

What's News

Business & Finance

- ◆ **Major U.S. stock indexes** fell sharply after Trump's tariffs paved the way for a global trade war, with the S&P 500, Dow and Nasdaq shedding 1.2%, 1.6% and 0.4%, respectively. **A1, A4**
- ◆ **A BlackRock-led** consortium agreed to buy majority stakes in two ports on the Panama Canal, along with dozens of others, from CK Hutchison for \$22.8 billion. **A1**
- ◆ **JPMorgan Chase** and Starwood agreed to lend \$2 billion to the developers of a 100-acre data center campus in West Jordan, Utah, outside Salt Lake City. **B1**
- ◆ **Honeywell struck** a roughly \$2.2 billion all-cash deal for pump-and-compressor maker Sundyne, extending the company's brisk pace of dealmaking. **B3**
- ◆ **Target and Best Buy** said their businesses were likely to come under pressure from U.S. tariffs, respectively warning of a hit to profit and vendor cost pass-throughs. **B2**
- ◆ **Abu Dhabi's Adnoc** and Austria's OMV agreed to combine their petrochemical businesses and acquire Canada's Nova Chemicals to form a giant with a combined value of about \$60 billion. **B11**
- ◆ **Francisco Partners** will acquire Quorum Software, now owned by Thoma Bravo, in a deal expected to value Quorum at \$2.4 billion, including debt. **B4**
- ◆ **Kraft Heinz prepared** to roll out its first alcohol product for U.S. grocery stores this month, with plans for a broader expansion next year. **B1**
- ◆ **Starbucks hired** Cathy Smith away from retailer Nordstrom to be the coffee chain's next finance chief. **B3**

World-Wide

- ◆ **President Trump put** his disruptive return to power on full display during a prime-time address to Congress, offering a no-apologies assessment of his decisions to crack down on illegal immigration, slash the federal workforce and impose stiff tariffs on imports. **A1**
- ◆ **Trump said** in his speech that the U.S. had taken custody of an Afghan involved in planning the deadly 2021 attack at Kabul airport. **A5**
- ◆ **The Supreme Court** appeared wary of Mexico's lawsuit against gun makers in a case that tests the fire-arm industry's legal exposure from gun violence. **A3**
- ◆ **Ukraine's Zelensky** called his heated White House meeting with Trump "regrettable" and set out his vision of a path to peace in an effort to repair his relationship with the president. **A6**
- ◆ **The European Union** proposed a \$158 billion fund to bolster military spending and support Ukraine's defense against Russia. **A6**
- ◆ **The Trump administration** disbanded two expert committees that advised the government on producing accurate economic statistics. **A5**
- ◆ **The Treasury Department** moved to formally rescind a license allowing Chevron to pump oil in Venezuela. **A7**
- ◆ **Arab leaders endorsed** Egypt's postwar plan for the Gaza Strip that allows residents to remain, a counter-proposal to Trump's idea of depopulating the territory and redeveloping it. **A8**
- ◆ **Died: Robert G. Clark, 96,** pioneering Black lawmaker. **A2**

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Stocks Slide as Trade War Escalates



President Trump, with Vice President JD Vance and House Speaker Mike Johnson behind him, addressed Congress Tuesday night.

Trump Touts ‘Swift and Unrelenting’ Actions on Border, Budget, Economy

By ALEX LEARY

WASHINGTON—President Trump put his disruptive return to power on full display during a prime-time address to Congress on Tuesday night, offering a no-apologies assessment of his decisions to crack down on illegal immigration, slash the federal workforce and impose stiff tariffs on imports.

“I return to this chamber tonight to report that America’s momentum is back, our spirit is back, our pride is back, our confidence is back,” Trump

said, standing in the House chamber five years after his last address to Congress, describing what he called a “swift and unrelenting” campaign to transform the country.

The one-hour, 40-minute address—the longest ever of its kind by a president to a joint session of Congress—gave Trump an opportunity to sell his combative brand of governing to tens of millions of Americans in what is expected to be his largest audience since his inaugural address.

Trump presented a swaggering view of his administra-

tion, boasting of the dozens of executive orders he has signed and casting his first month in office as the most successful in history. He made few entreaties for unity, instead attacking Democrats as “radical left lunatics” and blaming his predecessor, Joe Biden, for the country’s problems.

“I look at the Democrats in front of me and I realize there is absolutely nothing I can say to make them happy,” he said. Democratic lawmakers held signs that read “false” and “Musk steals,” a reference to Trump’s ally Elon Musk and

the efforts he has led to slash government spending.

Seven minutes into the speech, Rep. Al Green (D., Texas) was removed from the House chamber after rising from his seat and shouting at the president. The disruption prompted Trump to momentarily pause his remarks. Green later told reporters that the outburst was “worth it to let people know that there are some people who are going to

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◆ **Zelensky aims to mend ties with Trump.....** A6

Major indexes whipsawed after new U.S. tariffs spark countermoves

By KAREN LANGLEY AND KATY BARNATO

President Trump paved the way for a global trade war with new tariffs against the nation’s top three trading partners on Tuesday, sending financial markets into a tail-spin and prompting immediate retaliation from China and plans for reprisals from Canada and Mexico.

Stocks recovered some ground after early sharp declines: The Dow Jones Industrial Average ended down 670 points, or 1.6%, while the Nasdaq Composite fell 0.4%, or 65 points, after touching correction territory earlier in the day. The S&P declined 1.2%, or 72 points, wiping out gains since Election Day.

Trump’s 25% tariffs on goods from Mexico and Canada took effect early Tuesday. Canada responded with plans to impose 25% tariffs on about \$100 billion of U.S. imports, with Prime Minister Justin Trudeau saying Trump is acting in “bad faith.”

President Claudia Sheinbaum of Mexico said her country would also retaliate, with a range of moves to be announced Sunday.

Trump said Tuesday he will impose more tariffs on Canada if it retaliates against the U.S.’s trade actions. “Please explain to Governor Trudeau, of Canada, that when he puts on a Retaliatory Tariff on the U.S.,

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◆ **North America’s free-trade era faces hard test.....** A4

◆ **Two-headed monster stagflation is lurking.....** A4

◆ **Heard on the Street: What tariffs mean for stocks...** B13

Two Titans Battle For Crypto’s Future

Stakes are high in Tether and Circle’s fight over how to regulate coins

By ANGUS BERWICK

LUGANO, Switzerland—Giancarlo Devasini, one of the world’s newest billionaires, leads a reclusive life in this Alpine town. He stays in a modest apartment by the lake, strolls the cobbled streets with a black hoodie pulled over his head—and rages about the American rival he believes is trying to kill his business.

Devasini is the main owner of Tether, whose eponymous digital dollar is an indispensable part of the cryptocurrency industry. Tether’s centrality has earned Devasini tremendous wealth and vast influence over

the sector, and the support of a top ally of President Trump.

Critics say Tether has become the tool of choice for criminal groups to spirit money around the globe.

Out to disrupt his business empire is Devasini’s almost perfect foil, Jeremy Allaire, founder of Tether’s archrival, Circle, which issues its own so-called stablecoin, called USD Coin, or USDC. Allaire, a suit-wearing executive as comfortable in Davos as he is on Wall Street or the halls of Congress, is running a campaign to regulate Tether out of existence.

Devasini has told business

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INSIDE



NASA/JAP/GETTY IMAGES

U.S. NEWS

Two NASA astronauts are set to return to Earth after nearly nine months in orbit. **A2**

BUSINESS & FINANCE

Goldman to cut vice presidents in its next round of annual layoffs. **B1**

BlackRock Strikes Deal to Control Two Panama Ports

A consortium of investors led by BlackRock agreed to buy majority stakes in ports on either end of the Panama Canal, putting U.S. firms in

By Costas Paris, Jack Pitcher and James T. Areddy

control of two ports that President Trump raised as a security concern because of their connection to China.

The deal with Hong Kong-based CK Hutchison is worth \$22.8 billion and also includes dozens of other ports around the world, the companies said Tuesday.

Trump had flagged the Pan-

ama ports as a threat even though the canal is run and controlled by Panama. His administration argued China could force the two terminals, which handled 40% of all containers that crossed the waterway last year, to restrict U.S.-bound ships.

In recent months, Trump also threatened to take control of the canal, potentially by military force, saying the U.S. “foolishly gave it away” and that the U.S. was getting “ripped off.”

On Tuesday night in his address to Congress, Trump repeated his threat to take over the canal.

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The Iditarod Is Short On Snow

* * *

Dog sled race changes course, heads north

By ANDREW BEATON AND JOSHUA ROBINSON

Over the course of more than half a century, the Iditarod dog sled race has grown into one of America’s iconic sporting events. Teams of mushers battle through blizzards, subzero temperatures and punishing winds to navigate a wild trail across Alaska during the dead of winter.

But when organizers were putting together this year’s edition, they ran into a critical problem that any kid who has ever ridden on a sled would understand. There wasn’t nearly enough snow.

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Scientist Left OpenAI, Starts \$30 Billion Firm

By BERBER JIN AND DEEPA SEETHARAMAN

Silicon Valley’s hottest investment isn’t a new app or hardware product. It’s one man.

AI researcher Ilya Sutskever is the primary reason venture capitalists are putting some \$2 billion into his secretive company, Safe Superintelligence, according to people familiar with the matter. The new funding round values SSI at \$30 billion, making it one of the most valuable AI startups in the world.

Sutskever became one of the industry’s most revered AI researchers as chief scientist at OpenAI, where he helped develop the technology behind ChatGPT. He left OpenAI last year following a painful rupture with the company’s chief executive, Sam Altman.

SSI said it doesn’t plan to release any products until it develops super intelligence—

an industry term for an AI that can outsmart experts in nearly every field. Competitors like Google, OpenAI and Anthropic are trying to develop similarly advanced systems but are releasing consumer chatbots and business applications in the interim to generate revenue and demonstrate their progress.

Sutskever has told associates he isn’t developing advanced AI using the same methods he and colleagues used at OpenAI. He has said he has instead identified a “different mountain to climb” that is showing early signs of promise, according to people close to the company.

“Everyone is curious about exactly what he’s pushing and exactly what the insight is,” said James Cham, a partner at venture firm Bloomberg Beta, which hasn’t invested in SSI. “It’s super-high risk, and if it works out, maybe you have the

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Agentforce What AI Was Meant to Be

U.S. NEWS

NASA Astronauts Prepare for Return Trip

At space station for months longer than planned, they focused on scientific research

By MICAH MAIDENBERG

Butch and Suni are ready to come home.

The NASA astronauts Barry Wilmore and Sunita Williams, who often go by their nicknames, are poised to fly back to Earth after spending almost nine months aboard the International Space Station—far longer than the roughly week-long stay NASA planned.

Wilmore and Williams were thrust into a messy debate at the National Aeronautics and Space Administration last summer about how to safely transport both back to ground. Both traveled to the space station in early June on Boeing’s Starliner spacecraft, a vehicle that ran into technical problems while delivering them to the orbital research lab.

After those issues emerged, officials at NASA debated for weeks about whether to use Starliner to bring them back to Earth. The agency ultimately decided to extend their

stay on the ISS and have them fly home on a SpaceX vehicle that was already scheduled to travel to the station as part of the facility’s regular rotation of crew members.

Wilmore and Williams, veteran military pilots and astronauts who had flown to the ISS before, have said they were always ready for curveballs during their mission.

“We came up prepared to stay long, even though we planned to stay short,” Wilmore said Tuesday during a briefing. “That’s what your nation’s human space flight program is all about, planning for unknown, unexpected contingencies.”

On March 12, SpaceX is set to launch four other people to the facility. A few days after their arrival, Wilmore and Williams, along with NASA astronaut Nick Hague and Russian cosmonaut Aleksandr Gorbunov, will board a SpaceX vehicle that docked to the station last September for their return flight.

Williams said during the briefing Tuesday that the most difficult part of the situation is for family members and other supporters anticipating their return.



Butch Wilmore, Nick Hague and Suni Williams spoke during a news conference Tuesday.

“It’s been a roller coaster for them, probably a little bit more so than for us,” she said. “I think the hardest part is having the folks on the ground have to not know exactly when we’re coming back.”

Since NASA leaders confirmed their extended stay,

Wilmore and Williams have kept busy on the ISS by participating in research projects and helping to maintain the facility, which orbits Earth about 250 miles above the planet.

Crews typically stay on board the station, which re-

ceives regular replenishments of food and other supplies, for around six months. Longer visits aren’t unknown. Frank Rubio, a NASA astronaut, returned to Earth from the facility about 18 months ago after spending more than a year in orbit.

Last month, during an interview with Fox News, President Trump and Elon Musk, who serves as chief executive of SpaceX in addition to his roles advising the president and leading other companies, alleged the Biden administration left Williams and Wilmore in orbit due to politics.

Bill Nelson, the agency’s former top leader, has said politics played no role in the decision-making around the situation with the two astronauts. Current officials at NASA have said that they chose to keep the duo on ISS because of the technical problems with Starliner and to keep the station’s crew rotation schedule intact.

Boeing’s Starliner spacecraft, meanwhile, was able to successfully return to Earth empty, but its future is unclear. The aerospace giant, which believed Starliner was safe enough to transport Wilmore and Williams back home, has considered selling civil-space programs, including Starliner.

The vehicle still hasn’t been certified for regular astronaut flights. In January, Boeing recorded another financial loss related to the vehicle.

U.S. WATCH

WYOMING

Medication Abortion Hurdle Is Vetoed

A bill that would have required women seeking medication abortions to get ultrasounds has been vetoed by Wyoming’s Republican governor, who questioned whether it was reasonable and necessary, especially for victims of rape and incest.

“Mandating this intimate, personally invasive, and often medically unnecessary procedure goes too far,” Gov. Mark Gordon wrote in a letter explaining his veto late Monday.

The bill would have required women planning med-

ication abortions to arrange and potentially drive long distances for ultrasound appointments in the rural state.

Abortion remains legal in Wyoming pending the outcome of a lawsuit before the state supreme court challenging the bans.

Abortion access has dwindled, however, since Wyoming’s lone full-service abortion clinic stopped providing both pill and surgical abortions after Gordon signed a bill into law last week.

That new law requires clinics providing surgical abortions to be licensed surgical centers.

—Associated Press

OBITUARY

Robert G. Clark, 96, Broke Racial Barriers

Robert G. Clark, who was elected in 1967 as Mississippi’s first Black lawmaker of the 20th century and rose to the second-highest leadership role in the state House of Representatives, died Tuesday at age 96, his son said.

Rep. Bryant Clark, who succeeded Robert Clark, said his father died of natural causes at home.

A teacher and descendant of slaves, Clark was ostracized during his first years at the state Capitol, sitting solo at a two-person desk in the House chamber and ignored by white

colleagues at social events.

By the time he left office 36 years later, he had served as chairman of both the House Ethics Committee and the powerful Education Committee. In a state where nearly 40% of residents are Black, he saw more Black candidates win seats as voting rights were enforced and more majority-Black districts were drawn, sometimes under court order.

Clark also won the respect and support of colleagues, Black and white, who elected him in January 1992 to House speaker pro tempore, a position he retained until he retired in 2004.

—Associated Press



Robert G. Clark in 2018.

Broadband Expansion Plan Faces Overhaul

By PATIENCE HAGGIN

The Commerce Department is examining changes to a \$42.5 billion Biden-era program aimed at expanding internet access around the country with new rules that will make it easier for Starlink, Elon Musk’s satellite-internet service, to tap in to rural broadband funding, people familiar with the plans said.

Commerce Secretary Howard Lutnick has told staff he plans to make the grant program “technology-neutral,” the people said. That change will free up states to award more funds to satellite-internet providers such as Starlink, rather than mainly to companies that lay fiber-optic cables, to connect the millions of households that lack high-speed internet service.

Republicans have said the Broadband Equity, Access and Deployment Program, created by the 2021 infrastructure bill, is bogged down by unnecessary rules. Those rules effectively said states could only fund alternative technologies such as satellite in areas where it wasn’t feasible or cost-effective to lay fiber cables.

The potential new rules could drastically increase the share of funding available to Starlink. Under the original rules, Starlink was expected to get up to \$4.1 billion, people familiar with the matter said.

With Lutnick’s overhaul, Starlink, a unit of Musk’s SpaceX, could receive \$10 billion to \$20 billion, they said.

“The Trump administration is committed to slashing government bureaucracy and harnessing cutting-edge technology to deliver real results for the American people, especially rural Americans who were left behind” under the Biden administration, White House spokesman Kush Desai said.

Starlink didn’t respond to a request for comment.

Lutnick told staff he plans to do away with other BEAD program rules, including some related to climate impact and sustainability, as well as provisions that encouraged states to fund companies with a racially diverse workforce or union participation, the people said.

Arielle Roth, Trump’s nominee to lead the department bureau that oversees the internet-access program, has been critical of the rules governing it.

Under President Biden, the program favored fiber because the bureau thought it provided more reliable service and more durable infrastructure than other technologies.

Starlink lobbied the Commerce Department to change the program’s rules last year but halted its lobbying after Trump took office, people familiar with the matter said.

Scientist Is Behind AI Startup

Continued from Page One potential to be part of someone who is changing the world.”

Top secret

Most AI startups work hard to get attention, hoping it will help attract employees and investors in a highly competitive space. SSI operates as secretly as it can out of offices in Silicon Valley and Tel Aviv.

Its bare-bones website contains little more than a 223-word mission statement. Its approximately 20 employees—a fraction of the 1,000-plus at OpenAI and Anthropic—are discouraged from mentioning SSI on their LinkedIn profiles, according to knowledgeable people.

Candidates who secure an in-person interview are instructed to leave their phone in a Faraday cage, a container that blocks cellular and Wi-Fi signals, before entering SSI’s offices, one of the knowledgeable people said.

Most of its staffers aren’t well known in Silicon Valley because the company is looking for promising technologists whom Sutskever can mentor, rather than experienced people likely to jump between employers and take what they have learned with them.



Associates say Ilya Sutskever has identified a ‘different mountain to climb’ than OpenAI.

Still, Silicon Valley’s top investors, including Sequoia Capital and Andreessen Horowitz, have poured money into the company. The latest financing, which marks an increase from its \$5 billion valuation in September, is being led by Greenoaks Capital.

SSI’s talks to raise funding at a \$30 billion valuation, which doesn’t include the new cash it is collecting, were previously reported by Bloomberg.

Sutskever was born in the former Soviet Union, grew up in Israel and made his name as a graduate student in Canada, after co-authoring a paper about deep-learning AI algorithms, which use a process called scaling to become smarter by processing massive amounts of data.

He later joined Alphabet’s Google but left in 2015 to become one of the first employees at OpenAI. He was at-

tracted to Altman and fellow co-founder Elon Musk’s vision of a nonprofit dedicated to developing artificial general intelligence—AI as capable as most people at most things—for the public good.

Colleagues jokingly described Sutskever as a prophet prone to musing about what a world with AGI might look like and how to prevent it from causing catastrophic disasters.

“Our goal is to make a

mankind-loving AGI,” he said at the company’s 2022 holiday party.

Split with Altman

After ChatGPT was released as a test in late 2022 and became a worldwide sensation, OpenAI became less of a pure research lab and more of a traditional company focused on products and revenue.

Sutskever and members of his team felt that left them with fewer resources for studying advanced AI and curbing its potential risks.

His relationship with Altman, who became OpenAI’s chief executive, deteriorated. In November 2023, Sutskever delivered a message to his boss that would change both their lives: OpenAI’s board was firing Altman after determining he hadn’t been consistently candid with them.

The move backfired when hundreds of employees threatened to quit and Microsoft offered to hire them along with the deposed CEO. Sutskever said he regretted “my participation in the board’s actions.”

Altman was rehired in under a week. Sutskever remained officially employed but stopped working.

He resigned last May and started SSI with former OpenAI researcher Daniel Levy and investor Daniel Gross.

By focusing entirely on creating a safe super intelligence, the new company hopes to avoid the tension between products and research at OpenAI as it works toward a goal even more ambitious than AGI.

The startup assembled some small seed funding to get started before raising \$1 billion in September.

Rumors have since swirled about SSI’s business and technological strategy. In a rare public appearance at the NeurIPS AI conference in December, Sutskever discussed the kind of super intelligence he is trying to develop.

He told thousands of fellow researchers that when such systems emerge, they could be unpredictable, self-aware and may even want rights for themselves.

“It’s not a bad end result if you have AIs and all they want is to coexist with us,” he said.

CORRECTIONS & AMPLIFICATIONS

The Philly Shipyard began construction in September for an order for three boxships with an average cost per ship of \$333 million. A Business News article on Monday about the shipbuilding industry incorrectly said that the order was secured in September and that the cost per ship was \$355 million.

The Jacob Javits Center in

New York was misspelled as Javitz in a photo caption Tuesday with a U.S. News photo from the North American International Toy Fair.

Photos of Sheep Pond Road taken by Charlie Nutting were incorrectly credited to Tucker Finerty in photo credits with Friday’s Mansion article about erosion in Nanuetucket, Mass.

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

High Court Wary of Suit By Mexico Against Gun Makers

By JACOB GERSHMAN

The Supreme Court on Tuesday appeared skeptical about Mexico's effort to hold the U.S.'s largest gun maker legally responsible for cartel-fueled violence south of the border, in a case that tests the firearm industry's legal exposure from gun violence.

The justices seemed inclined to reverse an appeals court ruling that allowed Mexico to pursue billions of dollars in damages from defendants it accused of trying to profit from the country's drug cartels.

Justice Brett Kavanaugh signaled his concerns about the broader implications of allowing Mexico to proceed. "Lots of sellers and manufacturers of ordinary products know that they're going to be misused by some subset of people," he said in an exchange with a lawyer for the country. "Pharmaceuticals, cars, you can name lots of products. So that's a real concern, I think, for me about accepting your theory of aiding-and-abetting liability."

The case marks the first time that justices are examining a 20-year-old federal law shielding gun manufacturers, distributors and dealers from potentially ruinous lawsuits over the criminal misuse of their products.

Mexico's government has sought to pierce that shield through a lawsuit it brought against six gun manufacturers. A lower-court judge in August dismissed claims against most of the defendants because of their lack of connection to the court's jurisdiction, winnowing it down to gun maker Smith & Wesson and wholesaler Interstate Arms.

The lawsuit accuses gun makers of arming cartels by allowing traffickers to stock up on high-powered weapons through straw purchases and bulk sales from dealers. Manufacturers, the country alleges, aren't just aware of the gun pipeline arming cartels but have deliberately sought that business, estimating that \$170 million in arms made by the original defendants are trafficked into Mexico each year.

The gun industry expected Mexico's lawsuit would be barred by the Protection of Lawful Commerce in Arms Act, the 2005 law that generally immunizes firearm companies from civil liability over gun violence.

But Mexico argues its suit fits into an exception in the law that allows lawsuits against gun companies engaged in illegal sales or marketing activity that directly causes injury. Last year, a three-judge panel of the First U.S. Circuit Court of Appeals agreed, reviving the case after a trial judge in Massachusetts had dismissed it.

During Tuesday's hearing, justices, including liberal members, voiced concerns about the vagueness of Mexico's claims, which don't allege that gun makers were aware of any particular unlawful sale. They said they were unsure of which specific gun law defendants had violated. "They don't really tell us which dealers are doing this, who they're aiding and abetting," Justice Sonia Sotomayor said.

"I worry that without that clarity in a complaint like yours...that we're running up against the very concerns that motivated this statute to begin with," Justice Ketanji Brown Jackson said.

An attorney arguing for Mexico, Catherine Emily Stetson, said gun makers know from gun-trace data collected by the federal government which dealers are supplying the criminal market. "These manufacturers know from [the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives] exactly what dealers are the problem, are the rogue dealers," she said.

Congress passed the shield law after a coalition of city mayors and mass-tort lawyers unleashed a torrent of lawsuits in the late 1990s blaming gun makers for urban gun violence and seeking tobacco industry-sized jury verdicts.

New Orleans Revels in Windy Mardi Gras Celebrations



FESTIVITY: Members of Mondo Kayo danced in the streets in full flourish through downtown. Some events were shortened or moved up as storms neared.

Vaccine Scrutiny Grows Under RFK Jr.

Health department reviews contracts, seeks new people on shot-advisory panel

Robert F. Kennedy Jr. is taking the first steps toward reshaping how the federal government oversees vaccines.

By *Liz Essley Whyte, Dominique Mosbergen and Betsy McKay*

In Kennedy's first few weeks at the helm, the Health and Human Services Department scuttled meetings of infectious-disease experts and began scrutinizing vaccine contracts.

More changes to the government's stands on shots are in the works.

Kennedy is collecting names of potential new members to put on a committee that recommends which vaccines Americans should get and when, according to people familiar with the matter.

He is also weighing a new conflict-of-interest policy for the committee that would disqualify some current members, another person familiar with his thinking said.

The moves make clear that Kennedy, a longtime critic of shots, has government immunization practices, programs and personnel in his crosshairs now that he is in charge of U.S. health policy.

HHS is broadly re-evaluating everything it oversees, including food and drugs, in an effort to understand the causes of



A child receives a measles vaccine in Lubbock, Texas.

chronic disease, a White House spokesman said. The department is also examining its conflict-of-interest policies, he said.

Kennedy "absolutely will live up to his word in taking in expertise and science from all sides," said Zen Honeycutt, a Kennedy supporter and founder of Moms Across America, a nonprofit opposed to pesticides and genetically modified foods.

Kennedy's first few weeks also show, however, that he will need to chart a careful course to turn his views into government policy while at the same time leading the country's public-health response.

Measles outbreak

The new Health and Human Services secretary posted on social media on Friday that stopping a measles outbreak in Texas, which killed an unvaccinated child, was a "top priority." He had earlier faced criti-

cism from some doctors and infectious-disease experts for saying "we have measles outbreaks every year."

Kennedy encouraged parents, in an opinion piece published Sunday, to speak with doctors about measles vaccination, while saying that "the decision to vaccinate is a personal one" and that sanitation and nutrition had eliminated most measles deaths before shots arrived.

"I hope that from his new vantage point he sees how important vaccines are for protecting children and adults," said Caitlin Rivers, an epidemiologist at the Johns Hopkins Bloomberg School of Public Health.

Medical experts cite several factors, including improved medical care, for the decline in measles deaths ahead of the vaccine's introduction in 1963. In the decade before the shot was introduced, there were 400

to 500 measles deaths a year in the U.S. The recent death in Texas was the first from measles in the U.S. since 2015.

Kennedy spent two decades questioning the safety and efficacy of vaccines before his nomination for health secretary. A nonprofit he founded and led filed lawsuits challenging vaccines and vaccine mandates.

Ahead of his confirmation, Kennedy told senators he wasn't antivaccine and said he would focus on chronic illness.

Contracts scrutinized

Since Kennedy became secretary on Feb. 13, HHS's Biomedical Advanced Research and Development Authority suspended a \$460.7 million contract with Vaxart to develop an oral Covid-19 vaccine. HHS said it was re-evaluating its \$590 million contract with Moderna for a bird-flu vaccine.

"While it is crucial that the U.S. Department of Health and Human Services support pandemic preparedness, four years of the Biden administration's failed oversight have made it necessary to review agreements for vaccine production," an HHS spokesman said regarding the Moderna contract. A White House spokesman said the Vaxart contract was being scrutinized as part of the administration's effort to tackle wasteful spending.

Vaxart said it was committed to working collaboratively with Kennedy and the federal government as they evaluate data supporting a planned vac-

cine study. Moderna declined to comment.

Meanwhile, promotional materials for the Centers for Disease Control and Prevention's "Wild to Mild" flu-vaccination campaign disappeared from the agency's website. Links that originally led to webpages with shareable campaign images now lead to an outdated campaign page from 2023. NPR earlier reported that the campaign had been pulled.

The CDC wasn't directed to take down the flu-vaccination campaign webpage, an HHS spokesman said. "Officials inside the CDC who are averse to Secretary Kennedy and President Trump's agenda seem to be intentionally falsifying and misrepresenting guidance they receive," he said.

Last week, the Food and Drug Administration abruptly canceled a meeting of vaccine experts who help the government and companies select strains to be targeted by next year's flu shot. The FDA said it would consult with federal partners and recommend flu-shot strains to pharmaceutical companies in time for them to make shots for the next flu season.

A planned Feb. 26 meeting of the CDC's Advisory Committee on Immunization Practices (or ACIP), the vaccine experts who recommend when Americans should get vaccinated, was postponed just a few days ahead of time without a rescheduled date. HHS said that it postponed the committee meeting to "accommodate public comment."

Denver Mayor Leads Face-Off With GOP on Migrants

By JOE BARRETT

DENVER—The cowboy-boot wearing mayor of this city on the edge of the Rocky Mountains rocketed into national headlines last fall when he promised to defy potential federal immigration actions he considered unconstitutional or un-American—even if it meant being hauled off to jail.

Now Denver Mayor Mike Johnston stands as a leading Democratic foe of Washington Republicans who seek to punish those they say are obstructing President Trump's crackdown on illegal immigration.

On Wednesday, Johnston is set to go to Congress alongside three fellow Democratic mayors—Eric Adams of New York, Michelle Wu of Boston and Brandon Johnson of Chicago—to face the House Oversight and Government Reform Committee about policies that limit these cities' cooperation with Trump's planned mass deportations.

To drum up attention for the coming hearing, the House committee released a video against "sanctuary mayors," filmed in the thunderous style of a disaster-movie trailer. Flashing footage of immi-

grant-criminal arrests and headlines describing chaos in the four mayors' cities, the video promises they will be "held publicly accountable on March 5."

"We're going to bring the mayors in, we're going to let them explain what their policies are, see if they can answer some questions," Committee Chairman James Comer (R., Ky.) pledged at the end of the video. "If they are going to continue to disobey the law, then I think we should cut as much of their federal funding as we can cut."

In his Denver City Hall office, Johnston, his crisp checked shirt anchored by a big silver belt buckle, expressed confidence about the coming discussion. "We're quite proud of what the city's done and how it stood up. And so that's a very positive story for us to tell, regardless of how they want to spin it."

Even for mayors governing hundreds of miles from the southern border, immigration now sparks more controversy than many other leadership issues. Johnston, 50 years old, a former school principal and state senator with an Ivy League pedigree—Yale undergraduate and law degrees and



Denver Mayor Mike Johnston.

a Harvard master's in education—confronted this reality within months of taking office.

On his first full day as mayor in July 2023, Johnston declared a homelessness crisis in Denver, a city of more than 700,000, pledging to clear encampments citywide and find housing for 1,000 people by the end of the year.

Within a few months, a new crisis eclipsed that ambitious push: Nearly 43,000 migrants poured into Denver, some bused from the border by Texas Gov. Greg Abbott, others buying their own ticket to

the closest city known for friendliness to migrants.

"We were very engaged in homelessness," said Johnston. "Then we got overwhelmed by what seemed like an even more impossible problem. I think wonderfully, the city stepped up with some swag-ger to say, 'OK, well, we can take this on, too.'"

Today, Denver streets stand largely cleared of both tent cities of unhoused Coloradans—and the migrant encampments that followed. But the migrant crisis is far from over for Johnston, a progressive Democrat who in November drew national attention for tangling with incoming border czar Tom Homan.

Homan said on national TV: "Look, me and the Denver mayor, we agree on one thing—he's willing to go to jail, I'm willing to put him in jail."

Denver, Chicago, Boston and New York operate under state and city laws that forbid police from cooperating in ICE enforcement against individuals solely for being in the country illegally, but they can support arrests of those accused of serious crimes.

"We don't ask someone's status when we arrest them or

charge them. We don't think it's material to the charge, and we think it can have a chilling effect on public safety," Johnston said. "If someone's always worried you're going to ask for their status, they won't call the police, they won't be a witness."

Some downtown Denver business owners say things have improved since the city was able to move the migrants off the streets, but that more needs to be done to return security to the area.

"When they were dropping them off [from Texas], I would see like a clown car of people going by every day," said Joanna Szalla, 56, who cuts hair in a glassed-in kiosk on a downtown sidewalk. Now, she wants a more consistent police presence downtown.

"The streets are definitely running rampant with crime," said Braxton Blakeman, 21, the manager of a shop called the Colorado Artisan Center. He blames what he views as lax immigration policies and general downtown vagrancy.

Johnston said that migrants tend to engage in crime less than native-born Americans and that Denver's overall crime rates had fallen in recent years.

U.S. NEWS

Continent’s Free-Trade Era Faces Hard Test

U.S. measures threaten model that has brought gains to Canada, Mexico

Few countries have bet as heavily on free trade as Mexico and Canada. Now that President Trump’s 25% tariffs have hit both countries, their economies are facing a stress test that rivals the global financial crisis and the pandemic.

By Vipal Monga, Santiago Pérez and José de Córdoba

Canada and Mexico have separately signed more than a dozen treaties each—among the most in the world—that give them open access to the markets of more than 50 countries. The most important remains the U.S., Mexico, Canada Agreement, an updated version of the 1994 North American Free Trade Agreement that eliminated most barriers to trade between the countries. More than 80% of both nations’ exports go to the U.S.

The deal turned Mexico into an export powerhouse, one of the world’s top exporters of vehicles, beer and flat-screen TVs. Canada used free-trade deals with the U.S., which date to the 1960s, to help vault its now \$2 trillion economy into the elite Group of Seven, or G-7.

Their calculus was honed over several decades and became conventional wisdom: A world led by the U.S. would only become more interconnected and market-oriented. Now, the tariffs could cause big



Made in Mexico: left, producing electronic car keys in the coastal state of Jalisco; right, working metal at a steel company in the border state of Nuevo Leon.



contractions in both countries’ economies, with Canada facing a loss of up to 5% of GDP and Mexico 3%, analysts estimate.

They will need to find a new way forward, focusing more on domestic markets, or trading with more countries, trade analysts said. Neither country has an easy short-term fix.

“The U.S. turning its back on this model is a big blow for us,” said Juan Carlos Baker, who served as Mexico’s deputy trade minister during talks that led to the USMCA’s signing in 2018. “It will mark the end of an era.”

For Trump, the tariffs are a means toward ending a period of losing jobs and manufacturing prowess to smaller neighbors. He has promised that fresh tariffs will provide a new revenue source for the government, cause companies to relocate their operations to the U.S. and force Mexico and Canada to firm up their poli-

cies to stop migrant and drug flows across their borders.

Trump has cited those border issues as the cause for the tariffs, with his aides arguing the tariffs are justified under U.S. law allowing such levies if there is a national emergency.

Even if Trump pulls back eventually from tariffs, the threat has caused lasting damage in cross-border relations. Trading partners won’t have an incentive to open markets to the U.S., or boost cooperation to curb illegal migration or drug smuggling, trade analysts say.

“We will have a long road back to Canada and the U.S. being trusted economic partners again,” said Matthew Holmes, executive vice president at the Canadian Chamber of Commerce. “Businesses can’t just switch their whole model to avoid tariffs and then go back again, depending

on what politicians decide.”

Canada and Mexico are expected to retaliate.

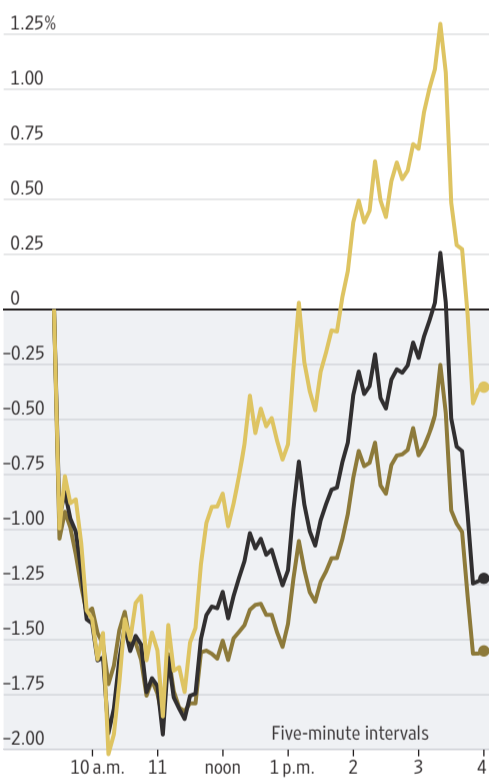
Canadian Prime Minister Justin Trudeau on Monday said Canada would retaliate with its own 25% tariffs on U.S. products. Canada has published a list of commodities it will target, including poultry, vegetables, liquor and appliances.

“Because of the tariffs imposed by the U.S., Americans will pay more for groceries, gas, and cars, and potentially lose thousands of jobs,” he said.

Mexico took a more cautious stance, and it has yet to disclose potential retaliatory tariffs. Both countries are likely to target U.S. exports from GOP strongholds and industry groups with political leverage in Washington, say people familiar with the situation.

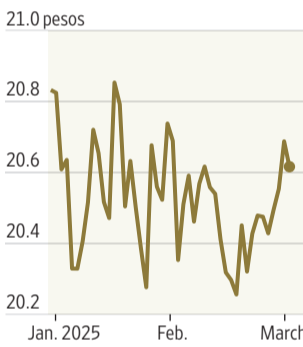
Mexican President Claudia Sheinbaum said on Monday: “We have a plan and unity.”

Index performance on Tuesday



Sources: FactSet (index performance, VIX); Tullett Prebon (forex); Tradeweb FTSE closes (Treasury yield)

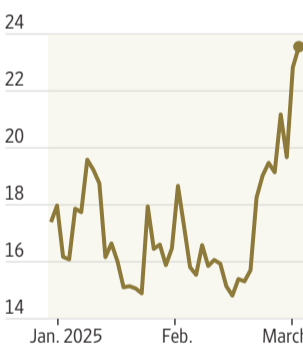
How many Mexican pesos \$1 buys



How many Canadian dollars \$1 buys



Cboe Volatility Index



10-year U.S. Treasury yield



Stocks Drop As Tariff Fears Grow

Continued from Page One
our Reciprocal Tariff will immediately increase by a like amount!” Trump said on social media, making reference to his call for Canada to become the U.S.’s 51st state.

Commerce Secretary Howard Lutnick said on Fox Business that he was on the phone with Mexican and Canadian officials all day, and he believes the president wants to “work something out with them.”

Lutnick said any changes wouldn’t be a pause, but rather Trump will make some kind of deal “in the middle” that would likely get announced Wednesday.

The U.S. also introduced an extra 10% tariff on Chinese imports Tuesday, adding to a levy imposed a month ago, and other existing duties. China swiftly announced retaliatory tariffs on U.S. agricultural goods, and other measures against U.S. companies.

The Commerce Ministry said it added more than two dozen U.S. companies to export control and corporate blacklists. Beijing also filed a lawsuit with the World Trade Organization.

Investors struggled to discern what the new U.S. tariffs on Mexican and Canadian goods and additional tariffs on

Chinese imports—as well as countermeasures announced or expected from those countries—would mean for a wide variety of asset classes and the health of the economy.

Stocks began falling sharply Monday afternoon after Trump confirmed that the tariffs would take effect at 12:01 a.m. Tuesday. The slide continued on Tuesday before the market appeared to find its footing by midafternoon. Technology stocks pulled up the Nasdaq. Then came a final downdraft in the last hour of trading.

“This is more of a market gyration based on uncertainty than anything else,” said Charles Lemonides, chief investment officer of ValueWorks, a hedge fund. “We’re in a period of policy transition, and we don’t know how far it’s going to go.”

Just weeks ago, the stock market was trading at records. The S&P 500 notched its record close on Feb. 19, bringing it to a gain of 4.5% in 2025.

Despite weeks of U.S. tariff threats, the implementation of tariffs on Canada and Mexico came as a surprise to some market watchers, who expected the president to either strike an 11th-hour deal or dial back the severity of the duties.

“It’s unambiguously terrible for the market,” said Jay Hatfield, chief executive at Infrastructure Capital Advisors. “Nobody thought he would ac-

tually do it.”

Economically sensitive stocks were among the hardest hit on Tuesday, with the S&P 500’s financial sector slumping 3.5%. Bank of America shares fell 6.3%, while JPMorgan Chase shares dropped 4%.

Cruise lines, resorts and automakers fell, as did most industrial stocks. Caterpillar shares retreated 1.6%, while United Airlines slid 6%.

The auto industry relies heavily on a North American supply chain. Stellantis shares dropped 4.4% and General Motors shares declined 4.6%.

“With vehicle prices already elevated and interest rates remaining high, American car

buyers could face an even more challenging road,” wrote Jessica Caldwell, head of insights at Edmunds, in a note.

Jeep maker Stellantis told its U.S. dealers Tuesday that

the tariffs on all products from Mexico and Canada will put its car brands at a competitive disadvantage against Asian and European automakers. The owner of the Chrysler and Ram pickup-truck brands said in an email to its retailers that it is continuing discussions with the Trump administration to blunt the effects of the tariffs.

“These tariffs will put Stellantis’ flagship Chrysler, Dodge, Jeep and Ram brands at a competitive disadvantage versus Korean, Japanese and

European importers, which are not facing similar tariffs at this time,” said the email, which was seen by The Wall Street Journal.

Toyota Motor, Hyundai Motor and other Asian carmakers have operations in Mexico and Canada and also would be hurt by the import tariffs.

Executives from Stellantis, Ford Motor and General Motors have been pressing their case to administration officials in recent days that the new tariffs will hit the Detroit carmakers especially hard because of their broader North American presence.

The market had rallied on Trump’s election, with investors betting the Republican president would champion tax cuts and deregulation.

Many hoped the tariffs he described on the campaign trail were more negotiating positions than reality.

“People are waking up and saying, wait, this is a big thing,” said Max Wasserman, co-founder and senior portfolio manager at Miramar Capital. “He’s going to enforce it.”

The rich valuations of the tech-oriented Nasdaq left it vulnerable to a selloff, Wasserman said.

He said his firm in recent months has trimmed positions in tech stocks and bought shares of healthcare, energy and staples companies.

The CBOE Volatility Index, or VIX, known as Wall Street’s fear gauge, climbed 3.2%.

In bond markets, the yield on the benchmark 10-year U.S. Treasury note rose to 4.209%, from 4.178% on Monday. Yields rise as bond prices fall.

Two-Headed Monster Stagflation Is Lurking

By Nick Timiraos

Stagflation has entered the chat.

President Trump’s decision to dramatically raise tariffs on imports threatens the U.S. with an uncomfortable combination of weaker or even stagnant growth and higher prices—sometimes called “stagflation.”

The U.S. has imposed 25% tariffs on Mexico and Canada, and another 10% hike on China following last month’s 10% increase. They “will be wildly disruptive to business investment plans,” said Ray Farris, chief economist at Prudential PLC. “They will be inflationary, so they will be a shock to real household income just as household income growth is slowing because of slower employment and wage gains,” he said.

It is still unclear how long Trump intends to keep the tariffs in place. Commerce Secretary Howard Lutnick suggested Tuesday afternoon on Fox Business that a rollback could be in the works.

Some economists said if they stay, the odds of recession will meaningfully rise.

“This thing could get off the rails pretty quickly,” said Tim Mahedy, chief economist at Access/Macro. “This is not at the level of the 1970s or 1980s. But it does have a whiff of stagflation, or a ministag-cession.”

Sentiment indicators and business commentary in recent weeks point to slumping confidence over the threat of higher prices.

China and Mexico are the top two sources of consumer electronics sold at the retailer Best Buy, Chief Executive Corie Barry told analysts Tuesday. “We expect our vendors across our entire assortment will pass along some level of tariff costs to retailers, making price increases for American consumers highly likely,” Barry said. The company’s shares plummeted 13% in the midst of a general stock-market retreat.

Brothers International Food, based in Rochester, N.Y., imports mangoes and avocados from Mexico and sells fruit juices, purées and frozen-food concentrates to food and beverage manufacturers. New tariffs are forcing the 95-person company to pass on price increases to its customers or accept lower profit margins.

Many of the company’s customers accelerated shipments

At that time, many U.S. lawmakers felt that Nafta was a way of ensuring that Mexico would lock in free markets because it was inevitable that eventually a populist would be elected president of Mexico, possibly closing its economy.

Canada’s history of free-trade deals with the U.S. dates to 1965, when the countries signed a pact to trim tariffs in the automotive sector. Ties between the countries deepened in 1988, when Canada and the U.S. signed the free-trade accord, which was later expanded to include Mexico and became Nafta and then the USMCA.

The bet that Canada made beginning in the 1960s that global trade would rise with the U.S. as the key player, wasn’t a risky one until the sudden shift brought in by Trump, said John Boscariol, head of the international trade and investment law practice at McCarthy Tétrault.

in January in anticipation of tariffs. “We are bracing for softer sales in the coming months,” said Chief Operating Officer Jack Whittier.

Trump and his advisers have said some short-term pain might be warranted to achieve the administration’s long-term ambitions of remaking the U.S. economy. They have also said their steps to boost energy production could offset higher goods prices.

Nonetheless, tariffs are a particularly difficult economic threat for the Federal Reserve to address. Its mandate is to keep inflation low and stable while maintaining a healthy labor market. Tariffs represent a “supply shock” that both raises inflation, which calls for higher interest rates, and hurts employment, which calls for lower rates. The Fed would have to choose which threat to emphasize.

Fed officials thought they might have engineered a soft landing over the past 18 months. A few are publicly warning of a stagflationary scenario.

“A deterioration of the labor market alongside higher inflation could present difficult choices,” said Alberto Musalem, president of the Federal Reserve Bank of St. Louis, at an economics conference in Washington on Monday.

John Williams, president of the Federal Reserve Bank of New York, said Tuesday at an event hosted by Bloomberg that he expected tariffs would lead to higher inflation this year than he had anticipated. Tariffs on consumer goods, he said, “filter into prices that consumers pay. That happens relatively soon.” Tariffs on intermediate goods, meanwhile, take longer to show up but last longer, he said.

Core inflation, which excludes volatile food and energy prices, has been falling steadily from its 2022 peak of 5.6% to 2.6% in January, using the Fed’s preferred inflation gauge. That is still above the Fed’s 2% target.

Researchers at the Federal Reserve Bank of Boston estimate that lifting tariffs on Canada and Mexico by 25% and on China by 10% could add 0.5 to 0.8 percentage point to core PCE inflation depending on the response of U.S. importers.

They don’t account for consumers’ substituting cheaper domestic goods, retaliation or fluctuations in exchange rates.

U.S. NEWS

U.S. Arrests Militant Involved in Bombing

U.S. says Afghan helped plan 2021 deadly attack at Kabul airport

By Alex Leary
And Alexander Ward

WASHINGTON—President Trump revealed Tuesday in his speech to Congress that the U.S. had taken custody of an Afghan involved in planning the deadly 2021 suicide attack at the Kabul airport that Trump has called “the most embarrassing moment in the history of our country.”

A senior member of Islamic State branch based in Afghanistan was turned over to U.S. authorities by Pakistan and was being brought to the U.S. for prosecution, Trump said. U.S. officials identified him as Muhammad Sharifullah.

“I am pleased to announce

that we have just apprehended the top terrorist responsible for that atrocity, and he is right now on his way here to face the swift sword of American justice,” Trump said in his speech.

Trump vowed during his presidential campaign to hold those responsible for the bombing at the airport’s Abbey Gate to account.

Earlier Tuesday, he informed family members from among the 13 service U.S. members killed in the attack during a phone call that a U.S. official described as emotional.

The troops were guarding the airport perimeter during the final days of the chaotic American withdrawal from Afghanistan after a two-decade war.

The bombing and other scenes of bedlam as the U.S. departed remain for many one of former President Joe

Biden’s greatest foreign-policy failures.

As many as 200 Afghans, crowded around the gate seeking flights out of the country, also were killed in the attack. Trump, who negotiated the withdrawal agreement, has cited it as a reason he ran for president again.

Trump met with families of the U.S. victims during an hourslong meeting in the summer of 2023 at his Bedminster resort in New Jersey. Last July, some of them appeared on stage at the Republican National Convention and criticized Biden while praising Trump for getting to know the victims.

A month later, Trump was invited by several family members to attend a wreath-laying at Arlington National Cemetery, marking the three-year anniversary of the airport attack.

The visit became a flash-



The 2021 memorial for U.S. Marine Lance Cpl. Kareem Grant Nikoui, who was among the 13 servicemen who died in the attack. As many as 200 Afghans also were killed.

point in the presidential campaign, with Democrats accusing Trump of politicizing the incident.

Steve Nikoui, the Gold Star father of a Marine killed at Abbey Gate was arrested for disrupting Biden’s final State of the Union address last year. The charge was later dropped. Eleven Marines, a sailor and a soldier were killed in the blast at Abbey Gate.

Sharifullah, also known as Jafar, was apprehended in

Pakistan near the Afghan border in late February with help from U.S. intelligence, officials said.

When a team from Federal Bureau of Investigation traveled there and interviewed him over the weekend, he confessed to involvement in several attacks, including Abbey Gate, according to the officials.

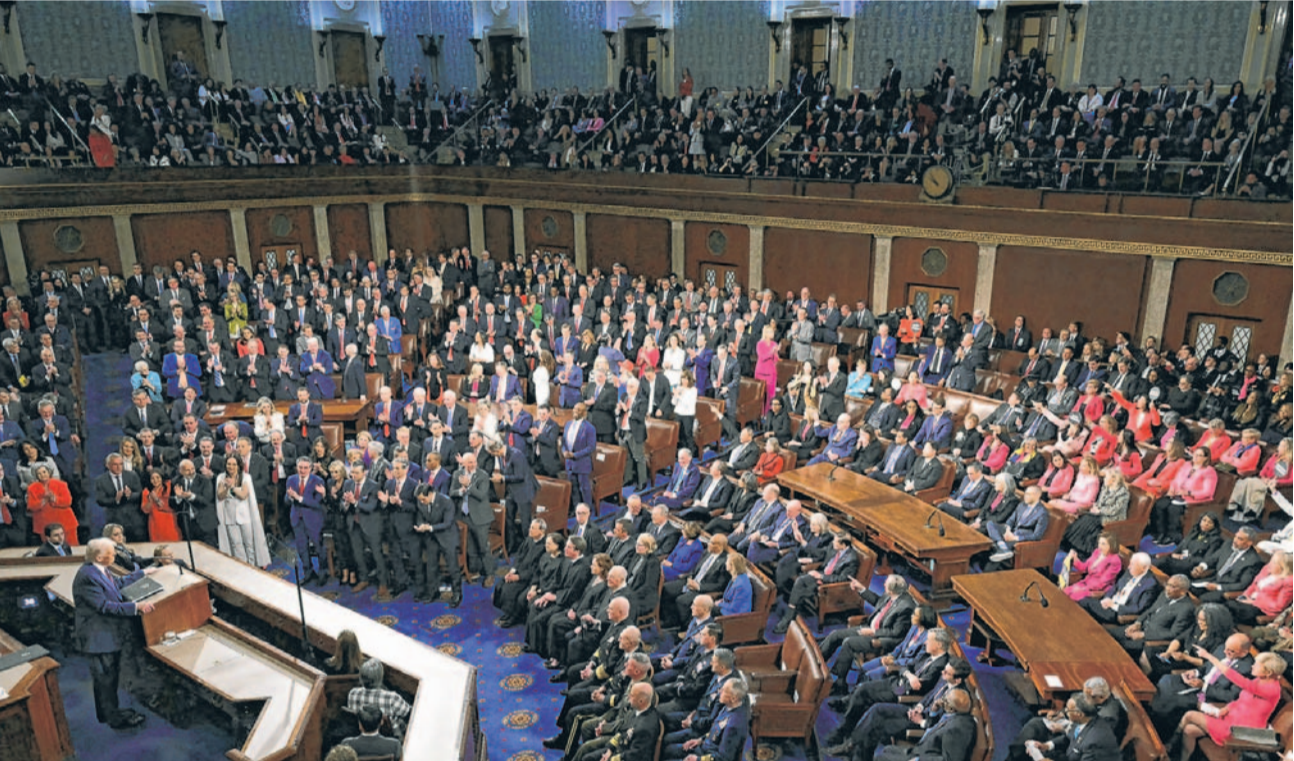
U.S. officials described him as a planner in ISIS-Khorasan, Islamic State’s affiliate in

Afghanistan.

The U.S. government charged Sharifullah, and he was put on a flight to the U.S. where he expected to stand trial, officials said.

An indictment is expected to be unsealed, outlining his alleged role in planning of other attacks.

The group’s leader, Sanaulah Ghafari, remains at large and its members have carried out attacks well beyond Afghanistan in recent years.



Trump Pitches Agenda

Continued from Page One stand up” to Trump.

Through the address, Trump defended his policies, which have sent shock waves across the globe, by invoking his election victory over then-Vice President Kamala Harris in November. Democrats broke out in boos, as Republicans sought to drown those out with chants of “U.S.A.”

The public remains polarized and Trump has made some supporters second guess their choice, but Trump said he had a mandate to enact far-reaching change.

“The people elected me to do the job, and I am doing it,” Trump said.

He accused Biden of allowing the government to prosecute him, cases that withered as the president marched back to power. “How did that work out?” Trump asked. “Not too good.”

The president also revealed during the speech that the U.S. had taken custody of an Afghan involved in planning a deadly 2021 suicide attack at the Kabul airport.

Six weeks into office, Trump has moved with lightning speed to put in place his

policy proposals, leaving some Democrats struggling to mount a defense.

The president has removed thousands of federal workers from their posts, wound down the work of key federal agencies and put in place an adversarial foreign policy. On Tuesday, he imposed 25% tariffs on goods from Mexico and Canada, rattling investors.

The tariffs, paid for by U.S. importers, have triggered widespread concern about higher prices for consumers. Trump blamed Biden for high prices, including a spike in the cost of eggs. Trump said he is working to bring down costs by cutting federal spending and opening the door to more domestic energy production.

He touted the Musk-led Department of Government Efficiency, which has rocked Washington with job cuts. “He didn’t need this,” Trump said of the world’s richest man. Musk, who swapped his trademark T-shirt and MAGA hat for a suit, was in the audience for the speech—offering a salute at one point—as Trump ticked off what he said were some of the most absurd examples of federal spending.

Trump and his advisers have at times exaggerated the scale of the cuts they have made to government spending. In his speech, the president suggested that fraudulent Social Security payments were being made to dead people, rattling off people in the government’s database who are

well over 100 years old. A 2023 inspector general report found that 18.9 million people born in 1920 or before were in the system but very few were actually receiving benefits.

Trump asked Congress to move quickly to enact his legislative agenda, which includes steep tax cuts, and to pour vast new resources into securing the border. Trump pointed to a drop in border crossings.

The president also talked about his plans to negotiate a peace deal between Ukraine and Russia, just days after a tense Oval Office meeting with Ukrainian President Volodymyr Zelensky. Trump is still aiming to land an agreement to develop rare-earth minerals in Ukraine. Trump’s handling of the war has been criticized by Democrats and a handful of Republican lawmakers, and it has frustrated European allies, who worry he is cozying up to Russian President Vladimir Putin.

Trump portrayed himself as a peacemaker. Hours before the speech, Zelensky said last week’s White House meeting was regrettable. “It is time to make things right. We would like future cooperation and communication to be constructive,” Zelensky wrote on social media. Trump said during his speech to Congress that he appreciated Zelensky’s comments.

Trump offered to welcome the people of Greenland into the U.S., pushing further on his talk of acquiring the land from Denmark. “We need Greenland

for national security and even international security, and we’re working with everybody involved to try to get it,” Trump said. “And I think we’re going to get it one way or the other.” Officials in Greenland have said the self-governing island is not for sale.

Trump also said his administration “will be reclaiming the Panama Canal.” He has previously threatened to take control of the canal, potentially by military force.

Recent polls are mixed over whether voters hold a net positive or negative view of Trump’s actions so far, but the overall trend suggests that approval of his job performance has slipped.

Shortly after Trump took office, approval outweighed disapproval by more than 8 percentage points in an average of public polls compiled by FiveThirtyEight, which is run by ABC News. Since then, public opinion has turned more negative, and Americans are evenly divided over how Trump is handling his job, with 48% approving and 48% disapproving.

Trump’s speech came amid unfolding trade tensions and falling stocks prompted by his decision this week to move forward with tariffs on imports from Canada and Mexico, and to increase tariffs on Chinese imports. All three nations have said they plan for retaliatory tariffs.

Trump has argued tariffs are necessary to boost U.S. manufacturing, and he con-

tends that the U.S. has been taken advantage of for decades. “It’s a beautiful word, isn’t it?” he said of tariffs.

“There may be a little disturbance, but we’re OK with that,” Trump said.

Throughout the speech, Trump took jabs at Democrats. At one point, he referred to Sen. Elizabeth Warren (D., Mass.) by the slur “Pocahontas.” During her 2012 Senate race, Warren faced accusations she had portrayed herself as part Native American to advance her academic career.

The Democratic response to the speech was delivered by Michigan Sen. Elissa Slotkin, a freshman who was elected last

year on a moderate message focused on the economy.

Speaking from her home state, she criticized Trump’s economic policies and raised concerns about Musk’s work. “America wants change, but there’s a responsible way to make change and a reckless way—and we can make that change without forgetting who we are as a country and as a democracy,” she said.

Democrats had brought as guests to the speech federal workers who lost their jobs following cuts made by Musk’s team, as well as small-business owners affected by tariffs. Some members boycotted the speech.

CALL OF THE THINGS I JUST FOUND TOO HARD TO SAY

LAUREN JAUREGUI // TRACK 03

WHEN YOUR KID CAN'T FIND THE LANGUAGE, FIND THE LYRICS.

USE THEM TO START A CONVERSATION WITH YOUR KIDS ABOUT EMOTIONAL WELLBEING. LISTEN TO THE ALBUM, FIND TOOLS AND GET TIPS FROM PROFESSIONALS AT [SOUNDITOUTTOGETHER.ORG](https://sounditouttogether.org)

SOUND IT OUT

ad COUNCIL | pivotal

Executive Order to Boost U.S. Shipbuilding

By Paul Berger

The Trump administration is preparing an executive order aimed at reviving U.S. shipbuilding and cutting Chinese dominance of the global maritime industry.

According to a draft summary reviewed by The Wall Street Journal, the order includes 18 measures ranging from raising revenue from fees on Chinese-built ships and cranes entering the U.S., to establishing a new office at the National Security Council to strengthen the domestic maritime sector.

The measures also include raising wages for nuclear-shipyard workers and instructions to Elon Musk’s Department of Government Efficiency to review government procurement processes, including the Navy’s.

The document is labeled as a draft and could change. President Trump, in a speech to Congress Tuesday night, said his administration wants to resurrect commercial and military shipbuilding in America and would create a new Office of Shipbuilding in the White House. Noting the U.S. had fallen behind in shipbuilding, Trump said: “We’re

going to make them very fast, very soon.”

The measures being considered draw on bipartisan proposals that have been circulating in Washington for several years. These include pending legislation in Congress aimed at restoring U.S. shipbuilding to proposals floated by the Office of the U.S. Trade Representative that would charge fees on Chinese-flagged or Chinese-built ships calling at U.S. ports.

Many of those earlier proposals faced months of scrutiny or an uncertain political process. Trump could fast-

track them with a stroke of his pen if implemented as an executive order.

One shipping-industry official said the executive order was influenced by Trump’s national security adviser, Mike Waltz, who as a member of Congress last year co-sponsored bipartisan legislation aimed at expanding the U.S.-flagged fleet and providing financial support and tax incentives to U.S. shipbuilders.

The draft executive order includes measures that create Maritime Opportunity Zones and a Maritime Security Trust Fund to boost investments.

WORLD NEWS



A drone attack damaged buildings in Odesa, Ukraine, on Tuesday, as European nations worked to provide defense funding.

Zelensky Aims to Mend Ties

Ukrainian president calls blowup with Trump ‘regrettable,’ lays out peace vision

Ukrainian President Volodymyr Zelensky called his heated White House meeting with President Trump last week “regrettable” and set out his vision of a path to peace in his most concerted public ef-

By Alexander Ward, Ian Lovett and Alan Cullison

fort yet to repair his relationship with the U.S. leader.

“Ukraine is ready to come to the negotiating table as soon as possible to bring lasting peace,” Zelensky wrote on Tuesday on social media. “Nobody wants peace more than Ukrainians.”

He said Ukraine was ready to sign a mineral-rights agreement with the U.S. and negotiate “under President Trump’s strong leadership to get a peace that lasts.”

Senior U.S. officials say it is unclear if Zelensky’s statement will be enough to persuade Trump to restart U.S. military aid to Ukraine, which the White House halted on Monday following his combative meeting with the Ukrainian leader three days earlier. U.S. officials said the pause will continue until Trump decides that Zelensky backs peace negotiations with Russia.

The National Security

Council didn’t respond to a request for comment.

Since the diplomatic implosion at the White House, European allies have been holding talks on plans to back Ukraine while pushing Zelensky to try to mend his relationship with Trump. European leaders and Zelensky have said U.S. security guarantees for Kyiv are critical to any peace agreement. Trump has said he would be willing to discuss such commitments only after a cease-fire between Ukraine and Russia.

Zelensky on Tuesday described steps Ukraine was prepared to take to de-escalate the war if Moscow agreed to reciprocal moves.

“The first stages could be the release of prisoners and truce in the sky—ban on missiles, long-ranged drones, bombs on energy and other civilian infrastructure—and truce in the sea immediately, if Russia will do the same,” Zelensky wrote. “Then we want to move very fast through all next stages and to work with the US to agree a strong final deal.”

Trump has been vague about the details of any peace plan, although he has said he has held a number of phone conversations with Russian President Vladimir Putin. At the Oval Office meeting last week, Trump said, “We’ve started the confines of the deal, and I think something can happen.”

During a speech to a joint session of Congress Tuesday night, Trump read what he said was a letter from the Ukrainian president, which was nearly

identical to what Zelensky wrote on X earlier on Tuesday. But notably, Trump didn’t say anything about striking a minerals deal with Ukraine.

Russia has said it is open to a cease-fire but is against U.S. and European security guarantees for Ukraine. The Kremlin applauded the U.S. aid halt.

Trump complained in recent private meetings that Zelensky had shown no intention of opening talks with Putin, officials said. The move to curtail aid temporarily was aimed at showing the Ukrainian leader that the White House was serious about brokering peace, they added.

Even signing a deal granting U.S. companies access to Ukrainian rare-earth minerals might not be enough to persuade Trump to resume aid, officials said.

David Shimer, a National Security Council official responsible for Eastern Europe and Ukraine in the Biden administration, said the U.S. should resume military aid in order to help Kyiv.

“The United States should be focused on strengthening, not weakening, Ukraine’s hand ahead of a negotiation,” Shimer said.

European officials fear a peace deal between Ukraine and Russia won’t ultimately succeed in halting Moscow unless the White House agrees to guarantee Ukraine’s survival, with continued military aid and even military action, if necessary.

Trump officials have ruled

out putting U.S. forces in Ukraine.

Zelensky portrayed the deal giving U.S. companies access to untapped rare-earth materials as a signal of Washington’s support. “We see this agreement as a step toward greater security and solid security guarantees, and I truly hope it will work effectively,” he wrote in his post on X.

But he also pointed to failed previous agreements with Moscow that sought to halt the fighting after Russia’s 2014 invasion of Crimea and the Donbas.

“We need peace—real, fair peace—not endless war. And we need security guarantees,” he said in his nightly address on Monday. “It was precisely the lack of security guarantees for Ukraine 11 years ago that allowed Russia to start with the occupation of Crimea and the war in Donbas. Then, the absence of security guarantees allowed Russia to launch the full-scale invasion. And now, because there are still no defined security guarantees, it is Russia that is keeping this war going. The whole world sees this, the whole world acknowledges this.”

Kostyantyn Batozsky, a political analyst in Kyiv, said Trump’s move to cut off aid to Ukraine won’t change Zelensky’s position.

“Zelensky is not the type of person you can push into something,” Batozsky said. “Trump can’t tell Zelensky to do whatever he wants—Zelensky just won’t do it.”

EU Chief Plans to Boost Bloc’s Military Spending

By Laurence Norman and Edith Hancock

Hours after the U.S. suspended military aid for Ukraine, the European Union proposed a \$158 billion fund to bolster military spending and support Kyiv, part of the most ambitious defense-spending package in the bloc’s post-Cold War history.

EU leaders will hash out terms over coming weeks, including at a summit on Thursday. The plan’s fate will signal whether Europe can rise to the challenge of President Trump’s pullback from Ukraine and the threat to the Continent’s security posed by Russia.

“We are living in an era of rearmament,” European Commission President Ursula von der Leyen said. “And Europe is ready to massively boost its defense spending.”

The military-funding package marks a sea change in the EU’s approach to defense. For decades, Brussels has shied away from military spending, seeing the EU as a political peace project meant to end centuries of conflict in Europe.

Meanwhile, many EU member states have allowed their militaries to dwindle since the end of the Cold War.

But with pressure growing from within Europe and from Washington for the bloc to tackle decades of underinvestment in its military capabilities, the urgency has intensified. The Trump administration wants Europe to more than double its military spending and is threatening to withdraw military aid for Ukraine permanently.

Many officials acknowledge it will take years for Europe to be in a position to do without military support from the U.S.

The 150-billion-euro fund, which would be raised by the issuance of EU debt, would be focused on buying air- and missile-defense systems, artillery systems, missiles, ammunition, drones and ant drone systems, von der Leyen said. The EU hopes joint procurement can reduce the cost of replenishing stocks—drawn down since Russia’s invasion of Ukraine—and provide new capabilities.

The EU made a large-scale debt issuance for the first time during its economic-recovery response to the coronavirus pandemic in 2020. That transferred significant powers over EU spending to

the European Commission, the bloc’s executive body.

Von der Leyen laid out several other steps the Commission is looking to take to raise hundreds of billions of euros on top of the fund. They include relaxing fiscal rules to allow countries to fund much higher military spending.

The Commission also wants to provide financial incentives for countries to shift money to defense-industry spending from outlays for its poorest regions. The EU is also in the process of giving its investment arm, the European Investment Bank, more powers to make loans to European defense companies. Both the defense fund and the changes to the fiscal rule require backing by a special majority of EU member states, not by all 27 countries.

In total, von der Leyen said if the measures raise average EU member-state military spending by 1.5% of economic output, they would raise EU military spending by €800 billion through this decade.

Germany on Tuesday said it would exempt military spending from its strict fiscal rules and create a €500 billion off-budget fund to finance infrastructure spending, laying the ground for a boost in its defense budget.

There is other funding from which the EU could potentially draw. There is €190 billion in Russian frozen assets in Europe that some want to use to help Ukraine. However, the bloc’s biggest member states, including Germany, remain opposed to seizing that cash.

As always in Brussels, significant political hurdles stand in the way of converting the plans into action. They could reduce the defense fund and blunt its impact. Some EU member states oppose pooling resources amid economic and fiscal pressures, to help increase the military budgets of countries such as Italy and Spain, whose spending remains far below the North Atlantic Treaty Organization target of 2% of gross domestic product.

The bloc will also need to bring on board—or at least win acquiescence from—Hungary and Slovakia, whose push for an end to support for Kyiv has grown since Trump took office. If approved, the plans could take time to result in actual deliveries to Ukraine.

◆ Hopes for EU spending spur Asian defense stocks B12

Putin Played the Long Game. It Seems to Be Paying Off.

By Matthew Luxmoore

More than a decade before Russia’s armed forces poured over the border into Ukraine, President Vladimir Putin stood before world leaders and delivered a long, icy speech demanding a radical overhaul of the world order.

“We have reached that decisive moment when we must seriously think about the architecture of global security,” Putin said in 2007 speech in Munich, accusing the North Atlantic Treaty Organization of breaking a promise by expanding into Eastern Europe, and calling for an end to U.S. hegemony.

Tensions between Moscow and the West grew in the years that followed. Russia sent its military into Georgia, Syria and Ukraine. The 2022 invasion of Ukraine spurred a broad Western effort to isolate Moscow and pushed new countries into NATO.

Putin dug in as his military suffered battlefield setbacks and his economy was squeezed by Western sanctions. He played the long game. Now, that perseverance appears to be paying off as the world shifts decisively in his direction. The U.S. has paused military aid to Ukraine and called for an end to Moscow’s isolation. It is distancing itself from traditional allies in Europe.

“We all see how rapidly the world is changing,” Putin told his security services on Thursday, after a U.S.-Russia meeting in Saudi Arabia. Moscow and Washington, he said, are

now ready to address “strategic problems in the architecture of the world.”

Even Putin’s most hawkish advisers have been surprised by the speed with which the tone coming from the White House has changed, say people who travel to Moscow and speak with Russian officials.

“The new administration is rapidly changing all foreign policy configurations,” Putin’s spokesman Dmitry Peskov said of President Trump’s team.

Trump, who had been calling for both sides to end the war, recently turned his attention decisively to Ukraine. He called Ukrainian President Volodymyr Zelensky a dictator and blamed him for starting the war, echoing Moscow. That culminated in an on-camera clash Friday between the Ukrainian leader and Trump.

In Munich last month, Vice President JD Vance said the erosion of democracy in Europe posed a greater threat to the continent than Russia or China—a common Putin claim. “We haven’t seen this before,” said Sergey Radchenko, a Russia historian and author of a new book on Moscow’s Cold War strategy. “Not just the political realignment, but the alignment of values.”

For Putin, the moment is also a vindication of the patient strategy he has honed during a quarter-century in power. The former KGB agent elevated from obscurity to lead Russia at the turn of the millennium has railed passionately against the U.S.-led world order ush-



President Putin has railed against the U.S.-led world order spurred by the Soviet collapse in 1991.

ered in by the Soviet collapse in 1991, which Putin has called “the greatest geopolitical catastrophe of the century.”

The sentiments Putin voiced in Munich stem from grievances toward the U.S. that deepened in 2004, according to Thomas Graham, a former White House adviser on Russia to George W. Bush. That year, a Western-backed revolution convulsed Ukraine, and Chechen separatists stormed a school in Russia’s North Caucasus region. Putin blamed the U.S. for encouraging the separatist movement.

“Those two events led Putin to believe that the United

States really wasn’t interested in a partnership with Russia, that counterterrorism and democracy promotion were really just smokescreens for America’s geopolitical advance into the former Soviet space at Russia’s expense,” said Graham. “He concluded at that point that the goal of the United States was really to erode Russia’s standing as a great power.”

Putin’s 2007 speech made clear for the first time the depth of his anger about perceived U.S. arrogance. But many Western officials appeared to dismiss Putin’s warning at the time.

“One Cold War was quite enough,” Robert Gates, the U.S. defense secretary at the time, said in response.

The following year Russia invaded Georgia and seized control of two pro-Russian enclaves in that ex-Soviet republic, prompting no meaningful Western response. The administration of Barack Obama sought a “reset” with Moscow under Russia’s interim President Dmitry Medvedev, but Putin’s return to the presidency in 2012 was followed by a crack-down on dissent and deepening suspicion of the West.

Relations tanked when Putin seized Crimea in 2014 and sent

his army into eastern Ukraine.

In response to Russia’s full-scale invasion in 2022, former President Joe Biden hit Moscow with sanctions and promised to support Ukraine “for as long as it takes.”

After Trump’s victory last year, Putin launched a charm offensive, echoing false statements about the 2020 election and praising Trump’s response to the attempt on his life in July.

Now, with Trump bringing Moscow in from the cold and suspending crucial military assistance to Kyiv, he sees an opportunity to fundamentally change Russia’s position in the world, analysts say.

What he wants is far more than a simple settlement to end the fighting. Putin’s goal is to turn Ukraine into a neutered state permanently vulnerable to Russian military aggression, and bar the country from rearming with Western support. His ambition is to force NATO out of Eastern Europe.

Radchenko said the current moment has historical parallels to the period following World War II, when Soviet dictator Joseph Stalin sought U.S. agreement to divide Europe into spheres of influence. The U.S. instead remained engaged in the continent, acting as a guarantor of security, and limiting Stalin’s ambitions. Today, he says, the Kremlin is advancing a similar vision. “But what I find remarkable is that it’s the Trump administration that is now also embracing this vision of the world.”

WORLD NEWS

U.S. Revokes Chevron’s Venezuela License

Treasury gives oil company 30 days to wind down pumping operations in nation

By COLLIN EATON AND PATRICIA GARIP

The Treasury Department moved on Tuesday to formally rescind a Biden-era license allowing **Chevron** to pump oil in Venezuela, giving the company 30 days to wind down operations as the Trump administration pressures President Nicolás Maduro.

Moving to revoke Chevron’s oil license marks a sharp about-face for the Trump administration. White House special envoy Richard Grenell met with Maduro in Caracas, Venezuela’s capital, on Jan. 31, striking a deal for Maduro to

resume accepting deportees, with an understanding that oil licenses would remain in effect at least for now, said people familiar with the deliberations. Grenell denied any oil-for-migrants deal had been made.

We “will abide by any direction given by the U.S. Treasury Department,” said Chevron spokesman Bill Turenne. “Chevron conducts its business in Venezuela in compliance with all laws and regulations.”

Tuesday’s action doesn’t apply to non-U.S. oil companies that have operations in Venezuela, including European companies Repsol, ENI and Shell. But the Treasury Department could later advise the companies that their authorizations also have been revoked, industry sources said.

As talks with the Biden administration broke down last year, Maduro stopped accept-

ing deportation flights. Nearly eight million Venezuelans have left the country during his 12-year tenure. Many more could now leave as the local economy absorbs the blow of Chevron’s imminent withdrawal, University of Denver professor Francisco Rodríguez said.

During his visit to Caracas, Grenell brought home six of the at least 13 Americans imprisoned in Venezuela. Maduro subsequently dispatched two planes to a U.S. military base in Texas to pick up deportees, and a third picked up more in Honduras.

But by the end of February, the flights had stalled. Maduro’s opponents in the U.S.

and their allies in the Florida congressional delegation pressured the Trump administration to cancel licenses to oil companies they blame for proping up the Venezuelan regime.

Trump outlined his plans to revoke Chevron’s license in a social-media post on Feb. 26, saying Maduro’s regime hasn’t transported migrants back to Venezuela fast enough. He also regularly calls out a Venezuelan gang known as Tren de Aragua for carrying out violent crimes in the U.S.

The administration’s move marks a big setback for Chevron, which stayed in Venezuela when most of its peers pulled out after the government of

late President Hugo Chávez nationalized oil assets there in 2007. The company now produces about 240,000 barrels a day in Venezuela, or a quarter of the country’s total.

For Chevron, terminating its four joint-venture operations in Venezuela by early April could become a serious logistical and contractual challenge, though large oil companies often have contingency plans in place. Chevron had about 250 employees in Venezuela as of last year.

Chevron maintains that its presence in Venezuela bolsters global oil supplies and U.S. energy security, while fending off U.S. adversaries such as China—a message it delivered in meetings with Biden administration officials just days after Maduro declared electoral victory in 2024, said people familiar with the matter.

Among other companies ex-

pecting to withdraw from Venezuela is Florida-based Global Oil, which buys Venezuelan asphalt and is led by influential GOP donor Harry Sargeant III. “Now instead of continuing to provide this vital construction material to the United States, we will force Venezuela to shift back to producing fuel oil that simply subsidizes the Chinese economy,” he said in anticipation of Tuesday’s action.

Venezuela’s national oil company, Petróleos de Venezuela, known as PdVSA, is already working to take over the operations after the foreign companies pull out. Oil exports account for nearly all of the Maduro government’s revenue, but it will be difficult for PdVSA to sustain production, partly because Venezuela’s heavy crude requires blending with imported diluent to make it flow.



Greenland’s Rare Earths Pose Big Test

By SUNE ENGEL RASMUSSEN

NARSAQ, Greenland—A small group of directors from an Australian company traveled to the southern tip of Greenland recently, where they have been planning to extract rare-earth minerals from one of the world’s richest deposits for more than two decades.

They didn’t get as far as they had planned.

The delegation traveled to the town of Narsaq, home to 1,300 people, by helicopter, the only feasible means of transportation in February. In subzero temperatures, a thick blanket of snow covered the mountain pass, rendering the road inaccessible and preventing the company representatives from visiting the mine site.

Teeming with underground riches, Greenland might set the scene for a modern gold rush. President Trump, for one, covets Greenland’s deposits of critical minerals, some of the largest in the Western Hemisphere. But as the visiting Australian company, **Energy Transition Minerals**, has discovered, securing them is a daunting task.

Kvaneffeld, the site of the billion-year-old solidified magma in the mountains above the town of Narsaq, contains an estimated one billion tons of minerals, enough to potentially transform the global market

for rare-earth elements, used in such things as electric vehicles, jet fighters, wind turbines and headphones.

To see Kvaneffeld up close, The Wall Street Journal rode snowmobiles through a pathless gorge below the frozen plateau as the wind blew gusts of snow powder over the ridge. Forty-five minutes into the valley, local guides pointed out the mine entrance about 50 yards up the mountainside, hidden behind several feet of snow.

Mining companies in Greenland operate in one of the most challenging environments in the world because of sparse infrastructure, hostile weather and a tricky political climate. Mining here is expensive, and few investors are willing to pay for it given the uncertainties.

Despite its mineral wealth, Greenland has only two active mines: a gold mine in commissioning phase and a mine producing anorthosite, used in fiberglass, paints and other construction materials.

“Investing in Greenland is not for the faint of heart,” said Brian Hanrahan, chief executive officer of Lumina Sustainable Materials, which operates the anorthosite mine on the west coast of Greenland. “The local logistics are incredibly complex.”

Building a mine here involves high startup costs, and



A helicopter is the only way to reach Narsaq for much of the year. Bureaucratic hurdles have plagued Daniel Mamadou, left.



has to be done from scratch in rugged terrain. Greenland is nearly one-fourth the size of the U.S., and about 80% of it is covered by ice. There are no roads between settlements, and shipping is treacherous because of floating ice off the coast.

Bureaucracy is a hindrance, too. The process of granting licenses to foreign companies to mine is lengthy and cumbersome. With a population of 57,000, Greenland’s labor market is tight.

While Greenland attracts

funding for exploration, it struggles to obtain the institutional investment for exploitation seen elsewhere, said Charlie Byrd, investment manager of Cordiant Capital, which backs Lumina’s anorthosite mine.

Greenlandic government officials have in recent years visited Canada and Australia to court dozens of multinational mining companies. Many are tentatively interested, but want more data on its mineral deposits.

Extracting Greenland’s min-

erals is about more than profit; it is about resource control. Western governments are eager to break China’s dominance of the global market for rare earths and other minerals, which it could wield as a weapon in a trade war.

On top of all the usual hurdles to mining in Greenland, Energy Transition Minerals is dealing with a political curveball the company didn’t expect. In 2007, the company received a license to explore minerals in Kvaneffeld from the Greenlandic government, which saw mining as a chance to boost its economy.

Then, in 2021, Múte B. Egede, a politician from Narsaq, was elected prime minister on promises of banning uranium mining. The law the government passed the following year prohibited mining minerals with a certain content of uranium, which occurs naturally in the rare-earth deposits in Kvaneffeld, effectively halting the project.

Daniel Mamadou, the company’s Singapore-based managing director, said that when he spoke to the Greenlandic government and objected to the uranium law, he was told by the minister for natural resources that the company had known the risks going in.

Energy Transition Minerals says it has spent \$90 million

on exploring Kvaneffeld and accuses the government of expropriation. The company has filed an arbitration case against Greenland and Denmark, demanding the right to mine or compensation of \$11.5 billion—nearly four times Greenland’s gross domestic product.

The departing government, which passed the bill, has denied expropriating Kvaneffeld, and says that while mining could strengthen Greenland’s bid for independence, protecting the environment is vital for its tourism and fishing industries.

Granting American companies licenses to mine rare earths could be a way for Denmark to make concessions to the Trump administration, while helping Greenland diversify its economy, said Lone Dencker Wisborg, who served as Danish ambassador to the U.S. when Trump tried to buy Greenland in 2019. But the legal dispute in Kvaneffeld could spook investors, she said.

Many among the Inuit population of Narsaq are concerned about contamination of drinking water, plants and wildlife. “We live off nature as our forefathers have done for generations. We will be forced to move,” said Avaaraq Bendtsen, a 25-year-old archaeology student. “Think about the indigenous people as well. This is our land. It is our mountain.”

BlackRock Makes Deal For Ports

Continued from Page One

“We’re taking it back,” he said, to cheers from Republican lawmakers.

U.S. opposition to the current ownership structure centers on concerns China could use the ports for military purposes, including possibly sabotaging the waterway. Panamanian officials, and several former U.S. military officials, have said the facilities don’t represent a military threat from China or breach the canal’s neutrality.

Trump said in his January inaugural address, “China is operating the Panama Canal, and we didn’t give it to China,” referring to the 1977 treaty that handed control of it to Panama.

BlackRock has briefed the Trump administration and Congress on the deal, said a person familiar with the matter. A spokesman for China’s embassy in Washington referred questions to the companies, while describing the canal as a neutral international waterway.

The U.S. built the Panama Canal, which opened in 1914, and relinquished it to Panama in late 1999 under a treaty negotiated more than 20 years earlier with then-President Jimmy Carter. Trump, a Republican, has said the deal was bad for the U.S. and has complained about the fees Panama charges and Chinese infrastructure built up along the waterway.

The deal appears to mark a retreat from international port operations by Hutchison, controlled by one of Asia’s richest people, 96-year-old Li Ka-shing. The group, which faced pressure from officials in the U.S. and Panama to divest itself of the Panama ports, will retain its ports in Hong Kong and in mainland China while selling

control of 43 ports comprising 199 berths in 23 countries.

Among those being sold are Balboa and Cristóbal on either end of the Panama Canal. Hutchison has run the ports since the host government privatized them in 1996 over U.S. opposition that went into overdrive after Trump was elected last November.

The port business is one of Hutchison’s biggest assets and has been a pride of Li’s. A person directly involved in the deal said the company first looked at legally challenging any moves to wrest the business from Hutchison’s control, but the offer from BlackRock, which was already an investor, was too good to turn down, the person said. “It was a very elegant solution,” the person said. “Li does not like leaving things lingering.”

Hutchison co-managing director Frank Sixt said the company had received a number of bids and that the deal would earn Hutchison \$19 billion in cash after adjusting

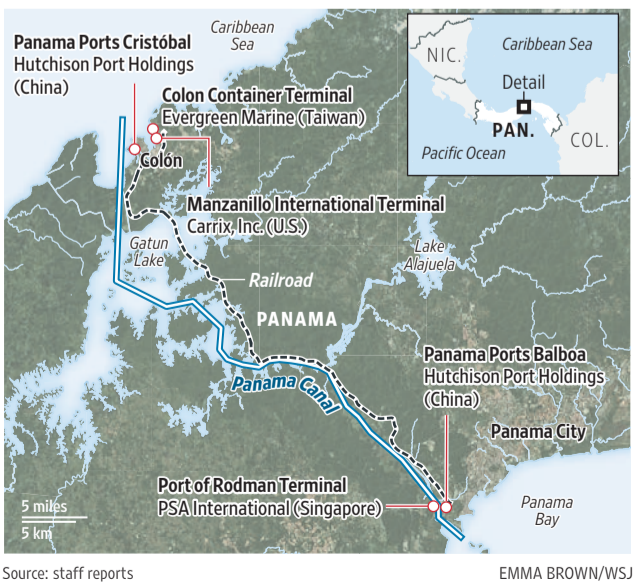
minority interests.

Such a deal would put U.S. investors in charge of ports from Germany to Malaysia, and partly address criticism in the U.S. that container ports have become a beachhead for Beijing. Port construction has been a prominent aspect of Beijing’s Belt and Road infrastructure project, though Hutchison itself isn’t a major participant in those deals.

Hutchison’s Panama Ports company has been the only firm that manages terminals on both sides of the canal: the Balboa port on the Pacific entrance to the canal and the Cristóbal terminal on the Atlantic.

Trump sent Secretary of State Marco Rubio to Panama in early February where he demanded free passage for U.S. Navy ships and moves to contain the Chinese presence.

Panama agreed to pull out of China’s Belt and Road initiative and asked for time to find ways to allow free passage for the U.S. warships without violating the water-



way’s neutrality act. It also opened a probe into whether Hutchison Ports was in line with the concession terms.

Panama denies that the container terminals interfere with the management of the canal. But officials began to look

closely at the contracts, according to people familiar with the situation. Among potential concessions to the U.S. that Panama considered was finding new ownership for the two port terminals at either end of the canal, these people said.

WORLD WATCH



FLAPS UP: Clergy and staff of England’s Ripon Cathedral competed in the annual Pancake Races marking Shrove Tuesday, the eve of Ash Wednesday—start of the fasting season of Lent.

GAZA STRIP

Arab Leaders Agree On Rebuilding Plan

Meeting in Cairo on Tuesday, Arab leaders endorsed Egypt’s postwar plan for the Gaza Strip that would allow its roughly two million Palestinians to remain, a counter-proposal to President Trump’s plan to depopulate the territory and redevelop it as a beach destination. It was unclear if Israel or the U.S. would accept the Egyptian plan.

The summit hosted by Egypt included representatives from Qatar, the United Arab Emirates and Saudi Arabia—countries whose support is crucial for any postwar plan. A draft of Egypt’s \$53 billion plan obtained by the Associated Press foresees rebuilding Gaza by 2030.
—Associated Press

SERBIA

Parliament Session Turns Into Chaos

At least three lawmakers were injured in Serbia’s parliament on Tuesday, one seriously, as chaos descended, with smoke bombs and flares thrown—along with eggs and water bottles, Serbian media said. A vote on increased funding for university education was scheduled, but opposition parties said the ruling majority also planned to approve dozens of other decisions. They said that was illegal and that lawmakers should first confirm the resignation of Prime Minister Milos Vucevic and his government.

Serbia is suffering a deep political crisis, with months of anticorruption protests rattling the populist government.
—Associated Press

PAKISTAN

At Least 12 Dead In Attack on Base

Two suicide bombers breached a wall at a military base in northwestern Pakistan before other attackers stormed the compound and were repelled. At least 12 people were killed and 30 others wounded, according to officials and a local hospital. Four of those killed were children, hospital officials said. The victims lived close to the scene of the blasts, which badly damaged homes and other buildings. The roof of a nearby mosque collapsed while a number of worshipers were inside, rescue workers and the local government said.

A group affiliated with the Pakistani Taliban claimed responsibility.
—Associated Press

FROM PAGE ONE

The Fight For Crypto’s Future

Continued from Page One

associates that Circle is bad-mouthing Tether to politicians and whipping up enforcement actions against his company. They said that in his view, Circle wants to turn the industry into just another regulated corner of finance, while Devasini wants crypto to stay true to its swash-buckling, antiestablishment roots. “Circle will not win if Tether is alive,” Devasini told an associate several months ago.

The fight is over the future of the \$3 trillion crypto industry. The pro-crypto Trump administration is meant to usher in a golden age for the sector, and on Sunday, Trump announced the formation of a crypto strategic reserve. But in reality, the call to bring crypto into the mainstream through government regulation has opened up a kill-or-be-killed battle among crypto players. Laws, while expected to be broadly friendly to the industry, could be devastating for individual players such as Tether if they are on the wrong side of new rules.

Allaire has encouraged the U.S. and others to pass laws that ban the use of Tether’s tokens, which are issued offshore. One such law fully took effect in the European Union in December, and similar bills have been introduced in the U.S.

Tether is the clear industry leader—its stablecoin is used in four out of five cryptocurrency transactions. Tether’s holding company, of which Devasini owns half, said it earned \$13 billion in profit last year, double that of BlackRock and mostly generated from the pile of supersafe Treasury bills that Tether owns to back its currency 1-to-1 with the dollar.

Allaire has regularly testified in Congress to call for greater regulation that would benefit Circle at Tether’s expense. A top deputy pressed lawmakers last year to target Tether, citing its tokens’ use in terrorist financing. The Wall Street Journal reported in October that the Justice and Treasury Departments were investigating Tether for possibly violating financial crime laws. “We want to make sure that USDC is the preferred digital dollar,” Allaire said in an interview.

Devasini, in contrast, eschews the spotlight and almost never speaks publicly. On paper, the 60-year-old has been Tether’s chief financial officer, and on Monday the company said he would transition to become chairman. In reality, he has always run the operation—even though he passes out business cards that say “No title, No job, Nothing.” Behind the scenes, he is counting on allies such as Commerce Secretary Howard Lutnick, whose firm Cantor Fitzgerald holds much of Tether’s reserves, to snuff out hostile legislation backed by Circle, associates said. Lutnick stepped down from Cantor after his confirmation in February.

Both companies declined to comment on the other directly. Circle isn’t focused on the “unregulated money world,” Allaire said, but rather the entire \$100 trillion market for legal electronic money.

Tether has repeatedly denied aiding criminal actors and has said it cooperates with law-enforcement agencies.

Devasini, an Italian, charted a peripatetic career, first as a plastic surgeon in Milan, then as

an electronics importer in Hong Kong. He later discovered the nascent crypto industry, and spotted an opportunity. Crypto companies couldn’t connect their digital currencies with the real-world banking system.

Launched in 2014 and registered in the British Virgin Islands, Tether aimed to fix this problem. Traders could exchange their real-world currencies for tether at a value pegged to the dollar, and exchange the stablecoin for other tokens near instantaneously via digital blockchains.

In Devasini’s eyes, tether was meant to subvert traditional finance. His wife, an artist, exhibited paintings of dollar bills with the image of George Washington screaming because, she said, they had “no more value.”

Allaire’s mission was different. The American, now 53, was an established Silicon Valley entrepreneur who had served as chief technology officer at software firm Macromedia, which pioneered Flash animation. With Circle, which he set up in Boston the year before Tether’s debut, Allaire wanted to create a new financial system that would update an inefficient patchwork of banking networks that often snarled international payments.

While most of the crypto community relished the unregulated marketplace, Allaire’s strategy to grow Circle by working with regulators was ironically “the contrarian bet,” said Hemant Taneja, CEO of venture-capital firm General Catalyst, where Allaire had also worked.

Taneja and other big-name U.S. investors, including fellow venture capitalist Jim Breyer, known for his early stake in Facebook, lined up to fund Allaire’s vision. Goldman Sachs, asset-managers BlackRock and Fidelity, as well as crypto exchange Coinbase, all later invested, too. Allaire remains Circle’s largest individual shareholder.

Allaire first testified before Congress in late 2013 and called for the U.S. to take the lead in putting guardrails on crypto to avoid allowing criminals to seize the advantage. “He is as good as anyone I know at sitting down with very senior Washington politicians,” Breyer said.

The mudslinging between Circle and Tether started when crypto trading hit the mainstream in 2020.

Tether’s “greatest feature is its non-compliance and opacity,” Allaire tweeted in January that year, noting it had become a solution for those wanting to bypass the financial system.

In letters to authorities in the U.S. and elsewhere, Circle raised the alarm about how unregulated stablecoins could harm consumers. Circle that July flagged to the Financial Stability Board, an international body that monitors global finance, an incident that happened two years earlier in which tether temporarily lost its dollar peg because authorities seized a chunk of its reserves as part of a money-laundering investigation.

Circle promoted its transparency and released audited financials in 2021. It later hired accounting firm Deloitte to sign off on comprehensive monthly statements covering USDC’s reserves, which consist mostly of Treasuries, plus some short-term Treasury loans and cash.

Tether, in contrast, releases financial statements that are far lighter in detail, and only after being forced by New York state regulators. Tether also supplements its Treasuries with bitcoin, commercial loans, gold and unspecified other investments.

Devasini griped to associates in messages reviewed by the Journal about unfair comparisons with Circle. He branded



Tether chief Giancarlo Devasini in 2014. His coin is used in four out of five crypto transactions.

USDC a “shitcoin” and said auditors wouldn’t work with Tether due to its reputation, claiming others were spreading lies about his company online.

‘Flight to safety’

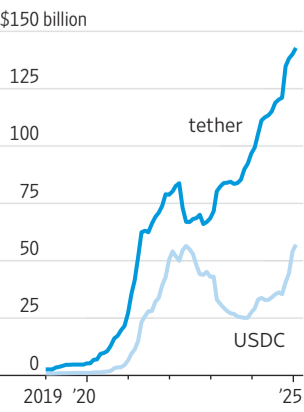
After years of mediocre returns, Tether and Circle stumbled into a gusher of money in 2022. When the Federal Reserve raised interest rates, Tether’s Treasury holdings went from earning tens of millions of dollars a year to hundreds of millions a quarter.

At a meeting in the Bahamas that December, Devasini told a business partner he believed Tether posed such a threat to the U.S.-dominated international banking order that the White House could seek to shut it down at any moment.

Allaire, meanwhile, was deepening his ties to the traditional financial world. By the end of 2022, Circle kept most of its reserves at Bank of New York Mellon, the world’s largest custody bank, as well as some cash at other regulated financial institutions. BlackRock managed its Treasury portfolio.

Allaire tweeted “Flight to quality” about traders ditching tether for USDC as his stablecoin gained ground on its rival.

Total value of tether and USDC markets



Source: CoinMarketCap

But Circle stumbled when March 2023, trapping over \$3 billion of Circle’s cash reserves. Spooked traders rushed to sell USDC, knocking its price down to 87 cents. Circle’s price isn’t meant to fluctuate from \$1.

Tether touted that it had no exposure to SVB. “Flight to safety,” retorted Ardoino on Twitter as traders flooded back.

USDC recovered its peg after regulators rescued SVB, which included many depositors who held cash far above the federal insurance level. Some \$20 billion drained out of USDC over the rest of the year.

Ardoino warned that people should “truly beware” of a stablecoin company like Circle for keeping reserves in uninsured cash deposits. Allaire said Circle needed to keep a small portion of its cash reserves outside BNY Mellon and other major global banks to facilitate customer redemptions.

That June, Allaire petitioned Congress for a stablecoin bill that would mandate strict reserve requirements and allow issuers to hold cash at the Federal Reserve. In a broadside against Tether, he called for measures to bar the circulation of digital dollars issued offshore that “do not play by U.S. rules.”



Jeremy Allaire, founder of Circle.

Tether, though the powers weren’t approved.

Circle obtained a license to operate across the EU under new regulations that required stablecoin issuers to hold at least 30% of their reserves in cash in local banks. Tether opposed the condition as creating more risk, citing SVB’s collapse. Coinbase and other exchanges delisted tether tokens for their EU clients in response.

Another win for Circle came in December when Binance, the world’s largest crypto trading platform, partnered with it to grow USDC’s adoption.

New administration

Devasini had an ace up his sleeve: Commerce Secretary Lutnick, whose firm Cantor Fitzgerald held Tether’s Treasuries.

Lutnick had personally negotiated a deal for Cantor to invest in Tether’s holding company via a convertible bond in April 2024. Following a meeting with Lutnick in Lugano the following month, Devasini told associates the Trump ally would seek to kill any bills that could harm Tether. Lutnick shared his dislike of Circle, Devasini added.

The Commerce Department didn’t respond to requests for comment. A Cantor spokeswoman declined to comment.

Lutnick helped Devasini cultivate ties to the Trump camp, the associates said. After Trump’s election win, Tether paid \$775 million for a stake in conservative streaming platform Rumble. Cantor managed the deal. Rumble Chief Executive Chris Pavlovski, a close friend of Donald Trump Jr., tweeted that Tether was spreading “American freedom.”

Senators pressed Lutnick about his potential conflict of interest over Tether during his confirmation hearings. He claimed criminals only used tether more than USDC because it had a larger market. “It’s like blaming Apple because criminals use Apple phones,” he said.

When Sen. Maria Cantwell (D., Wash.), asked Lutnick in written follow-up questions whether he would ever undermine any bills to regulate Tether, he responded that he had repeatedly conveyed his belief that Congress should take care not to undermine “dollar hegemony on blockchain,” indicating Congress shouldn’t make legislation so onerous for companies like Tether that they lose market share.

He didn’t commit to not interfere in any federal investigations into Tether, writing he would fulfill his duties in line with government ethics laws. Regarding his discussions with Devasini, Lutnick wrote, “I have never suggested to anyone that I would do anything improper with respect to Tether.”

Sen. Kirsten Gillibrand (D., N.Y.) and others put forth a new stablecoin bill in February, which Allaire publicly cheered, and the House introduced a similar proposal. Gillibrand said in an interview the legislation would allow serious crypto companies to compete in a fair marketplace, “and not be disadvantaged or undermined by charlatans or purveyors that have no safety standards and have no transparency.”

“I don’t think Tether today would qualify for the requirements,” she said.

Tether’s growth has slowed since mid-December after its token’s removal from some exchanges.

Circle has been rocketing, with the total value of USDC finally eclipsing the pre-SVB level in early February. The company is soon moving into new headquarters in New York’s World Trade Center.

By Allison Pohle and Alison Sider

Some families are getting priced out of spring break. Rising costs for leisure travel are weighing on a growing share of would-be vacationers to delay spring and summer bookings. Consumer sentiment has started to slide, weighed down by tariff threats, persistent inflation and layoffs in the public and private sectors.

People signaling plans to go on vacation dropped to the lowest level since 2021, according to the Conference Board's Consumer Confidence Index released this week.

The share of Americans citing personal financial reasons and the overall costs as reasons they aren't traveling hit 12-month highs, according to market-research firm Future Partners, which polled 4,000 travelers in January.

This doesn't mean people are scrapping trips altogether. Wealthy Americans continue to spend big on far-flung international travel. The Future Partners survey found that travel will be a high budget priority for more than half of respondents in the next three months.

Airlines have been charging higher fares in recent months. Last year, carriers flooded some routes with added seat capacity and then had to offer deep discounts to fill them. Now they have pulled back some flights, and the more restrained supply has bolstered prices.

The average round-trip airline ticket during the spring-break period from mid-March to mid-April is \$820 for domestic cities, up 7% from last year, and \$1,440 for international destinations, up 2% from last year, according to AAA booking data.

Julie Drake typically travels with her husband and children over spring break. This year, they will stay home. The 40-year-old nursing consultant from Rockford, Ill., hoped to make use of a discount for a Disney cruise. But airfare for four averaged about \$3,000, for flights from Chicago to San Diego or Miami.

Drake considered driving to Milwaukee, or even to Detroit, to fly from there, but the cost savings didn't add up. The cost for four round-trip flights and cruise tickets on their spring break dates would total \$10,000, she said. Her family gives priority to making memories together, but can't justify the trip with current prices.

"With all of the uncertainty in our country right now, I have a fear of spending a large amount of money when we don't know what the future holds," she said.

Airlines say they aren't worried about waning demand.

"There is nothing that discourages us about either the short-term trajectory or the full-year



Rising Costs Take a Toll On Americans' Travel Plans

International travel remains strong, but less affluent families are scrimping on U.S. vacations



▲ Tourists looking over the Grand Canyon at sunrise last month in Arizona.

the company's earnings call. Attendance for the company's Christmas programming was up compared with last year, but those consumers were more price-sensitive than the company expected, which led to a decline in overnight stays compared with 2023, he said. The company owns the Grand Ole Opry and the Ryman Auditorium in Nashville, Tenn.

Philip Bradford, a 35-year-old urban planner, typically travels to two new countries each year, but doesn't have any trips booked right now.

Bradford recently moved to Washington, D.C., from the West Coast, but lost his job after self-funding the move. His priority for this year is paying off debt and, ideally, saving up to buy a house. Still, Bradford hopes to fit in an international trip this year, potentially to Thailand.

"I love travel; it's my main hobby, but there are things that are a little bit more important right now," he said.

trajectory," said **United Airlines** Chief Financial Officer Mike Leskinen. The strong U.S. dollar has bolstered appetite for international travel, both for business and leisure customers. But domestic leisure demand, often the most price-sensitive customer segment, isn't as sparkling.

Families have gotten creative about cross-country travel to make the numbers work.

Emma O'Sullivan, an attorney at a nonprofit in New Mexico, took her family of four, including

▲ 'Pluto' welcomes guests on the **Disney Treasure** cruise ship in New York City. Some vacationers said they found travel by rail, right, to be cheaper than airfares.

two small children, on a two-week Amtrak trip across the country last summer. They took the train from Albuquerque, N.M., to Chicago, then on to Buffalo, N.Y., and Boston to visit family. The three train segments for four coach passengers cost under

\$1,000, which she said was less than driving and staying in hotels along the route.

To O'Sullivan, it is worth the time spent mapping out how they can "do this in a way that's affordable and comfortable and still be connected to our loved ones," she said.

Financial stress may be having a bigger chilling effect on lower income consumers, some analysts said. Mark Fioravanti, chief executive of Ryman Hospitality Properties, called out price sensitivity in

It's always been easier for me to help others than to help myself

As a Veteran, when someone raises their hand for help, you're often one of the first ones to respond. But it's also okay to get help for yourself. Maybe you want or need assistance with employment, stress, finances, mental health or finding the right resources. No matter what it is, you earned it. And there's no better time than right now to ask for it. **Don't wait. Reach out.**

PERSONAL JOURNAL.

Research Delivers a Gut Punch About Emulsifiers Used in Food

New studies suggest there may be a link between the texture-tweaking agents and health risks



By Andrea Petersen

They keep salad dressing from separating, ice cream from dripping and muffins from hardening. Emulsifiers, used to improve the texture of food, are in all sorts of products. But there is growing concern about the potential health risks from eating them.

Recent studies have found that consuming common emulsifiers is linked to a higher risk of heart disease, Type 2 diabetes and some cancers. Other research seems to show why: The substances change the gut microbiome in a way that can cause inflammation.

Emulsifiers are harder to avoid than artificial sweeteners and colors.

Emulsifiers may partly explain why diets high in ultra-processed foods are associated with health problems. Ultra-processed foods, which include everything from energy bars and chips to deli meat and many soups, are facing increased scrutiny by the Trump administration. Robert F. Kennedy Jr., the new head of the Department of Health and Human Services, has said the Food and Drug Administration will investigate food additives. Kennedy has often blamed the substances for chronic diseases in the U.S.

The new research on emulsifiers is upending what scientists thought they knew about them.

▲ Emulsifiers can be found in a range of foods, from ice cream to whole grain crackers.

Many common emulsifiers were considered safe because they aren't readily absorbed by the body. But now researchers understand that this very quality enables emulsifiers to disrupt the microbiome.

Emulsifiers are harder to avoid than some other food additives, like artificial sweeteners and colors, because they are difficult to taste and see and their use is so widespread. The ingredients are cheap and increase stability and shelf life. "They make the food taste exactly the same every time," said Dr. Dariush Mozaffarian, a cardiologist and director of the Food is Medicine Institute at Tufts University.

Emulsifiers are commonly found in junk food, but they are also used in foods that have a healthy image—like some yogurts, whole grain crackers and breakfast cereals, said Mathilde Touvier, research director at the National Institute of Health and Medical Research in France.

In one study by Touvier and colleagues, researchers analyzed the ingredients in 126,000 packaged food and drink products available in France: Emulsifiers

were in about 54% of them.

The food industry defends their use. "Emulsifiers and thickening agents play an important role in improving food texture and consistency, and have been studied by the FDA through a rigorous scientific and risk-based process," said Sarah Gallo, senior vice president of product policy at the Consumer Brands Association, a trade group that includes many food makers.

There are dozens of different emulsifiers and thickeners. Some,

like carboxymethylcellulose and polysorbate 80, are synthetic. Others, like soy lecithin and guar gum, are derived from natural sources.

What the science says

People who have higher intakes of several common emulsifiers are more likely to develop Type 2 diabetes, cardiovascular disease and cancer, according to three recent studies by Touvier and colleagues. The studies, which followed about 92,000 to 104,000 people over approximately seven years, controlled for a variety of factors, including age, body-mass index and family medical history.

The research, because it is

▼ Emulsifiers increase the stability and shelf life of many foods, including salad dressing.



Pet-Sitting Or Tutoring? You'll Still Have to File Taxes

By Ashlea Ebeling

Taking on a gig job means taking on new tax responsibilities. You might not think you're in business, but if you're reselling items online, tutoring or pet-sitting, for example, the money you make is generally considered self-employment income. You'll likely have to account for it when you file your taxes. On the plus side, you also may get the benefit of writing off business expenses.

Here are key tax considerations for gig workers:

What is taxable?

You must report income earned as a gig worker on your tax return even if the income isn't reported to you and the Internal Revenue Service on an information-return form like a 1099-MISC, a 1099-NEC or 1099-K.

It's income no matter how you are paid, whether in cash, through a

payment app, or with virtual currency.

Estimated taxes and withholding

The tax system is pay as you go, so taxpayers with self-employment income generally must make quarterly estimated payments. For 2025 taxes, those deadlines are April 15; June 16; Sept. 15; and Jan. 15, 2026. It's crucial to stay on top of deadlines because there are penalties for underpaying estimates.

Those who also have W-2 wage income or file jointly with a spouse who does can adjust the tax withholding with the employer to withhold more and make up for missing estimated tax payments. Filers facing penalties can save by making payments before their April 15 tax return due date.

Self-employment taxes

You must file a tax return if you have net earnings from self-employment of \$400 or more from gig work. Unlike traditional employees whose employers handle withholding for Social Security and Medicare taxes, gig workers are responsible for paying their own employment taxes. You must pay both the em-

ployee and employer portion of these taxes. Although you pay the entire amount, there is a deduction for half of this self-employment tax. Lower earners often owe more for these social-insurance taxes than income taxes.

Business deductions

Gig workers are taxed on profits rather than gross revenue. This means the taxable income is what remains after deducting business-related expenses. Deductible expenses

▲ Gig workers are responsible for paying their own employment taxes.

may include expenses for maintaining a home office, business phone and internet use, vehicle mileage for business travel and business meals. Meticulous records are essential in the case of an IRS audit.

Gig workers may be eligible for a 20% deduction for so-called pass-through businesses, which pay in-

what's known as observational, doesn't prove that emulsifiers are causing health problems. And some of the increased risks are small. But emerging science is finding that some emulsifiers alter the gut microbiome in a way that can cause inflammation. Inflammation has been implicated in a host of diseases.

In a small study with 16 people, the microbiomes of subjects who ate the emulsifier carboxymethylcellulose for 11 days were altered: They had fewer types of bacteria, more bacteria associated with poor health and less "good" bacteria than those who didn't get the substance. (The diets of the two groups were identical, except for the emulsifier.)

Also, two participants in the emulsifier group had bacteria that had invaded the inner mucus layer in the gut. This encroachment is thought to lead to inflammation not just in the digestive system but throughout the body, said Andrew Gewirtz, a professor at Georgia State University and an author of the study, published in 2022 in the journal *Gastroenterology*.

The study in people builds on a larger body of research in animals and in the lab. Some recent research has found that people vary in their body's response to emulsifiers. Scientists in the U.K. and France are investigating a low-emulsifier diet as a potential treatment for Crohn's disease.

What you can do

You can avoid emulsifiers altogether by not eating ultra-processed foods. But that isn't realistic for a lot of us.

The most concerning emulsifiers are the synthetic ones like carboxymethylcellulose, which is widely used in packaged baked goods, and polysorbate 80, which is often used in ice cream and other dairy products, says Gewirtz. He suggests avoiding the gums, like guar gum and xanthan gum, too. These substances generally aren't digested. They pass through the large intestine, where they disrupt the microbiome, says Gewirtz.

Watch out for carrageenans, too, says Benoit Chassaing, head of the Microbiome-Host Interactions Group at Institut Pasteur in France. These are particularly common in low-fat yogurt and other low-fat dairy products. In his research, carrageenans reduce the amount of beneficial bacteria and promote the growth of bacteria associated with poor health.

The common emulsifier soy lecithin is likely less harmful, Gewirtz says, because it is a natural product that is more readily absorbed.

Touvier recommends the website and app Open Food Facts, a crowdsourced food database, that flags emulsifiers and other food additives.

The actual food you're eating is still the most important factor in rating its healthiness, Mozaffarian notes. "If you're consuming yogurt or a fruit dish or bean dish and it has one of these stabilizers in it, it's still better for you than consuming bacon or, you know, candy," he says.

come taxes through their owners' individual returns. That deduction was created in the 2017 tax law and was designed to provide a tax-rate cut similar to those given to corporations. The deduction, like much of the rest of that law, is scheduled to expire after this year, and Congress may make changes.

Understanding Form 1099-K

More gig workers in the coming years with income from online platforms can expect to get Form 1099-Ks. These are reporting forms that are sent in duplicate to the IRS, like W-2 forms for employees. That means the IRS will now know a lot more about gig-work income. The threshold for these forms to go out for 2024 is when transactions for goods and services exceed \$5,000. That threshold is set to drop to \$2,500 in 2025, and \$600 in 2026. The IRS has a guide to understanding your 1099-K.

Saving for retirement

Self-employed individuals have access to retirement plans like SEP-IRAs and Solo 401(k)s, with higher contribution limits than traditional or Roth IRAs. For 2024, the contribution limit for a Solo 401(k) is \$69,000 plus catch-up amounts for those 50 and older.

Contributions to SEP IRAs and Solo 401(k)s can often be made until the mid-October tax return filing deadline for those who file an extension.

FROM TOP: ISTOCK (2); ADAMI DAVIS/ZUMA PRESS

YUKI IWAMURA/BLOOMBERG NEWS



THE COLOR OF EXCELLENCE

This is our green seal. Since 2015, it is the new mark of our watchmaking excellence. There is nothing to distinguish it from any official seal, yet its inscriptions and color make it unique. Its green hue attests to the superlative standards of both quality and performance to which we hold every single element of any and all of our watches: precision, water-resistance, autonomy, reliability

and durability. For this simple seal bore witness to the epic journey each has undergone in our workshops, from initial sketch to final tests before shipping. Of all the components which compose our watches, this seal is not the hardest to manufacture but it is wholly our own and its value is immense. Because it carries the promise of our unwavering commitment.

BETTERIDGE
239 GREENWICH AVE, GREENWICH



ARTS IN REVIEW

It's not unusual for artists who come from the indie-rock sphere to try their hand at mainstream pop. There has to be a certain amount of curiosity involved, where they wonder how far a career in music might take them, and artists from Mitski, who worked with hired-gun hitmaker Dan Wilson on a song from her album "Laurel Hell," to St. Vincent, who collaborated at length with Jack Antonoff, have explored musical approaches that would have seemed foreign to the fans who followed them from the beginning.

At first glance, Sasami Ashworth, who performs under her first name, seems like the latest artist to travel the indie-goes-pop route. After a stint playing with the rock band Cherry Glazerr, she released a self-titled debut record in 2019 that was firmly in the realm of confessional singer-songwriters like Phoebe Bridgers—intimate, jangly and dreamy. Her second album, "Squeeze," was a sharp left turn, leaning on her guitar playing, which imbued heavy metal and pop-punk with an industrial sheen. In interviews leading up to her third LP, "Blood on the Silver Screen" (Domino), out Friday, Ms. Ashworth spoke of inspirations including Britney Spears, Katy Perry and Lady Gaga, which might suggest a naked bid for the mainstream.

But the set turns out to be more interesting than that. A better way to understand "Blood on the Silver Screen" is to examine Ms. Ashworth's musical background. She's a conservatory-trained musician who studied French horn and, after earning her degree, worked as a music teacher. For her, exploring a genre seems at least partly a technical challenge, and here she's trying to see if she can assemble songs as appealing as the formative hits of her youth. She enlists the help of co-producers Jennifer Decilveo (Hozier, Miley Cyrus) and former Vampire Weekend member Rostam Batmanglij (Haim, Charli XCX). Together, they've crafted a highly polished electro-pop sound filled with dark corners that leave space for Ms. Ashworth's guitar.

"Slugger" is a knockout opener, as Ms. Ashworth piles up enough hooks to power three or four songs. It's a powerfully addictive number with dense production driven by tightly sequenced synths balanced by a swooning keyboard in the chorus, and its lyrics walk a thin line between uncomfortably awkward and endearingly goofy. Couplets like "Back to those late-night reveries / Nocturnal like Chopin



MUSIC REVIEW | MARK RICHARDSON

Sasami's Winding Path to Pop

The indie singer-songwriter moves ambivalently toward the mainstream on her third solo album



Sasami Ashworth, above; her record 'Blood on the Silver Screen' is out Friday.

Ashworth doesn't take herself too seriously.

"In Love With a Memory," a duet with indie-pop singer and kindred spirit Clairo, has an ear-catching arrangement of jittery synths and a stuttering drum beat, the jagged nature of the sonics mirroring the unease of the lyrics. It has a nicely distorted guitar part with a harmonized lead redolent of classical music cutting through the digital sheen. And the singers have pleasingly opposite styles, with Clairo's warmth and sweetness contrasting with Ms. Ashworth's more detached intonation. Later in the record, "Honey-crash" is another strong effort, with thick guitars and an effec-

tively dramatic move from quiet to loud in the chorus.

Despite her stated inspirations, Ms. Ashworth would be a poor fit in, say, a Max Martin production. Her voice is reasonably strong and suits her songs, but it's a little light on personality. This becomes an issue when the melodies don't hit. Her songs work best when the guitars are in the foreground and her voice is a little lower in the mix. "I'll Be Gone" is a serviceable but anonymous electro-pop number that one could imagine coming from any of a dozen other indie-pop hopefuls, with a lyric—"this is so problematically me"—that sounds ripped from a tossed-off social-media post. And "Nothing but a Sad Face" tries to be a goth-inflected ballad, but the vocal performance doesn't lead us into darkness.

"Slugger" sets the table for playful references that verge on corny yet come across thanks to songwriting acumen. But similarly odd turns of phrase elsewhere on

the record mostly fall flat. In "Possessed," we can assume "I'm running with the devil" is a Van Halen reference, given all the metal riffing on her last album, but it seems tacked on. And on "For the Weekend," the tangled couplet "I don't wanna be careless / But this way to Heaven is stairless" takes you out of the song as you try to figure out what the heck she's talking about.

In the end, "Blood on the Silver Screen" is frustratingly inconsistent, with a handful of great tracks that don't quite offset the dull patches. But we should remember that this is just one stop on Ms. Ashworth's winding path. She's a versatile talent as an instrumentalist and a writer of melodies. She's trying something new for the third time in a row, and the nature of experiments is they don't always work.

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

TELEVISION REVIEW | JOHN ANDERSON

A Cyber Satire Of Cancel Culture

Douglas Bellowes, the affable chap played by Hugh Bonneville in "Douglas Is Cancelled," is a "national treasure," a TV host who has spent a career comforting his U.K. audience through times of bad news, smiling with viewers in times of good news. And yet, somehow, after 30-odd years, it's all still news to Doug. Woke? He's barely conscious.

His wake-up call arrives by way of social media—a post alleging that Douglas told a "sexist" joke at a recent wedding. A wholly inappropriate gag, apparently, though it is not explained. Doug seems, very sincerely, to not know what it's all about. But all those around him begin losing their minds.

This very clever, deliberately disorienting four-part series from creator Steven Moffat seems, at first, to be intended purely as a takedown of political correctness, the fundamentalist hijacking of language, the dictatorship of the masses, online style. That no one knows what Douglas did or didn't say doesn't matter, which is the point: It's enough to be accused to be canceled. That Douglas doesn't know this—while his on-air colleague Madeline Crow (Karen Gillan) certainly does—speaks to Doug's cushy life, insularity, bubble. Obliviousness, if you like.

But Mr. Moffat also takes a bit of license making Douglas quite so immune to reality, given that Madeline, his near-constant companion, is a high-ranking member of the digerati; his wife, Sheila (Alex Kingston, "ER"),

is a top editor at a London tabloid ("I work with people who hack your phone," she warns a cyber-clueless Doug); and their college-age daughter, Claudia (Madeleine Power), cannot speak at all without "patriarchy" popping out. From his offspring alone, Douglas has been under a firehose of activist jargon and usage correction. "It's like we've lost her to a cult," Douglas sputters. "We've lost her to a university," counters Sheila. "It's similar, but you still have to do their laundry." People don't talk like this, though it is clever. Nor do they lay down quite so much groundwork about the state of their world without considerable prompting from a script.

(Speaking of which: Except for one off-hand aside, the delivery system of misery here is always re-

ferred to as Twitter, the messages tweets. This could be read as a pot-shot at Elon Musk, but no one in authority ever gave much thought to how problematic "X" would be, especially regarding dialogue in a comedy with such fast-paced wisecrackery. Mr. Moffat, one suspects, considered the innumerable problems of comprehension by viewers who would be hearing "X" as "sex," "next," "Dex"; the Doug and Madeline show,



Hugh Bonneville in 'Douglas Is Cancelled,' above; Karen Gillan in Steven Moffat's series, below.

"Live at Six"; or construing any reference to the online platform as being, instead, about someone's former spouse.)

Would a single tweet from an unknown entity destroy a celebrity's career? That we have to ask is bad enough, but Madeline, in an ostensible show of support, throws petrol on the fire. "Don't believe this," she writes, while retweeting the original accusation to her 2 million followers. "Not my co-presenter." Douglas is thrilled; his much savvier wife

sees it as sabotage: Did Madeline intend her post as a warning not to buy into online scuttlebutt? Or as an expression of shock that Douglas would do/say such a thing? That the phrasing is so gray will confirm our suspicions that Madeline is not just a sparkling young counteragent to Doug's avuncular TV presence, but a tiny bit sinister.

She does have an agenda, though its unveiling by Mr. Moffat ("Doctor Who," "Sherlock") will keep viewers off balance from each episode to the next. (There may be spoilers to follow, so be forewarned.) Douglas is initially bewildered at being the subject of cyber bile, and by his genuinely Kafkaesque plight of being indicted but not knowing why. As the story moves along, his closest allies, all of whom have careers at stake, try to spin the coming disaster without knowing what they're doing. Doug's producer, the moral invertebrate Toby (Ben Miles), even enlists the "Live at Six" comedy writer Morgan (Nick Mohammed, "Ted Lasso")

to come up with some harmless joke that Doug *might* have told, to defuse the situation. Morgan's contributions are consistently woeful, as are those of Doug's agent, Bently (a wonderful Simon Russell Beale), who has nothing to say that isn't both useless and hilarious.

Episode 3 marks a radical shift in tone, direction, characterization, expectation and a heightened respect for Mr. Moffat, who never stops making fun of so-called wokeness but turns his series into both a revenge tale and a piece that examines subtleties of language, innuendo and

coercion. A flashback to a hotel room some three years earlier examines, in painful detail, the close attention a predator might pay to maintaining plausible deniability while at the same time making clear that a young woman's future is in his hands. And that the way that something is said implies at least as much threat as the words do themselves. The episode—a strange outlier, in a series that is generally funny—calls to mind different works that deal with the ambiguities of sexual harassment. The Francine Prose novel "Blue Angel," for instance. Or David Mamet's play "Oleanna." The disturbing-amusing "Douglas Is Cancelled" could be staged live, too, each scene being self-contained, with a climactic sequence that suggests "Frost/Nixon." But that would turn the whole project into the kind of message movie Mr. Moffat seems eager to sidestep, humor lying in another direction.

Douglas Is Cancelled
Begins Thursday, BritBox

Mr. Anderson is the Journal's TV critic.



JUSTIN CHUNG
BBC STUDIOS/HARTSWOOD (2)

SPORTS

By Andrew Beaton

No NFL team had a more frustrating 2024 than the Cincinnati Bengals.

Their trouble started even before the season kicked off, when star receiver Ja'Marr Chase sat out of preseason activities while stewing over his contract. From there, things only got worse. The Bengals lost four of their first five games, falling so far adrift in the standings that even a five-game winning streak to end the campaign wasn't enough to salvage a playoff spot.

But a couple of months since closing the book on that clunker of a season, Cincinnati now finds itself in an odd position for a team that failed to reach the playoffs. Suddenly, the Bengals are the center of everyone's attention.

As football's off-season gets under way, Cincinnati has three marquee players—Chase, fellow receiver Tee Higgins and defensive end Trey Hendrickson—all due for new contracts. Together, they could command deals worth hundreds of millions of dollars. And how Cincinnati handles this trio of complex negotiations will have major ramifications across the sport.

Figuring out what to do when several players are all seeking expensive new deals all at once would present a challenge for any club. But that's especially true of Cincinnati, which has a history of frugality and has been reluctant to guarantee big money to anyone who doesn't play quarterback.

As it happens, the team now has three players who have excelled at premium positions where those types of lucrative megadeals are increasingly standard practice. That leaves the Bengals in a precarious position. They could break with their thrifty ways and

The Unlikely Team That Will Define the NFL Offseason

With a trio of marquee players due for megadeals, the Cincinnati Bengals face a roster building conundrum



The Bengals have three stars—Ja'Marr Chase, Trey Hendrickson and Tee Higgins—all due for new contracts..

keep together their talented nucleus of players, while sacrificing flexibility and resources to spend on the rest of the roster. Or they could risk watching them suit up for a rival—right as Cincinnati tries to position itself to make another playoff run.

"We want them signed. Is it easy? No," director of player personnel Duke Tobin said. "Are we up to it? We are up to it."

Bengals quarterback Joe Burrow has made his position clear: He doesn't want to see his teammates walk out the door. Burrow has also been the most notable ex-

ception to Cincinnati's spending, when he received a five-year, \$275 million contract, with most of that money guaranteed.

The problem is that, historically, Cincinnati has been loath to make that type of commitment to players at other positions. In fact, going into this offseason, no team had less money committed to non-quarterbacks than the Bengals. Instead, the team has typically been known for avoiding guarantees beyond the first year of a contract.

If anyone could make the Bengals rethink that approach, though, that player would look a

lot like Chase. Drafted with the No. 5 overall pick in 2021, Chase has since surpassed those lofty expectations, turning into a game-changing playmaker.

But those accomplishments haven't stopped Chase and the Bengals from reaching an impasse over a new deal. Their standoff last offseason came right as the market for top receivers was reset by a flurry of deals across the league, topped by Justin Jefferson's contract with the Vikings priced at \$35 million annually. And since then, Chase has only driven the price higher: Chase led

the NFL in all three major receiving categories: yards (1,708), catches (127) and touchdowns (17) last year. Now he's expected to reset the market as the game's highest paid non-quarterback.

The problem is only exacerbated by the fact that Cincinnati has to make a similar calculation with Chase's teammates. Hendrickson, 30 years old, is the exact type of player approaching the end of his prime that the Bengals have often allowed to leave. Yet coming off a year when he led the NFL with 17.5 sacks, even Tobin has acknowledged that Hendrickson, who has one year left on his deal, is due for a raise.

The most expendable of the bunch might seem to be Higgins, who would be the No. 1 receiving options on plenty of other teams but plays second fiddle to Chase in Cincy. Yet even during a season in which he just missed five games due to injury, Higgins showcased his value to the team by catching a career-high 10 touchdowns.

That's why his quarterback has made it clear how he'd feel if Higgins isn't a Bengal next year. "I'd be very disappointed in that," Burrow said. "Tee is a need."

The Bengals took a step toward keeping Burrow happy on Monday when they assigned Higgins the one-year, franchise tag at a cost of about \$26 million. The move doesn't preclude a trade, and Tobin said the team's preference is to figure out a long-term pact. It might seem like a misguided splurge for the Bengals to sign both Chase and Higgins to top-of-the-line deals. There were only two franchises last year that had a pair of receivers each making at least \$25 million a year.

But there's also proof that it can be a winning formula. One of those teams happened to be the Philadelphia Eagles, who just won the Super Bowl.

The WSJ Daily Crossword | Edited by Mike Shenk

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STARTER PROGRAMS | By Gary Larson & Amy Ensز

Across	39 Obsessed captain of fiction	65 Durable wood	12 It's across the Mekong from Thailand
1 Drywall holder	40 "Halt!" to a salt	66 Michaels of "SNL"	13 Seasonal Will Ferrell movie
5 Really ripped	42 Accomplished	67 Scored on serve	18 Riding
10 Kind of force	43 Delivery possibility	68 Bridge call	19 Individually
14 Do a publicist's job	44 "How unfortunate!"	69 Gets rid of	24 Mistranslate, say
15 High land	45 Tech support caller	70 Salon supplies	25 Where Meryl Streep got her baccalaureate degree
16 Airline with kosher meals	46 Seem to be the kind of decks employed by cheats?	Down	27 Free info spot, for short
17 Set a value on a shingling job?	50 Capitol Bldg. figure	1 Winter wrap	28 Overhaul
20 Like a leprechaun	51 Site with a Symptom Checker	2 Highly competitive	29 Florida's ___ National Forest
21 Unlikely trick winner	55 Memorable Texas battle site	3 Bunk option	30 Composer Debussy
22 Fingers	58 Wind up on stage?	4 "___ Blaue Engel" (Marlene Dietrich film)	
23 Played in a dignified way	61 Colorful eggs	5 Turmoil	
25 Corpse, to a cop show cop	62 Submitting admission forms to local colleges?	6 Prudent	
26 Flight simulator video for landing practice?		7 Abide by	
34 Permanent reminder		8 Give permission to	
37 Moments		9 Of a particular culture	
38 Miner's quest		10 Sanitizer target	
		11 Skin cream additive	

► Solve this puzzle online and discuss it at [WSJ.com/Puzzles](#).

- 31 Arcing shots
- 32 Just sitting around
- 33 Person who may exert pressure
- 34 Tale with scale
- 35 Credit card feature
- 36 Org. with a Dynamic Maturity Pavilion at the 1964 World's Fair
- 41 "Naughty, naughty!"
- 47 Private employer?
- 48 Makes even slicker
- 49 Flock females
- 52 Support
- 53 Stop on the way
- 54 Exploits
- 55 Samoan capital
- 56 Some hosp. personnel
- 57 Pub staples
- 58 Cruel person
- 59 Tough spot
- 60 Change for a fiver
- 62 Phone download that's been installed in the theme answers
- 63 Masked drama
- 64 What "it" plays

Previous Puzzle's Solution

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Samantha LaLonde during the Iditarod's ceremonial start in Anchorage, Alaska.

The Iditarod Is Short on Snow

Continued from Page One

The result is a race like nothing before in the Iditarod's 53-year history. The new route, traced farther north, will last a record distance of 1,128 miles from Fairbanks to Nome. Only 33 mushers, tied for the fewest ever, are daring to tackle a trail that includes unusually long stretches along frozen rivers.

Even the ceremonial start over the weekend had to be pared down from its typical 11-mile path through Anchorage, where locals are known for throwing raucous "trailgates" as the sleds rush by.

Still, considering everything that had to be changed at the last moment, the fact that the race is even being held is something of a miracle. Replotting a course through tundra, wilderness and sea ice makes relocating an Iditarod far more complicated than moving practically any other sporting event—and organizers had only days to pull it off.

"We had to re-engineer the entire race," says CEO Rob Urbach. "But the Iditarod and challenges are synonymous."

Organizers first realized they were skating on thin ice last month when it became clear that one stretch of the

course, some 200 miles from Anchorage, hadn't seen any snowfall since late January. For the roughly 500 dogs pulling 33 mushers, the lack of permafrost poses a serious risk of injury that even the 100,000 pairs of booties used throughout the race couldn't prevent. Instead of breezing across snow, they'd essentially be racing through mud and rocks. Back in 2014, teams had to drop out because their sleds weren't made to handle the bare ground.

There was only one thing to do: Head north.

The unseasonably warm temperatures meant that in a matter of days, Iditarod officials had to redo preparation that typically takes months as a team of Trail Breakers redrew the race map and trekked around Alaska inspecting the course for themselves while replacing some 15,000 markers. The immense undertaking not only needs to connect the overall start to the finish line in Nome, it also requires standing up the numerous checkpoints that support mushers—with everything from hot water to hot pancakes—for an arduous journey that takes over a week to complete. (The best checkpoint is annually rewarded with the "Golden

Clipboard.")

But changing 19 checkpoints was only a small part of the logistical nightmare. Because the main way to move supplies around is by air, the Iditarod operates an air force with 30 planes taking over 800 flights that needed to be rerouted, with hangars warm enough to house them in between.

The Iditarod isn't the only weather-dependent winter sporting event that has been radically reshaped by changing climate—the issue exists at all levels. At the 2022 Winter Olympics in Beijing, only 10% of the snow was natural, according to the International Olympic Committee. The head of skiing's world governing body has warned of an "existential threat to skiing and snowboarding." And even the Elfstedentocht, a century-old speedskating race across 120 miles of frozen Dutch canals, hasn't been held since 1997 due to insufficient ice.

The difference is that the modern Iditarod has turned finding a Plan B into its specialty.

"It's amazing how much people can rise to the occasion," Urbach says. "In Alaska, it's the biggest event...The Iditarod inspires so many people."

TIMOTHY HUYHNH/WSJ, GETTY IMAGES (2), ASSOCIATED PRESS, ISTOCK

AMANDA LOMAH/ASSOCIATED PRESS

OPINION

Trump’s Unused Trump Card



BUSINESS WORLD
By Holman W. Jenkins, Jr.

I just got done last Wednesday saying Ukraine has leverage in its dealings with Donald Trump. Friday’s tiff—heard-round-the-world drew a bead on why. Mr. Trump wants a big cease-fire celebration first, leaving harder issues for later. In essence, he asks Ukraine to give up its strong card—its readiness to go on fighting against Russian aggression—in return for Vladimir Putin’s unreliable promise to stop aggressing. Ukraine answered with the universally obnoxious syllable: No.

As with Joe Biden, having a hand on Ukraine isn’t the same as playing it.

Mr. Trump has always understood (and said) that Russia would have to be brought to the table with a stick. We can guess from his behavior Friday no stick has yet been brandished in his phone dealings with Mr. Putin or a meeting of aides in Riyadh. Mr. Trump kvetches instead about Volodymyr Zelensky not giving him an easy win, an agreement to be announced Tuesday night to end the shooting with no nettlesome requirement that the U.S. help secure a lasting peace.

Mr. Zelensky has a second card to play. Mr. Trump can’t sustain Monday’s petulant “pause” in U.S. military aid. Mr. Zelensky knows it and Mr. Trump knows Mr. Zelensky knows it. All else, especially the minerals deal, is a sideshow now, however usefully aimed at Mr. Trump’s core problem: getting MAGA—aka the JD Vance wing of the new Republican Party—aboard a continuing investment in Ukraine’s security. Let it be said Mr. Putin isn’t playing his own weak hand brilliantly; he just sees his opponents for what they are. Europe has dragged its feet for three years on rearming and rebuilding its defense industries. Mr. Biden actually let the U.S. defense budget shrink in real terms amid the Ukraine war. The message to Russia’s leader since Kyiv’s failed 2023 offensive: Hang in there, Vlad. The West is happy to exact a bloody toll on the troops you’ve chosen to sacrifice for mingy territorial gains. The West won’t threaten your regime. In imitation of Barack Obama and Joe Biden, Mr. Trump shows having cards to play against Russia isn’t the same as playing them. I’ve made the point so many times it bores even me. The U.S. and its NATO and Asian allies have a GDP 25 times Russia’s. Western leaders, including Mr. Trump, don’t lack courage to take on Mr. Putin. They lack courage to take on their domestic spending interests. This is what Mr. Putin also sees. It’s what undergirds China’s strategic bet that the



Trump and Zelensky

U.S. is on a path of inexorable fiscal decline. Mr. Zelensky deserves blame too, albeit different from the blame he’s getting. He stopped reading the room long before last week. Instead of settling in for a long cold war against a declining Russia, with willing Western backing, he wanted to spend Western aid on the fruitless 2023 offensive that was supposed to get U.S. buy-in for an open-ended war to expel Russia from every inch of Ukrainian soil. It simply isn’t and wasn’t ever in the Western program to do so, whatever advice Mr. Zelensky might be getting from Twitter. Also contrary to much wishful thinking, Europe’s NATO members have zero desire to make the Russia-Ukraine border their border with an aggressive Russia. And that’s fine. The proper model for Ukraine is the proper model for NATO, taking advantage of a changed, post-Warsaw Pact dynamic. It’s feasible now for Europeans to deter Russia with their own military forces rather than rest passively on the U.S. A properly supported and equipped Ukraine, itching to prosecute its own revanch-

How Trump Sees the World



POLITICS & IDEAS
By William A. Galston

Everything that needs to be said about Friday’s events in the Oval Office has already been said—although, as the late Rep. Mo Udall once quipped, not everybody has said it. The focus has been on how the administration treated Ukrainian President Volodymyr Zelensky, but the quarrel touched on a broader issue: President Trump’s approach to foreign policy. What have we learned from this and other episodes about that approach? It’s clear that the concept of a “rules-based international order” is anathema to Mr. Trump. After all, following rules may force you to do something you don’t want to and may impose short-term costs on your country. Mr. Trump seems to think the current rules don’t promote America’s long-term interests. His aim, it seems, is to maximize his freedom of action at all times. This explains why he is inclined to see alliances as burdens. Bringing your allies along with you takes time, patience and compromise. It constrains your will. Why bother? Better to deal one-on-one with friend and foe alike. Binding commitments also constrain the will. Mr. Trump apparently believes deals

should be revisable when they become inconvenient. You can negotiate the U.S.-Mexico-Canada Agreement with your southern and northern neighbors and then slap huge tariffs on them. That was then, this is now. Mr. Trump’s approach to foreign policy is amoral—a relentless pursuit of self-interest. Appeals to principles leave him cold, as do international relationships based on “shared values.” His instincts leave him unable to understand why so many people on both sides of the Atlantic are committed to an alliance of Western democracies against the rising tide of antidemocratic forces. Indeed, it’s not clear that Mr. Trump prefers democracy to autocracy. He has praised autocratic leaders—Vladimir Putin, Xi Jinping, even Kim Jong Un. He admires their strength and envies their ability to act without pesky legislators and critical reporters. Strength and weakness replace right and wrong in Mr. Trump’s lexicon. What matters most is leverage. If you have it, use it to the hilt. If you don’t, you must settle for what you can get. The merits of your position don’t matter. Underscoring this point, Mr. Trump has “paused” aid to Ukraine in a move to weaken its hand and force Mr. Zelensky into peace talks with Russia. Speaking of strength: Mr. Trump evidently believes that

there are three great powers—China, Russia and the U.S.—and that establishing satisfactory relations among them takes priority over collateral damage to smaller countries. The idea is to return to “spheres of influence”: Ukraine and the “near abroad” for Russia, and Panama, Canada and Greenland for the U.S.

His Zelensky spat reveals his amoral, might-makes-right view of global affairs.

And what for China? In the “great powers” context, it’s not surprising that Elbridge Colby, Mr. Trump’s nominee for undersecretary of defense for policy, told the Journal that although the U.S. should be prepared to defend Taiwan, the island “isn’t itself of existential importance to America.” And as Chinese pressure on the Philippines intensifies, I wonder whether Mr. Trump will honor America’s longstanding mutual-defense treaty with Manila. What is of existential importance, it seems, is economics. Mr. Trump’s view is that just about every country is “ripping us off” in trade. The size of the trade deficit is proof; never mind what economists say causes it. Our allies are ripping us off in defense as well. Helping them

defend themselves, he thinks, costs the U.S. without attendant benefits. Mr. Trump knows the cost of everything and the value of nothing. Nonsense, his supporters reply. Mr. Trump is pursuing peace. What could be a higher value than this? But there are different kinds of peace. Lincoln spoke of a “just and lasting peace.” Richard Nixon pursued “peace with honor.” By contrast, Neville Chamberlain, after negotiating with Hitler in Munich in 1938, claimed he had secured “peace for our time.” In reply, Winston Churchill told Chamberlain, “You were given the choice between war and dishonor. You chose dishonor, and you will have war.” On Monday Prime Minister Keir Starmer delivered a stirring speech in the British House of Commons, pledging large increases in the U.K. defense budget and detailing his efforts to forge a coalition of the willing in defense of Ukraine. His remarks garnered widespread praise, including from opposition party leaders and citizens across the U.K. Mr. Starmer’s practicality and moral clarity had made them proud to be British. But Mr. Starmer was forthright: Even with maximum effort from Europe, his plan to secure Ukraine against future Russian aggression couldn’t succeed without an American “backstop.” When the prime minister asks for one, how will Mr. Trump reply?

desperately wants a success story out of Syria, now under the rule of Islamist rebels with close ties to Turkey. The quickest way to get there is through a deal with Syrian Kurds. This deal wouldn’t be a huge democratic jump for a nation once aspiring to European Union membership. Mr. Erdoğan is likely more interested in peeling off the Kurds from Turkey’s secular opposition block and enlisting their support for a new constitution that would allow him to run for a third presidential term. Pragmatism may achieve what idealism couldn’t. Though born of cold geopolitical calculations, a deal between Turkey and the Kurds may finally stabilize Syria and create a breathing space for millions inside Turkey. It would also bring what generations have been denied: peace.

Ms. Aydinbas is a visiting fellow at the Brookings Institution.

BOOKSHELF | By Meghan Cox Gurdon

Personality’s Progress

Me, but Better

By Olga Khazan
Simon Element, 288 pages, \$28.99

According to an old wives’ tale, you should be careful about allowing your face to remain in an ugly expression, lest the winds change direction and your countenance set in place, leaving you stuck looking and feeling bad forever. The old wives, whoever they were, may have been right. It seems that the attitudes we hold and how we comport ourselves—the features we present to others—have a great deal to do with who we become on the inside. Olga Khazan, a staff writer at the Atlantic magazine, contends that what we think of as our personality is not something fixed or innate but rather an agglomeration of habitual behaviors and attitudes. In this understanding, personality can fluctuate and is subject to reshaping by the will. In “Me, but Better,” Ms. Khazan chronicles her attempts to modify elements of her own personality by tinkering with the so-called big-five traits: openness, conscientiousness, extroversion, agreeableness and neuroticism. The author is breezy about the origins of the psychological thinking behind these attributes, as well as the notion that together, in varying amounts, they explain the spectrum of human personality. She notes that well into the 20th century psychologists had competing theories and lists of different personality traits. She does not discuss the question of temperament, which is a whole other ball of philosophical wax. But for the purposes of her experiment, she accepts what has come to be the prevailing secular view. For the sake of enjoying this buoyant and entertaining account, the reader will be inclined to join her. Ms. Khazan’s goal is to transform herself, over the course of one year, from a disagreeable introvert into a sunnier, livelier, more amenable extrovert. She tells us that she was drawn to the project by the prospect of becoming happier, more successful and more fulfilled. Her investigation showed, she writes, that a slight improvement in the balance of one’s personality can help a person enjoy life, “rather than just endure it.” It is an enticing notion. An enjoyable life seems well worth a bit of effort. Yet how to effect improvement? Ms. Khazan, who developed the book after writing an article on the subject, chooses to get into all manner of potentially personality-altering escapades. To combat overweening anxiety, she forces herself to take risks in the free-for-all of improvisational comedy. To overcome a history of being an anhedonic buzzkill, she sets about throwing parties. Suffering from the awareness that she has been a chronically desultory friend, she downloads apps that help her meet strangers with whom she might develop lasting affinity. She joins Zoom sessions for anger management. She practices mindfulness. She feeds the homeless. While exploring “the science and promise of personality change,” as the book’s subtitle has it, the author is humorously open about her sometimes embarrassing efforts to jolt free of her familiar persona—and her many shortcomings. She confesses to joylessness and unpunctuality, a flaring hot temper and a reliance way too often on one glass of wine too many. Her candor has the effect of getting readers on her side. We’re rooting for her and, to be honest, we’re rooting for ourselves, too. If a panicky neurotic like Ms. Khazan can become more emollient, who among us cannot? To combat social anxiety and overcome her introversion, the author tries improvisational comedy and forces herself to throw parties. Yet let’s say we can: Let’s say we manage to tweak our big-five personality traits so that we enhance our positive parts and reduce our deficiencies. How would we even know? One of the difficulties that any self-reformer faces is in measuring how much change his or her efforts have wrought. As the saying goes, wherever you go, there you are. So if the current iteration of yourself is more relaxed and sociable than a former version, it might be hard to tell. From the inside, you are simply relaxed, sociable you. Ms. Khazan gets around this problem by periodically assessing her personality via a particular academic website. She begins by establishing a baseline using the site’s free questionnaire. After each significant intervention in a personality trait—doing improv and such—she takes the test again. By clicking gradient responses to statements such as “I believe I am better than others” and “I radiate joy,” she teases out and tracks predominant and reclusive qualities as they ebb and surge. As the old wives could have testified, of course, what shows up on the test depends on how a person has been behaving. Have you lately been a maudlin homebody? Well, you probably will not score highly on extroversion. Have you been feeding the homeless and managing your anger? If so, then, like Ms. Khazan, you may observe some gratifying upticks in your levels of agreeability. There is a lot of common sense here. Fake it until you make it. Your emotions follow your actions. Also: Other people are paying less attention to you than you imagine. There is withal so much common sense in “Me, but Better” that a cynic might question the value of the enterprise. It should be admitted that Ms. Khazan’s narrative, though rich in comic anecdote, is pretty thin on the vaunted “science.” But it’s a jolly read—and encouraging too. “I started out envisioning personality change as a tune-up,” Ms. Khazan writes, likening herself to a car. “I would replace the spark plugs and top up the fluids, and in the end I would be driving the best possible version of myself.” Things didn’t quite work out that way, but the comparison is a good one. Like a car, a person’s personality may now and again benefit from a little time in the shop. Mrs. Gurdon, a Journal contributor, is the author of “The Enchanted Hour: The Miraculous Power of Reading Aloud in the Age of Distraction.”

OPINION

REVIEW & OUTLOOK

Trump’s Tariffs Whack Trump Voters

President Trump won the Presidency a second time by promising working-class voters he’d lift their real incomes.

Which makes it all the more puzzling that he’s so intent on imposing tariffs that will punish those same Americans.

Tariffs are taxes, and Mr. Trump’s latest tariffs are estimated to be about an annual \$150 billion tax increase. Taxes are antigrowth. That’s the message investors are sending this week since Mr. Trump let his 25% tariffs on Canada and Mexico take effect. The President also raised his 10% tariff on China by another 10%. Canada and China retaliated, while Mexico is holding off until Sunday.

The border taxes, and the uncertainty they bring, are weighing on growth and consumer confidence. The Dow Jones Industrial Average is down 3.4% since Mr. Trump took office, erasing the ebullient gains that followed his November election.

Brace for higher prices on berries, bell peppers, and, gulp, beer. Target CEO Brian Cornell told CNBC Tuesday that tariffs on Mexico may force the company to raise prices on fruits and vegetables. About 30% of vegetables and fresh fruit sold in the U.S. come from Mexico. Modelo’s Mexican-produced Especial is the best-selling beer in the U.S.

Best Buy CEO Corie Barry said Tuesday that Mr. Trump’s tariffs “make price increases for American consumers highly likely.” Nafta, which was supplanted by the USMCA, encouraged electronics manufacturers to set up shop in Mexico instead of China. Hope you don’t plan to buy a smart TV since it could be 25% more expensive.

Energy prices will rise too. Mr. Trump implicitly conceded this by reducing his tariffs to 10% on Canadian energy imports. Despite the U.S. shale fracking boom, constraints on pipeline capacity mean the Midwest and Northeast depend heavily on Canada for natural gas. That means heating bills will rise in Trump country. So will electricity prices.

The U.S. imports about 3,315 gigawatt hours of electricity on average from Canada each month—enough to power about 3.7 million homes. These flows help stabilize the grid and lower prices in the Northeast and Midwest. New

Whatever happened to GOP concern for the working class?

England’s grid operator estimates the tariffs could cost the region between \$66 million and \$165 million a year. Energy makes up 40% of primary aluminum producers’ costs. Several Midwest foundries have closed in recent years amid rising energy prices. The Trump tariffs will harm the very workers he claims to be trying to help.

They will also cause pain at the pump. The U.S. is a net oil exporter, but it still imports about 6.5 million barrels a day of crude, mostly from Canada and Mexico. That’s because refineries in the Gulf Coast and Midwest process heavy grades. It would cost billions of dollars to retrofit them to process light blends from U.S. shale. Drivers of pickup trucks in the Midwest (where refineries depend on Canadian crude) are likely to suffer the most pain.

Speaking of which, we recently told you about an Anderson Economic Group analysis that estimated the 25% tariffs would raise the cost of a pickup assembled in North America by \$8,000. Heavy-duty truck prices may also surge as they rely on parts from Canada and Mexico.

Imports From Canada and Mexico, 2024

Arizona	\$14.3 Billion	Ohio	30.5
Georgia	25.1	Michigan	120
Pennsylvania	20.9	Texas	196.2

Source: U.S. Census Bureau

The nearby table shows the dollar-value of imports from Canada and Mexico to crucial swing states that Mr. Trump won, including Michigan (\$120 billion), Ohio (\$30.5 billion) and Georgia (\$25.1 billion).

The President also professes to love American farmers, but he apparently loves tariffs more. U.S. farmers are already being squeezed by low crop prices and inflation. The American Farm Bureau Federation (AFBF) says farmers are losing money on almost every major crop planted for the third straight year.

Tariffs will increase their pain. About 85% of the U.S. potash supply for fertilizer is imported from Canada. China is hitting U.S. farm exports with a 15% tariff, which will let farmers in Brazil and Australia grab market share. “Even more costs and reducing markets for American agricultural goods could create an economic burden some farmers may not be able to bear,” AFBF President Zippy Duvall said Tuesday.

Mr. Trump’s tariff spree is the triumph of ideology over, well, common sense. Let’s hope the President soon comes to his senses.

JD Vance’s Forgotten Wars

Vice President JD Vance is keen to defend his Friday performance in the Oval Office when he scolded Ukrainian President Volodymyr

Zelensky. But offending two of America’s most stalwart allies is an odd way to do it.

Speaking of President Trump’s proposed minerals deal with Kyiv, Mr. Vance told Fox News’s Sean Hannity: “If you want to actually ensure that Vladimir Putin does not invade Ukraine again, the very best security guarantee is to give Americans economic upside in the future of Ukraine. That is a way better security guarantee than 20,000 troops from some random country that hasn’t fought a war in 30 or 40 years.”

Europeans took this as a not-so-veiled jab at the United Kingdom and France, which are leading a European effort to offer Kyiv reassurance amid Mr. Trump’s pro-Russia negotiating strategy. That includes a proposal for a Franco-British peacekeeping force in Ukraine after a deal is signed to deter further Russian aggression.

It’s fair to debate whether that plan is a good idea, or a realistic one. British Prime Minister Keir Starmer and French President Emmanuel Macron admit the U.S. would need to backstop

Maybe next time don’t insult stalwart allies during a TV interview.

such a mission. But “hasn’t fought a war in 30 or 40 years”? British troops fought alongside Americans in Afghanistan and (with Mr. Vance) in Iraq for the entirety of those wars. Four hundred fifty-seven British troops lost their lives in Afghanistan, and 179 in Iraq. France didn’t join the Iraq war, but it sent 70,000 troops to Afghanistan over 13 years, 89 of whom were killed.

More recently, both countries—among the few in Europe to maintain blue-water navies—are joining the U.S. to defend global shipping around Yemen.

London and Paris need to bulk up their militaries after years of underinvestment in defense. Their American friends needn’t be shy about urging them on—we haven’t been. But every other recent U.S. Vice President has managed to do this without insulting them, which isn’t too much to ask.

The Vice President said Tuesday it was “absurdly dishonest” to claim he was referring to France and Britain in his comment. But Europeans have drawn a different conclusion, and after the last two weeks we understand why.

Zelensky Issues a Tacit Apology

Volodymyr Zelensky took a major step on Tuesday toward mending ties with President Trump, issuing what amounts to a tacit apology for what he called last Friday’s “regrettable” White House slugfest. The question now is whether Mr. Trump will take yes for an answer and put comparable pressure on Vladimir Putin to negotiate a durable peace.

“My team and I stand ready to work under President Trump’s strong leadership to get a peace that lasts,” Mr. Zelensky said in a post on X.com. He reiterated Ukraine’s gratitude for U.S. weapons and financial support. Ukraine is ready at “any time and in any convenient format” to sign the minerals agreement that Mr. Trump sees as a precursor to a broader peace deal, Mr. Zelensky added.

Give credit to Ukraine’s president for the grace note, which recognizes the reality that his country needs American help to forge an honorable peace, and maybe to survive as a sovereign nation. The important point is to move past Friday’s mess.

Will Mr. Trump accept this show of respect? It isn’t clear after Administration officials leaked that they have “paused” the delivery of weapons to Ukraine. This includes arms already in the pipeline. Sources say a main weapons transit point in Poland was essentially shut down on Tuesday.

The Trump embargo was announced before Mr. Zelensky’s statement, and at least the U.S.

Will Trump now take yes for an answer and lift his arms embargo on Kyiv?

doesn’t appear to have suspended intelligence support and weapons targeting assistance. Ukraine has enough weapons to last through the summer, but the U.S. is the free world’s arsenal of air defense missiles, which are defending Ukraine’s troops, cities and power grid. A Ukraine weapons crunch is an invitation for Mr. Putin to accelerate his attacks—and increase Russian leverage at the negotiating table.

Ukrainians have fought with valor as Mr. Trump has said himself, but a public U.S. abandonment will hurt front-line morale. For all the talk of the war as a stalemate, the Russians are still trying to break through Ukraine’s defensive lines, and Mr. Putin is still gaining territory, albeit slowly and at great cost.

Everybody understands that Ukraine won’t recover its borders from 2014 or, alas, even 2022. But what is Mr. Putin giving up? As Fred Kagan of the American Enterprise Institute noted recently, Mr. Putin is demanding as the price of a deal Ukrainian territory he doesn’t even occupy. If the Russian wants a cease-fire, it’s to take a breather, rearm, and await the next invasion opportunity.

No doubt Mr. Trump views this as a bitter truth, but his own political fortunes are tied up with Ukraine’s fate. If Ukraine falls to Russia, Mr. Trump will own what would be his version of Joe Biden’s Afghanistan. Americans should be rooting for a Trump-Zelensky diplomatic reconciliation.

LETTERS TO THE EDITOR

The Oval Office Spectacle Was Not Great TV

Your March 1 editorial “Putin Wins an Oval Office Spectacle” led to some personal reflection. As a Cuban-born, naturalized American citizen, I clearly remember the pride I felt as a teenager watching on live television the 1969 Apollo moon landing. “We beat the Russians,” my teenage self thought. How can it be that nearly 56 years later I can go from harboring deep pride—from watching Armstrong walking on the moon to hearing Reagan’s truthful words regarding Russian tyranny—to deep shame, as I watched the president and vice president bully an ally? Donald Trump says the showing was “great television.” He’s wrong. The lunar landing was great TV and the Friday press-conference blowup, a win for Vladimir Putin’s Russia.

CLARA MARTINEZ HAYNES
Denver, N.C.

It is fortunate the current administration wasn’t around to bring “peace” and an end to the fighting during the American Revolution. After all, the colonists lost nearly every battle with the British but finally succeeded in winning our independence from a powerful adversary. The military and financial support from an ally, France, was crucial.

Thankfully in the 1770s France didn’t urge the colonists to end the rebellion, permanently cede any lost territories to the British, disarm our militia and allow a powerful British force to remain in and near the colonies. Of course, we never would have agreed to such terms, and an ally wouldn’t have suggested them.

DENNIS HAMPTON
Stamford, Conn.

Before labeling a Ukrainian war zone tour “propaganda,” perhaps JD

Vance, who served as a Marine in the public-affairs office, ought to get some “ground truth.” He belittles his former military occupational specialty by describing tours that highlight Mr. Putin’s war crimes in this way.

In “Hillbilly Elegy,” Mr. Vance reflects on the profound effect of witnessing “the mass of children of a war-torn nation, their school without running water and [an] overjoyed boy.” Gaining ground truth in Ukraine could have a similar effect and help our young vice president develop something he desperately needs—empathy.

MIKE BRASSAW
Saint Petersburg, Fla.

I don’t know whether President Zelensky’s comments in the Oval Office were wise, but they certainly were a master class in what the ancient Greeks called *parrhesia*: the courage to speak one’s mind about important matters, so expressive of one’s dignity as a free person.

What was it exactly that he dared to say? That the U.S. and Western Europe have tried formal agreements and economic integration with Russia before, trusting in the power of mutual financial benefit, and that it hasn’t worked, especially not for Ukraine. It is sad to hear the leaders of our democratic republic say they feel “disrespected” by a frank statement of the obvious.

PROF. GABRIEL RICHARDSON LEAR
University of Chicago

Someone should advise Mr. Zelensky about the modified words of Thomas Gray: “Where ignorance is bliss, ’tis folly to speak.”

VIJAY HANAGANDI
Bridgewater, N.J.

What Andrew Jackson Thought About Tariffs

In an otherwise excellent column (“Trump’s Echo of 1829,” op-ed, Feb. 27) Karl Rove contends that President Andrew Jackson “presided over the ‘Tariff of Abominations.’” This requires some clarification.

The Tariff of Abominations was signed into law by John Quincy Adams in 1828. It was a major issue in that year’s election that swept Jackson and his new party, the Democratic Republicans, into power. Jackson supporters viewed the tariff as an elitist policy that benefited the few at the expense of the many.

That interpretation applies equally today. Not only did the Tariff of Abominations lead to a Whig party bloodbath; the election set the Whigs

on a course to extinction. For the next 30 years, average tariff rates declined by 70% and America experienced an unprecedented period of industrialization. Immediately prior to the Civil War, the U.S. had one of the lowest average tariff rates in the world and a booming economy.

The lesson of the Tariff of Abominations, the ensuing Jackson landslide and the 30 years of rapid industrialization as tariffs plummeted is that such levies don’t produce prosperity or help win elections.

PHIL GRAMM AND PROF. DONALD BOUDREAUX
AEI and George Mason University
Helotes, Texas, and Fairfax, Va.
Mr. Gramm was chairman of the Senate Banking Committee.

The Morning That Gene Hackman Said Hello

Bob Greene’s March 3 op-ed “The Night I Left Gene Hackman Alone” is a touching tribute to a great actor and an even kinder man. I know from experience. I was in San Francisco in January 1973, walking with a friend in the early morning. Rounding a corner, we saw a camera crew set up for a scene. Gene Hackman was standing to one side in a rumpled trench coat, suit and glasses. We stopped, watched him wait and, on cue, he slowly walked past a janitor mopping the floor, glancing at him uneasily. The whole scene took 15 seconds, but they shot it several times. We observed in

breathless silence. The director called “cut,” and Hackman looked up at us, gave a big smile and asked, “How did I do?” We stammered that it was great, later discovering that this was a scene in “The Conversation.”

Hackman didn’t need to acknowledge us, but he did. He made us feel like we were friends, and his including us in this obscure moment on the set of one of his several movies forever changed the way I thought about him. Many will remember him as a brilliant actor. I’m glad to have learned that he was a lovely person, too.

STEVE HITES
Skagway, Alaska

A Brief History of the Soviet Deserters Who Aided Hitler

In his review of “Crucibles of Power,” Prof. Gary Saul Morson speculates that “Hitler might well have won [his war against the Soviet Union] had he abolished collective farms and allowed Soviet deserters to fight for the Germans” (Bookshelf, Feb. 20). In fact, hundreds of thousands of foreigners served in the Wehrmacht, most famously the Vlasov Army.

Captured at Leningrad, now St. Petersburg, in 1942, Gen. Andrey Vlasov was persuaded to defect, to propagandize among other prisoners and eventually to recruit thousands of them to fight for Germany. For years many served under German command, but by January 1945 one division of the Russian Liberation Army had been raised. Others had begun to take formation. The only actual combat against the Red Army took place on Feb. 11 by the First Division. After three days, the outnumbered “Vlasovites” were forced to retreat.

After Germany surrendered, the Western Allies returned all Russian prisoners of war to the Soviet Union, though some sought to kill themselves rather than suffer Stalin’s punishment. Vlasov himself was hanged in Moscow on Aug. 1, 1946.

DANIEL FORD
Durham, N.H.

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A Flawed Motto for the FBI

Thomas J. Baker makes several suggestions for cleaning house at the Federal Bureau of Investigation that make sense to the outside observer (“FBI Reforms for Kash Patel,” op-ed, Feb. 24). But the idea that the bureau should adopt the slogan “an organization guided by the Constitution” isn’t one of them. All federal agencies should be guided by the Constitution. The FBI, as the government’s premier investigatory organization, should be “guided by the facts and law” in performing its duties.

TIM KELLY
Naples, Fla.

Pepper ... And Salt

THE WALL STREET JOURNAL



OPINION

On Patrol in the Baltic for Russian Saboteurs

By **Jillian Kay Melchior**

Aboard the Estonian Navy Ship Sakala

‘Here be dragons,” cartographers in the Middle Ages wrote of uncharted waters. Not here in the Baltic Sea, where U.S. allies and adversaries can map exactly what critical infrastructure rests underwater. On a freezing February morning, the Estonian navy prowled after another type of sea monster: Russian saboteurs. Estonia’s dilemma is what to do if it snares one.

Several data and electricity cables and a key gas pipeline stretch along the seabed in the Gulf of Finland, the Baltic’s easternmost arm. This vital infrastructure is an inviting asymmetric target. The cables and pipeline can be easily damaged by an anchor dragged across the seafloor, causing significant disruption and requiring costly, time-consuming repairs.

Adherence to international law makes it harder for the Estonian navy to protect undersea cable.

In October 2023 the Baltic Connector natural-gas pipeline and data cables connecting Finland and Estonia sustained damage. Finland suspects an anchor dragged by the Newnew Polar Bear, a Hong Kong-flagged vessel with extensive ties to Russia. China admitted the ship’s involvement but claimed the damage was accidental. Investigators in Estonia and Finland have asked for China’s help, but Beijing hasn’t responded, Estonian authorities say. The pipeline took some seven months to repair, and Finland suffered spikes in gas prices as temperatures plunged.

A similar incident occurred on Christmas 2024, damaging data ca-

bles owned by the Finnish telecommunications company Elisa and the Estlink 2 electricity cable, which supplies nearly 15% of electricity for the Baltic states. Authorities have focused their probe on the Eagle S, a tanker identified as part of Russia’s shadow fleet by the maritime-traffic analytics company Lloyd’s List. Elisa averted disruptions to service and fixed damaged data cables in January. But repairs to Estlink 2 likely won’t be complete until August, and meanwhile household electricity bills could rise some 10%, said Reigo Kebja, an executive of Elering, the Estonian gas and electricity operator.

There have been several other incidents in the Baltic Sea as well as eight suspicious cable-cuttings and more than 70 “publicised sightings of Russian vessels behaving abnormally near critical maritime infrastructure” in the Euro-Atlantic region since 2021, according to Policy Exchange, a London think tank.

This uptick coincides with increased tensions between Russia and the West. “It might be a coincidence,” says Erkki Koort of the Estonian Academy of Security Sciences, but “it’s hard to believe that there are so many of that kind of accidents within a very compressed time.” Sabotage is tough to prove, and Russia enjoys plausible deniability when a junky old commercial tanker causes damage. But given how a ship would slow and tilt, it would take a drunken sailor to fail to notice an anchor dragging for 100 miles, as in one recent case when a Chinese commercial vessel left a Russian port before a suspected cable-cutting spree.

In January the North Atlantic Treaty Organization announced the creation of a Baltic Sentry that uses frigates, aircraft and naval drones to patrol and protect critical infrastructure here. The Estonian navy let me come along as the Sakala, one of its three mine hunters, conducted a situational-awareness mission around the Estlink 1 cable, which is smaller than its damaged counterpart.

There’s plenty to monitor. Estonia estimates that between 500 and 600



Lt. Cmdr. Meelis Kants on the Sakala mine hunter.

ships cross the Gulf of Finland each week. Typically between 14 and 21 are part of Russia’s shadow fleet, according to the analytical center of the Kyiv School of Economics. The Sakala watches for vessels that rapidly slow, hover around underwater infrastructure, or are missing an anchor, among other things.

Estonia and its neighbors hope the increased surveillance itself provides deterrence. But watching Russian sabotage unfold would be an insufficient response. So what happens if the patrol catches a Russian saboteur en flagrante? “We need to make full use of the possibilities allowed by international law to take action against suspicious vessels,” Finnish President Alexander Stubb said in January.

But the United Nations Convention on the Law of the Sea strictly limits how its parties—which include all NATO members except the U.S. and Turkey—can respond. “Of course international law clearly states there is freedom of navigation in international waters,” said Capt. Johan-Elias Seljamaa, deputy commander of the Esto-

nian navy. “If you are sailing in international waters, the captain of a ship is not obliged to stop the ship.” Under limited circumstances “you can stop them forcefully—that is possible—but you need to have a national law to do this. . . . We are now looking at changing laws so there will be additional possibility to intervene.”

The convention allows interception in a few exceptional cases, such as when a vessel is involved in piracy or the slave trade or when law-enforcement authorities are in hot pursuit of a ship fleeing their country’s waters. There’s no explicit right to board over sabotage of undersea infrastructure and limited grounds for states to take preventive action.

Dragging an anchor across a cable or pipeline probably doesn’t qualify as an armed attack under international law. There’s even significant doubt whether sabotage on the high seas is illegal under international law. Jurisdiction to penalize a perpetrator belongs to the country under whose flag the ship flies or the home state of the crew. Good luck getting Russia and China

to punish their own saboteurs. Finland detained the Eagle S in December but in the past week released the tanker and lifted the travel ban on five of the eight crewmen it says are suspected of aggravated criminal mischief and aggravated interference with communications. The investigation continues, authorities said Sunday. They didn’t respond to my questions about the legal basis for detaining the tanker, an act that occurred in Finnish territorial waters.

Herman Ljungberg, a lawyer for the owners of the Eagle S, said in an email that Finland “intimidated the vessel to pull over to the Finnish territorial waters where it high jacked [sic] it” in violation of international law. “I do not know what is meant with Russian shadow fleet,” he wrote. He denied that the vessel had deliberately dragged an anchor. “The accusation of spy devices is likewise nonsense,” he said, although I hadn’t asked him about that. He added that police “found nothing” and “further according to international law, it is not prohibited to have devices whatever onboard the vessel.”

Besides intercepting vessels, another option for the West would be retaliatory hacking—say, a state-sponsored Western hacker shuts off the lights in St. Petersburg for a day or two. Cyberattacks also fall within the realm of plausible deniability. The drawback is that Russia would learn about Western cyber capabilities and get a chance to fix its vulnerabilities.

Russia and other adversaries exploit the asymmetric advantage of the West’s strict adherence to international law. Europeans fear Russia would take a forceful response as an invitation to violate its own obligations under the convention, to which it is also a party. But Moscow has no respect for international law, making Europe’s diligence about it a mug’s game.

Ms. Melchior is a London-based member of the Journal’s editorial board.

How Trump Plans to Shake Up Higher Education



UPWARD MOBILITY
By **Jason L. Riley**

of money the government pays grant recipients for overhead costs.

According to NIH, \$9 billion of the \$35 billion that it granted for research last year “was used for administrative overhead, what is known as ‘indirect costs.’ ” A school that receives a grant typically gets an additional 50% of its modified total direct costs (which includes salaries, materials and supplies, services, travel and some subcontract payments) to cover these administrative expenses. At prestige schools such as Harvard, the overhead payments—for the use of buildings, electricity, support staff, etc.—can run as high as 70%. The Trump administration wants to cap this figure at 15%,

which it estimates will save taxpayers more than \$4 billion annually.

The labor economist Richard Vedder thinks this is exactly the shock to the system that higher education needs. “Of course the universities with heavy research grants are going crazy over this,” he told me. “But if you talk to anyone at a university, you know that those overhead costs are vastly inflated compared with the true marginal cost, or extra cost, to the university doing the research.” He added that many schools collect so much overhead money that they give some of it back to researchers as an incentive to apply for more research grants. “It’s kind of a con game, all based on false assumptions and faulty economics,” Mr. Vedder says. A nonnegotiable uniform rate would be far more efficient.

In a forthcoming book, “Let Colleges Fail: The Power of Creative Destruction in Higher Education,” Mr. Vedder argues that one of the biggest problems with higher ed today is that colleges aren’t sufficiently disciplined by market forces. The result is too much administrative

bloat subsidized by the government. His subtitle is a reference to the free-market economist Joseph Schumpeter (1883-1950), who described capitalism as a process of “creative destruction” whereby markets reallocate resources from unproductive to productive uses. “It’s worked pretty well for American business,” Mr. Vedder said. “Why don’t we have it for higher ed?”

Capping ‘indirect funds’ for researchers at 15% is a good start at curtailng the administrative bloat.

One problem, the book explains, is that universities are essentially wards of the state. “Colleges and universities are dominated by people operating outside of the normal profit-oriented private market economy,” Mr. Vedder writes. By his calculations, the productivity of university employees over the past 50 years has declined not only in com-

parison with the average U.S. worker but also in absolute terms. It took more faculty and staff to educate a college student in 2021 than it did in 1972.

The reality is that there are inefficiencies almost everywhere you look in higher ed. Start with our overly generous student-loan programs, which have caused tuition to rise faster than inflation because colleges know that the government is absorbing most of the cost. Far more people attend college today than stand to benefit from the experience, judging from the roughly 40% who don’t graduate and the fact that so many people who do get a degree wind up in jobs that don’t require one.

Meanwhile, college access for the poor—the intended beneficiaries of student loans—has barely budged over the decades. Mr. Vedder reports that the percentage of graduates who come from the bottom 25% of the income distribution is similar to what it was in 1970. If colleges want to accept students regardless of their chances of success, give schools “skin in the game,” he writes. Force colleges “to share in

the costs of loan forfeiture if they accept a lot of mediocre students who drop out or fail to repay their student loans.”

You don’t need to be an expert in the economics of higher education to understand that academia is in decline. In a 2023 poll conducted by the National Opinion Research Center and The Wall Street Journal, 56% of respondents said that college was “not worth the cost because people often graduate without specific job skills and with a large amount of debt to pay off.” Worse, people who have most recently experienced college, those 18 to 34, are less likely than older cohorts to say the cost of college was worth it.

“If higher education can somehow change its ways and better emulate the market-oriented private economy,” Mr. Vedder writes, “it would improve some of the maladies facing it”—rising costs, falling enrollment, low public support—“and possibly even deal with what I now view as the greatest problem: a shocking decline in intellectual diversity and a worsening environment conducive to free expression and civil debate.”

‘Nonprofits’ Circle the Wagons to Fend Off Taxes

By **Scott Hodge**

As Republican tax writers work on plans to offset the \$4.5 trillion deficit from extending the 2017 tax law, special-interest groups in Washington are forming coalitions to protect their piece of the tax code.

One interest group is the Community Impact Coalition, which was launched in January by the American Society of Association Executives. ASAE, which has a \$21 million annual budget and pays its CEO about \$1 million a year, is concerned “that tax-exempt organizations may be at risk with some calling for a 21% corporate income tax on all net, non-donation income.”

ASAE says it is “positioned to invest \$1M in strategic advocacy and communications counsel” but it is seeking more support by inviting other industry groups to join the coalition. General membership is \$5,000; \$10,000 gets you on the steering committee and \$25,000 the executive-leadership level. That membership fee isn’t much if your goal is to avoid paying taxes on tens of millions of dollars of businesslike income.

The coalition portrays itself as protecting the interests of charitable organizations. One of the coalition’s co-chairmen is Steve Caldeira, president and chief executive of the Household and Commercial Products Association, who recently made the

Hill’s annual list of Washington’s top lobbyists.

Special-interest groups like these usually are 501(c)(6) entities, which is the tax code’s designation for “business leagues.” These nonprofit organizations can’t accept charitable donations, but unlike a charity they can lobby. Like a charity, they are exempt from taxes on income from membership fees, convention admissions, sponsorships, TV broadcast revenue and investment income.

Some of their income is subject to tax, such as revenue from selling periodicals and advertising because it is considered unrelated to the group’s mission. The rules governing unrelated business income taxes, however, are so full of holes that most of their income goes untaxed.

In its 2022 tax return, for example, ASAE reported \$10.4 million in income from hosting meetings, but only \$648,526 of that was potentially taxable as unrelated to its mission. If ASAE was a for-profit company, all \$10.4 million would be subject to tax.

The U.S. Chamber of Commerce was instrumental in the effort to exempt business membership organizations and civic leagues from tax during the debate over the Revenue Act of 1913. Who could have guessed that this tax-exempt status would become the domain of K Street industry groups, pro golf and tennis enterprises, professional guilds and tourism boards?

The largest of these “nonprof-

its” by revenue is the PGA Tour Inc., which reported \$1.8 billion in revenue in 2023. The PGA Tour’s commissioner earned \$18.8 million that year. Other sports-related business leagues include the U.S. Tennis Association, the Ladies Professional Golf Association, the U.S. Polo Association, the Breeders’ Cup and the National Hot Rod Association. None seem to operate in a nonprofit manner.

‘Business leagues’ from the PGA Tour to Pharma collectively earn billions in untaxed revenue.

The sports leagues you won’t find are the National Football League, National Basketball Association and Major League Baseball. They gave up their 501(c)(6) status years ago and seem to be thriving as commercial businesses.

Many entertainment enterprises also are organized as business leagues. These include the Academy of Motion Picture Arts and Sciences, which booked more than \$143 million in tax-free income in 2022 to host the Academy Awards, the National Academy of Recording Arts and Sciences, which earned more than \$80 million tax-free from producing the Grammys, and the Country Music Association, which produces the CMA Awards.

Much of Washington’s economy and lobbying are driven by K Street organizations such as the American Hospital Association, Pharma, the National Propane Gas Association, the National Milk Producers Federation, the Fertilizer Institute, the Human Resource Standards Institute and groups such as Avocados from Mexico.

IRS data show that 501(c)(6) organizations reported nearly \$54 billion in total revenue in 2021 and \$3.3 billion in tax-exempt profits after deducting expenses.

The American Society of Association Executives argues that taxing the business income of these organizations somehow impinges on their “ability to exercise their First Amendment rights to freedom of religion and association.” How so? The 21% corporate tax rate hasn’t prevented the owners and employees of more than 1.5 million U.S. corporations from assembling, and some business leaders are exercising the Free Exercise rights by praying that President Trump delivers on his pledge to lower the corporate tax rate to 15%.

As lawmakers work to offset the cost of extending the Tax Cuts and Jobs Act, they could raise billions in new revenue by taxing the business income of special interests masquerading as nonprofits.

Mr. Hodge is a tax and fiscal policy fellow at Arnold Ventures and president emeritus of the Tax Foundation.

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Kraft Heinz Rolls Out Booze Drink

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prices of some products to boost sales.

“Those are things that cannot be just done overnight,” said Kraft Heinz chief executive Carlos Abrams-Rivera in a recent interview. “There’s a huge amount of work.”

Kraft Heinz executives said the new products are part of an effort to modernize the Crystal Light brand, which is more than 40 years old, and reach new, younger consumers. Executives said they seized on the idea after realizing that consumers already mix Crystal Light with booze.

“If you look at some of the social listening reports, you see things like, ‘Oh, I keep a sachet of Crystal Light in my purse and I take it to the

bar,’” said Cory Sexson, a vice president who works on Kraft Heinz’s hydration business.

As the vodka seltzers are low in calories and alcohol content, Kraft Heinz executives said they are a good option for Gen Z and other consumers looking to reduce their alcohol consumption.

Last year, Kraft Heinz launched a Crystal Light multipack with flavors including watermelon margarita, black mojito and mai tai for consumers crafting their own cocktails.

The 40-year-old Crystal Light drink brand is getting modernized.

In 2021, Kraft Heinz rolled out a limited-edition white wine, called La Moutarde Vin, infused with its Grey Poupon mustard seeds. In 2023, it teamed up with a sparkling wine cocktail company to create a limited-edition cocktail made with the taste of its Claussen pickles.

Kraft Heinz said the new Crystal Light drinks will be made in partnership with craft beer producer Barrel One Collective, which will manufacture and distribute the product.



Shoppers' appetite for private-label foods is slowing.

Store-Brand Supplier Is Squeezed

Continued from page B1

gories, he said, declining to provide specifics.

Analysts are looking for smoother operations from TreeHouse. After taking its broth facility offline for maintenance and upgrades in 2023, the company struggled to bring it back to full production, weighing on sales. A voluntary recall of frozen griddle products such as waffles added another drag. Net sales in the quarter ended in December were down 0.6%, the

fifth consecutive quarter of declines.

“They need to execute better,” said William Blair research analyst Jon Andersen. “No more plant-related issues. No more recalls.”

The company’s focus this year on eliminating costs and improving profitability, while not racing to drive sales at any cost, makes sense in a softer demand environment, analysts said. That means slower growth: TreeHouse expects adjusted net sales in the first three months of the year to be down around 3.5% compared with a year earlier.

But it is a needed, and temporary, pivot, according to Andersen. “You have to live with the environment you’re operating in,” he said. “And that’s what they’ve done this year.”

BUSINESS & FINANCE

Target Posts Lackluster Sales, Remains Cautious About 2025

Retailer says revenue fell in February and current quarter's profit is pressured

By SARAH NASSAUER

Target warned that its profit would come under pressure in the current quarter—and its sales could be flat this year—because of consumer uncertainty and escalating tariffs.

The retailer’s sales in February were down from a year earlier because of “declining consumer confidence” and cold weather, Target finance chief Jim Lee said.

Those sales trends should tick up as weather warms and the Easter holiday spurs buying, Lee said, but the retailer “will remain appropriately cautious with our expectations for the year ahead.”

U.S. consumer confidence is slipping in part because of fears that the Trump administration’s tariff campaign could raise prices. **Walmart** executives spooked investors last month when they set fiscal-year revenue and profit targets below analysts’ expectations.

Target said comparable sales, those from stores and websites operating at least 12 months, were up 1.5% in the three months ended Feb. 1. That was in line with what the company predicted in January when it reported holiday sales results.

Profit also came in largely as expected. That growth was driven by stronger sales of beauty products and some big sales over the winter holidays, as well as through same-day delivery.

The sales and profit figures continue a string of lack-



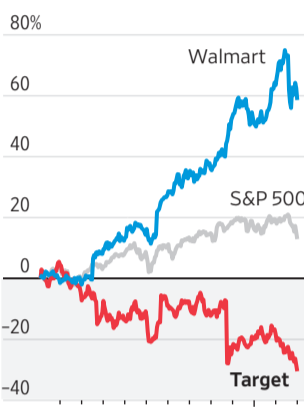
BRENDAN MCCORMICK/REUTERS

Comparable-store sales, change from a year earlier



*Excludes fuel. Note: Latest quarter ended Feb. 1 for Target, Jan. 31 for Walmart
Sources: the companies (sales); FactSet (performance)

Share-price and index performance, past year



Target has reported sluggish sales since 2022 as shoppers pulled back on spending.

the previous year for all categories of goods except apparel and accessories, beauty items and advertising revenue. The previous year included an additional week.

Target’s net sales shrank by 0.8% for the full year, to \$106.6 billion.

“We believe that Target needs to invest more in pricing and promotions to drive the top-line growth,” Zhihan Ma, a retail analyst at Bernstein, wrote in a research note ahead of Target’s earnings report.

Target reduced the price of more than 10,000 items last year, the company said Tuesday.

Target said its comparable e-commerce sales rose 8.7% in the latest quarter, while sales from stores fell 0.5%.

The retailer’s shares slid 3% in Tuesday’s trading.

luster results from Target in recent years.

The retailer has reported sluggish sales since 2022. Consumers pulled back on spending because of high inflation, and the chain disappointed some shoppers with its product selection, anti-

theft measures and pricing.

Consumers have gravitated toward retailers such as Walmart, **Amazon.com** and **Costco Wholesale** that are known for low prices or fast shipping on lots of items. In the year ended Feb. 1, Target’s sales were down from

Best Buy Warns Tariffs Will Lift Prices

By DENNY JACOB

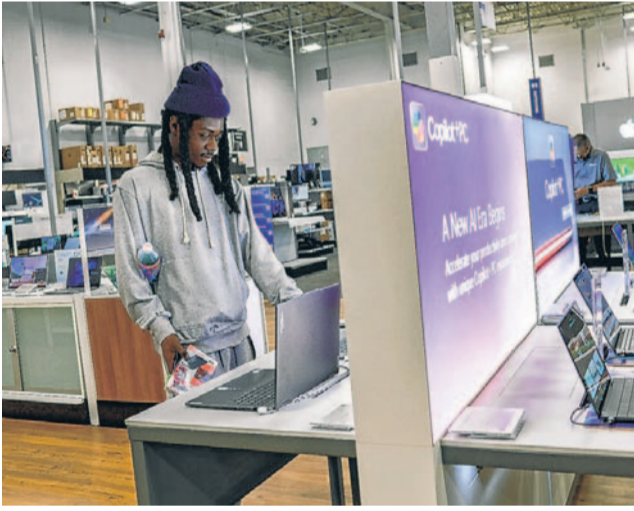
Best Buy said U.S. consumers are likely to face higher prices as vendors throughout its supply chain react to the latest set of tariffs, a scenario that may crimp demand for electronics.

“While Best Buy only directly imports 2% to 3% of our overall assortment, we expect our vendors across our entire assortment will pass along some level of tariff costs to retailers, making price increases for American consumers highly likely,” said Chief Executive Corie Barry.

China and Mexico are the top two sources for products on which the consumer-electronics store chain relies. On Tuesday, President Trump’s 25% tariffs on goods from Mexico and Canada took effect. Canada responded with plans to impose 25% tariffs on nearly \$100 billion of U.S. imports, and Mexico’s president said her nation also would retaliate.

The U.S. also introduced an extra 10% tariff on Chinese imports overnight, adding to a levy imposed a month ago, and other existing duties. China swiftly announced retaliatory tariffs on U.S. agricultural goods, and other measures against American companies.

The measures threaten to cause consumers to further delay purchases on computers, video game consoles and other big-ticket electronics. Best Buy



JOE RAEDKE/GETTY IMAGES

Tariffs on Tuesday hit key suppliers of Best Buy products.

Best Buy share price, year to date



and other electronics retailers expected demand for PCs to pick up with overdue up-

grades, while also anticipating sales would benefit from anticipated releases including Nintendo’s new gaming console and **Take-Two Interactive Software’s** “Grand Theft Auto VI.”

Shares tumbled 13.3% to \$75.20 in Tuesday’s trading. The stock is down 1% over the past year.

Best Buy on Tuesday reported higher-than-expected sales in its latest quarter and said consumers are looking for value, but are still willing to spend on high-priced electronics.

The company said its guidance for the fiscal year doesn’t

The measures threaten to lead consumers to further delay purchases.

include the impact of recently implemented or proposed tariffs.

The Minneapolis-based chain forecast full-year revenue between \$41.4 billion and \$42.2 billion, as well as adjusted earnings per share in the range of \$6.20 to \$6.60. Wall Street expects revenue around \$41.75 billion and adjusted earnings of \$6.58 a share.

Comparable sales growth is expected to range between flat and 2% for the year, with growth weighted more to the second half of the year.

Still, the market for PCs has begun to improve as consumers and businesses alike look to replace older models they have held onto for longer than average in response to a run-up in prices.

For the quarter ended Feb. 1, Best Buy reported earnings of \$117 million, or 54 cents a share, down from \$460 million, or \$2.12 a share, in the prior-year period.

Stripping out certain one-time items, earnings came in at \$2.58 a share. Analysts polled by Fact-

Set had expected \$2.40 a share. Revenue declined to \$13.95 billion from \$14.65 billion. Analysts polled by FactSet had expected \$13.68 billion.

Aperol Maker Campari Enters a Transition Year

By ANDREA FIGUERAS

Italian liquor maker **Davide Campari-Milano** said it expects 2025 to be a transition year because of cyclical headwinds and as a global trade dispute is hampering the beverage sector.

For this year, the maker of Aperol aperitifs forecasts moderate organic-revenue growth, with an improving trend in the second half, as drink makers continue to face waning demand after a surge in beverage consumption during the pandemic.

The group also anticipates

a flat organic earnings before interest and taxes margin in 2025 and said the adjusted EBIT performance is expected to be skewed toward the last six months of the year.

The update comes after Campari appointed Simon Hunt as chief executive, following the resignation of Matteo Fantacchiotti for personal reasons. Hunt has more than 30 years of experience in the premium- and luxury-spirits industry.

For 2025, Campari estimates the potential impact of tariffs on imported goods into the U.S. from Mexico and Canada to be around 35 million euros, or

about \$36.7 million, starting from this month and before any mitigation actions, which are currently being assessed.

The potential 12-month impact of 25% duties on imports from Mexico, Canada and Europe into the U.S., which isn’t included in the guidance, is expected to be between €90 million and €100 million.

The industry also faces a challenging environment in China, another key market for European distillers, after Beijing put tariffs on EU cognac imports. The move came after Brussels decided to impose duties on Chinese electric ve-

hicles, the latest tit-for-tat in a trade dispute.

French peer **Pernod Ricard** lowered its guidance in January, citing deteriorating trends in China and uncertainty about tariffs globally, while U.K. spirits maker **Diageo** withdrew its midterm targets and warned that U.S. tariffs could weigh on the pace of its recovery.

Campari booked sales of €3.07 billion for 2024, up 2.4% organically from the prior year. Net profit dropped 39% to €201.6 million due to more moderate sales growth and business investments.

Francisco Partners Is Moving Into Energy

The private-equity firm signs to buy Quorum, a maker of oil-and-gas software

By Lauren Thomas

Private-equity firm Francisco Partners struck a deal for Quorum Software, a maker of software for the oil-and-gas industry owned by buyout

firm Thoma Bravo. The deal is expected to value Quorum at \$2.4 billion, including debt, people familiar with the matter said. A transaction was announced on Tuesday, confirming an earlier report from The Wall Street Journal. Houston-based Quorum’s software helps customers across energy sectors in areas including financial planning, well management and land

management, according to its website. Thoma bought Quorum from private-equity firm Silver Lake for an undisclosed amount in 2018. Quorum scaled quickly under Thoma’s ownership. The business pursued deals, including a merger with a Thoma portfolio company, Aucterna, and acquisition of Energy Components, a piece of the Finnish software business

Tietoevry, to create a bigger leader in the energy software space. Other deals between buyout firms have been struck this week. Clearlake Capital said on Monday it would buy a stake in healthcare software firm Modernizing Medicine, from Warburg Pincus. Genstar Capital announced a deal for a controlling stake in First Eagle Investment

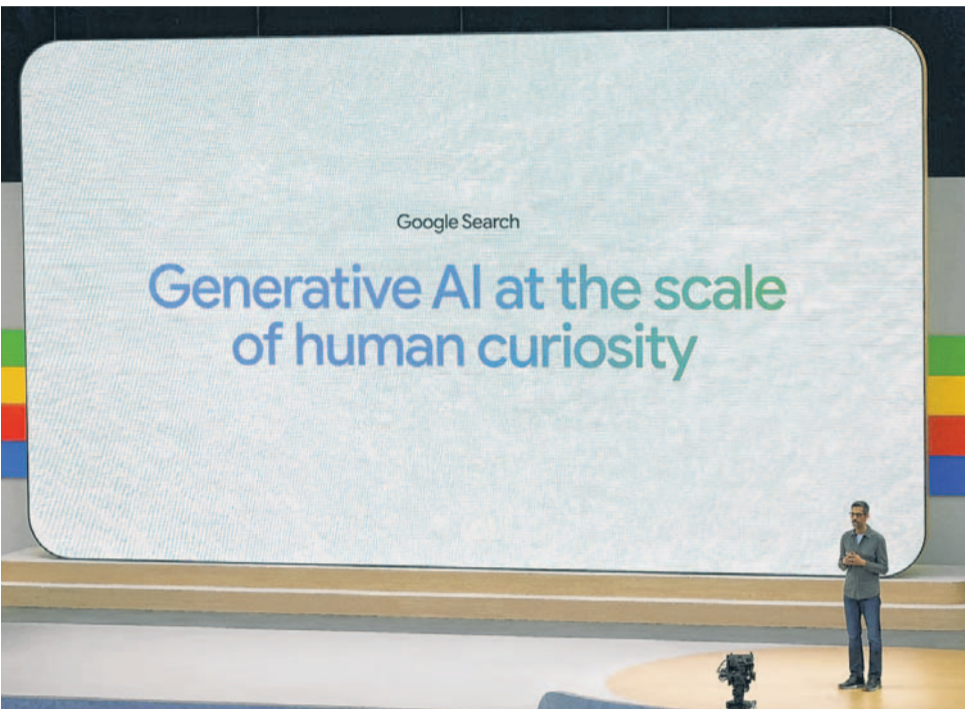
Management, from its private-equity backers Blackstone and Corsair Capital. Overall activity is at multi-decade lows, however. Deal announcements in the first two months of the year were down over 26% from 2024, according to Dealogic. It is the fewest deal announcements over the same period since 2005. Francisco Partners focuses its investments on technology

and technology-enabled businesses. About a year ago, it bought Jama Software from shareholders including Insight Partners and Madrona Ventures for \$1.2 billion. “Francisco Partners had already done a lot of work in the sector before we connected, and so this made a nice match,” Quorum CEO Paul Langenbahn said in an interview.

Adoption of New AI Tools Reshapes Coding Workforce

By Isabelle Bousquette

After years of hype and panic over how many jobs AI will extinguish or replace, it’s clear the technology is bringing some big changes to the coding workforce. AI coding tools, which can automate large portions of code development, emerged as an early generative AI use case, driving double-digit-percentage efficiency gains and helping more code get written faster. Microsoft-owned GitHub Copilot, one of the more popular coding tools, has been adopted by more than 77,000 organizations in the roughly two years since its release, Microsoft said in its fourth-quarter earnings. The tools are designed to supplement rather than replace human workers and their output still needs to be double-checked, companies say. But their growing adoption is quickly reshaping the size and scope of the development teams. “2025 is going to be a very fascinating year with some of these tools, as we start to scale,” said KeyBank Chief Information Officer Amy Brady. “We’re not far enough on the journey where I can confidently say it’s going to replace all entry-level code generation. Do I think it could replace some? Yes.” Companies using the tools



Alphabet CEO Sundar Pichai says more than a quarter of its new code is AI-generated.

say they can get the same amount of work or more done with leaner teams. Automating the mundane boilerplate coding lets developers focus on complex problem solving and skills associated with using the AI tools, they say. And when hiring developers, companies say they can be more tempered and selective than several years ago, when the talent market was so tight they were desper-

ate to get bodies into seats. “It really changes and morphs the way you think about a traditional developer,” said Yang Lu, the CIO of Coach and Kate Spade owner Tapestry, about GenAI coding tools. The fashion company is seeing roughly 10% to 20% efficiency gains from its use of GitHub Copilot. “We can get through more [coding] quicker and do more

tests and learn quicker,” Lu said. For the developers, priorities are shifting more toward how to use and prompt the AI tools, she said. “We’re training developers to think more from a prompting perspective versus the traditional programming perspective,” she said. “It’s a different mindset.” Silicon Valley is not immune to the shift. Alphabet Chief Ex-

ecutive Sundar Pichai recently said that more than a quarter of the company’s new code is AI-generated. While there are still skills shortages in some areas, those companies that are hiring developers are finding an easier market than they did a couple of years ago, said Ryan Sutton, technology hiring and consulting expert at recruiting firm Robert Half. He added, though, that the more employer-friendly market is attributable to several factors, including the economy and a normalization after the pandemic-fueled hiring boom. Companies that might have compromised on what they were looking for in the past don’t anymore, Sutton said, although some of the skill sets have changed. Companies want candidates who can go beyond writing lines of code and think critically about how to solve problems through technology. Communication skills are also desired, he added. “The world is becoming more competitive. The bar for talent and the expectation of talent has just risen,” said Jason Gowans, Levi Strauss & Co. chief digital and technology officer. Levi’s last year rolled out GitHub Copilot and quickly found that users were accepting the coding suggestions 40% of the time after just the first prompt.

“It is possible that we might see a future where some workers are displaced,” Gowans said, adding that top talent will always remain in demand. The unemployment rate in the information technology sector rose from 3.9% in December to 5.7% in January, well above the month’s overall jobless rate of 4%, according to a report from consulting firm Janco Associates based on data from the U.S. Department of Labor. Victor Janulaitis, CEO of Janco, attributes part of the shift to the growing use of AI. TD Bank Group continues to hire developers, and Brent Foster, vice president of software and quality engineering practices at the financial services firm, said he’s looking for candidates who can focus on the things the tools don’t do themselves. These include prompt engineering and working at a higher level of abstraction, stitching together different building blocks of existing services to build an architecture. TD Bank said 75% of its engineers who were using GitHub Copilot felt like they were being equally or more productive than before the bank started rolling it out. To be sure, these coding generation tools remain in their infancy and CIOs say the gap between what they can do today and their future potential is big.



SPOT THE DIFFERENCE

Sure, the cars are different. But the mats are, too. New or pre-owned, big or small, we have a laser-measured, custom-fitting FloorLiner for your vehicle in stock and ready to ship. Because at WeatherTech, we make protection personal.



WeatherTech.com
Auto. Home. Pet. Find Your Fit. 1-800-441-6287



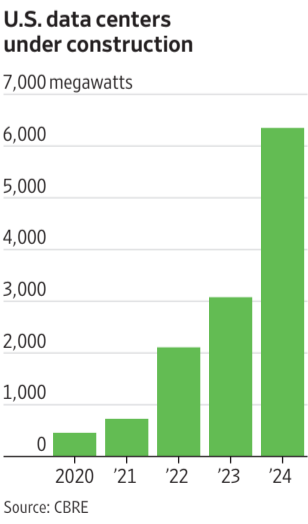
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A Novva data center in West Jordan, Utah.

Big Loan To Finance Data Site

Continued from page B1 places such as northern Virginia, Atlanta and Chicago have run into power and land limitations and public opposition. Developers and “hyperscalers” such as Amazon.com and Microsoft are now moving where they can find sufficient power, water and friendly local governments. Meta recently said it is planning a \$10 billion data center in Richland Parish, La. Alphabet’s Google last year broke ground on a pair of data centers in Dorchester County, S.C., as part of a major expansion effort in that state. New data centers are focused on markets with “the ability to deliver power in scale and jurisdictions that can fast-track it,” said Roy March, chief executive of real-estate investment banking firm Eastdil Secured. Novva founder and CEO Wes Swenson was early to the Utah market, acquiring



the site near Salt Lake City in 2018. Swenson formed Novva in 2019 with CIM, which has a range of infrastructure and commercial real-estate projects in Europe and the Americas. CIM and Novva began constructing the first phase of the facility in 2020 without any signed leases because Utah wasn’t a big data center market and some of their new data center technologies were untested, said Avi Shemesh, CIM co-founder and principal. “We had to prove our design,” he said. The first phase opened in 2023 with the rest opening by the end of 2026, and it is al-

ready fully leased, the developers said. Utah is a good location for data centers because the region has a low risk from earthquakes and other natural disasters, Swenson said. But Utah and other Western states have one big drawback: The region is dry. Obtaining enough water to prevent a data center from overheating is a major challenge. “Virtually everything west of Denver is water scarce,” Swenson said. “You can’t go into these cities responsibly and use water for cooling.” The Utah project limits the amount of water it uses with a cooling system that consists of four 12-inch pipes that run around the perimeter of the facility. That system reduces the amount of water evaporation, which greatly increases water usage at other data centers. “You recirculate the water,” Swenson said. “It doesn’t evaporate.” Still, the availability of power continues to slow data-center development in Utah and other states. “Before the AI surge in 2023, you could reasonably get a pretty good path to power in three years,” Swenson said. “That is moved now to five or six.”

THE PROPERTY REPORT

Scorched Plots Hit Market After L.A. Fires

Land parcels where homes once stood are selling for above early expectations

By Rebecca Picciotto

LOS ANGELES—In two Los Angeles neighborhoods where wildfires destroyed thousands of homes less than two months ago, the selling season is already well under way.

More than 80 new listings of scorched plots in Pacific Palisades and Altadena have hit the market since the middle of February. Land parcels where homes once stood are commanding selling prices above early expectations.

“All of a sudden, the floodgates are opening,” said Anthony Marguleas, founder of the Palisades real-estate agency Amalfi Estates.

The first parcels in the neighborhoods sold at slight discounts to their pre-fire valuations, though some real-estate agents figured that land values would drop by a hefty 50%, based on early sales during previous California wildfires.

Land sellers are now asking for roughly the same value—or even above—their land’s estimated pre-fire valuation. As a rule of thumb, brokers estimate that a land plot is worth between 40% and 60% of a property’s overall value in Los Angeles, though the precise estimate varies based on the location and size of the parcel.

The early sales, while a small portion of the thousands of burned homes, are the first signs of residents making permanent decisions to leave, a sensitive issue for both neighborhoods. The listings are also boosting hope that the areas remain desirable and that prices can rise even more over time.

The parcels are mostly being sold to small and midsize real-estate investors and developers who are likely to either flip the vacant lots or build single-family homes to sell later. Many of them offer



Jethro Rothe-Kushel, a 43-year old homeowner who works in marketing, put his Altadena land on the market in February after his four-bedroom, four-bathroom home burned down.

Rothe-Kushel isn’t sure if he will go through with the sale, reluctant to abandon the neighborhood. He wants to find a way to pay for the rebuild out-of-pocket, but with an eight-year old daughter, he felt more time pressure to find a new stable living situation quickly.

For now, Rothe-Kushel is moving his family to their newly bought home in San Marino, about 10 miles away.

“We can’t wait two to five years—not only for our home to rebuild, but also for the community to rebuild itself,” he said. “Five years in an eight-year old’s life is an eternity.”

The turnover in ownership also is raising concern over how the rebuild will change the demographics and character of the fire-ravaged neighborhoods.

In Altadena, roughly 81% of Black residents own their homes—nearly double the national average. Before the 1960s, some parts of the neighborhood that didn’t have discriminatory redlining laws became a refuge for Black residents.

After the January fires, residents launched an “Altadena Not for Sale” campaign to fend off predatory investor bids that featured yard signs and local protests in the neighborhood’s streets. Residents are collecting funds to help displaced homeowners who are uninsured or underinsured rebuild their homes.

“There are very few Black people left in L.A. County. A lot of that has to do with the cost of living here,” said Jasmyne Cannick, a local advocate who helped organize an online fundraiser for Black homeowners displaced by the fires. “There’s a real feeling that the community is going to change drastically in Altadena.”

The listings are also boosting hope that the areas remain desirable and that prices can rise even more over time.

all cash to secure the land, brokers say.

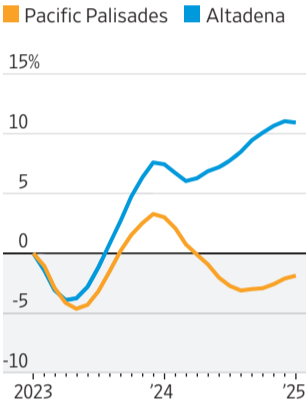
Dozens of land parcels that include partially damaged homes are also hitting the market.

In Altadena, the first four lot sales have closed at an average of \$69 a square foot, well above the \$22 average from 2023 to 2024, according to private listing data. Local real-estate agent Teresa Fuller is aiming even higher. She said she is about to close on a burned 5,737-square-foot Altadena parcel for \$570,000, or around \$99 a square foot.

Land prices for the Riviera neighborhood, one of the most luxurious enclaves in the Palisades where celebrities frequent the nearby country club, appear to have appreciated by more than 10% since the fires, Marguleas said, based on land transactions that are currently in escrow.

Property values are expected to rebound even more

Change in average monthly home value since 2023



Source: Zillow Home Value Index

once the neighborhoods are fully reconstructed and fireproofed. But the homeowners who are selling say they can’t wait. Some are facing exorbitant out-of-pocket costs to rebuild, even with their insurance payouts. And the wait times could stretch for years

while they are springing for temporary housing and paying off a mortgage.

“There’s a daily cost to carry the property,” said local real-estate agent Richard Schulman. “So money today is better than money tomorrow.”

Schulman listed a Pacific Palisades lot eight days after the owner’s home burned down. He received more than 60 inquiries, primarily from small to midsize investors looking to either flip the 9,932 square-foot lot or rebuild the single-family home to sell at a profit.

The seller reached a deal with an investor for \$1.2 million and is now moving to Santa Monica. That topped the asking price of \$999,000, but it was likely 20% less than what the land, excluding the home structure, was worth pre-fires, according to Schulman.

In Altadena, real-estate agent Tracey Kardash is setting asking prices at roughly

40% of what the property was valued at before the fires, which she sees as the land’s fair market value. She received 10 direct inquiries in 24 hours on the first land plot she publicly listed, mostly from investors she thinks will rebuild the homes.

“There are a lot of mom-and-pop builders looking at this land as an opportunity to grow their business,” she said.

The Palisades housing market was under pressure even before the fires, in line with most of Southern California. Higher mortgage rates, and decades of price appreciation that caused home values to increase several fold, softened demand. The average home value in Pacific Palisades was down more than 5% in December from the year before, according to Zillow.

Altadena had been bucking the trend with the average home value up over 3% annually in December.

Home Builders Anticipate Rise in Construction Costs

By Rebecca Picciotto

Home builders are bracing for the fallout from new tariffs on Canada and Mexico, a move that could over time boost the cost of new-home buying and intensify the U.S. housing shortage.

In 2023, nearly 70% of U.S. builders’ sawmill and wood products came from Canada, while 71% of lime and gypsum products came from Mexico, according to the National Association of Home Builders. The Trump administration imposed 25% tariffs on exports from those countries on Tuesday. Lumber futures on Monday rose to their highest point since August 2022, in anticipation.

U.S. builders also rely on

China, which is now facing levies of an additional 10% on its exports to the U.S., for steel and aluminum products.

The impact of a 20% tariff on Chinese imports and a 25% tariff on both Canadian and Mexican could increase construction costs by \$1.7 billion annually, according to the NAHB.

Big home builders say they can absorb some cost increases if the tariffs last for just a few weeks. These firms have anticipated the possibility of higher costs from levies and can source some of their materials domestically.

For now, some say they won’t have to pass those costs on to home buyers and renters. Smaller builders might feel the squeeze more immediately.

But in a matter of months, even the biggest builders will likely need to increase the rents for newly built apartments and houses or raise the selling prices on new projects. In other cases, they may need to pause or abandon projects entirely.

Any of these outcomes would reduce new construction and likely worsen the country’s yawning housing shortage, which by some estimates runs to more than 7 million units.

“There are only two ways to manage higher costs and both are bad for the consumer,” said Adam Wolfson, chief executive of Florida-based build-to-rent development firm Wolfson BTR.



Big builders say they can absorb some cost increases if the tariffs last for just a few weeks.

BUSINESS WATCH

CONTINENTAL Shares Plunge 12% As Revenue Falls

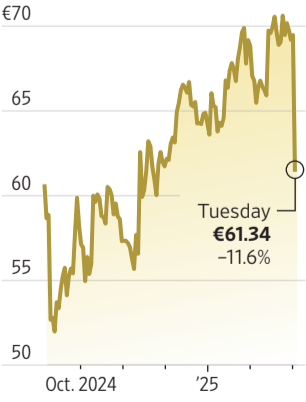
Shares of Continental plunged nearly 12% on Tuesday after 2024 revenue was hurt by major headwinds and guidance came in soft.

The German car-parts company’s full-year sales fell 4.1% to €39.72 billion, equivalent to \$41.65 billion, compared with the prior year. The company attributed this to a weak core market in Europe and a global downturn in automotive production. The figure slightly missed analysts’ estimated €39.97 billion, according to a company-compiled consensus.

For 2025, Continental expects sales to range between €38 billion and €41 billion, and an adjusted earnings before interest and taxes margin of around 6.5% to 7.5%. Analysts see sales at €40.89 billion and adjusted Ebit at €2.91 billion with a margin of 7.1%.

The guidance was weaker than expected, Jefferies ana-

Continental's share price, past six months



Note: €1 = \$1.05

Source: FactSet

lysts said in a note to clients. “Commentary also indicates that guidance does not take significant changes in tariffs into account, which adds a layer of uncertainty about the guide,” they said. Despite this, net profit rose 1% to €1.17 billion and adjusted Ebit climbed 7% to €2.69 billion.

—Nina Kienle

KUEHNE + NAGEL Logistics Company's Results Disappoint

Kuehne + Nagel shares fell Tuesday as earnings at the freight forwarder’s sea logistics business disappointed investors and dragged on the group’s overall profitability.

Sea logistics had a rise in fourth-quarter earnings as it benefited from continued efforts to manage costs. But volumes fell and profitability per container that it shipped declined from the third quarter, leaving earnings at the unit shy of forecasts.

Shares fell 5% in Europe. The smaller air-logistics business logged a good quarter though, as it had better volumes with stable market share and improving profitability thanks to demand from the aerospace and pharmaceuticals industries and as it transported more perishable goods. Analysts at JPMorgan noted that the air logistics performance was strong as profitability came in

ahead of expectations, but sea logistics profitability was below expectations and overall volumes declined.

The Swiss logistics group plans to grow average annual earnings before interest and taxes by 17% to 19% in the period to 2026 from 2019 levels, while achieving a conversion rate—the ratio of Ebit to gross profit—of 25% to 30%. It reported a conversion rate of 19% in the fourth quarter, up from 15.6% in the same quarter a year earlier. The conversion rate fell to 19.1% for full-year 2024 from 21.7% in 2023.

“Kuehne + Nagel is well positioned at the start of the new financial year. We are confident that the positive development will continue in 2025,” Chairman Joerg Wolle said.

The company reported a net profit of 315 million Swiss francs, equivalent to \$351.2 million, in the final quarter of 2024, up from 283 million francs in the same period a year earlier as turnover rose 19% to 6.76 billion francs. —Dominic Chopping

7-ELEVEN Family Abandons Privatization Bid

TOKYO—Seven & i Holdings’ founding family said it decided to pull its proposal to privatize the Japanese owner of the 7-Eleven convenience-store chain as it found it difficult to secure enough financing in a short time.

“Given that Seven & i is in a situation where it is required to make swift management decisions and implement them to respond to the environment surrounding the company and the challenges it faces, the founding family has decided to withdraw the proposal to take the company private,” Junro Ito, a top Seven & i executive and son of the founder of the Japanese retail giant, and Ito Kogyo, the family’s asset-management company, said in a statement.

Seven & i in November said it had received a buyout proposal from the founding family. However, the company said

last week that there was no longer an actionable offer from the founding family to consider. The family said that it will continue to seek ways to contribute to the company’s growth.

Separately, Seven & i said it is exploring all opportunities to unlock value for shareholders, including a proposal from Canada’s Alimentation Couche-Tard. The two companies are still discussing whether there is a way to overcome a possible antitrust challenge in the U.S., Seven & i said Tuesday.

Seven & i shares pared losses after the company denied a report that it was rejecting Couche-Tard’s bid, ending Tuesday’s session down 6.9% after falling by as much as 12%. The 7-Eleven owner in September rejected an initial \$39 billion buyout bid from Couche-Tard, saying the proposal underestimated the company’s value. Couche-Tard later raised its offer to about \$47 billion.

—Megumi Fujikawa



Hudson Square boasts the best New York has to offer, combining the energy of the city with easy access to open spaces.

JOE THOMAS

Once the heart of New York City’s printing district, the area is rapidly becoming a destination in its own right by Hudson Square Properties

Nestled between SoHo, the West Village, TriBeCa and the Hudson River, Hudson Square has quietly evolved into one of Manhattan’s most appealing neighborhoods, blending modern office spaces, upscale residential offerings and vibrant cultural attractions.

The catalyst for Hudson Square’s transformation came in 2013 with a re-zoning initiative that opened the doors to residential construction. Since then, Hudson Square has steadily evolved into a community that combines the energy of the city with easy access to open spaces. As a result, the neighborhood’s population has increased by more than 50% since 2010, according to market researcher Alexander Babbage. Just this summer, Atlas Capital Group, along with Zeckendorf Development and Baupost Group, secured a nearly \$1 billion construction loan to develop two luxury apartment towers between Houston and Clarkson Streets. This Hudson riverfront residential project — and other well-designed housing like it — exemplify how a historically industrial and commercial area has transformed to attract professionals and families looking to plant their roots.

At the center of Hudson Square’s resurgence is Hudson Square Properties (HSP), a joint venture of Trinity Church NYC, Norges Bank Investment Management and Hines. Together, this partnership has carefully designed and curated an office and retail portfolio that aligns with the needs of forward-thinking tenants and complements the neighborhood’s influx of new residents. HSP’s latest project, 555 Greenwich Street, is setting a new standard for sustainable office buildings in Manhattan. The 16-story structure is fully electrified, geothermally heated and designed to achieve exceptional energy efficiency; it is one of the greenest office buildings in the country. It seamlessly connects to 345 Hudson Street on multiple floors, creating expansive, flexible floor plates that are rare in Manhattan’s commercial landscape.

“Hudson Square is fast becoming a hub for companies seeking a unique combination of high-quality office space, cultural amenities, and a sense of community,” Jason Alderman, senior managing director and city head of Hines’ New York office, says.

Hudson Square’s appeal is evident in the caliber of tenants drawn to its buildings. Major media and technology



JOE THOMAS

Hudson Square is bustling with an impressive range of culinary and cultural experiences.

firms such as Disney and Google have established significant outposts here in the last few years; they are joined by creative industry leaders like Horizon Media and Publicis Groupe. Collectively, these global brands are bringing a fresh energy to the neighborhood.

CULTURE ABOUNDS

In addition to being a burgeoning business center, Hudson Square offers an impressive range of dining and cultural experiences. Recent culinary arrivals include César by César Ramirez and Port Sa’id, a lively destination for foodies and music lovers. Upcoming restaurant openings by chefs Daniel Humm and Flynn McGarry at 435 Hudson and 375 Hudson Street, respectively, further underscore the area’s emergence as a culinary hotspot.

These curated ground-floor tenants not only enhance the dining landscape, but also contribute to Hudson Square’s new status as a destination.

Hudson Square has also established itself as an appealing venue for the arts. The neighborhood’s distinctive buildings boast excellent light, space and high ceilings from their industrial past. In recent months, notable fashion brands such as Elena Velez and Nanushka have chosen Hudson Square for Fashion Week events; art installations and galleries, such as Swivel Gallery and Creative Art Partners, feature work by emerging and established artists from around the world, enriching the streetscape and drawing visitors beyond the neighborhood’s office walls. The NASA Art Program also recently unveiled a new public art display in the neighborhood called “To the Moon, and Back,” fitting for Hudson Square’s growing appeal as a center for exploration, creativity and originality.

A DYNAMIC NEIGHBORHOOD

The HSP partnership’s commitment to cultivating a dynamic neighborhood experience has attracted a roster of new office tenants that further contributes to the area’s vibrancy. This quarter alone, Hudson Square Properties has announced long-term leases with Equinox at 75 Varick Street, Brooklinen at 225 Varick Street, Brandtech at 155 Avenue of the Americas and Red Antler at 160 Varick Street. David Yurman, a renowned jewelry brand, recently renewed and expanded its headquarters lease at 200 Hudson Street.

“Trinity Church established a long-term venture with its partners, Norges and Hines, with the goal of stewarding a neighborhood inextricably linked to Trinity’s early days. We’re excited to help lead Hudson Square’s next evolution, crafting an urban landscape where history and modernity coexist harmoniously,” Sujohn Sarkar, managing director of asset management at Trinity, says.



LEARN MORE

About Hudson Square Properties and its dynamic neighborhood.



COURTESY OF HUDSON SQUARE PROPERTIES

Designed to achieve optimal energy efficiency, 555 Greenwich Street is setting a new standard for sustainable, high-quality office buildings in Manhattan.

“We’re excited to help lead Hudson Square’s next evolution, crafting an urban landscape where history and modernity coexist harmoniously.”

SUJOHN SARKAR

Managing Director of Asset Management, Trinity

NEW HIGHS AND LOWS

Stock	52-Wk %			Stock	52-Wk %			Stock	52-Wk %		
	Sym	H/L	Chg		Sym	H/L	Chg		Sym	H/L	Chg
Audius	AUD	0.24	-0.20	Birks	BGI	0.94	-5.7	CaballeroTSA	CABA	1.59	5.4
AureusGreenway	AGH	0.69	-64.5	BlackDiamond	BDTX	1.77	-5.2	CableOne	CABO	239.9	5.0
auth0	AUT	4.15	3.7	Blackback	BLKE	63.87	-1.9	Cabot	CBT	79.57	-0.8
AutomotiveMed	AMK	2.24	2.8	Blaize	BZAI	2.75	14.6	CadenceDesign	CDNS	23.32	-0.2
Avantier	AZI	0.48	-1.0	BlackCharging	BLC	0.00	5.6	CardinalSent	CZR	29.27	-2.4
AVST	AVR	15.37	-23.3	BloomBrands	BLMN	8.00	-7.3	Cardinal	CALC	1.86	0.2
Bancor	BGSF	4.52	-4.0	BloomZ	BLMZ	0.25	-1.7	Caleres	CLC	15.24	1.4
BRCC	BRCC	2.01	-16.3	BlueBird	BLBD	30.67	0.6	CalmariaRSCs	CRC	38.02	-1.4
BRP	DOOO	36.63	-1.4	BlueHatInt	BHAT	0.03	-7.8	CampingWorld	CWH	17.00	-4.2
Ballajun	RTC	0.31	-10.4	BlueLux	BXC	73.01	-3.8	Camtek	CAMT	67.00	2.0
BallarPower	BLDP	1.08	13.4	BoseCaseX	BCC	27.01	-4.2	CanalNWRC	CNI	96.28	0.8
Basell	BZ	1.28	-0.1	BostonBio	BIOB	2.00	-1.0	CanadaNatRSC	CNR	22.08	-2.8
BaytexEnergy	BTE	1.96	-0.5	BoneBiologics	BBLG	0.71	-3.5	CanadianSolar	CSIO	9.43	3.7
Beamforming	BMR	2.25	6.9	BornWarner	BWA	27.90	2.5	CanopyGrowth	CGC	1.18	0.8
BeasleyBroadcast	BGBI	6.75	-9.4	BorrDrilling	BDRR	2.18	0.9	CardinalTherap	CDRL	1.02	3.7
Benefit	BNF	0.30	-11.1	BoundlessBio	BOLD	1.70	0.3	Cardlytics	CDLX	2.26	-0.6
BentSihill	BHS	0.73	-7.1	BowmanConsolid	BWIN	18.81	-2.4	CarbuBioInc	CBIO	1.01	-1.8
BentleySystems	BSY	41.96	-1.7	BrandManagement	BNAI	3.03	5.5	Carfax	CFX	32.18	-1.8
Berry	BRY	3.49	1.5	Bravo	BRV	0.00	-1.0	Carmel	CRU	1.07	0.1
BetaBiologics	BBNX	17.36	-12.0	BriaCellTech	BCTX	3.00	-2.2	CatoMaritime	CTRM	2.35	-3.6
BetterChoice	BTRR	1.46	4.6	Brookwind	BWEN	1.46	-1.0	Caster	CATO	2.82	-4.1
BeyondAIR	XAIR	0.25	0.2	BrookfieldBPP7	BEPI	24.42	-0.6	CE	CE	45.94	2.5
BeyondMeat	BYND	2.86	4.9	BrookfieldNet2084	BPI	24.68	-1.0	Celance	CELX	8.53	11.7
BiocyteTherap	BTCT	10.07	-3.2	Bruder	BRKR	42.59	-6.0	Celgene	CELZ	18.63	3.4
Biogen	BIO	50.92	-1.0	Brunswick	BUN	0.00	-1.0	CelldexTherap	CLDX	1.00	1.7
bioAffinityTech	BIAC	0.26	-19.5	BruidisFirst	BLDR	12.75	-4.9	Centrex	CTEX	1.49	-5.6
BioAtla	BCAB	0.24	0.6	Bumble	BMBL	4.61	-3.5	Century	CENN	0.64	1.0
BioseresCrop	BIOX	3.69	1.8	CC Intelligent	CCCS	9.65	-3.8	CentusEnergy	CVE	12.08	-3.7
Blodexis	BDXS	0.64	1.0	C4 Therap	CCCC	2.22	-0.8	CentusEnergyWt	CVEWS	7.70	-3.6
BiodePharm	BDP	2.78	-5.1	CG Oncology	CGO	23.91	-1.2	CenturyComm	CCS	66.72	1.3
bioLineRx	BLRX	2.88	-2.8	CN Energy	CNE	0.16	-0.9	CEPS	CEPS	0.57	-0.8
BiomeFusion	BIF	0.00	-1.0	CN Pharma	CNP	0.00	-1.0	CERofor	CERF	1.33	-0.4
BionanoGen	BNGO	3.73	-1.3	CS Disco	LAW	4.50	-4.1	ChantantShon	CHSN	0.18	-12.6
Bio-RadLab A	BIO	248.22	-2.3	CSX	CSX	31.17	-2.3	CherHolding	CHR	1.54	-1.6
Biote	BTMD	4.03	-0.5	CTS	CTS	41.90	-1.1	Continued on Page B10			

Continued on Page B10

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Notes: Accounts are federally insured up to \$250,000 per person. Yields are based on method of compounding and rate stated for the lowest required opening deposit to earn interest. CD figures are for fixed rates only. MMA: Allows six (6) third-party transfers per month, three (3) of which may be checks. Rates are subject to change.

Source: Bankrate.com, a publication of Bankrate, Inc., Palm Beach Gardens, FL 33410
Internet: www.bankrate.com

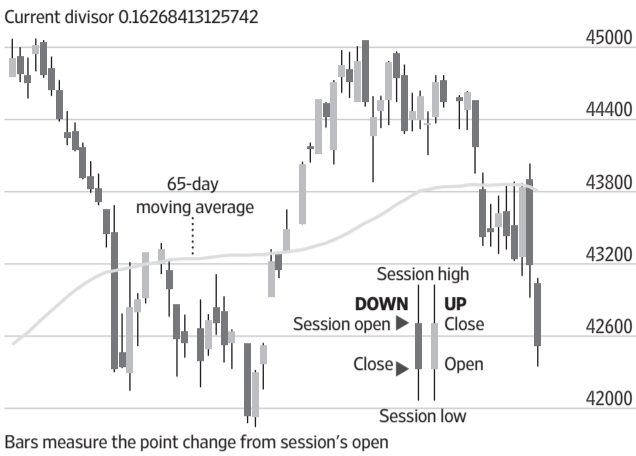
MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

42520.99 ▼670.25, or 1.55%
High, low, open and close for each trading day of the past three months.

Trailing P/E ratio	25.48	26.85
P/E estimate *	19.92	18.74
Dividend yield	1.92	1.85
All-time high	45014.04, 12/04/24	



*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; *Based on Nasdaq-100 Index

Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
Dow Jones									
Industrial Average	43084.00	42347.75	42520.99	-670.25	-1.55	45014.04	37735.11	10.2	-0.1
Transportation Avg	15633.98	15248.62	15378.37	-323.89	-2.06	17754.38	14781.56	-1.6	-3.3
Utility Average	1014.85	995.82	997.09	-12.74	-1.26	1079.88	835.53	18.4	1.5
Total Stock Market	58003.94	56588.93	57127.91	-707.62	-1.22	61024.05	49376.46	12.8	-2.2
Barron's 400	1226.61	1193.63	1208.22	-17.12	-1.40	1356.99	1092.05	7.3	-3.5

Nasdaq Stock Market									
Nasdaq Composite	18589.49	17956.60	18285.16	-65.03	-0.35	20173.89	15282.01	14.7	-5.3
Nasdaq-100	20688.46	20034.68	20352.53	-73.05	-0.36	22175.60	17037.65	13.7	-3.1

S&P									
500 Index	5865.08	5732.59	5778.15	-71.57	-1.22	6144.15	4967.23	13.8	-1.8
MidCap 400	3025.50	2939.54	2978.52	-47.09	-1.56	3390.26	2825.94	2.0	-4.6
SmallCap 600	1332.01	1295.58	1311.02	-20.15	-1.51	1544.66	1241.62	1.0	-6.9

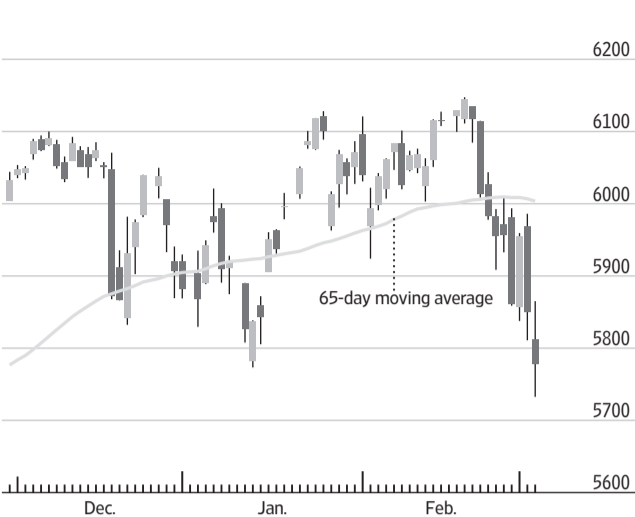
Other Indexes									
Russell 2000	2112.10	2048.01	2079.53	-22.70	-1.08	2442.03	1942.96	1.3	-6.8
NYSE Composite	19823.48	19383.39	19495.56	-327.93	-1.65	20272.04	17388.09	10.3	2.1
Value Line	591.94	577.52	583.47	-7.69	-1.30	656.04	568.94	-1.6	-4.5
NYSE Arca Biotech	5999.64	5895.73	5956.08	4.08	0.07	6318.63	4861.76	13.6	3.7
NYSE Arca Pharma	1050.44	1033.89	1034.76	-9.89	-0.95	1140.17	912.71	2.2	10.7
KBW Bank	131.39	124.45	126.71	-6.05	-4.56	140.59	96.78	27.4	-0.6
PHLX ^S Gold/Silver	157.50	152.48	155.69	1.27	0.82	175.74	113.01	37.8	13.5
PHLX ^S Oil Service	65.01	62.07	63.87	-0.94	-1.44	95.25	63.87	-21.5	-12.0
PHLX ^S Semiconductor	4726.84	4469.68	4604.51	29.14	0.64	5904.54	4306.87	-5.6	-7.5
Cboe Volatility	26.35	21.71	23.51	0.73	3.20	38.57	11.86	62.6	35.5

^SNasdaq PHLX Sources: FactSet; Dow Jones Market Data

S&P 500 Index

5778.15 ▼71.57, or 1.22%
High, low, open and close for each trading day of the past three months.

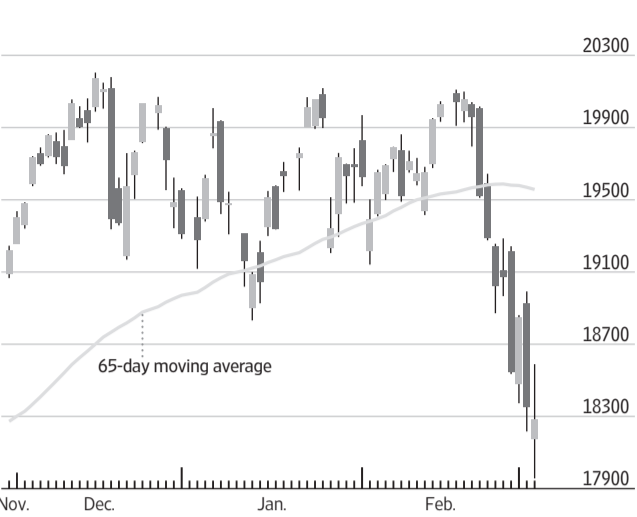
Trailing P/E ratio *	23.85	23.83
P/E estimate *	21.62	20.98
Dividend yield *	1.30	1.44
All-time high	6144.15, 02/19/25	



Nasdaq Composite Index

18285.16 ▼ 65.03, or 0.35%
High, low, open and close for each trading day of the past three months.

Trailing P/E ratio **	31.87	33.02
P/E estimate **	26.15	30.35
Dividend yield **	0.77	0.82
All-time high:	20173.89, 12/16/24	



Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
SPDR S&P 500 ETF Trust	SPY	16,411.1	580.37	3.51	0.61	586.14	543.79
NVIDIA	NVDA	8,207.9	117.80	1.81	1.56	165.25	79.25
Itau Unibanco ADR	ITUB	7,867.1	5.47	...	unch.	5.47	5.47
Pfizer	PFE	5,947.4	25.82	0.07	0.27	25.87	25.74
Bank of America	BAC	5,479.0	43.05	0.38	0.89	43.30	42.66
Direxion TSLA Bull 2X	TSLL	5,061.9	11.95	0.42	3.64	12.03	11.39
Intel	INTC	4,502.8	21.61	0.28	1.31	21.80	21.31
CSX	CSX	4,397.7	31.20	...	unch.	31.45	31.20

Percentage gainers...

Western Alliance Bancorp	WAL	54.8	88.80	7.64	9.41	88.80	80.60
Alkermes	ALKS	54.5	37.70	2.30	6.50	37.70	35.40
Golden Ocean Group	GOGI	1,930.6	10.65	0.59	5.86	10.88	10.00
Novocure	NVCR	52.3	19.22	1.03	5.68	19.22	18.15
Direxion Dly PLTR Bull 2X	PLTU	115.9	31.85	1.71	5.67	31.98	30.08
...And losers							
GrShr 2x Long CRWD Daily	CRWL	89.7	23.60	-5.41	-18.65	29.81	23.30
AeroVironment	AVAV	114.2	116.90	-25.00	-17.62	150.15	115.00
CrowdStrike Holdings	CRWD	1,439.3	354.44	-35.72	-9.16	395.17	352.32
Box Cl A	BOX	504.9	31.28	-2.19	-6.55	34.31	29.28
LegalZoom.com	LZ	184.2	9.53	-0.58	-5.72	10.11	9.53

Percentage Gainers...

Company	Symbol	Close	Net chg	% chg	High	52-Week Low	% chg
Jiuzi Holdings	JZNX	4.29	1.25	41.12	67.60	1.00	-74.6
Atlantic International	ATLN	4.61	1.32	40.12	8.98	1.30	26.3
Rapport Therapeutics	RAPP	9.99	2.84	39.72	29.74	6.43	...
China Liberal Educ Hldgs	CLEU	3.59	0.81	29.14	4164.00	2.59	-99.8
Jiayin Group ADR	JFIN	8.92	1.85	26.17	10.56	4.00	56.5
Exicure	XCUR	14.28	2.96	26.15	36.00	1.44	306.9
Okta Cl A	OKTA	108.31	21.15	24.27	114.50	70.56	1.2
Park Ha Biological Tech	PHH	7.19	1.37	23.53	7.41	3.70	...
Polar Power	POLA	2.46	0.45	22.39	4.90	1.78	-16.3
Cloudastructure Cl A	CSAI	8.06	1.35	20.12	52.43	5.10	...
Huachen AI Parking Mgmt	HCAI	5.00	0.81	19.33	5.32	3.70	...
Neuronetics	STIM	5.06	0.80	18.78	5.32	0.52	57.1
Avalon GloboCare	ALBT	10.69	1.68	18.65	21.60	2.11	78.2
Defiance Dly Tgt 2x Lg	MSTX	26.83	4.17	18.40	220.99	15.18	...
Gorilla Technology Group	GRRR	38.10	5.87	18.21	40.35	2.09	382.3

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
NVIDIA	NVDA	394,808	59.3	115.99	1.69	153.13	75.61
Direxion TSLA Bull 2X	TSLL	189,777	162.3	11.53	-9.00	41.50	4.94
Ford Motor	F	166,468	137.9	9.12	-2.88	14.85	9.06
Direxion Dly SCOND 3 BL	SOXL	152,371	100.6	20.65	0.68	70.08	19.00
Intel	INTC	150,589	67.1	21.33	-6.20	46.63	18.51
Bit Origin	BTOG	132,442	2322.9	0.36	12.12	6.04	0.16
MDJM	UOKA	129,717	834.0	0.18	17.33	1.80	0.13
ProShares UltraPro QQQ	TQQQ	129,567	165.6	69.31	-1.10	93.79	48.80
Tesla	TSLA	125,527	52.1	272.04	-4.43	488.54	138.80
908 Devices	MASS	125,020	21413.1	3.88	95.96	7.56	1.81

* Volumes of 100,000 shares or more are rounded to the nearest thousand

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Percentage Losers

Company	Symbol	Close	Net chg	% chg	High	52-Week Low	% chg
Aureus Greenway Holdings	AGH	0.77	-1.40	-64.52	7.22	0.69	...
PicoCELA ADR	PCLA	1.57	-1.56	-49.84	9.80	1.50	...
Wheeler Real Est Inv't Tr	WHLR	1.50	-0.71	-32.13	717.60	1.30	-99.7
Opthea ADR	OPT	3.55	-1.56	-30.53	6.30	1.79	2.3
Viant Technology	DSP	14.12	-5.63	-28.51	26.33	7.77	44.4
James River Group Hldgs	JRVR	3.51	-1.39	-28.37	10.07	3.00	-63.7
BioXcel Therapeutics	BTAI	2.70	-1.05	-28.00	52.80	1.72	-94.4
Acclarion	ACON	5.75	-1.85	-24.34	231.15	2.43	-95.4
Medicus Pharma	MDCX	2.90	-0.90	-23.68	6.00	1.80	-31.0
Windtree Therapeutics	WINT	2.25	-0.66	-22.68	737.44	2.08	-99.4
FST	KBSX	5.50	-1.28	-18.88	15.48	5.24	-50.9
Defiance Dly Tgt 2x Sh	SMST	6.28	-1.46	-18.86	118.40	3.47	...
PepGen	PEPG	2.28	-0.53	-18.86	19.30	1.16	-86.3
Paysafe	PSFE	15.65	-3.57	-18.57	26.25	11.94	12.9
Enveric Biosciences	ENVB	2.12	-0.48	-18.46	28.05	1.13	-90.0

Volume Movers

Ranked by change from 65-day average*

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
iSh Crrr Hdd MSCI Eurozone	HEZU	7,452	15401	39.97	-0.92	40.75	32.92
iSh Russell Top 200 Val	IWX	10,183	10630	82.13	-1.89	85.39	72.40
VicSh Free Cash Flow Grw	GFLW	5,298	4267	22.97	-0.54	25.83	22.54
AllianzIM US LC BFI0 J/J	SIXJ	759	3725	30.34	-0.55	31.19	27.06
iSh JPY-Nikkei 400	JPXN	587	3663	72.87	-0.58	78.24	64.09
ETC 6 Meridian Mega Cap	SIXA	316	2670	46.38	-2.01	47.75	39.46
3EDGE Dynamic Intl Eq	EDG	270	2584	23.73	0.22	24.93	22.44
ETC 6 Meridian Hdg Equ	SIXH	332	2464	38.79	-1.69	39.84	33.87
ProSh UltSht MSCI EAFE	EFU	108	2047	13.64	-0.39	17.00	13.14
FT Vest HY & Target Incm	HYTI	136	1958	20.14	0.09	20.24	20.05

* Common stocks priced at \$2 a share or more with an average volume over 65 trading days of at least 5,000 shares *Has traded fewer than 65 days

CURRENCIES & COMMODITIES

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

US\$ vs			US\$ vs		
Country/currency	Tues in US\$	YTD chg per US\$ (%)	Country/currency	Tues in US\$	YTD chg per US\$ (%)
Americas					
Argentina peso	.00091063	7.501	3.2	Vietnam dong	.00003912 25560 0.3
Europe					
Brazil real	.1697	5.8916	-4.7	Czech Rep. koruna	.04237 23.599 -3.3
Canada dollar	.6948	1.4394	0.1	Denmark krone	.1425 7.0199 -2.5
Chile peso	.001055	947.53	-4.7	Euro area euro	1.0627 .9410 -2.6
Colombiapeso	.000241	4153.80	-5.7	Hungary forint	.002663 375.51 -5.5
Ecuador US dollar	1	1	unch	Iceland krona	.007264 137.67 -0.9
Mexico peso	.0486	20.5911	-1.1	Norway krona	.0902 11.0925 -2.6
Uruguay peso	.02347	42.6002	-2.5	Poland zloty	.2551 3.9203 -5.1
Asia-Pacific					
Australia dollar	.6271	1.5946	-1.3	Sweden krona	.0960 10.4169 -5.9
China yuan	.1376	7.2656	-0.4	Switzerland franc	1.1242 .8895 -2.0
Hong Kong dollar	.1287	7.7715	0.03	Turkey lira	.0274 36.4460 3.1
India rupee	.01147	87.206	1.9	Ukraine hryvnia	.0241 41.5500 -1.2
Indonesia rupiah	.0000610	16385	0.7	UK pound	1.2795 .7816 -2.2
Japan yen	.006675	149.82	-4.7	Middle East/Africa	
Kazakhstan tenge	.002002	499.42	-4.9	Bahrain dinar	2.6532 .3769 -0.1
Macau pataca	.1249	8.0080	0.05	Egypt pound	.0198 50.6265 -0.4
Malaysia ringgit	.2239	4.4660	-0.1	Israel shekel	.2749 3.6381 -0.1
New Zealand dollar	.5665	1.7652	-1.3	Kuwait dinar	3.2404 .3086 0.1
Pakistan rupee	.00357	279.800	0.5	Oman sul rial	2.5974 .3850 unch
Philippines peso	.01374	57.621	-0.8	Qatar rial	.2747 3.641 -0.1
Singapore dollar	.7472	1.3384	-2.0	Saudi Arabia riyal	.2666 3.7505 -0.2
South Korea won	.0006879	1453.79	-1.7	South Africa rand	.0541 18.4856 -2.0
Sri Lanka rupee	.0033868	295.26	0.7	Close Net Chg % Chg YTD % Chg	
Taiwan dollar	.03050	32.782	-0.1	WSJ Dollar Index 100.46 -0.64-0.63 -2.23	
Thailand baht	.02974	33.630	-2.0	Sources: Tullett Prebon, Dow Jones Market Data	

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures						
	Open	Contract High Hi Low	Settle	Chg	Open interest	
Copper-High (CMX) -25,000 lbs.; \$ per lb.						
March	4.5660	4.5670	4.5000	4.5275	-0.0490	5,483
May	4.5880	4.6325	4.5185	4.5565	-0.0505	122,610
Gold (CMX) -100 troy oz.; \$ per troy oz.						
March	2886.10	2927.90	2886.10	2909.60	19.40	897
April	2904.20	2939.80	2892.50	2920.60	19.50	345,696
May	2914.80	2953.20	▲ 2908.50	2934.20	19.50	319
June	2931.40	2967.70	▲ 2921.30	2948.80	19.60	95,658
July	2944.00	2976.00	▲ 2944.00	2961.10	19.60	41
Aug	2957.00	2993.20	2948.40	2974.70	19.50	25,038
Palladium (NYM) -50 troy oz.; \$ per troy oz.						
March	900.00	901.00	▼ 890.00	946.30	-4.90	3
June	950.00	962.00	934.50	956.50	-5.10	19,866
Platinum (NYM) -50 troy oz.; \$ per troy oz.						
March	962.70	962.70	953.60	966.50	-0.10	222
April	970.00	975.10	960.30	971.90	...	64,619
Silver (CMX) -5,000 troy oz.; \$ per troy oz.						
March	31.840	32.290	31.770	32.108	0.076	3,796
May	32.265	32.660	32.300	32.381	0.071	114,054
Crude Oil, Light Sweet (NYM) -1,000 bbls.; \$ per bbl.						
April	68.46	68.56	▼ 66.77	68.26	-0.11	270,899
May	68.02	68.05	▼ 66.37	67.70	-0.20	205,587
June	67.58	67.61	▼ 65.96	67.20	-0.48	193,888
July	67.17	67.28	▼ 65.58	66.75	-0.53	101,846
Sept	66.27	66.41	▼ 64.84	65.93	-0.49	113,009
Dec	65.19	65.27	▼ 63.96	64.96	-0.36	186,993
NY Harbor ULSD (NYM) -42,000 gal.; \$ per gal.						
March	2.2877	2.2945	▼ 2.2461	2.2872	.0268	104,073
June	2.1689	2.1938	▼ 2.1528	2.1862	.0034	59,538
Gasoline-HV RBOB (NYM) -42,000 gal.; \$ per gal.						
April	2.1972	2.2046	▼ 2.1502	2.1942	.0064	113,667
May	2.1990	2.2062	▼ 2.1561	2.1971	.0042	87,920
Natural Gas (NYM) -10,000 MMBtu.; \$ per MMBtu.						
April	4.168	4.551	▲ 4.056	4.350	.228	208,094
May	4.220	4.588	▲ 4.117	4.408	.232	226,398
July	4.510	4.856	▲ 4.415	4.682	.219	105,678
Sept	4.501	4.832	▲ 4.408	4.657	.201	100,899
Oct	4.541	4.857	▲ 4.446	4.685	.190	120,360
Jan'26	5.343	5.561	▲ 5.235	5.440	.149	125,029

Agriculture Futures						
Corn (CBT) -5,000 bu.; cents per bu.						
March	440.50	442.75	▼ 426.50	436.00	-4.25	2,787
May	456.00	459.25	▼ 442.50	451.50	-4.75	807,222
Oats (CBT) -5,000 bu.; cents per bu.						
March	378.00	378.00	▲ 378.00	374.75	21.25	1
May	370.00	389.50	▲ 368.25	385.75	21.25	3,076
Soybeans (CBT) -5,000 bu.; cents per bu.						
March	995.25	1000.25	▼ 978.00	984.00	-14.25	1,536
May	1010.75	1013.00	▼ 991.00	999.00	-12.50	389,146
Soybean Meal (CBT) -100 tons; \$ per ton.						
March	288.40	288.40	▼ 284.30	285.90	-4.20	2,063
May	297.00	297.60	▼ 291.30	293.50	-4.50	261,667
Soybean Oil (CBT) -60,000 lbs.; cents per lb.						
March	43.15	43.24	42.09	42.27	-63	847
May	43.76	44.20	42.57	42.84	-65	243,329
Rough Rice (CBT) -2,000 cwt.; \$ per cwt.						
March	13.30	13.33	13.17	13.28	-07	820
May	13.58	13.64	13.41	13.57	-01	10,825
Wheat (CBT) -5,000 bu.; cents per bu.						
March	516.00	525.00	▼ 515.50	518.50	-13.50	134
May	547.75	551.75	▼ 530.00	536.75	-11.00	231,243
Wheat (KO) -5,000 bu.; cents per bu.						
March	544.75	544.75	▼ 530.25	534.00	-13.50	260
May	561.75	564.00	▼ 541.50	548.50	-13.50	120,625
Cattle-Feeder (CME) -50,000 lbs.; cents per lb.						
March	272.000	274.175	269.175	273.850	-1.75	13,685
April	270.875	273.250	267.025	272.500	.450	25,798
Cattle-Live (CME) -40,000 lbs.; cents per lb.						
April	191.725	194.950	▼ 189.500	194.650	2.400	143,573
June	187.500	190.425	▼ 185.000	190.075	1.975	89,890
Hogs-Lean (CME) -40,000 lbs.; cents per lb.						
April	82.950	82.975	▼ 80.725	82.350	-1.350	100,689
June	94.850	94.850	▼ 92.000	93.150	-2.200	58,460
Lumber (CME) -27,500 bd. ft. \$ per 1,000 bd. ft.						
March	659.50	679.50	▲ 654.00	662.50	5.50	1,355
May	685.00	699.00	▲ 674.00	683.00	...	4,165
Milk (CME) -20,000 lbs.; cents per lb.						
Feb	20.22	20.24	20.21	20.23	.01	3,655
April	17.89	18.05	▼ 17.55	17.59	-50	5,258
Cocoa (ICE-US) -10 metric tons; \$ per ton.						
March	8,225	8,225	8,225	8,225	143	116

Cash Prices | wsj.com/market-data/commodities

Tuesday, March 4, 2025

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

Tuesday				Tuesday				Tuesday			
Energy				Copper,Comex spot				Wheat,No.2 soft red,St.Louis-u			
Coal,C.Aplc.,12500Btu,1.2502-r,w			76.000								5.3075
Coal,PwdrRvrBsn,8800Btu,0.8502-r,w			14.200								5.5350
Metals				Iron Ore, 62% Fe CFR China-s				Steel, HRC USA, FOB Midwest Mill-s			
											*910.0
Battery/EV metals				Steel, HRC USA, FOB Midwest Mill-s				Wheat,No.1 soft white,Portld,OR-u			
											6.1000
Food				BMI Lithium Carbonate, EXW China >99.5%-v,w	10525			Beef,carcass equiv. index			
				BMI Lithium Hydroxide, EXW China >56.5%-v,w	9625			choice 1-3,600-900 lbs.-u			299.79
				BMI Cobalt sulphate, EXW China >20.5%-v,w	3588			select 1-3,600-900 lbs.-u			287.74
				BMI Nickel Sulphate, EXW China >22%-v,k	3538			Broilers, National comp wtd. avg.-w,u			1.2636
				BMI Flake Graphite, FOB China >100 Mesh, 94.95%-v,w	435			Butter,AA,Chicago-d			2.2500
Fibers and Textiles								Cheddar cheese,bbl,Chicago-d			173.00
				Burlap,10-oz,40-inch NY yd-n,w	0.8700			Cheddar cheese,bld,Chicago-d			160.50
				Cotton,1 1/16 std lw-mdMphs-u	0.6124			Milk,Nonfat dry,Chicago lb-d			118.00
				Cotlook 'A' Index-t	*76.00			Coffee,Brazilian,Comp-y			4.0130
				Hides,hvy native steers piece flbr-u	n.a.			Coffee,Columbian, NY-y			4.0758
				Wool,64s,staple,Terr del u.-w	n.a.			Eggs,large white,Chicago-u,w			8.4150
Grains and Feeds								Flour,hard winter KC-p			0.9150
				Bran,wheat middlings, KC-u,w	98			Hams,17-20 lbs,Mid-US fob-u			14.50
				Corn,No.2 yellow,Cent IL-lb-pu	4.1300			Hogs,Iowa-so, Minnesota-u			87.92
				Corn gluten feed,Midwest-u,w	126.3			Pork bellies,12-14 lb MidUS-u			1.7764
				Corn gluten meal,Midwest-u,w	439.1			Pork loins,13-19 lb MidUS-u			1.0285
				Cottonseed meal-u,w	n.a.			Steers,Tex.-Okla. Choice-u			n.a.
				Hominy feed,Cent IL-l,w	116			Steers,feeder,Okla. City-u,w			332.50
				Meat-bone meal,50% pro Mnpls-u,w	275			Fats and Oils			
				Oats,No.2 milling,Mnpls-u,w	4.2575			Degummed corn oil, crude wtd. avg.-w,u			n.a.
				Rice, Long Grain Milling, No. 2 AR-u,w	35.25			Grease,choice white, Chicago-h			0.4900
				Sorghum,(Milo) No.2 Gulf-u	n.a.			Lard,Chicago-u			n.a.
				Soybean Meal,Cent IL,rail,ton48%-u,w	298.70			Soybean oil,crude,Cent IL-l,w,u			0.4228
				Soybeans,No.1 yllw IL-lb-pu	9.6100			Tallow,bleach,Chicago-h			0.5275
				Wheat,Spring14%-pro Mnpls-u	7.4250			Tallow,edible,Chicago-u			n.a.

Source: FactSet

New Highs and Lows

Continued From Page B8				52-Wk %				52-Wk %				HighPeak/End		HPK		KPH		KPH	
Stock	Sym	Hi/Lo	% Chg	Stock	Sym	Hi/Lo	% Chg	Stock	Sym	Hi/Lo	% Chg	Stock	Sym	Hi/Lo	% Chg	Stock	Sym	Hi/Lo	% Chg
CheetahNetSupply	CHNT	1.56	-4.4	DentsplySirona	XRAY	15.47	-2.5	FluenceEnergy	FLNC	4.79	0.4	Host Hotels	HST	11.52	1.0	KathoNeuroscin			
Chemours	CC	13.31	-3.2	DesignerBrands	DBI	3.49	4.8	Fluor	FLUOR	35.39	-2.7	Hotel	HOTEL	1.60	-18.2	Klothes			
ChicagoRiver	CVR	13.48	-27	DesktopMetal	DM	2.00	2.0	FLUX	FLUX	11.5	-6.2	Hologic	HOLX	62.28	1.5	Koppers			
Cimcora2Energy	CMCO	24.95	0.4	DestinyMetalX	DXLG	2.00	-2.4	Fold	FOLD	5.06	1.0	Homanian	HOM	95.27	3.6	Korrio			
CloudChorus	CHRD	10.59	-3.8	DevStream	DEVS	6.03	11.1	FootLocker	F	16.92	-2.9	HudsonGlobal	HVN	10.14	-28	KosmosEnergy			
Compress	CMPR	43.48	-1.8	DiamondEnergy	FANG	140.01	2.0	FordMotor	F	16.92	-2.9	Huntsman	HUN	15.46	-1.3	KrispyKreme			
CivitasRscs	CIVT	33.47	-1.9	DianthusTherap	DNTH	18.13	1.2	FordMotor6.5%Nts	F6D	23.73	0.6	Hydraman	HYFM	41.49	-4.1	Kroger			
Clarivate	CLVT	4.11	-1.4	DigitalAlly	DGLY	0.06	-13.4	Forestar	FOR	21.13	-1.2	Hyster-Lavey	HYL	42.59	-0.4	KrogerFood			
ClarusMT	CLMT	2.12	-4.1	DineBrands	DIN	23.47	-2.1	FormFactor	FORM	30.97	6.3	IGEA	IGEA	16.20	-1.8	KrogerFood			
CleanEnergyFuels	CLNE	1.88	-1.6	DistributionSoln	DSGR	27.80	-1.3	ForresterRsr	FORR	10.53	-0.2	IGM Biosci	IGM	1.59	5.6	KrogerFood			
CleanSpark	CLSK	72.33	4.0	DorlandPFin	DPFIN	46.10	-3.0	FortuneBrands	FBIN	60.81	-3.0	IQVIA	IQV	179.28	-0.7	Kulick&Sofia			
CleanWaterPaper	CLW	23.92	-0.1	DorlandPLPG	PLPG	19.36	-2.7	FreightportCMC	FPT	34.26	1.8	IRBTA	IRBTA	31.40	3.1	KymeraTherap			
Click	CLIC	0.91	-15.0	Dow	DOW	35.48	1.2	FuelCell	FCEL	5.12	11.2	CoreConnect	CC	0.63	3.2	KymeraTherap			
Co-Diagnostics	CDX	0.46	1.9	DuluthHoldings	DLH	2.55	5.5	FulgentGenetics	FLGT	14.57	1.6	IDEK	IDEK	183.24	-1.4	KymeraTherap			
Codexis	CDXS	2.48	-2.0	DunkBradstreet	DNB	8.77	-1.0	FullerHb	FUL	54.82	-1.4	Imatics	IMT	4.06	3.8	KymeraTherap			
Cognex	CNX	31.31	-0.9	DyneTherap	DYN	11.62	3.5	GTC Semiconductor	GTC	1.85	-4.6	Imatics	IMT	4.06	3.8	LeapTherap			
Cohu	COHU	17.51	1.3	EDCAutoDesign	EDCA	0.73	-1.2	GMS	GMS	76.27	0.3	ImmunosPrecise	IPA	0.27	7.1	LeapTherap			
CollegiumPharm	COLL	27.70	-1.4	ElBeauty	ELF	6.90	-0.4	GRUITY	GRVY	54.28	2.6	Immunov	IMV	1.65	0.3	LeapTherap			
Colpliant	CLGN	3.18	-6.3	ENDRALifeSci	NDRA	3.82	-3.6	GalmiedPharm	GLMD	1.75	-0.5	ImperialTherap	IMPT	2.73	1.6	LeapTherap			
ColorStarTech	ADN	0.93	-4.9	ENRResources	ENR	0.45	-1.7	Gettelc	GELS	1.31	-6.8	Immunov	IMV	1.65	0.3	LeapTherap			
ColumbusMcKinn	CMCO	15.48	-1.7	ESSTech	ESST	2.92	5.5	GenerationBio	GENB	0.15	-1.8	Immunov	IMV	1.65	0.3	LeapTherap			
CommercialMetals	CMT	43.81	-3.8	EZ	ETZ	0.10	-1.1	GeacBio	GBIO	0.51	-3.8	Immunov	IMV	1.65	0.3	LeapTherap			
ComChemPharm	CDT	1.06	-2.6	EZTech	ETZ	0.40	-7.0	GeacBio	GBIO	0.51	-3.8	Immunov	IMV	1.65	0.3	LeapTherap			
Commed	CMMD	95.22	-11.1	EagleMaterials	EKP	20.03	-1.7	Gettymages	GETY	1.90	-1.6	Immunov	IMV	1.65	0.3	LeapTherap			
Comstock	COMS	0.57	-2.4	EagleNet	EBON	43.17	1.7	GigaCloudTech	GCT	13.60	-3.0	Immunov	IMV	1.65	0.3	LeapTherap			
ComstockPhos	CPH	88.47	-2.4	EdibleGen	EDG	1.25	-1.6	GlobalGinc	GLG	22.80	-1.8	Immunov	IMV	1.65	0.3	LeapTherap			
ContangoOre	CTGO	8.85	7.85	EdibleGen	EDG	1.25	-1.6	GlobalStarA	GSA	17.0	-1.7	Immunov	IMV	1.65	0.3	LeapTherap			
ContangoOre	CTGO	8.85	7.85	EdibleGen	EDG	1.25	-1.6	GlobalStarA	GSA	17.0	-1.7	Immunov	IMV	1.65	0.3	LeapTherap			
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MARKETS & FINANCE

Natural Gas Surges After Ontario Retaliates With Tax

Natural-gas futures rose to a fresh two-year high after Ontario Premier Doug Ford said the Canadian province would place a 25% retaliatory export tax on electricity it sends to homes in Minnesota, Michigan and New York.

The power-generation and heating fuel traded as much as 10% higher Tuesday before settling up 5.5% at \$4.35 per million British thermal units. Prices have been rising when prices normally decline into spring and are 176% higher than a year ago. Some analysts say supply-and-demand fundamentals don't justify the climb, which they attribute to speculators positioning for a trade war as well as a pledge by OPEC and its market allies to pump more crude, which could reduce domestic oil drilling and the amount of gas that is unearthed as a byproduct.

—Ryan Dezember

WEDNESDAY'S EVENTS: Services PMIs from S&P and ISM are due at 9:45 a.m. and 10 a.m., respectively. In late February, preliminary, or "flash", PMI readings from S&P showed services activity hit a 25-month low.

The Fed's Beige Book, which compiles economic anecdotes from around the U.S., follows at 2 p.m.

EARNINGS EXPECTED: Before the bell: Campbell's and Abercrombie & Fitch

After the close: Marvell Technology

Asia's Defense Stocks Climb On Hopes for EU Spending

By KWANWOO JUN

Defense stocks in key Asian markets jumped on Tuesday, buoyed by expectations that European nations will boost security spending amid fears that the U.S. could reduce its military presence.

The rally in Asian defense stocks, following the recent advance by European peers, came as European leaders met over the weekend and pledged to boost military spending to help deter further Russian aggression in Ukraine. The London summit on Sunday followed the clash between Presidents Trump and Volodymyr Zelensky over the U.S. push to end the war in Ukraine.

European leaders signaled more readiness to provide Ukraine with security guarantees and expand their defense capabilities, sending the shares of **Rheinmetall**, Germany's largest arms maker, and **BAE Systems**, the U.K.'s largest defense company, sharply higher Monday.

In South Korea on Tuesday, self-propelled howitzer maker **Hanwha Aerospace** and armored-vehicle supplier **Hyundai Rotem** jumped as much as 18% and 11%, respectively. Guided-missile manufacturer **LIG Nex1** rose 7.4%, outperforming the benchmark KOSPI's 0.3% fall.

"South Korean defense companies can benefit from the expected European military buildup, given their capabilities to meet demands in Europe by supplying weapons on time and at reasonable prices," Seoul-based DS Investment & Securities said in a note, pointing to the Korean companies' recent arms exports to Poland and other European countries.

Northern and Eastern European states could be feasible markets for South Korean defense companies, DS Investment said. It expects military spending in those regions to rise to 5% of gross domestic product, resulting in an estimated \$56.3 billion of extra expenditure in defense.

Japanese defense-related stocks were higher, with **Mitsubishi Heavy Industries** up 7.8% and **IHI Corp.** 12% higher.

In China, **AVIC Shenyang Aircraft**, a subsidiary of state-owned aerospace conglomerate Aviation Industry Corp. of China, was recently 3% higher as defense stocks led the gains while most sectors were lower amid escalating U.S.-China trade tensions. **China Space-Sat**, which specializes in manufacturing satellite equipment, also rose 2.8%.

The U.S., which has provided more than \$120 billion in aid to Ukraine since Russia's invasion three years ago, decided to pause all military aid to Kyiv to press for a peace deal, according to a White House official Monday.

European nations contributed an additional \$138 billion in military and humanitarian aid to Ukraine, according to Germany-based Kiel Institute for the World Economy.



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AUCTION RESULTS

Here are the results of Tuesday's Treasury auction. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

SIX-WEEK BILLS	
Applications	\$204,743,173,800
Accepted bids	\$70,547,498,300
* noncompetitively	\$732,799,700
* foreign noncompetitively	\$0
Auction price (rate)	99.505333 (4.240%)
Coupon equivalent	4.320%
Bids at clearing yield accepted	77.63%
Cusip number	912797K55
The bills, dated March 6, 2025, mature on April 17, 2025.	

Cotton Falls to Four-Year Low After China Levies

Prices for cotton—one of the commodities targeted by 15% retaliatory tariffs China has set for next week—shed 3.5% on Tuesday to close at the lowest level since the summer of 2020.

The U.S. is a major cotton exporter, shipping \$5 billion last year, and China has been the biggest buyer over the past decade, according to U.S. Department of Agriculture data.

At about 63 cents a pound, futures are a third lower than they were a year ago. That has put pressure on U.S. farmers, who were already expecting to receive the lowest price in years for their crops before the trade war intensified this week.

U.S. farmers have planted about 11.2 million acres with cotton, nearly a million acres more than last season, according to the Agriculture Department, which expects fewer failed crops than recent years but lower yields.

—Ryan Dezember

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STOCK SPOTLIGHT

Target
The retailer warned its profit would come under pressure this quarter and sales could be flat this year from consumer uncertainty and escalating tariffs. Shares fell 3%.

Best Buy
The retail chain said consumers are likely to face higher prices as the latest tariffs kick in, and this could crimp demand for electronics. Shares slid 13%.

Illumina
Beijing said it would ban the biotech from exporting gene sequencers to China after the U.S.'s latest tariff move. Shares initially fell but ended up 0.8%.

Nvidia
The AI chip maker's stock rose 1.7% after sliding nearly 9% Monday. Investors are worried about tariffs and the potential for further export restrictions that could curb Nvidia's business in China.

Tesla
The EV maker builds its U.S.-sold cars domestically, but those autos include parts and components from Mexico. Tesla's stock fell 4.4%.

General Motors, Ford Motor and Stellantis
Late Monday, a lobbying group asked for automakers that comply with the existing free-trade pact to be spared from tariffs. GM, Ford and Stellantis's shares all slipped.

Polaris
Off-road vehicle maker said it may introduce a surcharge on some goods sold in the U.S. if the tariffs on imports from Mexico persist. Its largest factory is in Monterrey, Mexico. Shares declined 4.3%.

Ralph Lauren
Shares dropped 3.7%. Chief Financial Officer Justin Picicci said in the fall that China represented a high single-digit percentage of the brand's global sourcing.

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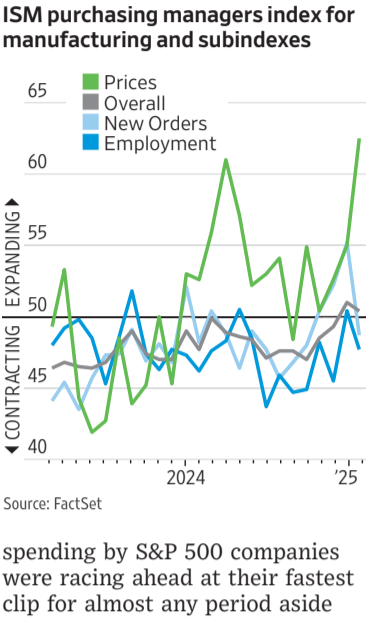
HEARD_{ON THE} STREET

FINANCIAL ANALYSIS & COMMENTARY

How to Think About Tariffs and Stocks

Investors shouldn't take much comfort from how the markets performed during the first Trump administration's trade war

Experience is the best teacher, but not if school is canceled. Stocks fell sharply Monday and again on Tuesday after President Trump said there was “no room left” for Canada or Mexico to avert steep tariffs and that existing ones on China would be increased. Hours later, the levies kicked in. The S&P 500 has now erased its year-to-date gains and is in negative territory. Is the selloff an overreaction? The bull market kept rolling the last time Trump initiated a trade war in 2018 and 2019. But investors might have faulty memories. Back then, landmark corporate tax cuts had just taken effect. They also included a provision allowing companies to use temporary bonus depreciation. Largely as a result, by late 2018, operating earnings and capital



from recoveries from a recession. The profit and investment boom softened the blow from those less-sweeping tariffs. By late 2019, though, earnings momentum had run out, along with boardroom optimism. That December, the Institute for Supply Management's manufacturing index fell to its lowest since the financial crisis. What happened next? A recession and a bear market, but because of the Covid-19 emergency, not the trade war. With a slug of election-year stimulus, stocks might have muddled along. We'll never know. Monday, just hours before tariffs were confirmed, featured ISM's report for February. This headline number wasn't bad, yet the underlying details were: New orders fell sharply from the highest in years to contraction terri-

tory. Meanwhile, prices paid and deliveries surged. Together they suggest a rush to stock up in case of tariffs and a likely slowdown in building future inventory. Companies' mentions of "tariffs" on calls accelerated in January and then again in February, according to data from AlphaSense. While there were heightened references around the time of the election, they jumped this year once it was clear tariffs would be large, sweeping and not just a negotiating tactic. Friday's jobs report will shed more light on how that might have affected hiring. Surely, Trump will soften or remove levies if they hit stocks and pinch household budgets? And then trade partners will remove their countermeasures—right? That is possible, and even likely, but lots of damage has been done.

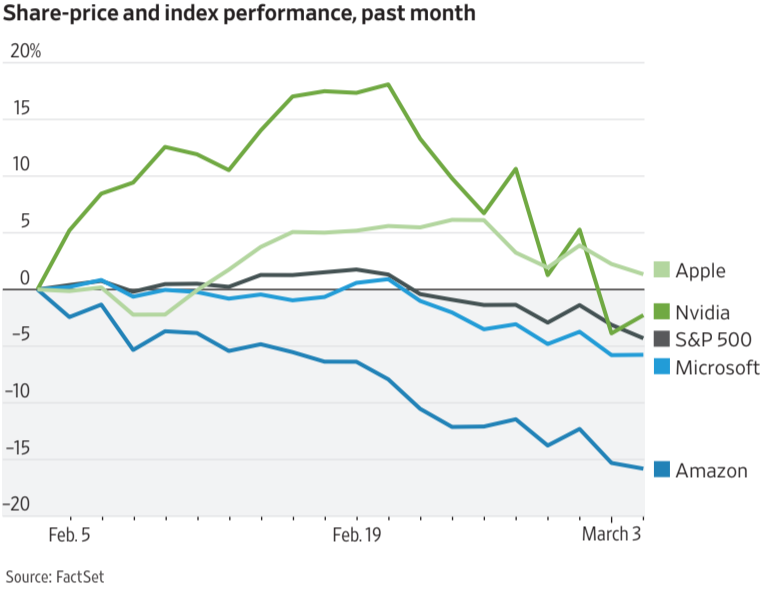
The unusually chaotic nature of economic policymaking might be great for TV ratings, but it has helped send a global index of policy uncertainty to its highest level ever, exceeding the peak of the Covid-19 panic. That disrupts all sorts of investment and hiring plans. Trump is almost certain to extend his 2017 tax cuts after they expire this year. They are no longer reductions, though, and their renewal has been baked in to profit assumptions since he won re-election in November in a Republican sweep. Another difference from 2019 is that, even after their recent wobble, the S&P 500 is about 20% more expensive today than the end of that year on a cyclically adjusted basis. Add it all up, and stocks might need to pay for an expensive economics lesson. —*Spencer Jakab*

Apple Isn't Priced for Tariff Showdown

When it comes to the new trade war, **Apple** investors are banking on warning shots. The biggest technology company by market value is the most directly exposed to cross-border tariffs—particularly with China. Hardware products account for three-quarters of Apple's annual revenue, and most of those products are manufactured in China. BofA Securities analyst Wamsi Mohan estimated last month that 10% tariffs on Chinese imports could knock 2% to 3% off Apple's projected per-share earnings in 2026. Apple shares have largely shrugged off the worries. The stock

slipped less than 1% by Tuesday's closing bell, but it is the only tech megacap to have notched gains over the past month. It is also the only one still sporting a market cap above \$3 trillion. That has kept Apple's valuation multiple around 32 times projected earnings for this year—18% above its five-year average, according to FactSet data. Why are Apple's shareholders so sanguine? The company has given no details about the expected impacts of tariffs. Chief Executive Tim Cook punted on the topic during Apple's earnings call in January. Investors may hope the matter resolves itself sooner than later.

Best Buy said Tuesday its fiscal-year forecast doesn't account for tariffs, with Chief Executive Corie Barry citing “uncertainty about the duration, timing, amount and countries involved,” among other factors. Nonetheless, the consumer-electronics retailer expects a one-percent-age-point hit to its same-store sales if 10% tariffs on Chinese goods last a full year. Barry admitted to being in uncharted waters; “We've never seen this kind of breadth of tariffs,” Barry said. Apple may be sailing into rougher seas than it has acknowledged. —*Dan Gallagher*



Airports Hope for Ravenous Fliers Before Departure

Hungry travelers may determine the future of airport finance. In 2024, more fliers than ever passed through London's Heathrow Airport, spending more at its stores, the company running it said last week. Yet total revenue declined as Britain's aviation regulator lowered the maximum fees the airport can charge to airlines. This comes as Heathrow—owned by private-equity firm **Ardian** and sovereign-wealth funds in Qatar and Saudi Arabia, among others—prepares for an investment spree, including a third runway. Funding remains a question, as airlines such as British Airways and Virgin Atlantic complain about aeronautical fees being too high. Globally, expanding airports face huge bills and will rely on passengers splurging to cover costs. Their big pitch: cocktails and fine dining. JFK International Airport's Terminal 4 recently announced a New York-themed lineup of food and beverage concessions, including Dos Toros Taqueria and Villa Russo Café. Orlando International Airport in January awarded Barcelona-based caterer Areas a \$10 million tender for six new establishments. European airports undergoing refurbishments, including Frankfurt, Vienna, Edinburgh and Madrid, are making similar moves. Despite pandemic-era worries that people would stop eating at airports, the opposite has happened. Two weeks ago, **Lagardère** reported a 25% jump in earnings before interest and taxes in its Travel Retail division, which operates in airports in the U.S., Canada and Europe. Figures from earlier in the year suggest that the largest bump happened in restaurants, outpacing “duty free” stores—which sell snacks and drinks—and fashion. More travelers are frequenting VIP lounges, no longer reserved for business-class fliers and elite frequent travelers thanks to credit-card perks, paid memberships and airline day passes. Airports and airlines are investing heavily in these spaces, offering tiered experiences from basic comfort lounges to ultra-premium dining areas. In some cases, food and beverage are replacing lost demand for luxury and apparel, largely from China. The clearer trend is toward blending dining with shopping. Swiss company **Avolta**, formerly Dufray, is behind several of these coming launches, including an Eat-aly market at JFK and a Starbucks market at Sacramento International



Expanding airports face huge bills and will rely on passengers splurging on food and drink to cover costs.

