded, tattered and singed rag flown by burger flippers at my beach’s barbecue pit.

Poor Betsy Ross. Poor us. And pity Francis Scott Key. His ode to the red glare of Fort McHenry’s rockets is ceaselessly botched by drunk crooners and lip-synced by A-listers. And too often “The Star-Spangled Banner” gets supplemented by a B-side play of “God Bless America,” “Lift Every Voice and Sing” or Lee Greenwood’s “God Bless the U.S.A.”

The Olympics have been a summer vacation from America’s flag and anthem replacement epidemic. It’s like when Ms. Ledecky and I were kids. Four rowers and four fencers won gold, but only one flag

and one tune—Team USA’s!

It’s best not to be too nostalgic. Ms. Ledecky is too young, but her parents likely recall Munich’s tragedy. Eight Palestinian terrorists invaded the Olympic village and murdered 11 people from the Israeli delegation and one German policeman.

Olympic peace is fleeting in every era. But watching each night’s closing medal ceremony from Paris has been a delightful change. Back in 1972, cuddling the canine Mark Spitz, I fell asleep as the strains of America’s song and the waving flag faded to white noise at end of day. As a child, I felt secure in the freedom and safety that those emblems represented. Our nation’s ancestors gave that to us.

How comforting these weeks to be wrapped—even briefly—in that unifying mosaic again.

Ms. Koster is a New York writer and lawyer.

OPINION

REVIEW & OUTLOOK

If You Like Your Health Plan, Meet Kamala

Vice President Kamala Harris's run for the White House in 2019 may seem like a political lifetime ago, and Democrats are hoping she can elude scrutiny in a lightning campaign. But Ms. Harris is a California progressive, and if you like your health insurance—ever heard that line before?—you'll want to look at the Vice President's record.

Harris campaign aides are whispering that she no longer supports single-payer healthcare, but travel back to Ms. Harris's Senate tenure. She co-sponsored a bill from Vermont Sen. Bernie Sanders that would set up a single-payer system in the U.S. in four years. That would toss 150 million Americans who receive health insurance at work into a new government plan, inevitably financed by ferocious tax increases across every income level.

At a Democratic debate in 2019, a moderator put this question to the primary contenders: "Many people watching at home have health insurance through their employer. Who here would abolish their private health insurance in favor of a government-run plan?" Ms. Harris raised her hand.

The question wasn't ambiguous, but Ms. Harris later claimed to have misunderstood. Her own campaign plan suggested she did comprehend the stakes but hoped voters wouldn't. Her version of Medicare for All extended the runway for a single-payer transition to 10 years. As a fig leaf Ms. Harris said she'd retain some role for private insurers, which would become the equivalent of public utilities.

Most dishonest was her claim to exempt those earning less than \$100,000 from tax increases. Ms. Harris proposed a stock transaction tax that wouldn't put a dent in the \$30 trillion over 10 years that single payer could cost under mid-range estimates.

In fact, the Harris plan from 2019 could cost \$44 trillion over a decade, according to a forthcoming analysis from health economist Stephen

Parente and Theo Merkel at the American Action Forum. That includes some \$1.8 trillion to cover some 11 million illegal immigrants.

Mr. Biden called out Ms. Harris and Mr. Sanders on these fictions at the time. "It's going to cost you in your pay," the President told voters during a debate in 2019. "There will be a deductible in your

paycheck."

Mr. Biden was right, and such a massive entitlement could require at least a new 32% payroll tax on every dollar of income. Democrats preferred the relative moderation of Mr. Biden in 2020, and voters deserve to know more about where Ms. Harris now stands.

Yet such are the political times that Republicans will struggle to exploit this gaping vulnerability. The party has joined the witness protection program on healthcare after failing to repeal the Affordable Care Act. But 80% of Americans rated their employer insurance excellent or good in a survey last year. Republicans hold the political high ground against Medicare for All, if they're not too afraid to make the argument.

The GOP also has an obligation to be more than a speed bump on the road to single payer. Democrats claim ObamaCare is popular, but Democrats have juiced the law's subsidies to paper over that the plans are expensive and feature narrow doctor networks. Under Medicaid expansion, the feds continue to pay more for childless adults above the poverty line than the program does for pregnant women who are poor. Reduced payments for Medicare Advantage are also leading to higher costs and new coverage limitations for seniors.

All of this is an opportunity for the GOP to go on healthcare offense for a change. Progressives haven't abandoned their aim to convert U.S. healthcare into a European entitlement system, with the attendant delays, shortages and declines in quality of care. This is one more risk voters will have to price into their choice in the fall.

Her Medicare for All plan is a fat political target for the GOP.

The Real Green Energy Transition

Stellantis is showing what the real green-energy transition looks like: On Friday the auto maker announced plans to lay off 2,450 workers in Michigan as it ramps up electric-vehicle production. As consolation, the laid-off workers will receive a generous parting gift.

Car makers are struggling to sell higher-priced cars as consumers pull back after three years of inflation. At the same time, the rich labor agreement that Stellantis, Ford and GM struck last autumn with the United Auto Workers is raising costs. The companies need healthy profits from gas-powered trucks to subsidize their money-losing EV production.

Hence Stellantis's scramble to slash costs. The company last month announced buyouts for salaried workers in the U.S. On Friday it said it will lay off as many as 2,450 production workers in Warren, Mich., where it produces its classic Ram 1500 pickup, as it rolls out a new electric model. Workers can send a thank you card to UAW president Shawn Fain.

Car companies scrap old models all the time as they come out with new ones. But making EVs requires fewer workers than gas-powered cars, and Stellantis is seeking to take advantage of those manufacturing efficiencies. The problem, and the tragedy for the workers, is that such decisions are being driven by government mandates rather than market choices.

The Environmental Protection Agency's new emissions rules will effectively require companies to produce one to two electric trucks for every gas-powered truck as soon as 2027 and nearly four to one by 2032. California's mandates are even more aggressive and will ban the sale of new gas-powered cars by 2035.

Some 15 states have adopted California's EV quotas, including Minnesota, where Gov. Tim Walz imposed them over strong opposition from his state's auto dealers. Kamala Harris also supported banning new gas-powered cars nationwide by 2035 when she ran for President in 2019. Does she still? Will anyone ask?

Democrats claim their green-energy transition will create millions of jobs, but the evidence so far suggests otherwise. The reality is that government will end up supporting workers who lose their jobs and can't find other work, which is why Democrats are pushing to expand the welfare state.

Stellantis is offering laid-off workers 52 weeks of unemployment assistance and 52 weeks of "transition assistance" plus two years of health coverage, on top of state unemployment benefits. That's generous, but many employers won't be able to afford such charity.

As government destroys more jobs, taxpayers will inevitably be asked to compensate for the damage.

Stellantis will lay off 2,450 workers so it can make electric trucks.

The New Iranian Nuclear Reality

Iran is so close to a nuclear bomb that we need to rethink how we watch for it. That's the conclusion of a new report by veteran nuclear inspector David Albright and fellow researcher Sarah Burkhard at the Institute for Science and International Security. Both are highly regarded and fact-based analysts.

Even as Iran increased its enrichment of uranium, the stance of U.S. intelligence—its "mantra," in the researchers' telling—had long been that weaponization has been paused. No longer. The Office of the Director of National Intelligence's July report now says Iran has "undertaken activities that better position it to produce a nuclear device, if it chooses to do so."

What kind of activities? How long would it take to produce that device? We aren't told. If we were, Mr. Albright and Ms. Burkhard write, "some uncomfortable truths would come out: Iran can do it way too quickly, and initial activities to build the bomb could be difficult to detect and could predate any effort to enrich up to weapon-grade."

U.S. intelligence didn't worry much about weaponization when Iranian enrichment wasn't so far along. To reach the breakout point—enriching the weapons-grade uranium for a bomb—Iran would have had to avoid detection at multiple facilities for months. Intelligence agencies stood a good chance of noticing with enough time to react.

"This has changed over the last two years, but dramatically in the last several weeks," the researchers write. Iran has been allowed to enrich uranium right up to the breakout point, and lately it has expanded a crucial fortified com-

plex near the village of Fordow. "Iran can now ironically break out quickly, in days, using only its deeply buried Fordow facility," the report says.

This means the West is looking for the wrong signs. "We cannot rely on breakout as the main indicator that Iran is rushing to the bomb," they write. Iran could leave that al-

most to the end, confident no one could detect it in time. "If the U.S. is serious about its goal to stop Iran from having a nuclear weapon, detecting nuclear weaponization activities is increasingly significant as a trigger to act."

Weaponization is also tricky to detect, and "we cannot go and ask Iran about it, as Axios has reported the United States did on some computer modeling efforts, an action which makes U.S. officials look like they have been living under a rock," Mr. Albright and Ms. Burkhard write. Much of what we do know is thanks only to Iran's nuclear archive—stolen and smuggled out of Tehran by Israel in 2018.

"Iran can make a crude nuclear weapon far faster than commonly assessed," the researchers warn. "Earlier Institute assessments concluded that Iran could do so in six months. It could be shorter today."

We have seen since Oct. 7 what Iran does by proxy, and in April it launched 120 ballistic missiles directly against Israel. We may yet see more, as President Biden practices deference and sanctions relief and hides the truth from the public that the revolutionary Shiite regime may soon have the means to kill millions of Israelis—and Americans. Would Kamala Harris or Donald Trump prevent an Iranian bomb? That, too, is on the ballot in November.

Tehran is so far along that a breakout could come at any time.

LETTERS TO THE EDITOR

Chicago Needs More Than a Convention Cleanup

Whether or not Chicago Mayor Brandon Johnson's policies are enabling crime, as Heather Mac Donald writes in "Chicago Crime and Democratic Values" (op-ed, Aug. 5), Chicago residents understand their city is uncommonly plagued by violence. Public safety ranks No. 1 as their front-burner concern, cited by two-thirds of representative respondents in our recent polling, ahead of taxes and affordable housing and everything else.

Our survey conducted this summer shows that 4 in 10 Chicagoans think crime in their neighborhood has worsened from a year earlier. Asked who's primarily responsible for making the city safer, 70% say it's city government.

Democratic conventions come and go. To keep residents and businesses from moving on, too, Mayor Johnson can't simply beg for patience to see if his investments in social services provide alternatives to criminality in meaningful numbers.

WILL JOHNSON
CEO, *The Harris Poll*
Chicago

Ms. Mac Donald uses Chicago Police statistics that show a drop in shootings and murders for 2023. CPD statistics have been downgraded for years, however, and aren't accurate. Former President Donald Trump's ear wound would have been listed as a less serious Part Two crime, instead of a more serious Part One, aggravated battery (with a firearm). Difficult, unsolvable murders, of victims without relatives, can be classified as death investigations. Murders by "smiley face" serial killers are classified as accidental drownings. Shootings and murders on Chicago's expressways are investigated by the Illinois State Police and aren't counted in Chicago's crime statistics.

Juveniles are highly involved in crime, both as offenders and victims. Criminologists know the primary reason is the lack of a moral father present to guide their children down the path of life. One-hundred million dol-

lars collected for "economic development of traditionally neglected neighborhoods," won't solve this problem.

Kimberly Foxx, our outgoing state's attorney, has on her own increased the minimum amount for prosecuting shoplifters to \$1,000, more than triple the \$300 passed by law in Illinois. Shoplifting goes undeterred and thrives, causing food and general merchandise stores as well as pharmacies to close in high-crime areas.

Ms. Foxx and Chief Judge Timothy Evans of the Circuit Court of Cook County have done their best to keep accused offenders out of the Cook County jail. This keeps costs lower and helps balance the county budget. Violent offenders have been placed on home confinement with electronic monitoring while awaiting trial. They frequently cut off their ankle bracelets and commit more crimes. It isn't until they are arrested for committing another felony, like murder, that they are finally taken off our streets.

In keeping offenders, many of them gang members, out of jail, Mr. Evans and Ms. Foxx have caused an increase in cemetery residents. In their zest for upholding progressive values, they make black lives more difficult and dangerous.

Chicago was less violent when Al Capone ruled the Chicago Outfit. He wouldn't allow the murder of women and children.

MICHAEL FLYNN
Chicago
Mr. Flynn was a Chicago police lieutenant.

That Mayor Johnson would employ common-sense security measures during the Democratic convention, including putting extra police on the streets, should come as no surprise. This is the Democratic playbook: Act like a sensible centrist in election years, then govern as a progressive. For comparison, look at Vice President Kamala Harris's makeover, President Biden's 2020 campaign, et al. Voter beware.

ROBIN TRAYWICK WILLIAMS
Crozier, Va.

Corporate Guilty Plea Is No Joke for Employees

It's true that a guilty plea may not be a death sentence for a corporation these days ("Why Boeing's Guilty Plea Barely Dents Its Reputation," Business & Finance, July 31). But for the people who work at the corporation, it's anything but a "mere footnote."

A corporate guilty plea comes at the end of a traumatic process for all involved. It usually starts with an expansive subpoena that can sweep in any number of bewildered employees who never imagined they might be part of a criminal situation. Compliance with these investigations can be excruciating. Employees are often forced to turn over cellphones and computers to have all their text messages and emails reviewed by federal agents and lawyers.

Then come lengthy meetings with lawyers, federal agents and prosecu-

tors. These can require travel and days poring over documents and communications, both professional and personal. Even for pure witnesses—those who face no criminal exposure—being interviewed by a room full of prosecutors and FBI agents is a stressful experience.

For "subjects," whose criminal exposure hasn't yet been determined, the pressure is even greater. They often must live under the cloud of an investigation for years. For those who end up charged with crimes, they face prison and a professional death sentence.

Eventually the investigation ends, the company typically settles, share prices rebound and business marches on. But for the employees involved, the ordeal is not so easily forgotten.

ANDREW GEORGE AND REBECCA BRODEY
Washington

Government Can Help Parents Against Big Tech

Parents like me need help beyond admonitions to be a better parent when facing off against Big Tech companies. I know because I worked at one.

As 42 attorneys general allege, these companies deliberately design their products to addict children. Internal Facebook research revealed that Facebook created a team to draw pretexts to its platform, citing them as a "valuable but untapped" audience. Several studies now reify a causal connection to the use of these products and negative effects on kids ("Congress Tries to Protect Children Online," Review & Outlook, July 31).

At issue is that companies are aware of these effects on American youth and yet continue to target them. This deliberate, sustained exploitation of kids crosses the line and invites robust legislative action.

If the Kids Online Safety Act passes the House, the Federal Trade Commission and state AGs wouldn't be acting *in loco parentis*, but instead

serving as our force multipliers. They will be the deterrence and the teeth backing us up against trillions of dollars in market cap. That, along with expanded technical controls and mandated transparency, is empowering parents like me.

KARA FREDERICK
Washington

Peace, but on Whose Terms?

In "Team Biden Can Help Mideast Peace" (Global View, Aug. 6), Walter Russell Mead forgets one minor difference between the Israelis and the Palestinians: The Palestinians aspire to annihilate the state of Israel and most or all Israelis. The Israelis aspire to live in their own state in peace with all their neighbors.

SONIA SCHWARTZ
Valley Stream, N.Y.

Pepper ... And Salt

THE WALL STREET JOURNAL



"The smart toaster is down, and it took our wi-fi, security cameras, and entertainment systems with it."

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OPINION

The ISIS Plot Against Taylor Swift

By Seth G. Jones

The terrorist plot against a Taylor Swift concert in Vienna last week is the latest indication that the terror group Islamic State poses a growing threat to the U.S. and its interests. You wouldn't know it based on the Biden administration's withdrawal from terrorist hot spots across South Asia, the Middle East and Africa. The plot, which could have killed dozens of Americans attending the concert, should be a wake-up call for a more robust U.S. counterterrorism policy.

The threat against the concert was serious. Thanks to intelligence the U.S. collected, Austrian law enforcement arrested three suspects for their involvement in an alleged plot to explode bombs and use knives against concertgoers at the Ernst Happel Stadium.

The alleged plotters had both the intention and capabilities to conduct a major attack. One of them, a 19-year-old Austrian, had recently pledged loyalty to ISIS. According to the head of Austria's Directorate of



Islamic State fighters in Iraq; Taylor Swift in concert.



dium where Ms. Swift was scheduled to play. Disturbingly, he had recently started a job for an event-services company that worked at the stadium.

A successful attack could have been devastating. The sold-out Vienna leg of Ms. Swift's Eras Tour, the highest-grossing music tour of all time, was expected to draw 65,000 concertgoers a day for three consecutive days. Austrian officials expected as many as 20,000 more fans to congregate outside the stadium during the concerts.

Public venues, including concerts, are tempting targets for terrorists. The March 2024 Islamic State attack at Moscow's Crocus City Hall killed 145 and wounded 551. In May 2017, Salman Abedi killed 22 people and injured 1,017 with a backpack bomb outside an Ariana Grande concert in Manchester, England. In November 2015, Islamic State terrorists killed a total of 138 people and wounded 416 in Paris, including at the Bataclan theater during a concert for the American band Eagles of Death Metal.

While disturbing, the plot against Ms. Swift's concert wasn't a surprise. U.S. and other officials have

repeatedly warned that Islamic State and its Afghanistan affiliate, Islamic State-Khorasan Province or ISIS-K, pose a serious threat. A July 2024 report from the United Nations Security Council concluded that the threat posed by Islamic State "has grown," including with "increased threat levels in Europe."

Over the past year alone, Islamic State has been linked to terrorist attacks and plots in Afghanistan, Austria, Belgium, Germany, India, Iran, Pakistan, Russia, Serbia, Switzerland and Turkey, among others. On July 25, the day before the opening ceremony of the Paris Summer Olympics, Belgian authorities arrested suspected members of ISIS-K for planning a terrorist attack. And in June, U.S. law enforcement arrested eight suspects with possible Islamic State ties who had crossed the border from Mexico.

Yet the U.S. has cut and run from terrorist sanctuaries. This month the U.S. military turned over control of its final base in the African country of Niger even though the Islamic State and al Qaeda are on the rise in the region. U.S. and French forces also withdrew from nearby Mali and Burkina Faso. Perhaps most alarming,

the U.S. left Afghanistan, the country that houses ISIS-K leaders, in a catastrophic withdrawal in 2021.

To get a handle on future threats, the U.S. should start by targeting any Islamic State terrorists, including those based in Afghanistan, who are plotting attacks in the West, including at venues like the Taylor Swift concert. It won't be easy. Without bases in the region, the U.S. has to fly drones such as the MQ-9 from bases in the Persian Gulf for intelligence collection, surveillance, reconnaissance and strike missions.

More broadly, America needs to reassess its counterterrorism posture across South Asia, the Middle East and Africa, where both Islamic State and al Qaeda remain threats. China and Russia pose a serious challenge, but so do terrorist groups.

The terrorist plot against the Taylor Swift concert was a close call. Dozens of Americans—including teenage girls—could have been killed and wounded. The next time, we may not be as fortunate.

Mr. Jones is senior vice president and director of the International Security Program at the Center for Strategic and International Studies.

On the Waterfront, An Election Wild Card

By Peter Tirschwell

A dockworker strike looms next month, threatening to close ports on the East and Gulf coasts and throw the economy into chaos weeks before the presidential election. The Biden administration has few options to avert disaster.

Dockworkers say they'll strike on Sept. 30 if no new contract is in place, potentially halting activity at ports from Maine to Texas that collectively handle more than 60% of total U.S. container volume. The International Longshoremen's Association suspended negotiations in June over a technical dispute, and no new talks have been scheduled.

At the height of the pandemic port disruptions, President Biden got directly involved in efforts to unclog the Los Angeles-Long Beach gateway before the midterm elections. His intervention revealed Democratic worries about the politically dangerous connection voters were drawing between port backups and inflation and product availability.

The longshoremen's union threatens to close shipping ports and disrupt supply chains on Sept. 30.

This time, many retailers and other cargo owners are taking comfort that because of its election-season timing, a strike would never occur or would last only a few days—because the Biden administration would have to intervene.

That belief ignores the dynamics that elevate the risk of what would be the first coastwide strike along the East and Gulf coasts since 1977, pending the \$588 billion in annual containerized imports that moved through these ports in 2023, according to an estimate from S&P Global Market Intelligence. A strike would shatter importers' longstanding trust in these ports' stability.

The first factor that increases the risk of a strike is that the International Longshoremen's Association, which represents about 45,000 dockworkers on the East and Gulf coasts, doesn't appear ready to give unwavering support to the Democratic ticket.

The ILA expressed dissatisfaction after Mr. Biden dispatched acting Labor Secretary Julie Su last year to force a settlement in negotiations involving the ILA's West Coast counterpart, ending months of disruption at Los Angeles, Long Beach and other ports. The union secured a 32% wage increase over six years.

ILA leaders seem to believe a much higher wage increase is within reach after container lines earned historic profits totalling over \$400 billion during the pandemic, according to analyst John McCown. That was more in nominal terms than all the profit the industry earned up to that point, going back to the first container ship launched by Malcom McLean in the 1950s, according to Sea Intelligence.

The ILA said it isn't interested "in any help from outside agencies to interfere in our negotiations. . . . This includes the Biden Administration and the Department of Labor."

The ILA withheld its endorsement of Mr. Biden—and now Kamala Harris. In 2020, the union waited until March to endorse Mr. Biden. The ILA's chief negotiator, Harold Daggett, posted a recent photo of his meeting with Donald Trump.

If a strike were to occur, the Biden administration wouldn't have the option of forcing longshoremen back to work, despite the president's legal ability to do so under the Taft-Hartley Act. For Mr. Biden, a lifelong union supporter who claims to be the only president to walk a picket line, reopening the ports forcefully (as President George W. Bush did in 2002) would look like a betrayal of organized labor, a constituency the Democrats will need in November.

The administration's only option may be to bludgeon the ocean carriers, most of which are foreign-based, into accepting an unfavorable settlement. In prior negotiations, the carriers frequently capitulated to labor's demands in the interest of keeping ships and cargo moving.

Whether the carriers will give in again is uncertain. Learning from their experience during the pandemic, they now know they can make money, and a lot of it, when cargo stops moving.

Mr. Tirschwell is vice president of global intelligence and analytics at S&P Global Market Intelligence and chairman of the TPM shipping conference.

A serious threat shuts down a concert in Vienna as Washington withdraws from terrorist hot spots.

State Security and Intelligence, he was aiming to kill "as many civilians as possible" in a suicide attack. He and one of his alleged accomplices, a 17-year-old man, had apparently radicalized online.

Police found machetes, knives, Islamic State propaganda and counterfeit currency at the 19-year-old's house in Ternitz. They also seized bomb-making material such as timers, wires, and TATP, a primary explosive known as "Mother of Satan." In addition, the 17-year-old had conducted reconnaissance of the sta-

Why Trump Voters Fear Speaking Out



LIFE SCIENCE
By Allysia Finley

Donald Trump likes to say that his opponents are "coming after you" and he's simply "standing in their way." That often appears true, which could help explain why his supporters are so steadfast. Consider the viciousness Anthony Constantino faced after he publicly supported Mr. Trump last month.

Mr. Constantino, 41, owns Sticker Mule, a custom printing company in Amsterdam, N.Y. After the failed assassination attempt on July 13, he wrote on social media: "I don't care what your political views are but the hate for Trump and his supporters has gone too far. People are terrified to admit they support Trump. I've been scared myself. Americans shouldn't live in fear. I support Trump. Many at Sticker Mule do. Many at Sticker Mule also support Biden. The political hate needs to stop."

A barrage of invective and death threats followed. Some customers vowed to take their business elsewhere. One tweeted that Mr. Constantino was a "pro-trump (Christofascist, transphobic, homophobic, xenophobic, sexist, etc.)." Another tweeted: "Absolutely disgusting. Immediately unsubscribing [sic] and taking my business elsewhere [sic] for print needs. I don't tolerate MAGOTS." These were the sort of "slanderous" attacks on Trump supporters that Mr. Constantino says prompted him to write his message.

"I don't really want to defend Trump himself," he says in an interview. "I think I was more so concerned about the villainization and dehumanization of his supporters." Mr. Constantino voted for Mr. Trump in 2016 and 2020 but "stayed quiet while people were getting bullied and slandered." That wasn't unusual. Many Trump voters keep their views to themselves because "they do the risk-reward evalua-

tion," he says. Smart people are "going to say, the upside's not there, right?"

Mr. Constantino's ordeal may prove the point. Several writers accused him of undermining customer trust and inclusivity. One unnamed Sticker Mule employee told a Forbes contributor who "writes about workplace culture, equity and belonging" that Mr. Constantino's statement "sends a very clear message to female and LGBTQ staff that you support someone who wants to rip away their rights."

Slate reported that a Colorado couple stopped doing business with Sticker Mule owing to Mr. Trump's "history of removing human rights from distinct groups, specifically women's reproductive rights and trans rights." To make up for the vitriol his customer-service employees dealt with, Mr. Constantino paid each a \$2,500 bonus. "Our brand is to be tough," he says, "but we have big hearts and we're generous."

Mr. Constantino grew up in Amsterdam, a working-class town northwest of Albany, and attended Rensselaer Polytechnic Institute. Rather than finish his degree, he helped steer his family's manufacturing business through turbulent times.

In 2010 he founded Sticker Mule with his brother and a friend, hoping to meld manufacturing with tech. "I wanted to bring manufacturing online and move quickly," Mr. Constantino says. He succeeded. Sticker Mule employs more than 1,200 people across 39 countries. Anyone can use the company's tools to design stickers, labels, T-shirts,

Sticker Mule's Anthony Constantino endorsed the GOP nominee. Boycotts and death threats followed.

coasters and other paraphernalia. The company promises free shipping with a four-day turnaround and also operates plants in South Carolina and Italy. Business expansion has meant plenty of travel for Mr. Constantino, who has learned to speak Italian. He also boxes and has participated in professional fights in Mexico.

Mr. Constantino says his offbeat ideas have helped make his company a success. So did strong economic growth during Mr. Trump's first term. In 2019 "we were able to issue

\$1,000 bonuses to everybody in the company." He demurs on speaking about specific policies but notes that Mr. Trump "just uplifted the spirits of the business community and made people feel confident." The enthusiasm was "contagious."

An economist might say Mr. Trump unleashed animal spirits. The Biden administration has done the opposite, though Mr. Constantino doesn't put it exactly that way. "When you got people in charge that are vilifying people, innovators or business, that is a drain on everybody." He adds that the U.S. is "overregulated."

Mr. Constantino's biggest worry doesn't relate to Sticker Mule, the economy or the presidential election. What keeps him up at night is how people are "distancing themselves from family members, throwing away family relationships, friendships, long friendships, because somebody came out and admitted they supported Trump."

Thus his cry for civility. "The more people realize that kind-hearted, compassionate people support Trump, the sooner the hate will end," he wrote on July 13. "Don't limit your friendships, and diminish your happiness by indulging in political hate."

Moulton, Vance and 'Marine Values'

By Paul W. Steketee

Rep. Seth Moulton, who served as a U.S. Marine captain in the Iraq war, recently disparaged Sen. J.D. Vance's service as a corporal in Iraq. "He's a Marine Corps veteran—I mean, a combat correspondent," Mr. Moulton said on a podcast. "He didn't do much fighting and he doesn't exactly uphold Marine values." No Marine has ever served as president or vice president, and many Marines are excited at the prospective first. Mr. Moulton is wrong to suggest that Mr. Vance's military occupational specialty makes his ser-

vice less than honorable.

Gen. Alfred M. Gray observed that every Marine is at his core a rifleman. Like Messrs. Moulton and Vance, I served as a Marine in Iraq—a second lieutenant in Fallujah in 2004. I was an adjutant, or manpower officer—what a civilian might call a "chief people officer." That experience makes me an expert on occupational roles in the Marine Corps.

Combat correspondents are active participants in the fight. Each one is armed with a rifle as well as a camera and notepad. Combat correspondents were killed in the Pacific, Vietnam, Iraq and Afghanistan. They provide security, return fire, and capture the stark and brutal reality of war.

The iconic four-image sequence taken by one of our correspondents in Fallujah is a testament to this. It depicts Gunnery Sgt. Ryan P. Shane and another Marine attempting to recover their fallen comrade, Sgt. Lonny Wells, while under heavy fire on Nov. 9, 2004. Sgt. Shane is wounded yet still focused on saving his fellow Marine.

Enlisted Marines endure the crucible of recruit training and basic infantry training before specializing. There are no shortcuts to becoming a Marine—not for Marines who specialize in food services, or electricians, or the buglers who play "Taps" at Marine Barracks Washington. All are real Marines. Nobody who served

honorably in the military should be disparaged for it, and that includes Gov. Tim Walz, who enlisted and served 24 years in the U.S. Army and National Guard.

The uniform of a Marine is deliberately devoid of distinctions that highlight individual roles or military occupational specialties. The prominence of the eagle, globe and anchor

The vice-presidential nominee served honorably. Anyone saying otherwise owes the corps an apology.

over the Marine's last name is a powerful symbol of this unity. It reflects a collective identity that transcends individual roles.

Every Marine officer, even those who served with distinction in combat, relies on other Marines, most of them enlisted, to train, arm, feed, clothe, transport, guard and supply him. If you suggest that anyone in that family of fighters—each of whom earned the right to wear the globe and eagle—"doesn't uphold Marine values," you owe an apology not only to that Marine but to the entire Marine Corps.

Mr. Steketee is a retired U.S. Marine lieutenant colonel.

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Disney Unveils Park Expansions

Die-hard fans have been waiting for new rides and attractions

By **ROBBIE WHELAN**
AND **JACOB PASSY**

ANAHEIM, Calif.—Villains given the run of the Magic Kingdom. A “Monsters, Inc.”-themed land at Disney’s Hollywood Studios, complete with Disney’s first suspended roller coaster, where riders zoom around with their legs hanging free. Four new cruise ships.

The scope and details of the tens of billions of dollars in planned investment in Dis-

ney’s Experiences unit came into clearer focus Saturday night.

The announcements came as part of Disney’s three-day D23 Expo, during a presentation that unfolded over nearly three hours at an arena near Disneyland in Anaheim. Josh D’Amaro, chairman of the division and a short-list candidate to succeed Bob Iger as Disney’s chief executive, regaled theme-park habitués with his vision for growth.

From the get-go, D’Amaro moved to fend off criticism, common among Disney fans in recent years, that the company doesn’t have much in the way of shovel-ready projects in the works.

“Everything we’re going to

share with you tonight is an active development,” he told the crowd, which Disney counted at 12,000. “I just want to be clear to all the fans out there: This isn’t blue sky.”

The Experiences division that includes theme parks, cruises and videogames produced 69% of the entertainment giant’s operating income in fiscal 2023.

Bloggers and fans regularly dissect Disney’s development pipeline for its theme parks. This year the division is especially under the

microscope. In the company’s past two quarterly earnings reports, weakening consumer demand has led to disappointing results in the Experiences division. This has hurt Disney’s share price and raised concerns that the broader theme-park industry might be on course for a reckoning.

Disney is under pressure to offer fans new, exciting attractions to justify recent increases to ticket prices and other rising costs. It also faces growing competition from

Comcast’s Universal Studios business, which plans to open a new theme park near Walt Disney World in Florida next year.

At the previous D23 Expo, in 2022, the parks panel largely featured ideas far from starting construction. Fans got more details to chew on this year.

Disney is teeing up two major expansions at Walt Disney World’s Magic Kingdom park. One is a long-rumored villains-themed land based on the less savory characters from Disney’s oeuvre. The other is a new section of Frontierland inspired by the “Cars” franchise that will include two new rides.

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‘I just want to be clear to all the fans out there: This isn’t blue sky.’

Market Retreat Unleashes Leverage’s Dark Side

They built over months. Big bets on the yen. Complex cryptocurrency wagers. Investments in hot tech companies.

By **Gregory Zuckerman**,
Jack Pitcher,
Vicky Ge Huang and
David Uberti

Common to the trades were heavy doses of leverage, or borrowed money, used to amplify expected gains. As markets rose through the first half of 2024, windfall profits, inspired copycat traders to get on board, pushing prices higher.

Now the tide has turned. Unrest has returned to global markets over the past month, and investors are now in retreat from these once-unstoppable trades. While the market has calmed in recent days and the Dow industrials remain within 5% of their record high, traders caution that there is reason to brace for more upheaval.

What’s behind the tumult? Recent losses were caused in large part by a “deleveraging,” said Andy Constan, chief executive of Damped Spring Advisors, a consultant for macro hedge funds.

Changes in economic or financial conditions can force investors to sell one piece of their portfolios, such as U.S. or Japanese equity holdings, to deal with losses from another, such as leveraged bets on a weak yen. The messy process to reduce risk takes time before traders can reload.

“The deleveraging first has to get the people that are long and getting margin-called before it can be recycled into new longs, into new leverages,” Constan said.

July brought one of the largest deleveraging episodes for hedge-fund clients of Goldman Sachs’s prime brokerage of the past 10 years, the bank said.

This deleveraging came at perhaps the worst time for markets—smack in the middle of summer, when many traders and investors are vacationing. While more trading than ever is automated, decisions made by individuals still matter. Fewer pros in the office means a shortage of seasoned individuals on trading desks, and fewer investors around to step in to buy as prices plunge.

That is a reason August has been a month of panics in the past, such as the collapse of the hedge fund Long-Term Capital Management in 1998 and 2007’s “quant quake.”

During the tumult of the past week, “The liquidity was worse or equal than during the Covid market crash,” said Patrick Heusser, head of crypto

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Investors Are Wary Despite Rebound

By **JAMES MACKINTOSH**

Lots of investors and market watchers have concluded that last Monday’s market meltdown was a mere technicality, albeit a scary one, that the economy is fine and that now the panic has abated, the day’s chaos can be brushed aside.

I disagree. The fear evident on Monday tells us something about where markets are heading and how investors are feeling. It could also directly affect investor psychology, itself influencing whether the cracks we saw in markets turn into chasms.

The events of the past week indicate a change of regime in the markets. One trigger for Monday’s panic was the poor jobs figures on the preceding Friday, and it proves what was already becoming evident: Confidence in a soft landing for the economy has gone. Sure, one month’s bad jobs figures doesn’t indicate a recession, even when added to some corporate reports suggesting a weaker consumer. But investors have shifted from worrying that the economy is too strong to allow the Federal Reserve to cut rates to worrying that the Fed is being too slow to cut rates as the economy slides.

The new regime means investors will see the economy in a different light. The rose-tinted spectacles are gone, and that means the market can’t simply shrug off bad news, as it did earlier this year. At the same time, the perception that we’re on the cusp between a hard and a soft landing means investors are more likely to overreact to data—as on Thursday, when new jobless claims came in slightly below forecasts and stocks jumped more than 2% to have their best day since 2022. Even if everything works out fine, the going will be bumpy.

We also don’t know if the excesses that had built up are gone from the system. The chances are that they weren’t cleaned out in the few hours it took for the market to plunge on Monday morning, before the recovery began.

Sure, some heavily leveraged positions were closed in a hurry. David Kostin, chief U.S. equity strategist at Goldman Sachs, estimates that hedge-fund leverage plunged from the highest in three years to about average. JP-Morgan strategists think about 70% of the yen carry trade (which involves borrowing low-cost yen to buy higher-yielding currencies such as the Mexican peso) has unwound. But no one knows for sure.

Here is where the psychology Please turn to page B9

◆ An age-old question returns: Buy the dip?... B10



The motion-picture arm has largely been spared the cost scrutiny that has led to layoffs at Warner. A scene from ‘Wonka.’

Lean Times Hit Warner Discovery, Except for the Movie Studio Bosses

By **JOE FLINT**

Money was a primary issue when Netflix and director Maggie Gyllenhaal parted ways over her plans for a new take on the 1935 classic “Bride of Frankenstein” last year.

Among the concerns was Gyllenhaal’s desire to shoot “The Bride!” in New York City. Netflix pushed for New Jersey because it would be cheaper, people familiar with the mat-

ter said.

The co-chairs and CEOs of the Warner Bros. motion-picture unit, Mike De Luca and Pam Abdy, stepped in to foot the bill. The movie’s costs, including production and marketing, will likely exceed \$100 million, a figure some Hollywood executives say is rich for the period drama, which is scheduled for release in the fall of 2025.

“It’s a risk to take on me,

and they really have supported me in every way,” said Gyllenhaal, adding that the pair never pressured her “and I know that’s something that can happen, especially on a big-budget movie.”

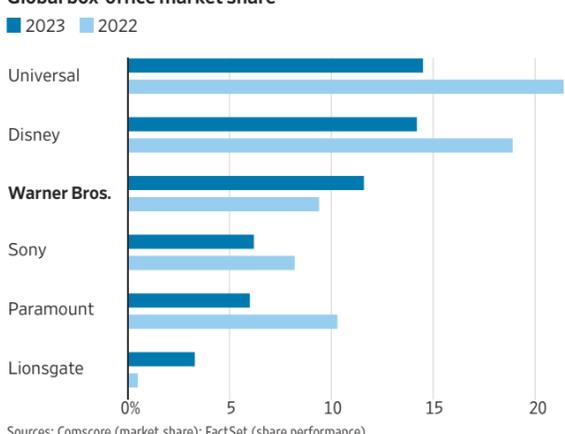
De Luca and Abdy have long had a reputation in Hollywood for being talent whisperers with a willingness to spend. Their aggressive dealmaking since assuming their posts two years ago has cast them as

outliers inside parent company Warner Bros. Discovery, a media conglomerate that is in austerity mode.

With a debt load of nearly \$40 billion and a stock price down about 50% over the past year, Warner has been trimming costs just about everywhere. Last Wednesday, the company reported a nearly \$10 billion loss primarily because of a write-down of the value of

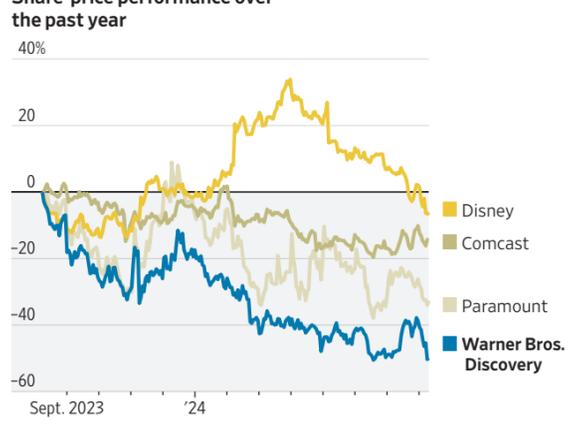
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Global box-office market share



Sources: Comscore (market share); FactSet (share performance)

Share-price performance over the past year



Y’all Street Becomes A Draw for Texas

By **ELIZABETH FINDELL**

DALLAS—Ross Perot Jr. gestured out the window as his helicopter circled a 4.5-acre pit alongside the skyline of downtown Dallas. Texas and U.S. flags hung from a crane within it.

The site is where Perot’s real-estate investment company, Hillwood, is teaming up to build a \$500 million Goldman Sachs tower for more than 5,000 bankers and investors. That will make it the financial firm’s second-largest office, behind New York. As the helicopter swung northwest, windows glinted from two unfinished Wells Fargo office towers, scheduled to open next year. A bit farther away: a fourth building under construction for Charles Schwab, which moved its headquarters

from California to the Dallas area five years ago, and the footprint of a Deloitte campus doubling in size.

The landscape illustrates an expansion that brought to North Texas a presence in financial services that now sits second only to New York City in the U.S. And growth of so-called Y’all Street is accelerating.

“It’s stunning to watch,” said Perot, a Dallas native and son of the former presidential candidate, of the phenomenon others termed a finance invasion.

New York’s foothold on finance still dwarfs that of North Texas. But greater Dallas largely shed its reputation as a financial backwater.

Data from the Bureau of Labor Statistics shows Texas in-

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INSIDE



HEARD ON THE STREET
Intel’s position as the largest U.S. chip maker ensures its survival. **B10**

TECHNOLOGY
Nvidia has novel method to cool off data centers, limit air conditioning. **B3**

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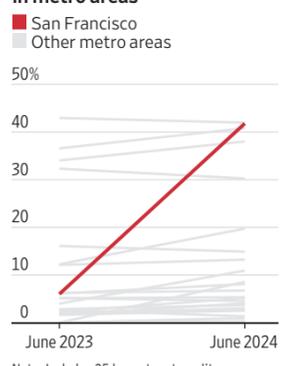
By **NEIL MEHTA**

San Francisco’s hospitality business imploded during the pandemic. Now, its hotel owners are drowning in bad debt as never before.

In the city’s metropolitan area, the delinquency rate among commercial mortgage-backed security loans for the lodging sector skyrocketed to 41.6% in June from 5.7% in June 2023, according to data from real-estate analytics firm Trepp. It is the largest increase across the country’s 25 largest metro areas.

The sharp drop-off in visitors since before the pandemic is squeezing the city’s hospitality sector. Weekend hotel occupancy in June, a rough proxy for leisure travel, is down around 22% since 2019 in the San Francisco-San Mateo re-

CMBS loan delinquency rate in metro areas



Note: Includes 25 largest metropolitan statistical areas by population. Source: Trepp

gion, versus 4% nationwide, according to data firm CoStar Group.

For hospitality, 2024 “is def-

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BUSINESS & FINANCE

Warner Favors Film Bosses

Continued from page B1
its cable networks.

The company's TNT network was unable to strike a new deal to hold on to its rights to National Basketball Association games because it didn't want to pay as much as rivals NBC and ESPN.

Many movies and TV shows have been removed from Warner's Max streaming service, and Turner Classic Movies, which plays old films, had much of its staff eliminated. This summer, some 800 jobs are being eliminated across the company, on top of the several thousand job cuts over the past two years.

When it comes to spending on content, De Luca and Abdy have been spared the scrutiny some other departments have faced, some executives inside

Zaslav said of the movie production unit on an earnings call. "We're encouraged by our slate ahead. We're still working our way through the slate that we inherited."

The movie industry faces big challenges as consumers embrace streaming and it becomes harder to persuade people to go to a theater. Most studios aren't in risk-taking mode, preferring to count on established franchises and superheroes.

At Warner, the pair is trying to create a diverse slate of movies—horror, science fiction and adult dramas, as well as the occasional sequel. Comic-book films, with the exception of "Joker," are left primarily to Warner's DC unit, which doesn't report to De Luca and Abdy.

The duo has made flashy deals with stars such as Tom Cruise, Timothée Chalamet, George Clooney and Margot Robbie as well as filmmakers like Ryan Coogler.

Big bets include "Mickey 17," a science-fiction effort from Oscar winner Bong Joon-ho ("Parasite"), and the mob

three times the original movie. "Joker: Folie à Deux," which has Lady Gaga joining star Joaquin Phoenix, is a musical, which might not be what fans of the first one are expecting.

De Luca and Abdy have a reputation for catering to talent. To land "Black Panther" director Coogler's as-yet-untitled supernatural thriller starring Michael B. Jordan, the studio agreed to give the copyright of the movie back to Coogler after 25 years. It is a rare concession that was a bridge too far for other studios. Some at Warner were against it for fear of setting a precedent.

Art-house filmmakers also are getting big checks. Director Paul Thomas Anderson, a critical darling whose credits include "Magnolia" and "Licorice Pizza," has a budget of more than \$140 million for his next movie, which stars Leonardo DiCaprio and Sean Penn.

That amount is more than double his typical budget. The highest-grossing movie of Anderson's career is 2007's "There Will Be Blood," which took in \$76 million at the box office.

Warner executives say DiCaprio's box-office track record justifies the budget for Anderson. DiCaprio's payday for the movie is \$20 million.

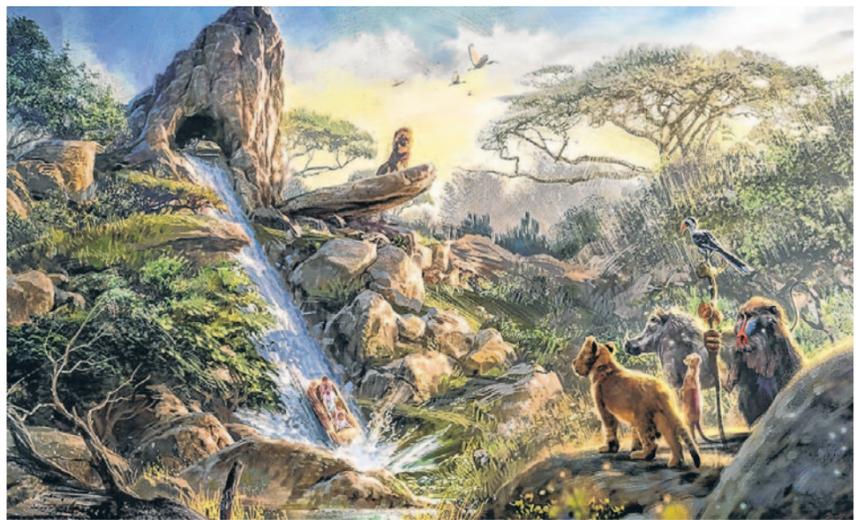
Bryan Lourd, chief executive of the powerhouse talent agency CAA, applauds the pair's willingness to take risks. "All big swings, nothing safe about it," he said of their approach. The marketplace wants "differentiated premium experiences," and they are "backing many of the best artists in the business," he added.

A force in the industry for more than three decades, De Luca was only 27 when named president of production for New Line Cinema, where he championed commercial and critical successes such as "Austin Powers," "Seven" and "Boogie Nights."

Before joining Warner in 2022, he was chairman of MGM's Motion Picture Group Studios, and Abdy was president. The pair had a mixed record. Successes included "Dog," while expensive misses included "Gucci" and "Cyrano."

Still, they were credited with pumping life into what was perceived as a moribund studio and increasing its value to suitors. The pair left after MGM was acquired by Amazon in a deal valued at \$8.5 billion.

What appeals to filmmakers is that De Luca and Abdy don't see movies as "just a product or a commodity," said director Tim Burton.



Rendering of the first attraction inspired by 'The Lion King' the Disney park in Paris.

Disney Parks Retool

Continued from page B1

The two projects, D'Amaro said, "represent the biggest expansion in the park's entire history."

At nearby Animal Kingdom, Disney plans to redo a section of the park now focused on dinosaurs.

The new Tropical Americas land will feature rides themed after the "Indiana Jones" franchise and Disney's hit film "Encanto."

The parks presentation and a Friday night showcase introducing Disney's coming film slate were star-studded. Dwayne "The Rock" Johnson, "Avatar" director James Cameron and composer Lin-Manuel Miranda came onstage to promote new movies on Friday.

To hammer home D'Amaro's promise to expand Disney's cruise-ship fleet to 13 vessels before 2031, 1990s R&B stars All-4-One performed the song "I Swear."

Saturday evening also offered details of a new portion of the Hollywood Studios park that will transport visitors to the world of Monstropolis

from the "Monsters, Inc." films. One of the new rides in this land will be Disney's first suspended roller coaster.

D23 Expo has grown into a corporate phenomenon. It is a pep rally aiming to give fans, who often come dressed as their favorite characters, the sense that they are a part of Disney's creative planning process. It also helps the company gauge enthusiasm for each new product, movie and character it rolls out.

On Friday night, Iger opened the ceremonies with almost Olympic fanfare, appearing onstage to introduce a presentation of the company's new film slate. It was his first appearance at a D23 Expo in five years—he came out of retirement in late 2022 to succeed former CEO Bob Chapek.

"Boy, did I miss you," Iger told fans, who gave him a 20-second standing ovation.

As he finished his remarks, Auli'i Cravalho, who voices Moana, the Polynesian princess with a sequel opening later this year, burst into a new song, accompanied by dozens of dancers and percussionists. It featured the line, "Finally we're back to who we're meant to be!"

When Disney said last September that it was doubling its planned capital investments in the Experiences division over the next decade, to \$60 billion, the news was thin on details.

The company's shares fell 3.6% on the day of the announcement. That accelerated a decline that prompted activist investor Nelson Peltz to say months later that he would seek a board seat at Disney. In the proxy fight that

followed, Peltz said the parks needed updates. In April, Iger triumphed over Peltz when shareholders voted decisively to keep the investor off the board.

Beyond Walt Disney World, Disney has major expansions planned for its parks in California, France and China.

Disney California Adventure at Disneyland Resort in Anaheim will add a handful of rides based on the Marvel Cinematic Universe, Cameron's Avatar franchise and the Pixar film "Coco."

Overseas, the first ride tied to "The Lion King" is being developed for the Disneyland Paris Resort. New Spider-Man-inspired rides are planned for Disney's parks in Shanghai and Hong Kong.

The Experiences unit produced 69% of Disney's 2023 operating income.



Mike De Luca and Pam Abdy lead Warner's movie unit.

the company say. Some describe the duo as the "chosen children" of Warner Discovery Chief Executive David Zaslav, a movie buff who counts the De Luca-produced "Moneyball" as one of his favorites.

Stephen Galloway, dean of Chapman University's film school, said the problems in the theatrical business—with consumers going to the theater less than they used to—make it hard to justify heavy spending. That is especially true for a company like Warner Discovery, which also is battling other challenges.

Zaslav, he said, "has much bigger concerns" than the stagnant movie business.

De Luca's and Abdy's admirers say they are paying what the market justifies in competitive situations, and aren't just trying to make splashy deals. A senior Warner studio executive said the pair are under the same level of scrutiny as their counterparts throughout the company and added that their film slate carries a fraction of the overall annual budgets of other content divisions.

Last year, Warner's global box-office market share was 11.6%, behind Universal and Walt Disney, according to Comscore, in a year when all studios were hit by a months-long labor strike that delayed production and paused new releases. The megahit "Barbie," which surpassed \$1 billion in box-office revenue, and "Wonka" were among Warner's strongest performers.

Those films were approved by the previous regime, as were disappointments like this summer's "Furiosa." Movies hatched on De Luca's and Abdy's watch are just now starting to hit the big screen. The first one—"The Watchers" from Ishana Night Shyamalan, daughter of filmmaker M. Night Shyamalan—performed poorly at the box office.

"We have a really good team with Mike and Pam,"

movie "Alto Knights" starring Robert De Niro. Both were originally to premiere this year but now are planned for 2025.

"Mickey 17" has a production budget of at least \$120 million and a cast that includes Robert Pattinson and Mark Ruffalo. The movie has been through scheduling delays and now is set to be released in January, a month typically seen in Hollywood as a dumping ground.

"An expensive question mark" is how David Herrin, founder of the film-tracking firm The Quorum described "Mickey 17," adding, "Once you move a movie to January it telegraphs that you don't think this is an Oscar contender."

The production budget for the sequel to the massive hit "Joker" has ballooned to the \$200 million range, more than

'It Ends With Us' Begins at No. 2



The film earned \$50 million in its debut weekend.

Estimated Box-Office Figures, Through Sunday

Film	Distributor	Sales, In Millions		
		Weekend*	Cumulative	% Change
1. Deadpool & Wolverine	Disney	\$54.2	\$494.3	-44
2. It Ends with Us	Sony	\$50.0	\$50.0	—
3. Twisters	Universal	\$15.0	\$222.3	-34
4. Borderlands	Lionsgate	\$8.8	\$8.8	—
5. Despicable Me 4	Universal	\$8.0	\$330.1	-30

*Friday, Saturday and Sunday in North American theaters Source: Comscore

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Save the Children.

RUNNING WATER...



OR RENT?



11 million children in the U.S. live in poverty.

BUSINESS NEWS

Wojcicki Built YouTube Into Web's Home for Video

Early employee of Google who urged video-platform buy ceded role in 2023

By MILES KRUPPA

Susan Wojcicki, an instrumental figure in the birth of Google who later oversaw the company's YouTube video platform, has died at the age of 56.

Wojcicki played a central role in developing the technology systems that distribute advertising dollars around the internet. After joining Google as one of its earliest employees, she

led development of its AdSense product, a software widget that allowed the company to broker ads for millions of independent websites and became an important tool for the tech giant.

Later, as YouTube CEO, Wojcicki oversaw the maturation of the site's business model into an operation generating billions of dollars of revenue for video creators and Google's parent company, Alphabet, while cracking down on controversial content that threatened to sully its public image. She ceded the top job in 2023, citing a desire to focus on her family, health and personal projects, while remaining an adviser at Alphabet.

Wojcicki's husband, Dennis Troper, said in a Facebook post that she had been living with lung cancer for two years. "Susan was not just my best friend and partner in life, but a brilliant mind, a loving mother, and a dear friend to many," he wrote. "Her impact on our family and the world was immeasurable."

Google and Alphabet CEO Sundar Pichai posted a tribute to Wojcicki on X. "She is as



YouTube grew into an operation generating billions in revenue under Susan Wojcicki's watch.

core to the history of Google as anyone, and it's hard to imagine the world without her," he wrote. "She was an incredible person, leader and friend who had a tremendous impact on the world and I'm one of countless Googlers who is better for knowing her."

Rarely the loudest voice in the room, Wojcicki developed a reputation as perhaps the most important Google employee few people heard of outside of the company's walls.

Wojcicki took responsibility for two of Google's most consequential acquisitions: In 2006, she urged the company to buy YouTube, then a small but rapidly growing site for homemade videos that had outflanked Google's own product. A year later, she pushed for the acquisition of DoubleClick, which oversaw the most popular advertising network for large web publishers.

Both acquisitions morphed into two of the company's largest and most important units, helping diversify Google's business away from its cash-cow

search engine. They also landed Google in the crosshairs of antitrust officials, most notably in the case of DoubleClick, which became the biggest target of a Justice Department lawsuit filed in 2023 seeking to break up portions of the company's online advertising business.

Wojcicki was born on July 5, 1968, in Santa Clara, Calif., a few years before the area would become widely known as Silicon Valley.

After studying history and literature at Harvard University, Wojcicki pursued a master's degree in economics at University of California, Santa Cruz, before working stints at management consultancies including Bain & Co. She joined Intel's marketing department following a master's in business administration at University of California, Los Angeles.

While at Intel, Wojcicki and her husband, whom she married in 1998, rented the ground floor and garage of their Menlo Park, Calif., home to Sergey Brin and Larry Page as they began early work on Google.

The story became part of Google lore, and Wojcicki joined the company as its 16th employee, tasked with marketing the upstart search engine as it tried to compete with established services like AltaVista. Given a shoestring budget, she hatched the idea of allowing other websites to install Google search boxes on their own pages, resulting in an early boost in exposure.

Wojcicki later oversaw Google Books, Google Images and, beginning in 2011, all of the company's advertising products, by then a more than \$28 billion business. In 2014, Page elevated her to CEO of YouTube, the video service she urged Google to purchase eight years earlier.

Wojcicki's ambition, as she described it, was to "reinvent TV." Tasked with bulking up YouTube's business, she oversaw the expansion of the video service's advertising business into a \$32 billion operation and introduced subscription offerings also bringing in billions of dollars a year.

Liquid Is New Tack To Cool Data Centers

By YANG JIE

One of the latest innovations at artificial-intelligence chip maker Nvidia has nothing to do with bits and bytes. It involves liquid.

Nvidia's coming GB200 server racks, which contain its next-generation Blackwell chips, will mainly be cooled with liquid circulated in tubes snaking through the hardware rather than by air. An Nvidia spokesman said the company was also working with suppliers on additional cooling technologies, including dunking entire drawer-sized computers in a nonconductive liquid that absorbs and dissipates heat.

Cooling is suddenly a hot business as engineers try to tame one of the world's biggest electricity hogs. Global data centers—the big computer farms that handle AI calculations—are expected to gobble up 8% of total U.S. power demand by 2030, compared with about 3% currently, according to Goldman Sachs research.

The Nvidia GB200 series is likely to be sought after as technology companies race to deploy AI in content creation, autonomous driving and more.

Data centers, housing as many as tens of thousands of servers, tend to be cacophonous and chilly places. At older facilities that use fans and air conditioning, cooling accounts for up to 40% of power consumption, a proportion that could be reduced to 10% or less with more advanced technology, according to Shaolei Ren, associate professor of electrical and computer engineering at the University of California, Riverside.

Liquid cooling has become a common feature of high-end gaming computers, but on a larger scale has traditionally been limited to the hardest challenges, such as nuclear power plants. The upfront cost of circulating liquid through delicate electronics can be

many times the cost of installing AC and fans. Some parts are in short supply.

Leakage is the biggest risk. "If a single drop of water falls onto a server, such as the million-dollar GB200, it could cause catastrophic damage," said Oliver Lien, general manager of Forcecon Technology, which works with semiconductor makers on cooling.

More than 95% of current data centers use air cooling because of its mature design and reliability, according to a recent Morgan Stanley report.

Nvidia both makes its own servers and supplies chips to other server makers that build devices for tech giants working on AI applications. Decisions on cooling tend to be made jointly by those companies.

Taiwan-based contract manufacturer Foxconn is taking a leading role in manufacturing the Nvidia GB200 series in Taiwan and Mexico, according to people involved in the plans.

The sensitivity of the cooling issue was highlighted in late July when shares of Foxconn and two suppliers of cooling components fell more than 5% following social-media posts suggesting the GB200's cooling system had leaks.

People familiar with the production said suppliers were working through normal issues that arise in preproduction testing. They said the cooling system issues weren't likely to significantly affect the GB200's shipping schedule. Shares of Foxconn and the suppliers quickly recovered. Nvidia declined to comment and Foxconn didn't respond to a request to comment.

Many in the business think the next step could be total immersion in heat-absorbing fluid, although the technology faces skepticism because the fluid and custom tanks are costly and maintenance is messier.



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TIM HIGGINS

Musk Had a Wild Week of Free Speech

It isn't OK to yell "fire" in a crowded theater. But what about tweeting "civil war" during a moment of U.K. unrest on your social-media platform X?

That's the question for Elon Musk this past week.

The chief executive of Tesla and SpaceX has fashioned himself as something of a modern day Larry Flynt: a rich guy willing to spend his own fortune as a defender of free speech even if it is offensive to many.

The late Flynt was a millionaire peddling porn. Musk is a billionaire peddling contentious social issues. They share a flair for attracting attention and taking on high-profile fights.

The world's richest man is hankering for battle against anyone trying to tell him what can't be said—including, this past week, the U.K.'s new prime minister, Keir Starmer, and an organization for major global advertisers whose spending he wants on X.

Musk's means of attack are his own X account approaching 200 million followers and a cadre of lawsuits against his perceived enemies, some who have pointed out hate speech and others who he maintains have wrongly stopped advertising on his platform.

"We tried peace for 2 years, now it is war," Musk posted as he took aim in court at an advocacy group for advertisers.

His \$44 billion deal to acquire Twitter in late 2022 was motivated, he has said, to make it a platform for all kinds of speech, including offensive stuff as long as it is legal. He has said liberal ideals were censoring conservative ones.

As governments around the world pursue social-media content regulation, Musk is fighting back on free-speech grounds. But sometimes he doesn't seem to



Elon Musk's online prediction of a 'civil war' amid civil unrest in the U.K. drew a rebuke from the prime minister's office.

help his cause, for example when he amplifies incorrect information or embraces messy memes and social-media characters with their own baggage.

The latest self-generated drama for Musk began like it often does, during a Saturday evening as Reply Guy. In response to tweets about civil unrest in the U.K. and claims it was the result of mass migration and open borders, Musk returned to a favorite contention, posting: "Civil war is inevitable."

That comment swiftly drew a rebuke from the prime minister's office as the government tried to temper passions erupting between the far right and Muslims.

The nation has seen riots and protests following the fatal attack on children at a party in northern England late last month that was falsely attributed on social

media to a Muslim migrant.

It was the seventh time since October that Musk had suggested a "civil war" is coming to Europe. One included a response in November to a video on X supposedly showing a clash in London between "British patriots and immigrants" that prompted Musk to weigh in: "Europe appears to be headed for civil war."

Unlike his recent one, that older tweet didn't attract the same kind of attention, likely because it was overshadowed a couple of days later when he amplified another X user's post promoting antisemitic vitriol that trafficked in a similar anti-immigration theme. Amid an outcry, Musk backtracked, saying his tweet was foolish.

Still, for those advertisers that pulled back spending amid controversies, Musk took aim, famously telling

them to "go f— yourself" and claiming they were trying to stifle free speech on X by withholding their ad dollars. As the U.K. government pushed back against Musk, the billionaire turned up the volume, focusing on the prime minister's and government's effort to ease the rhetoric on social media.

By Thursday, it was a full-on tweet storm by Musk that included his amplifying a hoax that purported the U.K. government was considering "emergency detention camps" for protesters.

Musk's tweet was later deleted amid pushback that he was spreading false, inflammatory information, but not before accumulating more than one million views.

In another set of tweets, he responded to a warning by U.K. authorities that they

were scouring social media for users' posts—including retweets—that violate the nation's law against insulting or abusive content that is likely to stoke racial hatred. Musk called the effort "The Woke Stasi."

On Friday, British judges began handing down jail time in the first of cases of people prosecuted for having encouraged the rioting through social media. The prime minister said social media wasn't a "law-free zone."

"Support freedom of speech in the UK!" Musk tweeted Friday afternoon.

The U.K. also has passed a tougher act aimed at holding social-media platforms more accountable for offensive content, threatening massive fines for violations.

The act, which passed last year, doesn't go into effect until next year. It was mod-

eled after a similar effort by the European Union called the Digital Services Act, which officials in Brussels say X has violated. Musk has vowed to fight the findings.

Earlier this year, Musk tangled with Brazil's Supreme Court after it ordered the removal of several X accounts it deemed to be propagating hate speech and false information—claims Musk suggested were politically motivated and in violation of the nation's laws.

Musk successfully fought an effort by Australian authorities to force X to remove a video of the stabbing of a religious leader that X argued would have set a dangerous precedent that effectively allowed one country to police the entire internet.

And this past week, Venezuelan President Nicolás Maduro banned X in the country for 10 days as Musk and others have used the platform to dispute his re-election victory.

As Musk stoked resentments in London, lawyers for X filed a lawsuit last Tuesday against a group of advertisers for their initiative called the Global Alliance for Responsible Media over what X claimed was an illegal boycott of X's ad business to force the platform to adhere to certain content-moderation efforts.

The organization was created to push for safeguards around content it called harmful to ensure such material wasn't placed around its members' ads. GARM shut down days after the lawsuit was filed, with a representative saying its resources are limited.

Musk seems to revel in the fight. An X user recently asked how Musk would know if he was winning his effort to preserve free speech.

"You know it when you see it, kinda like porn," Musk replied.

New York Hospital System Dips Into Film Production With Own Studio

BY MELANIE EVANS

A midsize New York hospital system has big-screen aspirations.

Spurred by the success of documentaries streaming on Hulu, Max and Netflix that have been set at Northwell Health's network of 21 hospitals and hundreds of clinics across New York City and Long Island, the system recently established a production company of its own to work on more projects.

The company, Northwell Studios, has signed a development deal with a New York-based production company to explore potential films, TV shows and documentaries.

Film production isn't a typical hospital line of work—it is a more common marketing strategy for retailers and sports leagues. Northwell said it is making a small foray to raise awareness of medical issues such as mental illness and highlight the dedication of doctors and nurses.

Appearing on TV and movie screens also can give Northwell an edge in attracting patients in the competitive New York-area hospital market.

"We're not afraid to let people in to film that which we believe can be good for the public overall," Northwell Chief Executive Michael Dowling said. "And it helps us marketing, of course."

Other industries outside networks and studios have embraced filmmaking in recent years because of its branding potential. The National Football League and outdoor-goods retailer REI, for instance, have set up production ventures.

The move carries reputational risks for a nonprofit that deals with matters of life and death, however.

Northwell must make sure, because it is a nonprofit, that any spending on filmmaking doesn't run afoul of federal tax rules and state charity



Netflix's 'Lenox Hill' followed doctors at Northwell Health's hospital on the Upper East Side.

laws that forbid using nonprofit assets on for-profit ventures, such as Northwell's new film venture.

The hospital system could face backlash from patients if it appears to be capitalizing on illness or deviating too far from its role as a healthcare charity, said Cait Lambertson, a professor of marketing at the University of Pennsylvania's Wharton School.

"It's very easy to be annoyed with a large hospital system that takes up massive square footage and huge amounts of real estate and appears to make a lot of money and labels itself a nonprofit," Lambertson said.

Each year, Northwell treats more than 2 million patients, delivers about 30,500 babies and helps conduct myriad research studies.

It faces heavy competition from prestigious and wealthy New York City health systems. They advertise aggressively, and sometimes acrimoniously. Rival NYU Langone Health

last year sued Northwell, alleging its branding and purple color scheme too closely resembled NYU Langone's marketing. A judge this year dismissed the suit, but left the door open for NYU Langone to pursue some of its claims. NYU Langone said it has asked the court for approval to file an amended lawsuit.

In 2020, Northwell began working with film crews who had approached the hospital system. That cooperation resulted in documentaries such as National Geographic's "The First Wave," about the pandemic response at Northwell's Long Island Jewish Medical Center in Queens.

Netflix's "Lenox Hill" followed doctors at Northwell's hospital on the Upper East Side. HBO's "One South: Portrait of a Psych Unit" chronicles mental-health treatment at Northwell's Zucker Hillside Hospital in Queens.

"Healthcare gets a lot of criticism from an awful lot of people who have never been

inside seeing what we do every day," Dowling said.

Northwell formed its studio company partly to send a signal to production companies and filmmakers that the hospital system was open for business, Dowling said. Northwell also will use the studio company to pitch film ideas.

Some nonprofit health systems operate separate for-profit businesses. Northwell structured its production company to avoid any conflicts with tax laws and charity rules, and it serves the system's public-education mission, according to Dowling.

The studio is led by Northwell's chief marketing and communications officer. It isn't spending cash or using debt financing, Dowling said. Patients and medical staff appear in documentaries only if they give their permission.

Northwell Studios is discussing story ideas with its production partner, Dowling said. Among them: a documentary on Northwell's choir.

Hotels Hit In San Francisco

Continued from page B1

intely a difficult year," said Anna Marie Presutti, interim president of the San Francisco Travel Association.

Many other indicators are worsening or failing to improve. Leisure travel hasn't picked up from last year's lows, despite recovery in other markets, with tourists put off by quality-of-life issues. And while the city expects conferences to turn around next year, these events are down from last year and prepanemic.

Fewer conferences and visitors mean fewer room nights. The city's two largest hotels, the Hilton Parc 55 and Hilton San Francisco Union Square, combined have lost \$1 billion in value, according to the Kroll Bond Rating Agency, which valued them at \$553.8 million.

Park Hotels & Resorts, the real-estate investment trust that owned the two hotels, appears relieved to drop the two properties from its portfolio.

Exiting the two hotels "meaningfully improved our balance sheet and operating metrics," said Tom Baltimore, the firm's chief executive during a first-quarter earnings call. The San Francisco market, alongside Los Angeles, will "probably lag for some time," he said.

Hotel staffers, bearing the brunt of the downturn, say they are facing a reduction in hours and taking on second jobs.

This month, contracts covering the Bay Area's roughly 10,000 hotel workers expire, and 3,000 of those workers overwhelmingly voted to authorize a potential strike, their union announced.

Presutti took the helm of the San Francisco Travel Association after her predecessor resigned in May. Weeks before his resignation, he offered a pessimistic projection: The city's conference business would take until 2028 or 2029 to recover. Now, Presutti says

that is a realistic estimate for the city's laggard tourism recovery.

Sluggish leisure travel has been a persistent concern. More Americans are capitalizing on the strong dollar by traveling abroad, and a return to the office means more travel for work. Both of these may substitute for domestic leisure travel, said Emmy Hise, senior director of hospitality analytics at CoStar.

Meanwhile, tourists from China, a major source of visitors, are deterred by the strong dollar and economic uncertainty.

Still, European travelers, particularly visitors from the U.K., Germany and France, are starting to return to San Francisco. Visitors from India also are increasing, according to the city's travel association.

Alex Bastian, chief executive of the city's hotel council, said the industry is going through "unparalleled challenges." But he is optimistic about an increasingly cleaner, tourist- and business-friendly city attracting more visitors.

"Things are moving in the right direction," Bastian said.

First-time visitors to the Bay Area for conferences tend to rate their experiences as positive. Those visitors often end up returning as vacationers or adding extra hotel days to their travels. But as conferences from companies like Google, Meta Platforms and Red Hat depart the Moscone Center, San Francisco's main convention center, the city loses out on additional revenue from extended tourism.

Lukas Karlsson, a cloud consultant who has attended the Google Cloud Next Conference in San Francisco regularly since 2016, typically adds on nights to his Bay Area hotel to spend time with family.

When the conference moved to Las Vegas this year, Karlsson was rather disappointed.

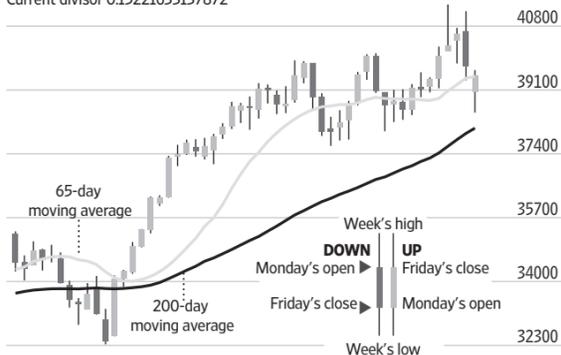
He would be in Vegas the following week for four days of shows by rock band Phish at the city's Sphere. Tired from the city, he didn't extend his stay through intermediate days—he instead left for Seattle and came back for the conference. "I could easily do two weeks in San Francisco," he said. Not in Las Vegas.

MARKETS DIGEST

Dow Jones Industrial Average

39497.54 ▼239.72, or 0.60% last week
 Trailing P/E ratio 24.47 25.81
 P/E estimate * 19.34 19.18
 High, low, open and close for each of the past 52 weeks
 Dividend yield 2.16 2.05
 All-time high 41198.08, 07/17/24

Current divisor 0.15221633137872



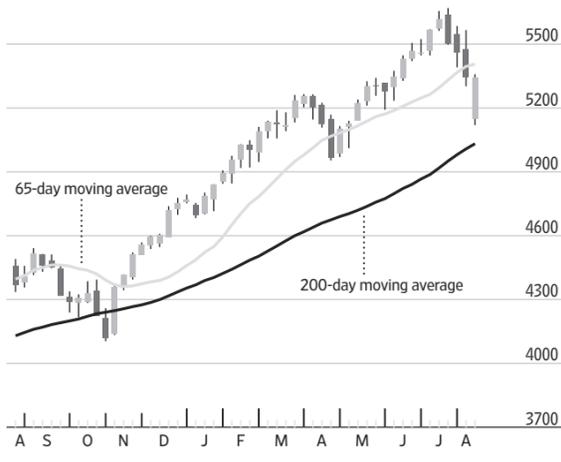
Bars measure the point change from Monday's open



*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; *Based on Nasdaq-100 Index

S&P 500 Index

5344.16 ▼2.40, or 0.04% last week
 Trailing P/E ratio * 23.15 22.43
 P/E estimate * 21.92 20.41
 High, low, open and close for each of the past 52 weeks
 Dividend yield * 1.38 1.56
 All-time high 5667.20, 07/16/24



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Major U.S. Stock-Market Indexes

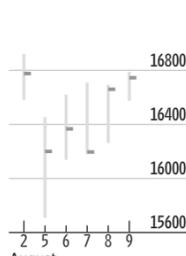
	High	Low	Close	Net chg	% chg	Low	52-Week Close (●)	High	% chg	YTD	3-yr. ann.
Dow Jones											
Industrial Average	39628.66	38499.27	39497.54	-239.72	-0.60	32417.59	●	41198.08	12.0	4.8	4.0
Transportation Avg	15521.94	14812.40	15334.53	-46.99	-0.31	13556.07	●	16298.98	-5.4	-3.5	2.3
Utility Average	1027.23	982.54	997.33	-21.13	-2.07	783.08	●	1018.46	11.6	13.1	2.5
Total Stock Market	53035.97	50646.36	52897.04	-37.29	-0.07	40847.04	●	56206.02	18.6	10.7	4.8
Barron's 400	1148.44	1095.58	1143.58	-4.87	-0.42	907.97	●	1212.12	12.8	6.6	3.5
Nasdaq Stock Market											
Nasdaq Composite	16789.22	15708.54	16745.30	-30.86	-0.18	12595.61	●	18647.45	22.7	11.6	4.1
Nasdaq-100	18567.63	17435.39	18513.10	72.26	0.39	14109.57	●	20675.38	23.2	10.0	7.0
S&P											
500 Index	5358.67	5119.26	5344.16	-2.40	-0.04	4117.37	●	5667.20	19.7	12.0	6.4
MidCap 400	2948.01	2810.15	2935.55	-12.46	-0.42	2326.82	●	3115.02	10.3	5.5	2.7
SmallCap 600	1346.49	1276.74	1336.33	-14.01	-1.04	1068.80	●	1435.83	7.5	1.4	-0.2
Other Indexes											
Russell 2000	2094.80	1993.27	2080.92	-28.39	-1.35	1636.94	●	2263.67	8.1	2.7	-2.4
NYSE Composite	18305.02	17561.50	18267.15	104.90	0.58	14675.78	●	18781.22	13.2	8.4	3.0
Value Line	610.65	562.29	580.45	-6.50	-1.11	498.09	●	620.59	0.6	-2.3	-4.3
NYSE Arca Biotech	5698.86	5465.87	5671.10	-27.67	-0.49	4544.40	●	5788.17	8.4	4.7	-1.8
NYSE Arca Pharma	1085.34	1019.88	1080.73	22.73	2.15	845.32	●	1089.62	18.4	18.7	11.4
KBW Bank	107.61	101.05	106.59	0.23	0.22	71.71	●	115.45	23.0	11.0	-5.8
PHLX [®] Gold/Silver	144.02	134.34	142.21	-3.30	-2.27	102.94	●	157.7	19.2	13.1	2.3
PHLX [®] Oil Service	83.03	79.18	82.10	-1.614	-1.93	76.90	●	98.76	-13.1	-2.1	15.8
PHLX [®] Semiconductor	4746.27	4290.35	4709.45	101.69	2.21	3185.18	●	5904.54	34.0	12.8	11.5
Cboe Volatility	65.73	20.26	20.37	-3.02	-12.91	11.86	●	38.57	37.3	63.6	6.8

[§]Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

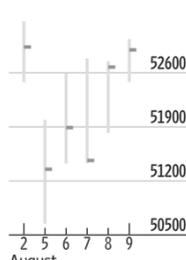
Nasdaq Composite

▼ **30.86**, or **-0.18%** last week



DJ US TSM

▼ **37.29**, or **-0.07%** last week



International Stock Indexes

Region/Country	Index	Close	Latest Week % chg	Low	52-Week Range Close	High	YTD % chg
World	MSCI ACWI	787.16	-0.01	629.46	●	831.25	8.3
	MSCI ACWI ex-USA	325.02	-0.03	276.65	●	343.01	2.7
	MSCI World	3447.75	-0.03	2731.99	●	3642.95	8.8
	MSCI Emerging Markets	1063.43	0.21	910.91	●	1124.86	3.9
Americas	MSCI AC Americas	2010.16	0.13	1557.56	●	2130.18	10.8
Canada	S&P/TSX Comp	22311.30	0.38	18737.39	●	23110.81	6.5
Latin Amer.	MSCIEM Latin America	2249.88	5.86	2078.94	●	2675.33	-15.5
Brazil	Bovespa	130614.59	3.78	112531.52	●	134193.72	-2.7
Chile	S&P IPSA	3425.65	0.05	3048.00	●	3714.61	-1.2
Mexico	S&P/BMV IPC	53051.54	1.55	48197.88	●	58711.87	-7.6
EMEA	STOXX Europe 600	499.19	0.27	429.58	●	524.71	4.2
	STOXX Europe 50	4351.03	0.69	3783.73	●	4577.60	6.3
Eurozone	Euro STOXX	483.50	0.56	420.65	●	527.81	2.0
	Euro STOXX 50	4675.28	0.79	4014.36	●	5100.90	3.4
Austria	ATX	3561.54	0.975	3020.72	●	3775.49	3.7
Belgium	Bel-20	4059.75	1.11	3290.68	●	4142.40	9.5
France	CAC 40	7269.71	0.25	6795.38	●	8239.99	-3.6
Germany	DAX	17722.88	0.35	14687.41	●	18869.36	5.8
Greece	Athex Composite	1383.31	-3.33	1111.29	●	1502.79	7.0
Israel	Tel Aviv	2005.93	1.13	1605.20	●	2076.77	7.5
Italy	FTSE MIB	31782.23	-0.74	27287	●	35410	4.7
Netherlands	AEX	883.37	0.51	714.05	●	944.91	12.3
Norway	Oslo Bors All-Share	1636.82	0.59	1414.46	●	1684.40	7.7
Portugal	PSI 20	6550.61	-0.61	5824.40	●	6971.10	2.4
South Africa	FTSE/JSE All-Share	80739.31	0.25	69451.97	●	82765.12	5.0
Spain	IBEX 35	10638.50	-0.32	8918.33	●	11444.0	5.3
Sweden	OMX Stockholm	953.01	0.10	753.35	●	1012.72	5.6
Switzerland	Swiss Market	11865.93	-0.08	10323.71	●	12365.18	6.5
U.K.	FTSE 100	8168.10	-0.08	7257.82	●	8445.80	5.6
Asia-Pacific	MSCI AC Asia Pacific	175.43	-0.78	150.1	●	188.5	2.6
Australia	S&P/ASX 200	7777.70	-2.08	6772.9	●	8114.7	3.5
China	Shanghai Composite	2862.19	-1.48	2702.19	●	3189.25	-3.8
Hong Kong	Hang Seng	17090.23	0.85	14961.18	●	19636.22	0.3
India	BSE Sensex	79705.91	-1.58	63148.15	●	81867.55	10.3
Japan	NIKKEI 225	35025.00	-2.46	30526.88	●	42224.02	4.7
Malaysia	FTSE Bursa Malaysia KLCI	1596.05	-0.93	1415.60	●	1636.55	9.7
Singapore	Straits Times	3261.83	-3.54	3053.36	●	3499.89	0.7
South Korea	KOSPI	2588.43	-3.28	2277.99	●	2891.35	-2.5
Taiwan	TAIEX	21469.00	-0.78	16001.27	●	24390.03	19.7

Source: FactSet; Dow Jones Market Data

Commodities and Currencies

	Close	Last Week Net chg	% chg	YTD % chg
DJ Commodity	968.00	11.45	1.20	1.07
FTSE/CC CRB Index	275.96	5.83	2.16	4.60
Crude oil, \$ per barrel	76.84	3.32	4.52	7.24
Natural gas, \$/MMBtu	2.143	0.176	8.95	-14.76
Gold, \$ per troy oz.	2432.10	6.40	0.26	17.93
U.S. Dollar Index	103.15	-0.05	-0.05	1.75
WSJ Dollar Index	98.01	-0.11	-0.11	2.27
Euro, per dollar	0.9160	-0.0003	-0.04	1.11
Yen, per dollar	146.62	0.07	0.05	3.96
U.K. pound, in dollars	1.28	-0.004	-0.34	0.22

	Close	Last Week Net chg	% chg	YTD % chg
DJ Commodity	934.97	●	1079.94	-3.05
FTSE/CC CRB Index	258.09	●	300.23	-1.35
Crude oil, \$ per barrel	68.61	●	93.68	-7.63
Natural gas, \$/MMBtu	1.575	●	3.575	-22.64
Gold, \$ per troy oz.	1816.60	●	2462.40	27.14
U.S. Dollar Index	100.99	●	107.00	0.30
WSJ Dollar Index	95.67	●	100.92	0.35
Euro, per dollar	0.9004	●	0.9555	0.28
Yen, per dollar	140.88	●	161.70	1.17
U.K. pound, in dollars	1.21	●	1.30	0.51

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MARKET DATA

Overview [Stocks] [Bonds] [Currencies] [Cryptos] [Commodities]

Overview [Stocks] [Bonds] [Currencies] [Cryptos] [Commodities]

SP500 31506.68 3131.32 9.68 3130

Nasdaq Composite 13607.62 375.43 3.34 3130

Japan Nikkei 225 25491.97 330.72 1.33 3220

UK FTSE 100 7208.61 180.36 2.68 3000

New to the Market

Public Offerings of Stock

IPOs in the U.S. Market

None expected this week

Lockup Expirations

Below, companies whose officers and other insiders will become eligible to sell shares in their newly public companies for the first time. Such sales can move the stock's price.

Lockup expiration	Issue date	Symbol	Offer price(\$)	Offer amt (\$ mil.)	Through Friday (%)	Lockup provision	
Aug. 11	Feb. 14, '24	Unusual Machines	UMAC	4.00	5.0	-50.0	180 days
Aug. 12	May 15, '24	Raytech	RAY	4.00	6.0	-37.5	90 days
Aug. 13	Feb. 16, '24	Chromocell Therapeutics	CHRO	6.00	6.6	-88.3	180 days
Aug. 14	Aug. 16, '23	Sacks Parente Golf	SPGC	4.00	12.8	-91.6	365 days

IPO Scorecard

Performance of IPOs, most-recent listed first

Company	SYMBOL	IPO date/Offer price	Friday's close (\$)	Offer price	1st-day close	% Chg From Friday's close (\$)	Company	SYMBOL	IPO date/Offer price	Friday's close (\$)	Offer price	1st-day close	% Chg From Friday's close (\$)
M3-Brigade Acquisition V		10.05		0.5	QMMM Holdings		July 19/\$4.00	4.02	0.5	-1.2	
MBAVU Aug. 1/\$10.00													

CLOSED-END FUNDS

Listed are the 300 largest closed-end funds as measured by assets. Closed-end funds sell a limited number of shares and invest the proceeds in securities. Unlike open-end funds, closed-end funds generally do not buy their shares back from investors who wish to cash in their holdings. Instead, fund shares trade on a stock exchange. **NA** signifies that the information is not available or not applicable. **NS** signifies funds not in existence for the entire period. 12 month yield is computed by dividing income dividends paid (during the previous 12 months for periods ending at month-end or during the previous 52 weeks for periods ending at any time other than month-end) by the latest month-end market price adjusted for capital gains distributions. Depending on the fund category, either 12-month yield or total return is listed.

Source: Lipper

Friday, August 9, 2024

Fund (SYM)	NAV	Close/	Disc/	Ret	52 wk	Prem	Ttl
					Ret	Ret	Ret
General Equity Funds							
Adams Diversified Eq Inc	ADX	22.56	19.94	-11.6	26.2		
Central Secs	CECT	51.73	42.75	-17.4	21.7		
CohenStrsCEOppA	FOF	11.63	12.07	+3.8	19.9		
EVTVxAdvDivlnc	EDV	25.59	23.51	-8.1	10.7		
GabelliDividnc	GDD	26.75	22.81	-4.7	13.7		
Gabelli Equity Tr	GAB	5.21	5.28	+11.7	7.6		
General Amer	GAM	59.30	49.78	-16.1	27.5		
JHancockTaxAdvDiv	HTD	23.29	21.16	-9.1	13.7		
Liberty All-Star Growth	USA	6.74	6.69	-0.7	15.7		
Royce Micro-Cap Tr	ASG	5.63	5.21	-7.5	9.3		
Royce Value Trust	RVT	10.38	9.28	-10.6	11.7		
Source Capital	SOR	45.51	43.32	-4.8	20.8		
Sprott Focus Trust	FUND	8.59	7.64	-11.1	0.0		
SRH Total Return	STEW	19.07	14.97	-21.5	13.8		
Tri-Continental Tr	TCF	35.19	30.75	-12.6	15.7		

Fund (SYM)	NAV	Close/	Disc/	Ret	52 wk	Prem	Ttl
					Ret	Ret	Ret
Income & Preferred Stocks							
Dividend and Income	BKSY	19.65	NA	NA	NA		
Calamos Strat Tot	CSQ	16.38	16.02	-2.2	18.8		
CohenStrsLtdUrPrfAinc	LDP	21.36	19.72	-7.7	16.5		
CohenStrsSelPrfAinc	PSF	21.13	19.95	-5.6	15.7		
CohenStrsTaxAvPrfSecs	PTA	20.59	19.98	-3.0	19.8		
FirstTrintDurPrfAinc	FPF	19.12	18.19	-4.9	27.8		
JHancockPrfInc	HPF	16.16	16.74	+3.6	18.5		
JHPrefIncl	HPI	16.01	16.54	+3.3	15.8		
HnckJPFdIncl	HPS	14.39	15.83	+10.0	24.2		
JHancockPrf	PDT	12.86	12.28	-4.5	25.3		
LMP CapIncl	SCD	16.68	15.52	-7.0	34.4		
Nuveen Prf & Inc	JPC	8.01	7.61	-5.0	26.0		
Nuveen Prf & Inc	JPI	19.94	19.83	-0.6	21.9		
Nuveen VarRate Pk	NPF	20.07	18.36	-8.5	22.3		
TCW Strat Income	TSI	5.21	4.95	-5.0	11.3		

Fund (SYM)	NAV	Close/	Disc/	Ret	52 wk	Prem	Ttl
					Ret	Ret	Ret
Convertible Sec's Funds							
AdvtCnvrblGlnFid	AVK	11.88	12.25	+3.1	16.7		
CalamosConvFid	CHY	10.21	11.27	+10.4	12.3		
Calamos Conv Op	CHI	9.66	11.02	+14.1	13.1		
V Conv & Inc	CBH	9.21	9.12	-1.0	9.0		
V Conv & Inc	NCV	3.67	3.40	-7.4	11.8		
V Conv & Inc	NCZ	3.26	2.97	-8.9	10.5		
V Div Inc & Conv	ACV	21.16	20.74	-2.0	14.4		
V Eqty & Conv Inc	NIE	24.37	21.95	-9.9	14.0		

Fund (SYM)	NAV	Close/	Disc/	Ret	52 wk	Prem	Ttl
					Ret	Ret	Ret
World Equity Funds							
abrdn Gbl Prem Prop	AWP	4.11	4.08	-0.7	15.3		
abrdn Global Infra Inc	ASGI	20.46	18.41	-10.0	15.3		
Adams Natural Resources	PEO	26.20	23.03	-12.1	7.5		
ASA Gold & Prec Met Ltd	ASA	20.26	17.68	-11.9	18.2		
BR Enh C&I	CI	20.53	18.89	-8.0	5.0		
BlackRock Energy	BGR	14.61	12.92	-11.6	7.5		
BlackRock Eq Enh Div	BDJ	9.15	8.28	-9.5	10.9		
BlackRock Enh Gbl Div	BOE	12.19	10.81	-11.3	16.9		
BlackRock Enh Intl Div	BGY	6.23	5.51	-11.6	11.3		
BlackRock ESG Cap All T	ECAT	18.16	16.69	-8.1	21.4		
BlackRock Hlth Sci	BMEZ	17.45	15.85	-10.7	7.9		
BlackRock Hlth Sci	BME	44.49	41.13	-7.6	8.8		
BlackRock Innov&Glo	BIGZ	8.07	7.09	-12.1	-1.0		
BlackRock Res & Comm	BKZ	10.18	8.90	-12.6	-1.0		
BlackRock Sci&Tech	BSTZ	20.48	18.24	-10.9	10.4		
BlackRock Sol&Tech	BST	35.67	34.61	-3.0	12.3		
BlackRock US Intf & Pwr	BTJ	22.89	22.65	-1.0	8.5		
MS India	HF	32.17	26.53	-17.5	37.9		
MS CBRE Gln Mg Trm	MEGI	14.84	13.30	-10.4	10.9		
New Germany	GF	NA	8.16	NA	-7.6		
Nuveen Multi-Asset Inc	NMI	13.78	12.92	-6.2	22.8		
Nuveen RI Asst Inc & Gro	JRI	13.69	12.62	-7.8	23.0		
Templeton Dragon	TDF	9.26	7.82	-15.6	-16.5		
CohenStrsReal Est A	RLTY	16.75	15.35	-8.5	18.9		
CohenStrsReal Est R	RLE	12.17	12.33	+1.5	16.6		
CohenStrsREITPrfInc	RTP	21.64	21.40	-1.1	22.0		
Columbia Sel Pm Tech Gr	SNK	16.31	17.29	+2.2	13.1		
DNP Select Income	DNP	8.48	8.95	+5.5	-1.9		
Duff&Ph US Midst	DPG	14.79	12.21	-17.4	1.5		
EtnVncEqtyIncl	EOI	19.16	18.85	-1.6	25.2		
EtnVncEqtyIncl	EOS	21.46	20.63	-3.9	24.2		
EVRS&MnDvsEqInc	ETJ	9.34	8.76	-6.2	17.4		
EtnVncMgByWrt	ETB	14.67	13.68	-6.7	10.4		
EtnVncMgByWrtOpp	ETV	13.72	13.05	-4.9	9.1		
EvTxMnDvsEqInc	ETY	14.22	13.67	-3.9	21.7		
EtnVncMgGblB	ETW	9.03	8.05	-10.9	9.5		
EVTVxMnGblDvsEqInc	EXG	9.07	8.17	-9.9	13.4		
NuvCorEqAlpha	JAX	16.44	14.35	-10.6	21.8		
Nuveen Nasdaq 100 Dvn	QQX	NA	23.83	NA	8.3		
NuvRealEst	RE	9.13	8.31	-9.0	22.0		

Fund (SYM)	NAV	Close/	Disc/	Ret	52 wk	Prem	Ttl
					Ret	Ret	Ret
World Equity Funds							
abrdn Em Mkts Eq Inc	AEF	NA	5.20	NA	7.3		
abrdn Gbl Dyn Div	AGD	NA	9.89	NA	13.8		
abrdn Tot Dyn Div	AOD	NA	8.57	NA	15.3		
Allspring Gbl Div Opp	EOD	5.37	4.70	-12.5	18.1		
BlackRock Cap Alloc Trm	BCAT	17.12	15.98	-6.7	18.8		
Calamos GloDyInc	CHW	7.43	6.70	-9.8	22.0		
EV TxAdvGlbDivInc	ETW	20.07	18.11	-9.8	17.0		
EtnVncTxAdvOpp	ETO	27.09	24.73	-8.7	14.6		
Highland Global Alloc	HGL	NA	7.75	NA	3.4		
India Fund	IFN	19.98	18.01	-9.9	20.7		
Japan Smaller Cap	JOF	9.13	7.39	-19.1	5.0		
LazardGlbTotRetInc	LGI	18.05	16.34	-9.5	16.3		
Mexico	MXF	NA	15.49	NA	-5.6		
Miller/HowardHighInc	HIE	NA	11.53	NA	19.1		
MS ChinaShrFid	CAF	14.24	11.41	-19.9	-9.8		
MS India	HF	32.17	26.53	-17.5	37.9		
MS CBRE Gln Mg Trm	MEGI	14.84	13.30	-10.4	10.9		
New Germany	GF	NA	8.16	NA	-7.6		
Nuveen Multi-Asset Inc	NMI	13.78	12.92	-6.2	22.8		
Nuveen RI Asst Inc & Gro	JRI	13.69	12.62	-7.8	23.0		
Templeton Dragon	TDF	9.26	7.82	-15.6	-16.5		
Westn Asset IG Def Opp Tr	IGI	17.72	17.48	-1.4	4.7		

Fund (SYM)	NAV	Close/	Disc/	Ret	52 wk	Prem	Ttl
					Ret	Ret	Ret
U.S. Mortgage Bond Funds							
BkCrk Income	BKT	12.52	12.31	-1.7	8.7		
Investment Grade Bond Funds							
Angel Oak FS Inc Trm	FNS	13.84	12.76	-7.8	10.2		
BlkRk Core Bond	BHK	10.84	11.18	+3.1	7.9		
BR Credit Alloc Inc	BTZ	11.50	10.91	-5.1	9.3		
Insight Select Income	INSI	17.80	16.55	-7.0	4.7		
Invesco Bond	VBF	16.54	16.51	-0.2	5.1		
JHancock Inc	JHS	NA	11.33	NA	3.8		
MFS Intmd	MIN	2.86	2.72	-4.9	0.0		
Western Asset Inf-Lk Inc	WIA	9.28	8.07	-13.0	8.6		
Westn Asset Inf-Lk O&I	WII	9.93	8.55	-13.9	9.1		
Westn Asset IG Def Opp Tr	IGI	17.72	17.48	-1.4	4.7		
Loan Participation Funds							
BR Debt Strategy	DSU	10.72	10.91	+1.8	10.4		
BR F/R Inc Str	FRA	13.03	13.03	0.0	10.7		
BlackRock Floating Rt Inc	BGT	12.69	12.89	+1.6	10.7		
Blackstone Lng-Sh Crn	BGX	13.20	12.70	-3.8	9.7		
BS SFR 2027 T	BML	14.71	14.08	-4.3	9.6		
BS St Cr 2027 T	BST	14.72	11.99	-18.2	9.6		
EtnVncFrtRetInc	EFT	13.15	12.96	-1.4	10.7		
EV SenFrtR	EFF	12.86	12.64	-1.7	10.8		

Fund (SYM)	NAV	Close/	Disc/	Ret	52 wk	Prem	Ttl
					Ret	Ret	Ret
High Yield Bond Funds							
abrdn Inc Credit Str	ACP	6.61	6.36	-3.8	18.3		
AllianceBemGlnInc	AWF	11.15	10.78	-3.3	7.6		
Allspring Income Opp	EAD	7.34	6.99	-4.8	8.6		
Barings Gbl SD Hy Bd	BGH	15.85	15.05	-5.0	9.5		
BR Corporate Hy	HYT	9.70	9.75	+0.5	9.4		
BlackRock Ltd Dur Inc	BLW	14.09	14.22	+0.9	9.0		
BNY Mellon HI Yield Str	RAH	2.71	2.52	-7.0	7.5		
Brookfield Real Asst Inc	RF	NA	13.08	NA	8.3		
CrSuishHighYld Soly	DHY	2.20	2.09	-5.0	8.9		
DoubleLine Inc	DSL	12.58	12.67	+0.7	10.2		
DoubleLine Yld Opps	DLY	16.12	16.20	+0.5	9.1		
First Trust Hy Opp2027	FTHY	15.28	14.63	-4.3	10.4		
Franklin Univ	FT	8.01	7.06	-11.9	7.2		
KKR Income Opportunities	KIO	13.33	14.04	+5.3	10.1		
NeubHglYldStr	NHS	7.91	7.99	+1.0	13.3		
New Amer HI Inc	HYB	8.31					

FINANCE & MARKETS

Borrowing For Big Bets Turns Sour

Continued from page B1
lending at Trident Digital. It is difficult to identify the exact causes of market tumbles, of course, and the accurate explanations are likely many. Evidence of a slowing U.S. economy certainly contributed to the volatility. Still, much of the whiplash investors feel from a market that fell so quickly, and then snapped back abruptly, can be attributed to investors' rush to pull back on leverage quickly, either on their own or after calls from brokers. When highly leveraged bets turn the wrong way, sharp reversals can ensue. Brokers require more collateral be posted against borrowed money, and hedge funds can become forced sellers to cut risk and meet those requirements. How much leverage had investors piled up? In July, net bets against the yen by hedge funds and other speculators that usually rely on leverage reached their highest levels since 2017, according to the Commodity Futures Trading Commission. The net figures reflect short positions, betting on declines, minus long positions, anticipating gains.

Yen carry
Funds that make macroeconomic bets and others had been shorting the yen or otherwise taking advantage of near-zero benchmark interest rates in Japan to borrow the currency, sell it and invest the proceeds elsewhere. Pros call it the yen carry trade. Some swapped yen for dollars to buy higher-yielding Treasury bills. At a July peak, hedge funds and other speculators' short bets on the yen were worth a collective \$14 billion, according to the CFTC. Another sign of the building leverage: Japanese banks' foreign lending reached \$1 trillion in March, according to an ING analysis of Bank for International Settlements data, a 21% jump since 2021. The trade unraveled over the past month as the gap between U.S. and Japanese government bond yields narrowed ahead of expected rate cuts in the U.S. It came under new pressure when the Bank of Japan raised interest rates, driving up the yen and forcing these traders to unwind their leveraged bets. By Tuesday, the day after the recent market rout, those bets against the yen had plunged more than 80% from the peak, to a more modest net short position. "There are leveraged investors blowing up because they borrowed immense amounts

of low-yielding yen to buy everything else," Steve Sosnick, chief strategist at Interactive Brokers, wrote to clients last week. Other popular leveraged trades have turned painful. For more than a year, hedge funds, computer-driven quantitative funds and others piled into big U.S. technology stocks by using borrowed money, often while betting against small-cap stocks, according to investors and analysts. The trade flipped on its head in July, as lackluster earnings hurt tech shares and unleashed a long-awaited rally in small-cap shares, partly on the expectation that they would benefit from lower borrowing costs. Over the past month, longtime investor favorites such as **Tesla**, **Amazon.com** and **Nvidia** have dropped by 15% or more.

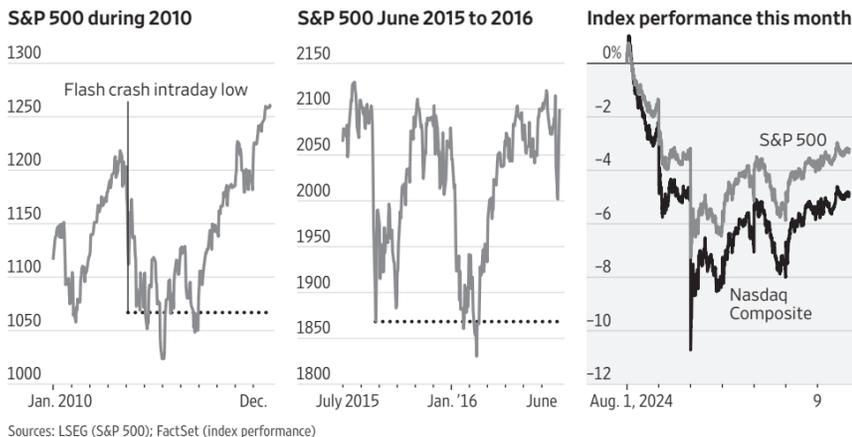
Crypto crunch
In the first five days of this month, the crypto market suffered more than \$3 billion in "forced liquidations," or involuntary sales of positions by traders relying on borrowed money, after their margin accounts proved insufficient to handle recent losses, according to the data company CoinGlass. Bitcoin prices dropped over 18% during those five days, while Ethereum fell 24%. Crypto investors spent much of the period since the collapse of the FTX exchange in late 2022 paring their leverage. That ended this year. The launch of U.S. exchange-traded funds holding bitcoin and Ethereum, the two largest cryptocurrencies, boosted investor optimism that major token prices would rise. Many expressed a bullish view by buying bitcoin derivative products that investors say have "inherent leverage," meaning that by putting a little money down investors can score big gains. These include options and "perpetual futures," futures contracts with no expiration date that allow traders to bet on the price of a token continuously with as much as 100 times leverage. The dollar sum of outstanding bitcoin derivative contracts on centralized exchanges reached \$37 billion at the start of August, three times the year-earlier total, according to CCData. The market mayhem on Aug. 5 pushed it down to \$28 billion. Pros are bracing for more volatility. They are circling the August employment report, set for release on Sept. 6, on their calendars. A second straight disappointment could confirm the worst fears of economic skeptics, sparking a new round of deleveraging. A strong report could show that July's report was a one-off slowdown, affected by hurricanes. "I'm telling them not to panic," said John Lynch, chief investment officer at Comerica Wealth Management, referring to clients.

Investors Remain Anxious

Continued from page B1
ogy comes in: Having seen our positions crushed, do we react to higher prices by taking the opportunity to get out while we still can? If this happens, the market switches from a buy-the-dip to a sell-the-rip mentality, and it becomes harder still for stocks to rise as the remaining leverage is cut.

The evidence from past crashes and flash crashes is that investors do seem to switch, at least for a while. Last Monday wasn't a flash crash, something that often lasts only hours and is typically caused by trader error, big trades at illiquid times of day or badly written algorithms, rather than crowded positions. But psychologically it might have the same effect. The biggest flash crash was in May 2010 and lasted less than an hour. It took a week for the S&P 500 to return to its precrash level, but it didn't hold there. Stocks

The lows hit in the 2010 'flash crash' and the crash of 2015 were tested again not long afterwards. There's a fair way to go down if it happens again after last Monday's plunge.



were lower than at the bottom of the crash a month later, and were still testing the crash-day low at the end of August, when the Fed's promise of quantitative easing revitalized the bull market. In August 2015 there was a more-traditional crash, with the S&P plunging 5% intraday as China's stock-market bubble deflated. Again there was a rapid recovery, but again the higher prices couldn't hold. In late September, the lows were tested again, and the knock-on effects of China's slowdown on oil prices dragged stocks lower

than at the crash low in February 2016. The crash low had set a figure for traders to target. The same is true in other markets. The 10-year Treasury yield plunged 0.37 percentage point in October 2014 on some slightly disappointing retail sales figures that would usually have little effect. The flash crash—or rally, since prices rose as yields fell—almost completely reversed by the end of the day, and a brief period of rising yields followed. But yields took just three months to drop below the intraday low.

It isn't all psychology, of course. The economy and the Fed will do their thing, which might lead to a new stock-price boom. But my guess is last Monday's plunge shifted the psychology again. That will mean sellers appear more quickly when prices rise, and buyers are more reluctant to join in when prices fall.

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Financial Hub Arises In Texas

Continued from page B1
vestment-banking and securities employment increased 111% over the past 20 years and 27% since the pandemic, compared with 16% and 5%, respectively, in New York. The number of people employed in finance overall has risen 13% in Texas since 2019, compared with 2% in New York and 3% nationally.

Rising rank

Dallas now ranks second to New York City among metro areas in the number of workers employed in finance-related industries. Other cities, particularly in the Sunbelt, have seen growth as those services seek to be closer to customers nationwide. Florida has seen a nearly 15% increase in the number of people employed in finance since 2019, according to the bureau's data. The Charlotte, N.C., metro area, home to **Bank of America**, has more than 8% of its workforce employed in finance, compared with 6.9% in Phoenix, 6.8% in Dallas and 6.5% in New York. Ray Perryman, president of the Perryman Group, an economic research and analysis firm, said Texas has outpaced New York for several years in banking employment and is rapidly gaining in investment employment. Other major cities such as Chicago have seen minimal growth, he said. "Wall Street remains the center of the investment universe, but Y'all Street is gaining rapidly," Perryman said. Organizers in June announced the launch of a Texas Stock Exchange, a long-shot initiative to compete with the New York Stock Exchange and Nasdaq. Those in the industry disagreed over whether the effort has a chance of success or is primarily a political statement, but they agreed it could add left to financial interest in the area. The finance boom in Dallas has gone less noticed.



JPMorgan Chase has more employees in Texas (31,000) than in New York state (28,300). In Texas, about 12,700 employees work out of a 50-acre campus in the Dallas suburb of Plano. The complex, comprising four buildings and 1.5 million square feet of office space, doubled its employees since it opened in 2017. "You can do the job you'd do in New York, but in a different location," said Andy Rabin, who oversees JPMorgan's investment banking in the Southwest. While Houston is central to oil and Austin to government, the Dallas-Fort Worth metro area has long been a financial hub. It is the fourth-largest metro area in the country and one of the most centrally located in North America. Investors and financiers who moved to Dallas from the East and West coasts pointed to several other competitive advantages the area has. Housing costs are lower than in many other U.S. cities, and space to build new facilities is plentiful. Situated in the middle of the U.S., with one of the country's biggest airports, it is a quick nonstop flight from virtually any major city. Executives appreciate the state's low-tax, low-regulation approach to business. Several financiers said they found it friendlier and more accessible to newcomers than other markets. "Dallasites want you to love Texas," said Aasem Khalil, a Goldman partner and a native New Yorker who was asked to

move to Dallas in 2016 to run the office there. "People here don't view success as a zero-sum game." Newcomers embrace a regional culture of over-the-top Christmas lights and a work culture of formal wear including cowboy boots and more family-oriented flexibility. Rebecca Kral, partner in a financial communications firm working on contested situations who moved to Dallas in early 2020, said she was struck by how most conversations begin with her personal life, even if they lead to professional connections. While the intensity of finance work is present, people's desire for a work-life balance—as well as the inability to answer emails while commuting in traffic—encourages efficiency, she said. "It's easier to

say to a client that I'm having dinner with my kids and will come back afterwards," she added. The money-management firm **Fisher Investments** moved its headquarters to Plano from Washington last year after that state's Supreme Court upheld a new capital-gains tax on its wealthiest residents to fund early-childhood education programs. Ken Fisher, the founder, moved during the pandemic to a lakeside North Texas compound where the California native spends his free time zip-zipping around on an ATV and watching snakes, turtles and armadillos. The firm, which has corpo-

Deloitte, above, is doubling the size of a campus in the Lone Star State, while **Goldman Sachs**, left, is building its second-largest office there after New York.

rate offices in four states and eight countries, now has more than a quarter of its employees in the Dallas area, a presence Fisher expects to increase. He said he believes employees there have a better work ethic than other locations. "Texas is a mindset more than it is any other thing," he said. "That mindset of futurism that, 'We've got a problem, but we can take care of it.'"

New York rival

Nearly a decade ago, the Partnership for New York City, a nonprofit group of chief executive officers that aims to bolster the city, warned that New York's future as the world financial capital could be at risk because of growing competition from places like Dallas. Since then, Texas has wooed major projects on both a state and local level. Dallas Mayor Eric Johnson said it was a priority when he assumed office in 2019 to make the city the site of the new Goldman Sachs project, over competing suburbs. Dallas offered roughly \$18 million in job grants and property-tax abatements for the new building. Johnson said he and other Texas leaders have sought to show financial organizations that they aren't taken for granted. "They haven't had this kind of lovefest in a long time," he said. Such firms have brought high-paying jobs; the Goldman deal is contingent on its providing at least 5,000 jobs at an average salary of at least \$116,000. Peter Muriungi, CEO of Chase Auto, who moved to Dallas from Kenya in 1997, called the increasingly wide pool of talent, as well as competition, stunning. While the region's population boom is well-known, its growth in the financial ecosystem has flown under the radar, Muriungi said. "There's still some tumbleweed attitude in the Northeast," he said. "People come here and say, 'Wow, I didn't expect this.'"

THE TICKER | MARKET EVENTS COMING THIS WEEK

Monday	
Treasury budget	July, '23 \$221 bil. deficit
	Jul., '24, exp
	\$241 bill deficit
Earnings expected	Estimate/Year Ago
Ballard Power Systems	(0.13)/(0.10)
Barrick Gold	0.27/0.19
monday.com	0.56/0.41
Tuesday	
Producer price index	All items, June up 0.2%
	July, expected up 0.2%
	Core, June up 0.4%
	July, expected up 0.2%
Earnings expected	Estimate/Year Ago
Franco-Nevada	0.81/0.95
Home Depot	4.54/4.65
Madison Square Garden Sports	0.11/(0.39)
Talen Energy (1.14)/n.a.	
XP	0.35/0.40
Wednesday	
Consumer price index	All items, June down 0.1%
	July, expected up 0.2%
	Core, June up 0.1%
	July, expected up 0.2%
EIA status report	Previous change in stocks in millions of barrels
Crude-oil	down 3.7%
Gasoline	up 1.3%
Thursday	
Empire Manufacturing	July, previous -6.6
	Aug., expected -5
Freddie Mac mortgage survey	Previous weekly averages
	30-year fixed 6.47%
	15-year fixed 5.63%
Import price index	June, previous 0.0%
	July, expected 0.0%
Initial jobless claims	Previous 233,000
	Expected 235,000
Philadelphia Fed survey	July, previous 13.9
	Aug., expected 6.0
Retail sales, ex. autos	June, previous 0.4%
	July, expected 0.1%
Retail sales	June, previous 0.0%
	July, expected 0.3%
Friday	
Building Permits	June, previous 1,446 mil.
	July, expected 1,440 mil.
Housing Starts	June, previous 1,353 mil.
	July, expected 1,350 mil.
U.Mich. consumer index	July, final 66.4
	Aug., prelim 66.6
Earnings expected	Estimate/Year Ago
Flowers Foods	0.33/0.33
Capacity utilization	
	June, previous 78.80%
	July, expected 78.60%
Industrial production	
	June, previous up 0.6%
	July, expected 0.0%
Business inventories	
	May, previous up 0.3%
	June, expected up 0.5%
EIA report: natural gas	
	Previous change in stocks in billions of cubic feet
	up 21
Earnings expected	
	Estimate/Year Ago
Applied Materials	2.03/1.90
Coherent	0.60/0.41
Deere & Co	5.70/10.20
Grab Holdings	(0.01)/(0.03)
Tapestry	0.88/0.95
Walmart	0.65/0.61

* FactSet Estimates earnings-per-share estimates don't include extraordinary items (Losses in parentheses) ◆ Adjusted for stock split
Note: Forecasts are from Dow Jones weekly survey of economists

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Bonds Beat Stocks as Economic Oracle

Corporate debt was hit by the recent panic, but true concerns are mostly limited to a few corners of the market

Even more so than stocks, bonds are often seen as an economic bellwether. If so, they are heading in a pretty positive direction.

The difference, or spread, between Treasury yields and the rate at which companies borrow has widened. Option-adjusted spreads on the investment-grade paper issued by blue-chip corporations closed at 1.11 percentage points last Tuesday—an aftershock of the big selloff the day before. Spreads on debt issued by risky “high yield” issuers hit 3.81 percentage points. Both were the highest since last November. U.S. municipal bonds have been affected as well.

However, trading has normalized since. The spread on high-yield bonds closed at 3.4 percentage points Thursday. This implies a rise in the default probability to 5.7% from 5.1% at the end of May, despite that, as of the latest June data published last week by Fitch, U.S. leveraged-loan and junk-bond default rates inched down to 4.06%. But it is a small increase, and it may soon fully come back down.

Likewise, inflation expectations and yields on inflation-linked Treasuries—often seen as a gauge of long-term economic growth prospects—slumped during the rout, but have almost fully recovered. The S&P 500 ended up having its best day in nearly two years on Thursday, and edged up Friday.

A key lingering concern for Wall Street is the Federal Reserve may have left interest rates at prohibitive levels for too long. Recent lackluster economic data, as well as the recent equity rout, led many investors to believe the central bank is behind the curve. Markets are pricing in that the Fed will need to start loosening policy aggressively in September.

U.S. investment-grade bonds, option-adjusted spread



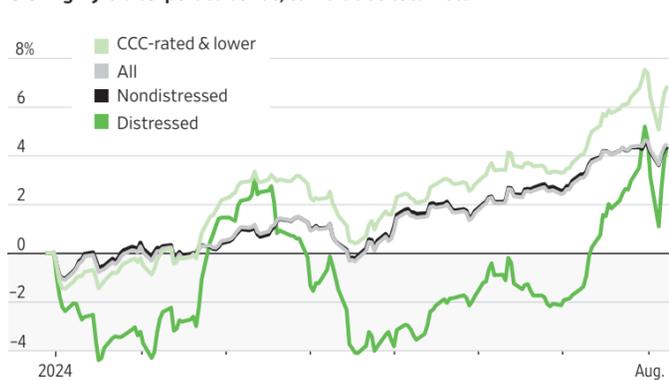
U.S. high-yield bonds, option-adjusted spread



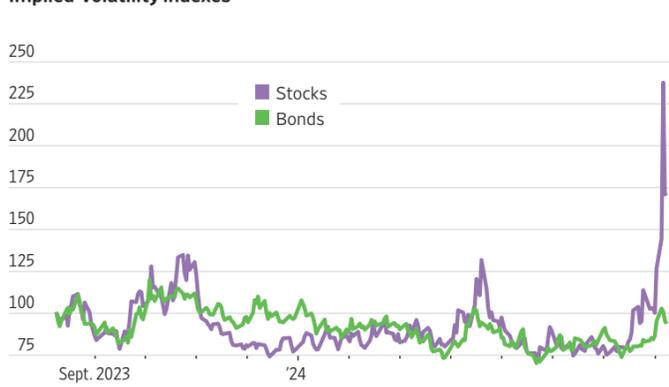
*Index level was 100 on Aug. 8, 2023

Sources: Bloomberg Fixed Income Indices via FactSet (spread); Bank of America indexes via FactSet (total return); ICE BofAML MOVE Index via LSEG (bonds), Cboe Volatility Index (stocks)

U.S. high-yield corporate bonds, cumulative total return



Implied-volatility indexes*



It is hard for investors to know just how much to worry. For one thing, the market panic wasn't really triggered by deep economic concerns, but rather a series of leveraged trades that went awry after the Bank of Japan decided to raise rates last week. And a lot of strong U.S. economic data is hard to

square with a coming recession. Still, it is undeniable that U.S. job growth is weakening, global manufacturing is struggling to lift off and corporate earnings growth is mostly being driven by spending on artificial intelligence, which could well fail to deliver on its promise. The debt market is often thought

of as providing a more grounded view of economic prospects. Volatility has forced some issuers to hit the brakes. The city of Chicago, financial-services firm **ION Analytics** and the telecom-focused real-estate trust **SBA Communications** delayed plans to tap debt markets.

Perhaps more concerning is that spreads on bonds rated triple-C or worse—the bottom of the barrel—were consistently widening before the rout. This suggests that higher-for-longer borrowing costs are slowly but steadily eating away at highly leveraged firms. That would be consistent with trends observed among cash-strapped small-capitalization stocks, and does suggest that central banks may need to end up lowering rates at a faster pace than they seem eager to at the moment.

The recent whiplash hasn't hit fixed income as directly as it did equities, a comparison of volatility-based indexes shows. And high-quality companies are wading back into the debt market, including carmaker **Toyota** and A-rated utility **Connecticut Light and Power**. This makes sense: Even if spreads have widened, they are still low by historical standards, and the fall in Treasury yields caused by the market panic has more than offset the increase in borrowing costs caused by higher default probabilities.

Yes, balance sheets are getting stretched in some corners of the market, and episodes of volatility can do damage there. But the main victims appear to be those few that were already trading at distressed levels. Most of the bond market has remained surprisingly robust. Investment-grade issuance in the first half of the year reached its second-largest volume in the past decade. For most companies, ample cash buffers and strong investor appetite to get a pickup over Treasury yields still seems to ward off dangers. If bond traders aren't panicking despite their penchant for pessimism, there is hope for everyone else.

—Jon Sindreu

Intel May Be Too Big to Fail

The chips are down as never before for **Intel**. But in 2024, even a greatly diminished semiconductor maker may be too big to fail.

Intel's disastrous second-quarter report this month put the chip maker in a whole new light—and not a good one. Falling sales in key markets and rising costs for its ambitious manufacturing turnaround forced the company to take more drastic steps to conserve cash. Those include laying off 15% of the workforce, cutting the capital expenditures used to build and equip production facilities and suspending the dividend that Intel has paid since 1992.

The latest reboot has investors unplugging en masse. Intel lost a little more than one-quarter of its market value the day after its Aug. 1 earnings report, and the stock shed another 8% since—worse than the drubbing seen by most other chip stocks in last week's selloff. Intel shares have lost about 68% since Chief Executive Pat Gelsinger first articulated his turnaround plan after rejoining the company in early 2021. The S&P 500 is up 39%.

Intel is trading below the company's book value for the first time since at least 1981, which is as far back as data from FactSet goes. This means investors are valuing one of the world's largest chip makers for less than the value of its facilities and other assets on its balance sheet.

But those facilities are the key to Intel's staying power. The pandemic's disruptions and other forms of global instability over the past few years have awakened political leaders on both sides of the aisle to the importance of shoring up domestic production of such a key component of modern life.

That is why the U.S. government is kicking in. The Chips Act passed in 2022 outlined \$39 billion in direct grants to chip makers to help with the cost of building new facilities. Intel has been the largest beneficiary, landing \$8.5 billion of that pot that is helping to fund the building of new fabs in Arizona and Ohio. Intel is already the biggest fish in the American pond.

But a big part of Intel's problem is the chips it makes for itself aren't selling as well as they used to. The company's once-booming data-center business has been hit hard as it

lost share in server CPU chips to **Advanced Micro Devices**. It saw a sharp shift in data center budgets to **Nvidia's** GPU accelerators, which are key to powering generative artificial-intelligence services. Intel's data-center revenue is projected to hit \$12.6 billion this year, less than half its peak just four years ago, according to consensus estimates from Visible Alpha.

The rapid shift to spending on AI—and Nvidia in particular—wasn't something contemplated when Intel laid out an ambitious and expensive plan to catch up its manufacturing processes to those of rival **Taiwan Semiconductor Manufacturing Co.** three years ago. “The issue, in our view, is that the server-centric data center Intel built their fabs to serve no longer exists, replaced by AI spending that Intel missed,” wrote Chris Caso of Wolfe Research in a recent note to clients.

That contributed to Intel's fabs being underutilized—an expensive problem for chip manufacturers who have high fixed costs. Underutilization charges contributed to Intel's adjusted gross margin coming in at a shocking 38.7% in the



Wall Street is divided on where the chip maker should go from here.

second quarter, 5 percentage points lower than Wall Street expected.

Wall Street is divided on where Intel should go from here. Some analysts think it needs to focus on regaining product leadership, even if that comes at the expense of the foundry business the company is building to serve other chip designers. Others think the company needs to focus on getting more major customers for the foundry side, since Intel's chances of getting competitive in key markets such as data-center GPUs look slim. None of those paths will be

quick, though. And loss of the dividend leaves Intel investors with little to hang on to; it is now one of only three Dow components not paying one. But Intel's large role in what is now deemed an industry vital to national security provides a floor of sorts. In his report, Caso noted that “given the sensitivity toward domestic U.S. semiconductor production, we doubt the U.S. government would allow for Intel's problems to become terminal.”

Uncle Sam might be the biggest bull in Intel's pen for a long while. —Dan Gallagher

MARKETS

Turmoil Revives an Age-Old Question: Buy the Dip?

By HANNAH MIAO AND KAREN LANGLEY

The stock market's slide early this past week left many investors reeling. Jeff Garrett, a 41-year-old lawyer in Texas, started buying.

Garrett used the Monday Aug. 5 selloff to load up on index funds. The strategy worked for him before. He bought into the Covid panic and stocks soon rebounded to new highs. “It takes a strong stomach,” he said. “On the whole, markets have a tendency to go up.”

The recent meltdown and subsequent ricochets are testing an investing tactic that carried U.S. stocks higher time and again in the past 15 years: buying the dip. In the years after the 2008-09 financial crisis, investors were rewarded for trying it. The longest bull market in history turned it into a rallying cry.

The internet coined a shorthand term: **BTD**.

Generally, financial advisers say people should continue to invest through the market's swings, particularly those rooted in arcane trades originating halfway around the world. Since 1980, after a 5% drop from a recent high, the S&P 500 has generated a median return of 6% over the following three months, according to Goldman Sachs.

But just because a Wall Street strategy has worked for a long time doesn't mean it will forever. After the tech bubble burst, the S&P 500 took seven years to regain the heights of 2000. The Nasdaq Composite needed 15 years. And the pandemic era brought surprising changes to inflation and the economy—the kind that can shift market dynamics for years.

Joe Meyer, a 39-year-old

S&P 500 performance, weekly



Source: FactSet

S&P 500 price/earnings, next 12 months



event coordinator on Long Island in New York, said he has no problem buying at a discount. He tends to pick up shares of popular index funds and well-known brands when prices fall. On Aug. 5, he pur-

chased **Nvidia**, **Walt Disney** and **CVS Health** shares. “I don't panic at all. It's a long-term thing,” said Meyer, who is investing for retirement.

For much of 2024, stocks seemed as though they would

investors rushing to their trading accounts. So many tried to check their portfolios or to place trades on Aug. 5, Charles Schwab, Vanguard Group and Fidelity Investments experienced outages.

Buying the dip hasn't always reaped immediate benefits. In 2022, down days in the market were often followed by more declines, walloping investors again. The S&P 500 dropped 19%, its worst year since 2008.

Wall Street bears have a list of reasons to stay on alert, from signs the economy is slowing to a presidential election to intensifying conflict in the Middle East.

And stocks look relatively pricey. Companies in the S&P 500 are trading at about 20 times their projected earnings over the next 12 months, above a 10-year average of roughly 18, according to FactSet.

The turmoil sent individual