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THE WALL STREET JOURNAL WEEKEND

Over-the-Top Dogs
OFF DUTY



WSJ.com U.S. Edition

What's News

Business & Finance

- ◆ **Any number of things** could have derailed markets in the first half of the year, but investors kept buying risky assets anyway. Stocks burst out of a bear market, bitcoin surged and bonds enjoyed some reprieve, too. **A1, B10**
- ◆ **U.S. stocks rose** Friday, with the Nasdaq, S&P 500 and Dow gaining 1.4%, 1.2% and 0.8%, respectively. **B13**
- ◆ **Apple became** the world's first corporation to close with a market value exceeding \$3 trillion. **B1**
- ◆ **Goldman is** in talks with American Express to take over its Apple credit card and other ventures with the tech giant, according to people familiar with the matter. **A1**
- ◆ **Consumer prices** and spending rose more slowly in May, but the Fed likely remains on track to raise interest rates in July amid recent signs of healthy economic activity. **A2**
- ◆ **The SEC said** a recent wave of applications filed by asset managers to launch spot bitcoin ETFs are inadequate, according to people familiar with the matter. **B1**
- ◆ **ESPN cut about** 20 on-screen commentators, including longtime basketball anchor Jeff Van Gundy. **B11**

World-Wide

- ◆ **The Supreme Court** threw out the Biden administration's plan to forgive student loans held by 40 million Americans, ending a \$430 billion program the White House considers a crucial way to cement the president's support among younger Americans. **A1, A4**
- ◆ **The high court sided** with a Colorado web designer's claim that the First Amendment entitles her to refuse commissions for same-sex wedding announcements. **A1**
- ◆ **The CIA's Burns** reached out to his Russian counterpart in the wake of a failed mutiny by Wagner's chief, delivering a message that the U.S. had no involvement in Russia's internal chaos, officials familiar with the matter said. **A8**
- ◆ **A report on** the State Department's chaotic 2021 exit from Afghanistan said senior Biden administration officials were to blame for failing to decide which Afghans should be eligible for evacuation and issuing constantly changing guidance. **A8**
- ◆ **Brazil's electoral court** barred Bolsonaro from seeking office until 2030, finding he undermined confidence in the nation's voting system before losing last year's presidential election. **A7**
- ◆ **Died: Alan Arkin**, 89, Oscar- and Tony-winning actor. **A2**

NOONAN

What Will Prigozhin's Rebellion Mean? **A13**

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Travelers Brace for Hectic Holiday



ON THE GO: Crowds throng Salt Lake City International Airport on Friday as travel for the July 4th holiday revs up. Airlines were preparing for a busy weekend after facing disruptions in recent days that resulted in thousands of flights being canceled. **B11**

Markets Defy Expectations, But Outlook Remains Murky

By AKANE OTANI

Any number of things could have derailed markets in the first half of the year. Investors kept buying risky assets anyway. Stocks burst out of a bear market, with the Nasdaq Composite up 32% and posting its best first half of a year since the 1980s. Bitcoin surged more than 80%, despite the U.S. Securities and Exchange Commission suing the world's biggest cryptocurrency exchanges. Bonds enjoyed some reprieve, too. Indexes tracking everything from Treasuries to junk bonds have posted modest gains following their historic selloff last year.

Why did markets keep rising, despite a banking crisis, the threat of a U.S. default and more interest-rate increases from the Federal Reserve? The simplest answer: Time and time again, investors' worst-case scenarios failed to materialize. Quick action from regulators and bankers in March

◆ **Apple, in milestone, tops \$3 trillion valuation**..... **B1**
◆ **Quarterly review of markets**..... **B9, B10**

Veterans Worsen Recruitment Crisis

Military families steer young people away from enlisting, threatening strength

By BEN KESLING

Sky Nisperos's grandfather came to the U.S. from Mexico, and became an American citizen by serving in the U.S. Navy. Her father, Ernest Nisperos, is an active-duty officer in the Air Force with two decades of service. For years, Sky planned to follow a similar path.

"I wanted to be a fighter pilot," the 22-year-old said. "It was stuck in my head." Now, one of the most influential people in her life—her father—is telling her that a military career may not be the right thing. The children of military families make up the majority of new recruits in the U.S. military.

Why Would Anyone Collect 150 John Deere Lawn Tractors?

Sixty years after models first appeared, hobbyists hunt down and restore originals

By BEN EISEN

LEBANON, Tenn.—Some people collect baseball cards. Others collect comic books. And some collect antique John Deere lawn-and-garden tractors. The fruits of their labor—hundreds of shiny mini-tractors

that will never again mow the lawn or shovel dirt—were on display here in June at the Classic Green Reunion, a biennial John Deere collectors show. The hobby demands a lot of enthusiasts, who traverse the country in search of early models. They have to cart the un-

Goldman Seeks a Way Out Of Venture With Apple

By ANNAMARIA ANDRIOTIS

Goldman Sachs Group is trying to end its partnership with Apple. The Wall Street firm is in talks with American Express to take over its Apple credit card and other ventures with the tech giant, according to people familiar with the matter. Goldman went public with plans to scale back its consumer business late last year, but it appeared committed to the Apple relationship. The bank recently extended the partnership through the end of the decade, agreed to support Apple's "buy now, pay later" offering and launched a bank account with the tech company. Now it is in talks to offload those businesses and its credit-card partnership to Amex, according to people familiar with the discussions. Goldman has also discussed transferring its card partnership with General

Court Rejects Student Loan Relief Program

By JESS BRAVIN

WASHINGTON—The Supreme Court threw out the Biden administration's plan to forgive student loans held by 40 million Americans, ending a \$430 billion program the White House considers a crucial way to cement the president's support among younger Americans. The 6-3 decision by Chief Justice John Roberts said that while Education Secretary Miguel Cardona holds some power under federal law to "waive or modify" the terms of student-aid programs, the massive plan he approved last year vastly exceeded the authority Congress delegated to the executive branch. The Heroes Act, which permits the secretary to modify the programs to respond to emergencies, doesn't permit him "to rewrite that statute from the ground up," Roberts wrote, joined by Justices Clarence Thomas, Samuel Alito, Neil Gorsuch, Brett Kavanaugh

and Amy Coney Barrett. Writing in dissent for the court's three liberals, Justice Elena Kagan said the majority had read into the law a restriction that wasn't there. The law's text doesn't expressly limit the secretary's judgment about the waivers or modifications needed to deal with an emergency, she wrote. "That may have been a good idea, or it may have been a bad idea. Either way, it was what Congress said," she wrote, joined by Justices Sonia Sotomayor and Ketanji Brown Jackson. Beyond its financial implications, the case brought to the fore vastly different views

Wide Docket

- ◆ **Ruling hits students who paused payments**..... **A4**
- ◆ **Court will weigh extent of gun rights**..... **A5**
- ◆ **Appeal to be heard on SEC in-house courts**... **A5**

Justices Say Company Can Refuse Service To Same-Sex Couples

By JESS BRAVIN

WASHINGTON—The Supreme Court sided with a Colorado web designer's claim that the First Amendment entitles her to refuse commissions for same-sex wedding announcements, handing a defeat to gay rights and a win to religious conservatives still smarting from the court's 2015 ruling granting marriage equality to LGBTQ couples. Writing for the court's six conservatives, Justice Neil Gorsuch said Colorado's anti-discrimination law couldn't be enforced to require a business owner to express ideas she

opposes, even if the state considers those views odious. "The opportunity to think for ourselves and to express those thoughts freely is among our most cherished liberties and part of what keeps our Republic strong," Gorsuch wrote, joined by Chief Justice John Roberts and Justices Clarence Thomas, Samuel Alito, Brett Kavanaugh and Amy Coney Barrett. While that "means all of us will encounter ideas we consider" wrongheaded or even offensive, he wrote, "the First Amendment envisions the United States as a rich and



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This edition of THE WALL STREET JOURNAL was originally published in the United States and reprinted locally for regional distribution.

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U.S. NEWS

Consumer Spending, Price Growth Slow

Federal Reserve is still likely to raise rates in July amid a solid economy

By **HARRIET TORRY**
AND **NICK TIMIRAO**

Consumer prices and spending rose more slowly in May, but the Federal Reserve likely remains on track to raise interest rates in July amid recent signs of healthy economic activity.

The Fed's preferred inflation measure, the personal-consumption expenditures price index, rose 3.8% from a year earlier, its lowest reading in two years, the Commerce Department said Friday.

Household spending rose 0.1% in May but was flat when adjusted for inflation, a possible sign of flagging economic growth. Americans spent more on services such as healthcare and air travel, and less on goods such as autos.

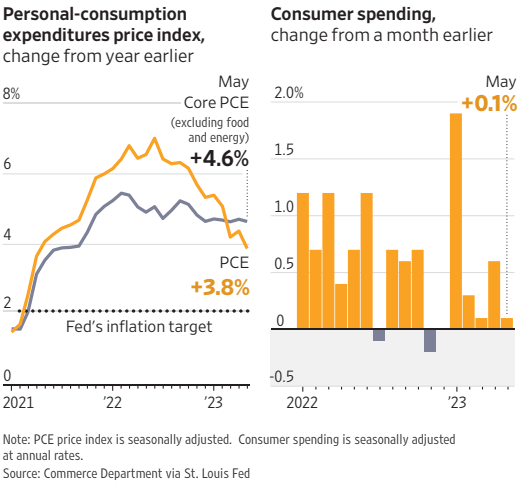
"We are still seeing spending grow, it's gradually losing momentum rather than falling

out of bed," Wells Fargo economist Shannon Seery said. She pointed to the strong labor market and robust household balance sheets, adding "this is really just a stalling at a very elevated level."

So-called core prices, which exclude volatile food and energy categories, rose 4.6% in May from a year earlier, down slightly from 4.7% in April. Economists see core inflation as a better predictor of future inflation than overall inflation.

Senior Fed officials have focused attention this year on prices for a subset of services that exclude energy and shelter. They think these labor-intensive services could show whether wage pressures from tight labor markets are passing through to consumer prices, especially because they have expected price increases for housing and goods to slow.

That reading rose 0.2% in May from the prior month and 4.5% from a year earlier, according to Wall Street Journal calculations. The reading rose at a 3.9% annualized rate during the past three months, down from 5.3% during the



three months before that.

Some officials say they have expected it would take more time for services inflation to decline but have been unsettled by slower progress bringing down goods inflation. Before the pandemic, goods inflation was usually flat or negative. Prices of goods, excluding food and energy, increased 2.6% in May and have been running near that level all year. "The puzzle has been why haven't goods prices come down even more," Chicago Fed President Austan Goolsbee said last month.

Inflation and economic activity haven't eased as much during the first half of 2023 as Fed officials anticipated. Lay-

offs retreated last week, adding to evidence of a solid labor market. Economic growth was stronger than previously estimated in the first quarter, the government reported Thursday. Other recent data showed rising new-home sales, orders for long-lasting goods and consumer confidence.

Officials held the benchmark federal-funds rate steady in June, ending a string of 10 consecutive increases that lifted the rate to a range between 5% and 5.25%. In June, they penciled in two more increases this year.

Holding rates steady in June offered a way to further slow the pace of increases and better assess the effects of their moves, Fed Chair Jerome Powell said Thursday. "Our commitment isn't to a particular number of rate hikes; it is to a stance of policy that's sufficiently restrictive to bring inflation down to 2%," he said.

Powell signaled greater uncertainty over how high rates would ultimately need to rise. Fed officials "almost overwhelmingly...think that we

need to do more to get to a level of tight policy."

Economists expect consumer spending to ease further in coming months in part because of higher interest rates and the resumption of student-debt payments.

Households making those debt payments could see a significant reduction in the amount of money they can spend elsewhere. Wells Fargo estimates that the average monthly loan payments will be between \$210 and \$314, or a total of about \$6 billion to \$9 billion a month.

The effect on the broader economy will be limited as those payments are relatively small compared with about \$1.5 trillion in monthly consumer spending.

"Consumers are downshifting but still doing reasonably well," said Joseph LaVorgna, chief economist at SMBC Nikko Securities.

NOTICE TO READERS
The Numbers column will return in future editions.

Market Outlook

Murky

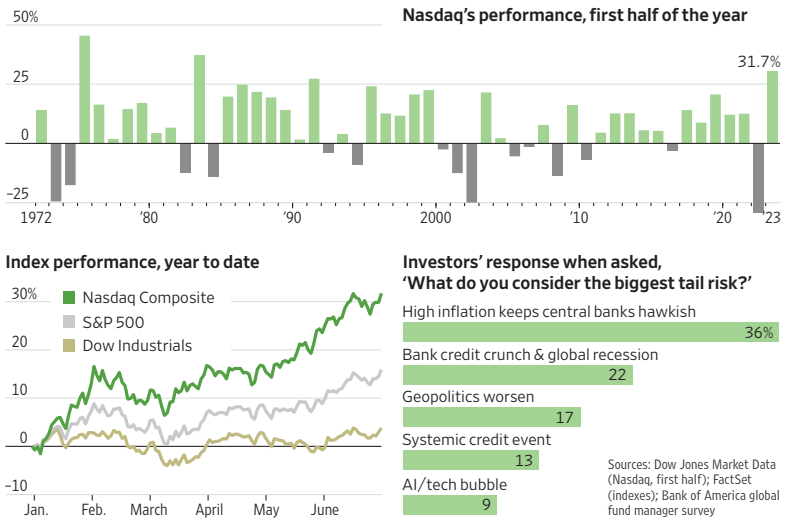
Continued from Page One

helped prevent the collapse of Silicon Valley Bank from morphing into a systemic credit crunch. Lawmakers managed to strike an agreement on government spending in late May, just in time to avert what would have been an unprecedented U.S. default on debt.

Perhaps most important, the recession that so many economists anticipated would strike has so far remained out of sight, giving investors hope that markets might be able to keep climbing.

The Fed has continued to raise interest rates in an effort to rein in inflation. Ordinarily, higher rates, which translate into higher borrowing costs for consumers and companies, should help cool the economy. And they have, a bit: Sales of existing homes have fallen by about a third since the start of 2022.

But the Fed's rate increases haven't ended the economic



expansion, either. Commerce Department data on Wednesday showed gross domestic product increased at a 2% annualized pace in the first quarter, significantly faster than the previous estimate of 1.3%. The labor market has continued to add jobs at a pace well above its pre-pandemic average.

Ultimately, those who stayed out of the markets this year in fear of another selloff

missed out on robust gains. The S&P 500 is up nearly 16% this year. The Dow Jones Industrial Average has climbed 3.8%.

"All these people in the industry are always trying to guess what the next blowup is going to be," said Stacie Mintz, head of the quantitative equity team at PGIM Quantitative Solutions. If this year has shown anything, she said, it is that it is difficult to

predict which headline-grabbing events wind up having a lasting impact on market returns.

That makes the outlook for the rest of the year somewhat murky, too.

"There are still so many question marks: when the [Fed's] rate hikes are going to end, when we go into recession, and how deep that recession is going to be," Mintz said. Some money managers are

still questioning whether the market's gains are here to stay. Fund managers surveyed by Bank of America still have less exposure to stocks in their portfolios than usual, according to a report released in mid-June. And a measure of sentiment among those investors has stayed relatively low, too.

Why the skepticism?

One thorn in investors' sides has been the fact that the market's gains have been relatively narrow. Although other parts of the market have gained ground in the past month, many of the best-performing stocks this year remain megacap technology companies that investors think will be at the forefront of artificial intelligence.

Without the outsize gains of those stocks, the market's returns would be greatly diminished.

"What's challenging is figuring out the winners and losers," said Tom Ognar, senior portfolio manager at Allspring Global Investments. "I think that's a lot more complicated and still going to be fought out, so you don't want to overcommit from an investor standpoint."

It is difficult to ignore, too, that while economic data have

largely been better than expected, some cracks have begun to emerge.

From the start of the year through May, 286 U.S. companies filed for bankruptcy protection, including Silicon Valley Bank, Bed Bath & Beyond and Vice Media, according to S&P Global Market Intelligence. That is the highest number for the first five months of the year since 2010.

Data on the manufacturing sector has been deteriorating for months. And jobless claims, considered a proxy for layoffs, at one point this year rose to their highest level since 2021. Although on Thursday, initial claims for unemployment benefits unexpectedly dropped.

Investors and analysts widely agree that the economy is slowing. They also agree that historically, recessions have been bad news for markets.

They just can't agree when the much-anticipated downturn, if it materializes, will begin to weigh down markets.

"It's best not to get too cute about timing it," said William Sterling, global strategist at investment firm GW&K. "This year has been a lesson about not getting overly pessimistic."

U.S. WATCH



Alan Arkin, seen in 1970's 'Catch-22.' The 'Little Miss Sunshine' actor's career spanned music, film, TV and theater. He died Thursday in California at age 89.

OBITUARY

Character Actor Won an Oscar

Alan Arkin, the Oscar-winning actor who played the wisecracking grandfather in "Little Miss Sunshine," has died. He was 89.

His family confirmed his death in a statement. A spokeswoman said Arkin died Thursday in California. She didn't elaborate on the cause of death.

"Our father was a uniquely talented force of nature, both as an artist and a man," his three sons said.

His career spanned music, film, TV and theater. He was a character actor who took on comedies and dramas, but he said he preferred comedy.

Arkin, born in 1934, spent his early childhood in Brooklyn and moved to Los Angeles at age 11 with his family.

He left college to pursue music. His folk-music group, the Tarriers, recorded a hit version of "The Banana Boat Song," a song made famous by Harry Belafonte, in 1956. Arkin then became one of the original members of the Second City comedy group.

He made his Broadway debut in 1963 with "Enter Laughing," which won him a Tony Award.

Three years later, he earned an Oscar nomination for his first starring role in a film as Rozanov, a Russian officer in the Cold War comedy "The Russians are Coming, The Russians are Coming." He also earned Oscar nominations for the 1968 drama "The Heart Is a Lonely Hunter," in which he played a man who was deaf and mute, and Ben Affleck's "Argo." His only Oscar win was for best actor in a supporting role for 2006's "Little Miss Sunshine."

—Joseph Pisani

ELECTION 2024

DeSantis Boosts Net Worth

On the presidential campaign trail, Ron DeSantis touts his blue-collar roots and how he joined the Navy instead of taking lucrative opportunities available to a graduate of Yale and Harvard. But as the Florida governor's political power has grown, so too has his financial status.

State financial disclosures for 2022 released Friday show that DeSantis earned \$1.25 million for a book timed to the launch of his presidential campaign, part of what a person familiar with the deal said was a \$2 million advance. Now, his net worth is more than three times the \$319,000 that he reported for 2021.

The assets put DeSantis, 44 years old, on par with some of his Republican rivals, but they remain paltry compared with those of the billionaire he is trying to defeat for the GOP nomination—former President Donald Trump.

A Wall Street Journal review of DeSantis's previous state and federal disclosures shows how, until his White House bid, he had far less personal wealth than other recent prominent Republican candidates. Before his February bestseller, DeSantis's wealth largely included retirement savings and proceeds from home sales.

DeSantis had been worth about \$319,000 in 2021, according to the most recent data before Friday's release. Previous figures took into account the salary he earned as a congressman, as well as the 2019 sale of his Jacksonville home. As governor, records show, he makes \$141,400.

A spokesman for DeSantis didn't immediately respond to inquiries seeking comment.

—Jack Gillum and Alex Leary

CORRECTIONS & AMPLIFICATIONS

Dr. Brad Reinfeld graduated from the Vanderbilt University School of Medicine. A Page One article on Tuesday about the CheckPoints, a cover band of immunotherapy all-stars, incorrectly said Vanderbilt University Medical Center.

A photo of the Milwaukee skyline accompanied a U.S. News article on Friday about smoky, hot weather. The caption incorrectly said Minneapolis.

More than half a million people left the Catholic Church in Germany last year. A headline in the World Watch column on Thursday incorrectly said millions left the church.

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

THE WALL STREET JOURNAL
(USPS 664-880) (Eastern Edition ISSN 0099-9660) (Central Edition ISSN 1092-0935) (Western Edition ISSN 0193-2240)

Editorial and publication headquarters: 1211 Avenue of the Americas, New York, N.Y. 10036

Published daily except Sundays and general legal holidays. Periodicals postage paid at New York, N.Y., and other mailing offices.

Postmaster: Send address changes to The Wall Street Journal, 200 Burnett Rd., Chicopee, MA 01020.

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U.S. NEWS

Texans Swelter In Unrelenting Stretch of Heat

BY SURYATAPA BHATTACHARYA
AND TALAL ANSARI

Mary Ann Anderson spent the Texas summers of her youth sitting on the porch or with the windows flung open to catch a breeze.

“The heat is different now,” said the 80-year-old, who lives in Arlington, a Dallas suburb. “We go from an air-conditioned house to an air-conditioned car to an air-conditioned building.”

For the past few weeks, she and other Texans have sought respite from an unrelenting Southern heat wave by cranking up the AC. “We’re air-conditioned babies,” Anderson said.

Texas has borne the brunt of high temperatures that have lingered.

The heat wave has been unique for how long it has lasted and how high the temperatures were so early in the summer, said Isaac Longley, a meteorologist with AccuWeather.

A heat dome, created when the atmosphere traps hot air over an area, has inflicted triple-digit heat and humidity in the region since earlier in June. Del Rio, near the Mexico

border, broke its daily record high for 10 straight days. The streak ended Wednesday, when the city only tied its daily high at 108 degrees Fahrenheit, according to the National Weather Service. Daily temperature records were also broken in cities including San Antonio, Abilene, Austin and San Angelo.

“It’s hard to believe that just a week ago, 112° would’ve been our all-time record high and now it’s just another day of 110° heat to add to the count,” the National Weather Service office in San Angelo said on Twitter Sunday.

Longley said central Texas has seen some of the worst of the heat. “We’re talking about temperatures up to 15, or even close to 20, degrees above the historical average,” he said.

As of Friday afternoon, around 92 million people were under heat warnings or advisories in Texas as well as in the West and a span of the Southeast stretching from southern Illinois to Arkansas and Louisiana and into Mississippi and Tennessee.

The Electric Reliability Council of Texas, the state’s power grid operator, has at



An EMT attends to a person suffering from chest pain after working outside for hours in Eagle Pass, Texas.

times asked residents to cut back on electricity use to ease stress on the system. Officials opened cooling centers around the state.

At least 13 people have died in Texas during the heat wave. Webb County knows heat. And I think our county was caught a little off guard,” Corinne Stern, the county’s medical examiner, said.

A father and his teenage stepson died while on a hike in Big Bend National Park in

southwest Texas recently, when temperatures reached 119 degrees, said Tom Vandenberg, a park ranger. Vandenberg recommended people stay off desert trails after 11 a.m. and seek shade.

“That’s the reality of life and the desert and summer,” he said.

Heat-related illnesses in a region encompassing Arkansas, Louisiana, New Mexico, Oklahoma and Texas have risen since the heat dome settled in. Some 847 cases were reported last week, compared with 539 cases the week before. The first week of June saw 193 cases, according to

the U.S. Centers for Disease Control and Prevention.

People who work outside are particularly at risk of heat illness. Construction workers and delivery-truck drivers remain on the job, said Jonathan Ryan, an immigration lawyer. His clients’ work hours haven’t changed to accommodate the heat, he said.

Texas’ power grid held up, even with heavier demand. There were no power blackouts such as those that followed a 2021 winter storm.

Steve Bresnen, a lawyer in Austin, said he used floor-to-ceiling window shades in his apartment to try to conserve

energy and keep his utility costs in check. He still expects his bill for June to be 10% to 20% higher than usual.

“You just write the check and then you think, golly, things are more expensive,” he said. “You know, we’re Texans. Probably every summer we say, ‘I think it’s the hottest it’s ever been.’ But it’s early for it to be this hot in mid-June here.”

The oppressive heat in Texas is expected to ease during the July 4 weekend. Cooler temperatures would be a relief to Anderson, in Arlington.

“It’s so humid out here, you are going to have to cut a hole in it to walk through,” she said.

U.S. Drought Threatens to Prop Up Food Inflation

BY DAVID UBERTI

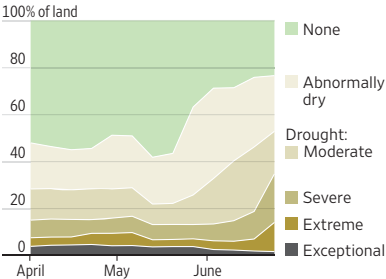
Food costs were finally starting to show signs of easing after the pandemic and Russia’s invasion of Ukraine sent prices skyrocketing. Now, a drought across America’s breadbasket is a threat to further relief.

The dry spell has spanned the wheat fields of the Great Plains and the Corn Belt in the Upper Midwest, leaving some areas with fractions of their normal rainfall as they head into crucial growing periods for corn and soybeans. The fear is a repeat of a drought-stricken 2012 that sent crop prices surging.

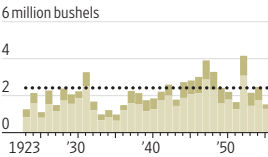
“The next three to four weeks are going to be huge,” said Angie Setzer, co-founder of Consus, which advises farmers on how to sell crops and minimize financial risk.

U.S. food inflation had eased in recent months as crop prices fell. Then in early June, fears of drought-stunted crops and abandoned fields started driving up prices for ingredients used in foods including dinner rolls, pizza dough and oatmeal.

Drought conditions across the Midwest and High Plains

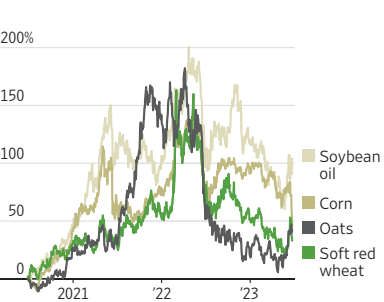


Kansas and Oklahoma wheat harvest



Sources: U.S. Drought Monitor (drought conditions); Department of Agriculture (wheat harvest); FactSet (futures)

Futures price performance



red wheat widely used in baked goods are up 8.8% from the start of June. Oat prices climbed 13% over the same time. Soybean oil, used for frying and baking and low-carbon trucking fuel, surged 28%. Corn

has edged about 5.1% lower, after recent rains and a better-than-expected federal estimate of planted acres reversed a steep rally earlier in June. Conditions monitored by federal record-keepers have de-

teriorated so much that some growers are weighing whether a weak harvest will be worth their effort. Farmers across the country are expected to abandon scorched fields of winter wheat at their highest rate since 1917, outpacing the rate during the 1930s Dust Bowl.

In Syracuse, Kan., Jason Ochs expects to reap just one-third of the wheat his family sowed on a 20,000-acre farm. Ochs, who said drought and inflation made this year the worst in his 12 years of farming, hopes recent precipitation will help dryland corn and grain sorghum on other parts of his property.

“If you’re running a normal business, you can get pretty good information before you put money into something. Not with weather,” said Ochs, 49 years old.

Prices for an array of crops approached record highs after Russia’s invasion of Ukraine threw one of the world’s premier grain-exporting regions into the line of fire. The U.N. helped broker a deal in which the Kremlin would let Kyiv ship grains through the Black Sea

and into the global market. Prices subsequently re-treated, but commodity markets are entering a new period of uncertainty with Ukraine’s counteroffensive against an increasingly divided Russian military machine. The Kyiv-Kremlin deal to export grain is set to expire in July—the same time that hotter, drier weather tends to hit U.S. farms.

Nearly one-third of the High Plains and almost two-thirds of the Midwest are in at least moderate drought, according to the U.S. Drought Monitor.

In Iowa, the U.S. corn capital, many fields are surviving thanks in part to crossbreeding that made crops more resilient, said Justin Glisan, the Hawkeye State’s climatologist. But he said they could need more “million-dollar rainfalls” to last through the summer.

Relief could be in store for parts of the Midwest, but it might end up being too much. The National Oceanic and Atmospheric Administration said a band of rain across the region on Saturday threatens to cause flash floods in parts of Nebraska, Iowa and Illinois.

Smoky Air to Linger in Northeast for Few Days

BY ALYSSA LUKPAT

The Canadian wildfire smoke choking parts of the Northeast and Midwest lingered again on Friday, but air quality was expected to improve over the Fourth of July weekend.

The smoke was centered over Pennsylvania and New York Friday morning, according to AirNow, a government tracking site. Tens of millions of people, including the entire state of New York, were under

air-quality advisories.

The National Weather Service said smoke would remain over the Northeast the next few days but start to disperse.

Forecasters said parts of the region are expected to get rain on Saturday night into Sunday. Midwestern storms this weekend are set to move east and help dissipate the smoke particles in the air.

Millions of Americans this week have been breathing pollutants carried over from Canada, where nearly 500 wild-

fires are burning, according to the Canadian Interagency Forest Fire Centre.

The U.S. could feel the consequences of the blazes in Canada any time winds bring the smoke south. The latest smoky conditions haven’t been as severe as earlier in June, when the sky turned orange and the air quality was considered hazardous.

The polluted air on Friday was slowly drifting out of the Midwest, according to AirNow, after blanketing the region

since Tuesday. The region has had some of the worst air quality in the world this week, according to the air-quality information platform IQAir.

The air-quality Friday morning was unhealthy in cities including Cleveland, Philadelphia and Pittsburgh, according to AirNow.

New York City’s air-quality index level Friday morning was 169, which is considered unhealthy, according to AirNow.

“Any time the air quality goes up above 150, all New Yorkers should be concerned,” Mayor Eric Adams said Friday morning. He said the city would evaluate if any changes needed to be made to fireworks events and other festivities closer to the holiday.

The South has largely avoided the unhealthy smoke that has affected people elsewhere. Forecasters have said the smoke usually dissipates by the time it arrives in the region.

The National Weather Service said parts of the South and the West, including California’s Central Valley, were expected to have dangerous heat over the holiday weekend.

Texas and the South have sweltered under a heat dome that has trapped hot air in the region. More than a dozen people have died because of the heat and humidity, officials said.

—Erin Ailworth contributed to this article.



A person paddleboards along the Potomac River as haze blankets the National Mall.

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U.S. NEWS

Ruling Deals Blow to Students Who Paused Payments

By Joe Pinsker

Millions of Americans thought their student debt might be wiped out. The Supreme Court’s decision striking down President Biden’s debt-cancellation plan puts them back on the hook.

The high court ruled 6-3 that the plan, approved last year by the Education Department, went beyond the executive branch’s authority. The ruling reversed the White House plan, which would have forgiven up to \$20,000 of student debt, and disappointed scores of borrowers who say they are deferring other financial goals for now.

Borrowers who would have become debt-free under the plan say that its cancellation puts milestones like buying a house or building emergency savings out of reach. They are now factoring their loan payments back into their budgets after nearly a year of following the zigzagging political fate of Biden’s proposal and a three-year repayment hiatus.

“I’m deeply disappointed,” said Jay Chandler, a 33-year-old high-school teacher in Or-

lando, Fla., who has about \$19,600 in debt, all of which would have been eliminated in the Biden plan.

Chandler didn’t previously pay attention to Supreme Court cases, but for months has been reading constitutional scholars’ Twitter commentary for signs of which way Biden v. Nebraska and Department of Education v. Brown would go, and whether he’d have to pay.

Under the plan, borrowers holding federal student-loan debt would have been eligible for up to \$10,000 forgiven, and those who received federal Pell grants would have been eligible for up to \$20,000. In total, the plan would have canceled an estimated \$430 billion in student debt and eliminated the entire balances of as many as 20 million people.

From pause to pay

Interest and payments on federal student loans have been on pause since March 2020. Chandler used the pause to pay down his college loans, which totaled \$52,000 in early 2020. He took on 25



JOSEPH CRENS / IOWA CITY PRESS-CITIZEN/ASSOCIATED PRESS

The White House plan would have forgiven as much as \$20,000 of student debt.

to 30 hours a week at a grocery store on top of his full-time teaching job.

The extra income helped Chandler reduce his balance to around \$10,000 in 2022. Paying off most of his debt felt liberating, he said, but took a lot of work.

Biden outlined his debt-cancellation plan last August and millions requested relief when applications became available in October. The program was soon halted in re-

sponse to legal challenges.

The plan boosted Biden’s popularity among many borrowers, but also angered some who had paid off their loans or who made sacrifices to save for college tuition.

Some 37 million borrowers saved about \$195 billion from the pause on payments as of April 2022, according to an estimate from the Federal Reserve Bank of New York. A small share of borrowers continued to make payments.

Taking a step back

Before the pause, Trey Watson, a 30-year-old digital marketer at a consumer-goods company in Houston, committed about \$400 of his monthly earnings to his loan payments. With that money freed up for more than three years, he started building his emergency savings, made a down payment on a new car, and invested in a freelance consulting business he started.

Watson, a Pell grant recipi-

Student Debt Relief Rejected

Continued from Page One

of executive power espoused by the White House and the Supreme Court.

President Biden has at times sought to take aggressive actions in response to economic, immigration and other crises as partisan divisions hobble Congress.

The court, with a conservative majority skeptical of federal regulatory power, has blocked several administration initiatives and limited agency authority to act on new situations that existing legislation might not have anticipated.

“I’m not going to stop fighting to deliver borrowers what they need,” Biden said at the White House on Friday. He told reporters he planned to take another crack at canceling student-loan debt and had directed his team to launch a new program to do so using a different legal authority, the Higher Education Act of 1965.

Missouri Attorney General Andrew Bailey, whose state was a party to the case Biden v. Nebraska, hailed the justices’ decision.

“This means that the state coffers will not suffer a \$44 million hit,” he said, adding: “This one was personal. I paid for my college with blood, sweat and tears in service to my country and it’s only fair

that working families not be stuck with other people’s debt.”

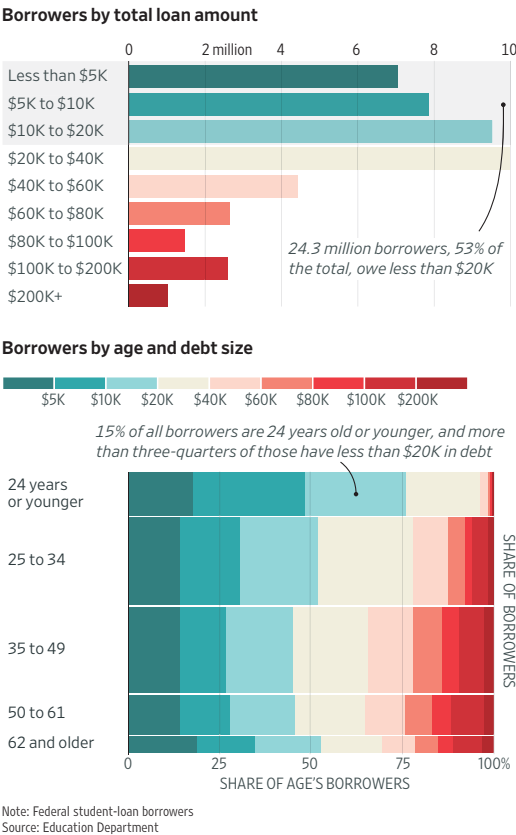
Progressive lawmakers, meanwhile, called on Biden to make another attempt at wide-ranging loan forgiveness. “This fight is not over. The president has more tools to cancel student debt—and he must use them,” said Sen. Elizabeth Warren (D., Mass.), one of Congress’s leading advocates for debt cancellation.

As a presidential candidate in 2020, Biden said he would pursue legislation to erase \$10,000 in student debt per borrower. Once in office, however, he confronted a gridlocked Congress where neither Democratic efforts to cancel student debt nor Republican bills to prohibit loan forgiveness survived.

Under pressure from progressives to make good on the promise, Biden chose to make permanent the decision to forgive certain borrowers’ student debt during the Covid-19 emergency.

The key language was contained in the Heroes Act, a federal law adopted after the Sept. 11, 2001, terrorist attacks. It was expanded during the wars that followed to ensure that those involved in a military operation or national emergency “are not placed in a worse position financially” because of those events.

During the Covid-19 pandemic, officials of both the Trump and Biden administrations paused student-loan repayments. But the Heroes Act language didn’t specify relief must be temporary or that the government must be made whole.



Days before leaving office in January 2021, the Trump Education Department’s top lawyer signed an eight-page memo concluding that while the statute didn’t explicitly bar blanket loan forgiveness, such a prohibition could be inferred from its structure.

Cardona, Biden’s education secretary, didn’t see it that

way. In August 2022, he authorized permanent forgiveness of up to \$10,000 for borrowers who earn less than \$125,000 a year, with an additional \$10,000 of relief for those who held Pell Grants, which typically are awarded to the neediest students.

The directive cited the department’s experience when it

paused loan repayments for borrowers affected by natural disasters such as hurricanes and wildfires. The default rate was 0.3% in the calendar year before the disaster, but rose to 6.5% when repayment obligations resumed for borrowers whose bills had been paused.

Along with Cardona’s directive came a supporting legal opinion from Assistant Attorney General Christopher Schroeder, head of the Justice Department’s Office of Legal Counsel. Schroeder’s memo argued that the Heroes Act gave the education secretary broad discretion to waive or modify student-aid programs because of the emergency.

Republican officials in six states sued to block the plan, contending among other things that it would harm state finances because the discharged debt wouldn’t be classified as taxable income. They argued that the education secretary lacked authority to erase billions of dollars of debt from the Treasury’s books.

The Supreme Court took a similar line on Friday. Like broad measures by the Environmental Protection Agency to fight greenhouse gases or some Covid-mitigation policies, the loan-forgiveness plan simply did too much without explicit permission from Congress, Roberts wrote. The court has called its approach the major-questions doctrine, which Roberts said reflects the majority’s “concerns over the exercise of administrative power.”

When the Education Department has altered student-

aid terms in the past, the changes have been minor, Roberts said, such as easing paperwork requirements or reducing the number of years a borrower must work in certain jobs to qualify for a public-service loan forgiveness. In contrast, Cardona’s directive eliminating \$430 billion in debt “expanded forgiveness to nearly every borrower in the country.”

For support, Roberts quoted former House Speaker Nancy Pelosi (D., Calif.), who at a 2021 press conference said that while the president could postpone student loan payments, only Congress could cancel the debt outright.

Kagan, reading her dissent from the bench to signal how seriously the minority disagreed, said it was the court rather than the White House that was overstepping its power.

Congress, she said, chose to give the education secretary the commensurate power to respond to crises. If the public disagreed with the loan-forgiveness plan, Congress and the voters both had remedies at hand.

Instead, Kagan wrote, the majority uses what she called the “made-up major-questions doctrine” and “makes itself the decision-maker on, of all things, federal student-loan policy.”

Watch a Video

Scan this code for a video about the student-debt ruling’s impact.

Company Can Refuse Service

Continued from Page One

complex place where all persons are free to think and speak as they wish, not as the government demands.”

The case involves Lorie Smith, an evangelical Christian who runs 303 Creative, a web-design company in Littleton, Colo. She filed suit in 2016 for a federal court order declaring her business exempt from state antidiscrimination law should any same-sex couple seek her services. A federal appeals court in Denver, like other federal and state courts confronting objectors to same-sex marriage, found no constitutional right exempting her from state law requiring that businesses open to the public treat customers equally without regard to sexual orientation.

The Supreme Court majority viewed the case as a straightforward application of free-speech doctrines that forbid compelled speech. The court’s three liberals, in contrast, saw the decision as a re-trenchment of civil rights that cast LGBTQ Americans as second-class citizens.

“Around the country, there has been a backlash to the

movement for liberty and equality for gender and sexual minorities,” Justice Sonia Sotomayor wrote in dissent, joined by Justices Elena Kagan and Ketanji Brown Jackson. “This is heartbreaking. Sadly, it is also familiar,” she wrote, citing the resistance provoked by early gains of the civil rights and women’s rights movements of earlier decades.

As she did Thursday when the court ended racial preferences in university admissions, Sotomayor read her dissent from the bench, a gesture conveying deep disagreement with the majority.

That concern among liberals was echoed by the White House, where President Biden issued a statement calling for Congress to amend federal civil-rights law to explicitly cover sexual orientation.

“I’m deeply concerned that the decision could invite more discrimination against LGBTQ+ Americans,” Biden said. “More broadly, today’s decision weakens longstanding laws that protect all Americans against discrimination in public accommodations—including people of color, people with disabilities, people of faith, and women.”

Conservatives saw the right to withhold expressive services as benefiting Americans of various stripes.

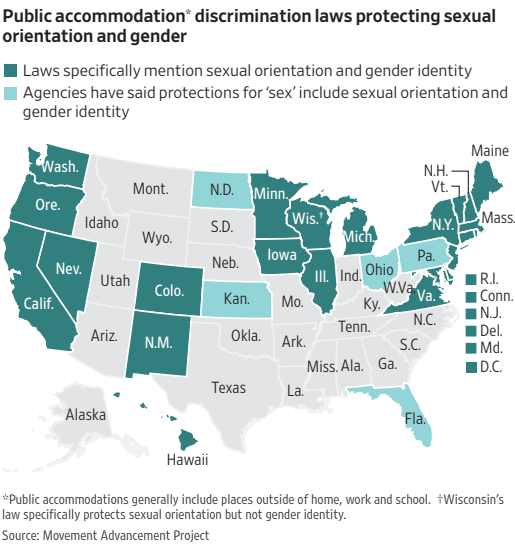
“The state of Colorado wanted to compel the speech of Christian artists and business owners who declined to use their God-given talents to

celebrate views that run contrary to what their faith teaches,” said Sen. Ted Cruz (R., Texas). “Should a Muslim artist be compelled by the government to draw the image of Muhammed? Should Jewish artists be forced to create art that is antisemitic?” he added.

In her appeal to the Supreme Court, Smith was represented by Alliance Defending Freedom, a conservative Christian advocacy group that also argued against same-sex marriage in the 2015 Obergefell v. Hodges decision.

Kristen Waggoner, the Alliance attorney who argued the case, said Friday that “disagreement isn’t discrimination, and the government can’t mislabel speech as discrimination to censor it.” The state “should no more censor Lorie for speaking consistent with her beliefs about marriage than it should punish an LGBT graphic designer for declining to criticize same-sex marriage,” she said.

Colorado Attorney General Phil Weiser saw broader implications. “Today’s sweeping decision threatens to destabilize our public marketplace and encourage all kinds of businesses—not just those serving weddings—to claim a First Amendment free speech right to refuse service to certain customers” whose actions or identities they oppose, Weiser, a Democrat, said. He listed interracial couples, women-owned businesses and members of religious groups



who could face discrimination going forward.

The case involved a long-brewing contest between two lines of recent Supreme Court decisions: those that give priority to religious expression rights over secular public interests and those extending civil equality to LGBTQ Americans.

Several cases posing that conflict have reached the court since the Obergefell decision, but at each juncture the justices either have turned down the appeal seeking exemption from nondiscrimination law, or issued a relatively narrow decision in favor of the objector to same-sex mar-

riage without issuing a broader pronouncement on whose rights must yield.

Gorsuch grounded his opinion in one of the court’s landmark free-speech decisions, West Virginia State Board of Education v. Barnette, when at the height of World War II the justices reversed precedent to hold that under the Constitution, government can’t compel students to salute the flag.

More recently, he observed, the court ruled in 1995 that organizers of Boston’s St. Patrick’s Day Parade could exclude an LGBTQ group from marching, and in 2000 that the Boy Scouts of America

could dismiss a scoutmaster for being gay. In both cases, the court found that First Amendment rights of speech and association superseded state antidiscrimination laws.

Such laws, Friday’s opinion noted, “have done much to secure the civil rights of all Americans.” But Gorsuch wrote that in this case Colorado “seeks to use its law to compel an individual to create speech she does not believe.”

Smith’s business is selling creative services, which necessarily intertwine her personal expression with the message her clients commission her to create, the court found.

Sotomayor argued that the issue wasn’t Smith’s expression—she remains free to state her opposition to same-sex marriage—but her conduct as a business owner. “The only thing the business may not do is deny whatever websites it offers on the basis of sexual orientation,” she wrote.

Both sides agreed that future litigation will follow, with courts asked to decide when the products or services a business offers—photography, stationery, confectionery—were all potential examples—qualify as protected speech.

The justices kick-started that process Friday, directing an Oregon court to reconsider in light of the Gorsuch opinion its 2022 decision that a Gresham, Ore., bakery violated state antidiscrimination law by refusing to bake a cake for a lesbian wedding.

Justices Will Weigh Extent of Gun Rights

By JACOB GERSHMAN
AND JESS BRAVIN

The Supreme Court said Friday it would decide whether people subject to domestic-violence protective orders have a Second Amendment right to be armed.

The new consideration of gun rights gives the court an opportunity to say more about the scope of the Second Amendment a year after it issued a blockbuster ruling that expanded gun rights and adopted a new legal approach that bases the constitutionality of weapons regulations on whether similar laws existed early in the nation's history.

The case is one of a half-dozen the justices added to their docket before their summer break. The court will hear the cases in its next term that begins in October.

In the gun case, the Biden administration is appealing a ruling that threw out the conviction of an Arlington, Texas, man, Zackey Rahimi, for possessing firearms while under a domestic-violence restraining order. A federal law enacted in 1994 disarmed individuals whom courts have ordered to stop threatening an intimate partner after finding they pose a credible threat. Over the past year, lower courts, attempting to apply the Supreme Court's guidance in its 2022 decision, *New York State Rifle & Pistol Association v. Bruen*, have issued conflicting rulings on whether the 1994 law is constitutional.

Police in 2021 executed a warrant to search Rahimi's home after suspecting his involvement in more than one shooting, finding a pistol, a rifle and ammunition, along with a copy of the restraining order against him. His ex-girlfriend obtained the two-year protection order in February 2020, alleging in an affidavit that Rahimi physically abused her, threatened to kill her while brandishing a gun and fired a gun at her vehicle while she tried to flee him. The order restrained him from harassing, stalking or threatening his ex-girlfriend and their child.

In February, a three-judge panel of the New Orleans-based Fifth U.S. Circuit Court of Appeals ruled that the domestic-abuser law violated the Second Amendment.

The Rahimi case could clarify when misconduct or dangerousness strips a citizen of Second Amendment rights.

The appeals court relied on Bruen's holding that lower courts should judge the constitutionality of gun-control measures based on their similarity to historical firearm regulation from the country's early years.

That high court ruling, which struck down New York's century-old concealed handgun permitting requirements, reinvigorated challenges to federal gun-control provisions that make it illegal for certain classes of people to possess firearms.

In Rahimi's case, the Fifth Circuit panel concluded the domestic-abuse gun law didn't have adequate historical support.

In March, a California federal judge declared the same statute constitutional. Judges have also clashed on whether gun rights should be extended to marijuana users, people convicted of nonviolent crimes and defendants under felony indictment.

The Justice Department moved swiftly to get the Rahimi ruling before the Supreme Court. U.S. Solicitor General Elizabeth Prelogar in the government's appeal said the Fifth Circuit had "overlooked the strong historical evidence supporting the general principle that the government may disarm dangerous individuals."

Most states have their own laws that make it a crime to possess firearms while under a domestic-violence restraining order, many of which require people placed under orders to relinquish their guns.

Rahimi faces state charges including aggravated assault with a deadly weapon, and he remains in custody, according to Tarrant County records.

Corporate Diversity Policies Face Test

By LAUREN WEBER
AND CHIP CUTTER

Companies expect Thursday's Supreme Court ruling on affirmative action to reduce racial diversity in the pool of highly educated candidates for future jobs, including leadership roles.

They also say the ruling, which prohibits race-conscious college admissions, will lead to challenges to internal diversity, equity and inclusion initiatives, many of which were put in place or augmented over the past few years.

Many large employers have said that affirmative action assists businesses by helping them serve a diverse universe of customers and clients. They have cited research showing that diverse teams are more creative and make better decisions than homogeneous ones.

Opponents of affirmative action and diversity initiatives in the workplace say such policies are ineffective, divisive or based on illegitimate factors.

Many companies said they plan to continue diversity initiatives after the Supreme Court's ruling. The decision, though, will require employers to articulate why programs meant to increase representation matter to a company's performance, executives say.

"It doesn't change our focus," said Iesha Berry, chief diversity and engagement officer and head of people experience at DocuSign. The technology company plans to reiterate that diversity is "not a stand-alone, and it's not something that is, unfortunately, seen as the flavor of the day, but critically important to the business and the business success," Berry said.

In a joint amicus brief filed to the court on behalf of large companies such as Procter & Gamble, Facebook parent Meta Platforms, Starbucks and dozens of others, employers argued that companies relied on universities to help them recruit from a broad pool of prospective candidates.



Protesters for and against affirmative action demonstrate on Capitol Hill on Thursday in Washington, D.C.

Students trained in diverse environments also gain the skills needed to compete better in the global economy, the companies said in the brief.

"For marketing and other commercial reasons, many corporations need to pay attention to diversity," said Roger King, senior labor and employment counsel for the HR Policy Association, a business group that filed an amicus brief supporting affirmative action.

About 60% of workers believe workforces should reflect the diversity of the communities in which they operate, according to a new survey of U.S. employees' views about discrimination and equity. At the same time, around 20% say they are opposed to workplace programs designed to ensure that people of color are treated equally when it comes to job opportunities, according

to the survey, which was conducted by the Heldrich Center for Workforce Development at Rutgers University.

Federal law prohibits organizations from considering race—and many other characteristics, such as sex, national origin and religion—as a factor in employment decisions except in rare circumstances. In recent years, though, particularly after the murder of George Floyd in police custody, companies stepped up efforts to increase diversity in their workforces. Many companies appointed chief diversity officers for the first time, or published specific goals for the representation of women or minorities.

"Employers have always been walking this tightrope of having targets and goals and not quotas," said Ian Carleton Schaefer, a partner in the labor and employment practice at the law firm Sheppard,

Mullin, Richter & Hampton in New York. "This decision just snapped the tightrope."

The ripple effects of the Supreme Court's decision on companies could be extensive and felt for years to come, executives, employment lawyers and corporate advisers say. Rules for federal contractors, which require submission of a workforce analysis based on race, gender and other characteristics, could get a closer look, they say.

Some employers said they expect existing initiatives to be questioned more frequently by employees, while others predict such efforts could face legal challenges if the existence of race- or gender-based goals is seen by some as discrimination.

"Is just having a DEI goal on its face de facto saying you're going to provide preferential treatment to a demographic? I don't think that's

the case," though some might attempt to interpret it that way in discrimination or harassment claims, said Sheila Willis, co-chair of the affirmative action and federal contract compliance practice group at Fisher & Phillips.

Affinity groups, meant to bring together groups such as women, Black or Latino employees, could draw fresh scrutiny, lawyers say, while chief diversity officers might encounter questions or skepticism about what they are trying to achieve.

"The concern here is that all of a sudden these efforts become a target," said Cat Ward, who has been discussing the two affirmative-action cases, which involved admissions policies at Harvard University and the University of North Carolina, with companies in her role as a vice president at the nonprofit Jobs for the Future.

Appeal to Be Heard on SEC's In-House Courts

By JAN WOLFE

WASHINGTON—The Supreme Court agreed to consider the legality of the Securities and Exchange Commission's use of in-house tribunals, setting up a decision next term that could alter how U.S. securities laws are enforced.

In an order list on Friday, the high court said it would hear the Biden administration's appeal of a May 2022 lower-court ruling that found it unconstitutional for the SEC to bring enforcement actions seeking financial penalties through its in-house courts.

The Supreme Court's eventual decision could restrict the SEC's use of its in-house courts. Such proceedings are heard by administrative law judges who are employees of the SEC but are supposed to exercise independent judicial powers.

Those proceedings have been criticized on the grounds that the SEC isn't just the prosecutor, but also serves as judge and jury. The commission has pared back its use of its administrative courts in recent years, amid challenges from defense attorneys and increasing judicial skepticism.

The Supreme Court hasn't yet set oral arguments in the case, *SEC v. Jarkesy*. It will be heard in the court's fall term, which begins in October, after a summer recess.

An SEC spokesman declined to comment on the court taking the case.

The case involves hedge-fund founder George Jarkesy, whom the SEC accused of misleading investors.

Rather than sue Jarkesy in federal court, the agency brought an administrative proceeding against him. An SEC judge in 2014 found Jarkesy liable for fraud, ordering him to pay a \$300,000 fine, and barred him from participating

in the securities industry. Jarkesy, meanwhile, pursued litigation against the SEC in federal court, alleging the proceedings infringed on his constitutional rights. He drew support from the billionaire investor Mark Cuban, who argued in an amicus brief that the SEC "usurps power" that Congress hasn't expressly delegated to it.

The Fifth Circuit Court of Appeals, based in Louisiana, handed a win to Jarkesy last year. In a 2-1 decision, a three-judge panel said the SEC's in-house tribunals, as currently structured, violate the Seventh Amendment's right to trial by jury.

The SEC's in-house courts generated little controversy for decades until a 2014 decision to lean on them more heavily

sparked a backlash. Before then, the SEC had only used the administrative courts to sue Wall Street defendants it directly regulated, such as stockbrokers, public auditors and money

managers.

The 2010 Dodd-Frank financial overhaul law allowed the SEC to sue anyone in the administrative courts, including people accused of misconduct, such as insider trading, who didn't work in the securities industry.

SEC officials at the time rejected criticism that the in-house judges were biased or the rules were unfair.

The Supreme Court has increasingly ruled against the SEC in recent years.

In April, the justices said people and businesses subjected to SEC administrative proceedings can seek to enjoin, or block, those proceedings by suing in U.S. District Court and raising constitutional arguments there.

In 2018, the court issued a 7-2 decision that identified constitutional defects in how the SEC was appointing its administrative law judges.



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U.S. NEWS

New York Schools Fight Over Team Names

State ban on Native American mascots leads districts to abandon monikers

By JOSEPH DE AVILA

When the Canandaigua Academy football team in upstate New York takes the field this fall, they won't be the Braves for the first time in nearly 75 years.

The Canandaigua City School District is one of dozens in New York that are retiring Native American-inspired team names, mascots and logos after the state Education Department banned their use in April.

In Rochester-area Canandaigua, schools have had the Braves name since 1949. Many people, especially those whose parents and grandparents were alumni, were upset about removing the name, said Jamie Farr, superintendent of the school district.

"There is a lot of history here," he said. "You have to engage in those conversations on whose identity is it really, and those are hard conversations and emotional conversations."

Similar conversations are playing out across the state, as school districts grapple with the national reckoning against such names. Under New York's new ban, school boards must have passed resolutions committing to eliminate indigenous-inspired names and imagery by Friday, and must remove them fully by the end of the 2024-2025 school year. Schools that don't comply could have state funding withheld.

"The time is now to move away from these harmful images," said Keshia Clukey, a spokeswoman for the state Education Department.

Several professional sports

teams abandoned indigenous-inspired names, including the Washington Commanders, formerly the Redskins, and the Cleveland Guardians, formerly the Indians, after years of protests. Others, such as the Kansas City Chiefs and Atlanta Braves, have kept their names.

More than a dozen schools across at least eight states, including Florida, Michigan and Kansas, retired their Native American-inspired mascot names in 2022, according to the National Congress of American Indians, which has long opposed the use of indigenous-inspired mascots.

"Sports mascots are symbols of disrespect that degrade, mock and harm Native people, particularly Native youth," the organization said.

At least nine states, including Oregon, Vermont and Nevada, have passed laws or regulations banning Native American-inspired or discriminatory mascots.

There are about 1,900 schools in the U.S. that use Native American-inspired team names, according to the advocacy group, which has defended Native American and tribal rights for decades.

A 2022 review of 26 studies concluded indigenous-inspired mascots have negative mental-health impacts on Native Americans. The American Psychological Association in 2005 called for such mascots to be discontinued, citing a growing body of social-science literature that shows the harmful effects of racial stereotyping.

The Shinnecock Indian Nation on Long Island said it supports the ban.

"Mascots of a people or culture is not an honoring," said Josephine Smith, director of the Shinnecock Indian Nation's cultural resources department. "Indigenous people are not things to bring good luck, are not fictional characters, are not to be used to rep-



CAROLINE CHAPMAN/CANANDAIGUA CITY SCHOOL

Some residents in New York's Canandaigua City School District opposed retiring its mascot.

resent your town, school, sport team, organization or business."

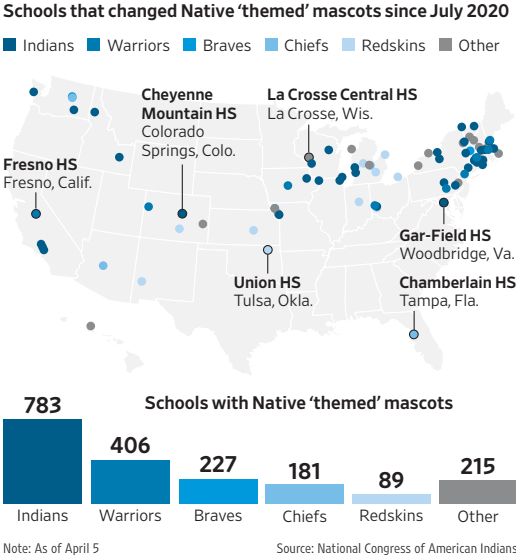
Some districts are fighting the changes.

The board of Massapequa Public Schools on Long Island passed a resolution last week saying it would comply with the ban, but said it planned to challenge the ban in court to keep its Chiefs name.

"It is no secret the Chiefs logo is not just an image," the school board said in a letter after passing the resolution. "It is Massapequa's history and has been adopted by more than just our school district."

The district declined to comment beyond the letter sent to the community.

Donna Sirianni, whose daughter attends Massapequa High School, said her late father would be furious if he knew that his alma mater was getting rid of the Chiefs name. Sirianni said her father, who graduated in 1960, was on Massapequa's football, track and field and wrestling teams. Being a Chief was part of his identity, she said, adding that



she thinks the name is meant to honor Native Americans.

"It's all positive intent," said Sirianni, who runs a professional training company on Long Island. "There is not an

ounce of negative intent in wanting to keep Massapequa Chiefs whatsoever."

The Wantagh Union Free School District on Long Island sought to keep its team name,

the Warriors, while retiring its logo, which featured the face of a Native American man. The state Education Department declined the request.

The board has since passed a resolution removing the name and logo, but is considering challenging the name-change requirement in court, said district superintendent John McNamara.

The state Education Department declined to comment on possible legal challenges to the ban.

The Canisteo-Greenwood Central School District in Canisteo, N.Y., began conversations last year about retiring its team name, the Redskins, after superintendent Thomas Crook spoke with a member of the Seneca Nation.

Some people weren't happy about changing the name, which had been in place since the 1950s, Crook said. But a community survey shows that view is in the minority.

"A large majority of my community members are either in favor of or understand this is a necessary retirement of the mascot," Crook said.

The school board voted to retire the Redskin name earlier this year, and community members submitted more than 1,000 suggestions for new names, Crook said.

Students chose Chargers as the new team name, he said. Crook hopes to unveil a new logo in July.

Farr, the superintendent of the Canandaigua City School District, said the board passed a resolution eliminating the name recently. Community members will choose a new team name in the coming school year, he said.

Farr said his community largely views the name change as an opportunity to define what it will be for generations to come. "Let's work together on something we can all be proud of," Farr said.

FTC Ethics Official's Advice Prompts Call for Inquiry

By BRODY MULLINS AND REBECCA BALLHAUS

WASHINGTON—An ethics official owned **Meta Platforms** stock when she recommended that Federal Trade Commission Chair Lina Khan recuse herself from a case involving the company, spurring a demand for an inquiry.

Lorielle Pankey, the FTC's designated agency ethics official, in an August 2022 memo said Khan's past statements opposing acquisitions by Meta raised questions about her ability to be impartial as the FTC reviewed the company's planned acquisition of a virtual reality app developer.

At the time of her recommendation, Pankey owned between \$15,001 and \$50,000 in Meta stock in a joint account, and still owns it, according to FTC officials and her public financial disclosures.

A progressive group, called the Revolving Door Project, on Thursday asked the FTC's Office of Inspector General to look into the matter to deter-

mine whether Pankey violated the agency's ethics rules, noting that Pankey's recommendation sided with Meta, which had petitioned the agency for Khan to recuse herself.

"Was Pankey's subjective judgment influenced by the fact that the company in which she owns stock has put significant resources into calling for Chair Khan's recusal?" the group asked in its letter this week. "The public can and should rightfully question her impartiality on this matter considering her direct financial stake in Meta."

The Wall Street Journal's 2022 Capital Assets series found that more than 2,600 officials—more than one in five—invested in companies overseen by their agencies over a six-year period. The series highlighted the porous nature of the federal rules for stock ownership among senior government employees.

Pankey said that before becoming an ethics official years ago, she had sought guidance from the Office of Government

Ethics, which oversees federal ethics rules, on whether her investments prevented her from advising other employees on their conflicts.

She said she was told that such advice didn't amount to personal and substantial participation in an issue and therefore wouldn't violate the criminal conflict-of-interest statute, which directs officials not to participate personally and substantially in matters in which they have a financial interest.

"In the course of my FTC duties, I take all reasonable steps to ensure full compliance, never coming close to the line of a violation," Pankey said in an email.

FTC spokesman Douglas Farrar said Pankey had issued guidance in the Meta matter "consistent with the Office of

Government Ethics interpretation of their rules governing ethics officials throughout the federal government."

The ethics office said it doesn't comment on specific individuals' holdings.

Khan ultimately decided not to recuse herself. In a memo, she wrote that her previous comments didn't address the transaction in question.

Pankey's 2022 memo was reported by Bloomberg News on June 16. In the memo, she recommended Khan recuse herself but said her participation wouldn't "constitute a *per se* federal ethics violation."

Ethics experts said that while Pankey's investment didn't violate the criminal conflict-of-interest law, it was at odds with federal regulations that direct officials to

avoid even the appearance of a conflict of interest.

"She should not have participated because I believe a reasonable person with knowledge of her ownership of Meta stock would question her impartiality in this matter," said Kathleen Clark, a law professor and former ethics lawyer for the Washington, D.C., government.

Pankey didn't respond to a question about whether her investment was at odds with the impartiality regulation.

Pankey in her financial disclosure reported that she owned the Meta stock in a joint account with a parent in which she has 50% interest.

Pankey said last year that she doesn't have any control or influence over the investments in the account and that her father had bought it for her when she was younger.

In July 2022, Meta filed a petition seeking Khan's recusal from the FTC's review of its proposed merger because of her comments before joining the agency. She had called for the FTC to block future ac-

quisitions by the company.

Pankey penned the Meta memo at the request of Christine Wilson, then a Republican commissioner at the agency.

Khan's statements, Pankey wrote, "would raise a question in the mind of a reasonable person about Chair Khan's impartiality as an adjudicator." She added that Khan "may exercise her discretion to conclude there is no reasonable basis to question her impartiality in this matter."

Officials at the Revolving Door Project say that by recommending that Khan recuse herself from a matter involving Meta, Pankey was in effect influencing a policy matter involving the company.

"Disqualifying Lina Khan from matters involving Meta would be enormously valuable to Meta," said Jeff Hauser, founder and director of the organization. "It's not hyperbole to suggest that tens of billions of dollars of Meta market capitalization are at stake if Khan were to be successfully disqualified."

Collectors Seek Lawn Tractors

Continued from Page One

wieldy vehicles home, then restore them with parts no longer in production. As their collections balloon, they must endure the critical gaze of family and friends.

"There are no part-time collectors anymore," said Darren Redding, one of the show organizers, who owns 78 lawn-and-garden tractors, 11 full-size tractors and 23 snowmobiles, all made by John Deere.

This year marks the 60th anniversary of John Deere's entry into the lawn-and-garden tractor market. To celebrate, collectors came to the show with their original "110" models from 1963, distinguished by their rectangular grilles and rounded fenders. A few dozen of the machines showed up, a remnant of when Americans were moving to the suburbs in droves and embracing technol-

ogy that simplified yardwork.

Many tractors took a winding journey from work-a-day mower to showstopper.

A rare white one landed in the hands of Gary Staurowsky and his son Alex after a motel receptionist in rural Wisconsin gave them a hot tip in the mid-1990s.

On her advice, they drove up the highway to a man's house and saw in his barn what's informally known as a "Patio," a short-lived model marketed to women starting in 1969. The owner would only give it to them in exchange for a replacement tractor. He still needed to mow his lawn, after all.

What's more, the owner said "the John Deere boys" had recently stopped by, which the Staurowskys took to mean the company itself might be trying to get its hands on the tractor for its historical value. So the duo scrambled to buy another tractor, and used it to make the trade.

"It was like being a detective, for Pete's sake," recalled the elder Staurowsky, now 71 years old.

Collectors say more people have specialized in lawn-and-garden John Deere collecting in



John Deere '110' models at the Classic Green Reunion.

BEN EISEN/THE WALL STREET JOURNAL

the last decade. One of the many Facebook groups where collectors congregate has over 25,000 members.

As with other brands like Harley-Davidson and Porsche, collectors buy anything with the John Deere logo on it, from the largest tractors to toy replicas. Enthusiasts at the show sported branded shoes, earrings, golf bags and umbrellas. At least a couple wore T-shirts that said: "If you don't own one, you'll never understand."

On the sidelines, collectors chatted about what they had

bought and sold recently, which rare models might be coming on the market and what parts they needed for restoration projects.

To aid with fix-it work, vendors sold tires, steering wheels, gauges and other parts. Mint condition seats can sell for \$1,500 or more.

Getting so many tractors to a show can be its own event. Brandon Pfeiffer, 56, who runs a business selling parts and publishes a magazine devoted to the hobby, owns about 300 lawn-and-garden tractors,

roughly 150 of them John Deeres. Once he loaded too many into his trailer, and the weight of it caused the frame to collapse.

His collection has at times been a sore spot with his wife, who he described as a minimalist. Once, when she reminded him that she doesn't collect anything, he told her that from that point on, every tractor he bought would be a gift for her, and he would simply be its caretaker.

The thrill of the hunt can be addictive, Pfeiffer said. Once he spotted a tractor along a road near his house. It was covered in brush. It turned out to be a 1963 model. He bought it for \$20, fixed it up, then sold it for \$3,000.

Karl Moritz, 26, who posts on social media using the handle @popeofjohndeere, skipped his senior prom to drive from Pennsylvania to Oklahoma for a tractor attachment used to dig fence-post holes. His favorite tractor is a Patio he picked up in Bill Clinton's hometown in Arkansas. He named it Monica.

Kenny Jernigan, 57, and his son Casey, 26, own about 200 tractors, including a few "Sweepsters"—early lawn-and-

garden tractors outfitted with an attachment that resembles the back of a golf cart. It took a decade to get their hands on their first one. Those models have recently sold for more than \$10,000.

The elder Staurowsky bought an antique John Deere lawn tractor on a whim in the early 1990s, thinking that his son, then 7, might enjoy restoring it with him. They bought a second to harvest the parts to fix the first. They ended up restoring both, one for each to ride.

The younger Staurowsky had a knack for the electrical work, and could take apart and reconstruct the pieces. His father repaired the fiberglass parts. He hung around an auto body shop to learn the art of applying paint.

Their collection grew to about two dozen, then fell into disrepair after Alex grew up and moved out. A few years ago, around when Gary Staurowsky's wife died, father and son decided to start re-restoring the collection, finding the familiar hobby comforting.

This year, their tractors were back on the show circuit—once again in pristine condition.

WORLD NEWS

France Struggles With Escalating Violence

PARIS—A sharp escalation in riots after the fatal shooting of a teenager by police has thrust President Emmanuel Macron’s government into a

By Stacy Meichtry, Sam Schechner and Noemie Bisserbe

confrontation with youth from France’s working-class suburbs, where frustration has long brewed over law enforcement’s treatment of minorities.

For the third consecutive night since the killing of a 17-year-old identified as Nahel M., rioters burned municipal and commercial buildings, while facing off with police in the towns around the French capital, with clashes as far away as Marseille, Reims and Lyon. A dozen buses were burned at a depot north of Paris, the French transportation minister said. Inside the city, masked people broke the windows of a major shopping mall.

The surge in violence forced Macron to cut short his visit to Brussels for a Euro-

pean Union summit and return to Paris to hold an emergency cabinet meeting, his second in two days. French authorities ramped up security and moved to curtail public transport and gatherings.

The French leader now faces a fresh crisis after struggling this spring to contain violent protests over his unpopular decision to raise the age of retirement. This time the unrest stems from years of tension between police and France’s working-class minorities, many of them Muslim.

Macron has condemned Nahel M.’s killing as inexcusable, while calling for calm. Over the years, however, his government has shown steadfast support for law enforcement despite widespread criticism of police tactics as heavy-handed. Racial and religious tensions also have soared as Macron has restricted the activities of several mosques and Muslim associations that the government accuses of practicing “Islamist separatism,” an ideology that the gov-

ernment says aims to build a parallel society where religious rules override civil ones.

The Macron government also is coming under pressure from critics on the right to restore order. Some conservative and far-right politicians have begun calling on Macron to declare a state of emergency. His prime minister said all options were on the table.

On Friday, a spokesman for the interior minister said 875 people had been detained. The majority of them are between 14 and 18 years old, French officials said.

“I call on fathers and mothers to shoulder their responsibility. It’s not the Republic’s job to do it for them,” Macron said, adding that some of the rioters looked like they “were reliving in the streets the videogames that have intoxicated them.”

He said some of the violence appeared to have been organized on social-media networks including Snapchat and TikTok, demanding the platforms work with the government to remove



People look at the remains of a building in northern France that was destroyed during riots.

content that incites violence. Snapchat said that since Tuesday it had been removing content related to the riots that violated its terms, but added that it allows content that is factually reporting on a situation. TikTok didn’t comment.

Ravina Shamdasani, spokeswoman for the United Nations High Commissioner for Human Rights, weighed in on the unrest with a rebuke of French authorities. “This is a moment for the country to seriously address the deep issues of racism and discrimination in law

enforcement,” she said.

France’s foreign ministry rejected the remarks as “totally baseless,” noting that French police show “great professionalism in facing situations and acts of great violence.”

The riots started Tuesday after a police officer fatally shot Nahel M., who was of Algerian descent, during a traffic stop in Nanterre, a suburb west of Paris, authorities said.

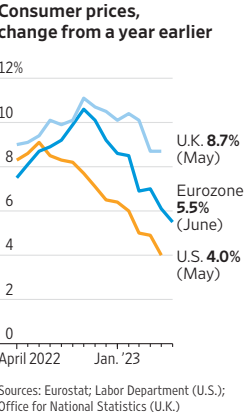
French prosecutors pressed preliminary charges of voluntary homicide against the officer, said Pascal Prache, the

prosecutor of Nanterre. The teenager wasn’t carrying a weapon, he said.

In Drancy, a Paris suburb, rioters used a truck to force open the entrance of a shopping mall, which was then partially burned. In Marseille, rioters smashed windows and set fires. In Roubaix, a city in northern France, an office building went up in flames.

Meanwhile, in the southwestern city of Pau, a Molotov cocktail caused significant damage to a police outpost, the local prefect said.

EU Leans on Businesses to Trim Booming Food Profits



BY PAUL HANNON AND NOEMIE BISSEBÉ

The next phase in the war against inflation is taking shape in Europe, where governments are actively cajoling businesses to cut prices on everything from pasta to chicken. Their argument: Profits are too high.

The European Union’s statistics agency Friday said consumer prices in the 20 countries that share the euro were 5.5% higher than a year earlier, a decline from the 6.1% inflation rate recorded in May, and the slowest increase since the start of 2022.

However, that slowdown in inflation largely has been because of falling energy prices. The core rate of inflation—which excludes volatile items such as energy and food—rose to 5.4% in June from 5.3% in May. More concerning for households, food prices continued to rise rapidly, albeit more slowly than in recent months.

After last year’s steep energy-price rises normalized, sharp increases in food bills this year have alarmed European governments. Now they are pushing back by putting pressure on grocery stores and food producers to limit or

reverse price rises.

Those moves fall short of the price controls that governments introduced in the early 1970s, but edge Europe toward a more interventionist approach on inflation than the U.S., where the pace of price rises has slowed more sharply during recent months.

In France, where food prices have increased by more than 14% in the past year, the government is trying to persuade the country’s largest industrial companies to lower their prices.

“We will not allow big industrial companies to make undue margins,” French Fi-

nance Minister Bruno Le Maire said, adding that he was ready to name and shame companies unwilling to pass on lower costs to consumers.

In the U.K., leading retailers were asked Tuesday to account for their profits before a panel of lawmakers. Wednesday saw the government’s treasury chief meet with competition and other regulators to find ways to tackle what is known as the cost-of-living crisis.

The Competition and Markets Authority will publish the results of its investigation into food prices in July. The Bank of England will meet with food producers ahead of its

September decision on interest rates.

“We are working hard to halve inflation this year,” said Jeremy Hunt, the treasury chief. “Businesses must play their part, too, and I will keep a watchful eye on the progress they make.”

So far, only Croatia and Hungary have implemented price caps. In September 2022, Croatia’s government imposed a 30% cut in the prices of oil, flour, sugar, pork, chicken and milk. Last week, Hungary’s government announced the extension until August of caps on the prices of a similar range of food staples.

Brazilian Court Bans Bolsonaro From Seeking Office Until 2030

BY LUCIANA MAGALHAES AND SAMANTHA PEARSON

BRASÍLIA—Brazil’s electoral court barred former President Jair Bolsonaro from seeking office until 2030, finding that he undermined confidence in the country’s voting system months before losing last year’s presidential election, in a ruling that threatens to heighten political tensions in Latin America’s biggest nation.

The court’s panel of seven judges voted 5-2 against Bolsonaro on Friday at the end of a swift noncriminal trial that was streamed live on YouTube. The judges found him guilty of abuse of power while in office and banished him to the sidelines of Brazilian politics for the rest of the decade.

The ruling, which prevents the 68-year-old conservative from running for office at any level of government, quashes what he recently told The Wall Street Journal were possible plans to seek a Senate seat in 2026.

Many of his supporters had hoped he would even run again for president, viewing him as the best chance to succeed President Luiz Inácio



Jair Bolsonaro was found guilty of abuse of power while in office by a vote of 5-2 judges during a noncriminal trial.

unlikely to be successful.

The swift trial that began last week called no witnesses—and was mostly attended by lawyers, journalists and court officials. A largely procedural affair, the trial consisted of the justices reading out their analysis of the case before casting their vote, with brief comments from Bolsonaro’s lawyer.

Bolsonaro has denied wrongdoing and accused the court of political bias and censorship. He has told Brazilian media that he was trying to encourage a debate about the electronic-voting system. Five of the court’s seven judges were appointed by da Silva during his previous two terms in office, from 2003 to 2010.

in which he advanced his theory that the country’s electoral system was vulnerable to tampering by online hackers. The court said the assertions were part of a wider campaign to attack the vote and convince Brazilians and foreigners that the vote would be rigged against him.

Separately, Brazil’s Supreme Court has authorized police to conduct a criminal investigation into allegations that Bolsonaro incited his supporters to raid Congress, the Presidential Palace and the court’s own headquarters on Jan. 8.

Da Silva, who was sworn in as president a week earlier, has described those attacks as a coup attempt. Bolsonaro was an army captain during part of Brazil’s 1964-85 military dictatorship—a regime that tortured and imprisoned many of da Silva’s leftist comrades.

“The far right needs limits. They can’t keep doing what they’re doing, thinking they can mock democracy and continuing to take part in [elections] without respecting them,” said Gleisi Hoffmann, president of the Workers’ Party.

Many conservative politicians and Bolsonaro’s allies say it is the left that is acting autocratically. They accused the Workers’ Party of co-opting the country’s courts to silence its right-wing opponents.

The ex-president claimed the electoral system was rigged against him.

ing his previous two terms in office, from 2003 to 2010.

“For the love of God, what kind of democracy is this?” Bolsonaro said in a recent radio interview. “Why can’t I criticize the voting system?”

In a recent survey by Brazilian pollster Quaest, 43% said they were opposed to banning Bolsonaro from office, while 47% supported the move.

The case centered on a meeting Bolsonaro held with some 40 foreign diplomats a year ago,

JIM VALVANO
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photo by Roger Winstead

WORLD NEWS

Ukraine Hits Russian Defenses From Afar

As counteroffensive stalls, Kyiv tries to interrupt supply lines, degrade forces

By IAN LOVETT

A VILLAGE NEAR THE SOUTHERN FRONT, Ukraine—The Russian soldiers scurried into a building carrying a rocket-propelled grenade launcher. From his command post a few miles away, Ukrainian Sgt. Heorhiy Volkov was watching a live feed from an aerial drone.

Volkov, the drone team’s commander, called an artillery unit. “Smash it,” he said.

Ten minutes later, a shell crashed through the roof of the house, 2 miles south of the front line in the southern Zaporizhzhia region. Three Russians ran out, tracked by the drone as they fled.

This is what the pause in Ukraine’s counteroffensive looks like. After encountering stiff Russian resistance to their initial ground assault, Ukrainian commanders mostly have held off sending large infantry formations and Western tanks to assault Russian positions. Instead, Kyiv is making targeted strikes, trying to soften Russian defenses for the next attack.

Ukrainian forces are using long-range Western weapons to hit Russian supply lines deep in occupied territory. Last week, British cruise missiles struck a key bridge that the Kremlin has used to move supplies from Crimea—which Moscow seized in 2014—to the front lines in southern Ukraine.

They also are trying to degrade the first lines of Moscow’s defenses along the front—using cheaper weaponry to hit Russian artillery pieces, ammunition depots and electronic jammers, and mapping which fields are mined.

They have also continued probing attacks, retaking the village of Rivnopol this week, although some other forays yielded little. And Ukrainian forces haven’t yet approached the defenses Russians have constructed—including anti-tank trenches and other barriers—about 12 miles behind the



SERHII KOROVAYNY FOR THE WALL STREET JOURNAL (2)



Ukrainian technicians fix and improve drones at their base in the country’s southern Zaporizhzhia region.

one skinny soldier who goes by the call sign Vito said, leaning toward the screen. “And the windows are covered.” It was a Russian command post.

They sent new coordinates to the artillery unit, then watched as shells began hammering the area around the house—one struck a nearby house; several others landed in an adjacent field.

Finally, a shell hit the command post. “Jackpot!” Bourgeois said.

The Clear Eyes drone team has spent the past month trying to prepare the ground in a few villages in the Zaporizhzhia region. Kyiv is hoping to break through Moscow’s defenses in the region and cut off the land bridge that connects Russia to Crimea.

In the weeks before the counteroffensive began, the team set up the farmhouse command post more than 10 miles from the front line and

front lines.

“The offensive isn’t going very fast because we’re trying to save the troops,” said a 49-year-old member of Volkov’s team, who goes by the call sign Bourgeois. “It takes some time to prepare the ground. We need to destroy as much as possible

before sending the troops in.”

After striking the house with the RPG launcher, six men crowded around a large screen in the nondescript farmhouse that they turned into a command post. Six other men were looking at feeds from other drones. The windows were

blackened out and the walls covered with notes: Code words for reporting enemy activities, children’s drawings of Ukrainian soldiers, a KFC sign. They watched as the three Russian soldiers ran into another house. The camera zoomed in. “That’s a satellite dish,”

CIA Chief Called to Reassure Kremlin After Mutiny

By WARREN P. STROBEL

WASHINGTON—CIA Director William Burns quietly reached out to his Russian counterpart in the aftermath of a failed mutiny by Wagner Group leader Yevgeny Prigozhin, delivering a message that the U.S. had no involvement in Russia’s internal chaos, said officials familiar with the matter.

Burns’s phone call with Sergei Naryshkin, the head of Russia’s foreign intelligence service,

is believed to be the highest-level contact between the two governments since the attempted weekend mutiny. The failed uprising, which ended the day after it began with a deal brokered by Belarus’s leader, was the most serious threat to Russian President Vladimir Putin in his 23-year rule.

The outreach by Burns, a former diplomat often tapped to convey sensitive messages to nations, is part of a wider White House strategy to signal

to Putin and his inner circle that the U.S. had no role in Prigozhin’s move and isn’t seeking to stoke tensions in Russia.

Privately, U.S. officials say they are eager to avoid giving the Kremlin fodder to blame the mutiny and its aftermath on Russia’s external enemies.

The message from the chief of the Central Intelligence Agency was: “The U.S. wasn’t involved. This is an internal Russian matter,” one official said.

Other details of the conver-

sation, which took place this week after Prigozhin suddenly halted his forces’ march to Moscow on Saturday, couldn’t be determined. The White House declined to comment. “We’re not going to get into specifics of individual diplomatic discussions,” an official said.

The U.S. and Russia have had only episodic high-level contact since Putin ordered his military to invade Ukraine in February 2022.

Separately, Burns traveled

unannounced to Ukraine earlier this month, a U.S. official said, to confer with President Volodymyr Zelensky and Ukrainian intelligence officials.

“As with other trips, the director met with his Ukrainian intelligence counterparts and President Zelensky, reaffirming the U.S. commitment to sharing intelligence to help Ukraine defend against Russian aggression,” the official said, adding that the trip, earlier reported by the Washington Post, occurred

before Prigozhin’s rebellion.

Burns, whose 32-year diplomatic career included a stint as ambassador to Moscow, has frequently been Biden’s preferred interlocutor with Russia. In November 2021, Biden dispatched him to Moscow, where he spoke by phone with Putin, who was in the Black Sea resort of Sochi. He told the Russian leader that the U.S. believed he was preparing to invade Ukraine and that he would face crippling sanctions if he did.

—Nikita Nikolaienko and Serhii Korovayny contributed to this article.

Biden Officials Blamed for Afghan Chaos

By JESSICA DONATI AND WILLIAM MAULDIN

WASHINGTON—A report into the State Department’s chaotic 2021 exit from Afghanistan said senior Biden administration officials in Washington were to blame for failing to decide which Afghans should be eligible for evacuation and issuing constantly changing guidance.

The report, issued Friday by the State Department ahead of the Fourth of July holiday weekend after months of pressure by U.S. lawmakers, sought to identify the mistakes made during the evacuation operation that took place at Kabul airport as the Taliban seized power during America’s final weeks in the country.

Left behind by the airport scramble were most Afghan allies who applied for a visa program that aimed to save those at risk of retribution for working for U.S. forces. But tens of thousands of Afghans who had little or no direct connection to the government instead made it through the crowds and were evacuated.

“Constantly changing policy guidance and public messaging from Washington regarding which populations were eligible for relocation and how the embassy should manage outreach and flow added to the confusion and often failed



WAKIL KOHISAR/AGENCE FRANCE PRESSE/GETTY IMAGES

Afghans desperate to get out of Afghanistan in August 2021 climbed on top of aircraft at the airport in Kabul.

to take into account key facts on the ground,” the report said. The unclassified version of the report didn’t identify the administration officials who it said were at fault.

Many Afghan allies who are at risk but left behind could now wait for decades before they have a chance of being evacuated. A State Department report issued for the first quarter of 2023 shows that more than 150,000 Afghan visa applicants are waiting inside Afghanistan, excluding family members. At the current pace, it could take more than 40 years to process those in line, from a country where life expectancy is 62.

White House press secretary Karine Jean-Pierre said

the report “speaks for itself,” adding that President Biden “had to make a tough decision on what to do with the...nation’s longest war.”

In the final days of the withdrawal, 13 U.S. service members and more than 100 Afghans were killed at the Kabul airport when two blasts ripped through crowds trying to enter the American-controlled facility, disrupting the final push of the U.S.-led evacuation effort. Afghans clinging to aircraft fell from the sky, and dozens of babies were passed over a wall by desperate families.

The confusion made it difficult for staff to contend with the barrage of personal calls and outreach from military,

congressional and diplomatic leaders advocating on behalf of Afghan friends and colleagues outside the airport gates.

More broadly, the State Department report said leaders in both the Trump and Biden administrations should have listened to views challenging the position that a diplomatic presence could be maintained during and even after the military withdrawal.

U.S. Embassy staff in Kabul were so concerned in the months leading to the pullout that they sent a rare classified dissent cable that warned the Taliban’s advance was coming sooner than anticipated, and correctly predicted that Afghanistan’s military would be unable to stop it, as first reported by The Wall Street Journal.

“During both administrations there was insufficient senior-level consideration of worst-case scenarios and how quickly those might follow,” the 24-page review said.

The report said the department needs to “ensure that senior officials hear the broadest possible range of views including those that challenge operating assumptions.” One of the report’s recommendations was that the department should work to insulate contingency planning and emergencies from political considerations.

Pakistan Gets \$3 Billion Rescue Loan From IMF

By WAQAR GILLANI AND TRIPITI LAHIRI

The International Monetary Fund agreed to provide \$3 billion to cash-strapped Pakistan, extending a lifeline to a nuclear-armed nation desperate for funds as political turmoil pushed its economy ever closer to a default.

The deal, which spans nine months, buys time for the country of more than 220 million to hold elections due by October, and to install a new government.

A shaky coalition that has governed since last year has been scrambling for financing to plug a steadily worsening balance of payments crisis. “Praise be to God!” Pakistan’s finance minister, Ishaq Dar, said in a tweet Friday.

A roughly \$6.5 billion rescue program, struck with the IMF in 2019, expired Friday with about \$2.5 billion not yet released to the country. Pakistan had been struggling to convince the lender that it was doing enough to meet the conditions of that earlier deal. The new agreement “will support the authorities’ immediate efforts to stabilize the economy from recent external shocks,” the IMF said.

The country, which suffers

from double-digit inflation, is among a number of nations in the developing world that have come under pressure in the wake of the Ukraine war.

But economists say Pakistan’s financial troubles predated the war, and are partly due to the heavy debt load the country has taken on.

Catastrophic flooding last summer that cost the economy tens of billions of dollars further dented the country’s efforts to stabilize its finances and shore up funds for coming debt payments. Foreign reserves held by the central bank stood at \$3.5 billion in mid-June, not enough to cover a month of imports.

In the first six months of the new financial year, which starts Saturday, Pakistan must cover about \$10 billion of debt obligations, part of which is bilateral lending that could again be rolled over, according to Khaqan Najeeb, a former government finance adviser.

Political volatility compounded Pakistan’s challenges, as the government faced a protest movement headed by former Prime Minister Imran Khan, who was ousted in a no-confidence vote in April 2022. Polls showed Khan remained popular after being pushed out of office.

WORLD NEWS

Chinese Economic Recovery Still Shaky

Manufacturing contracts for third straight month and employment declines

By Stella Yifan Xie

HONG KONG—Evidence of China's flagging growth continues to roll in, raising questions about whether the government is doing enough to turn things around.

China's manufacturing sector contracted for a third straight month in June and the nonmanufacturing sector weakened, with new orders falling for both, the country's official statistics agency said Friday.

Employment declined across both broad sectors, an indication that a nagging jobs shortage—particularly for young people—is worsening.

"The data will likely prompt officials to provide more easing to the economy," said Louise Loo, a China economist at Oxford Economics who is based in Singapore. "The trade component of the economy has really deteriorated."

China is facing a host of challenges that economists warn will threaten its long-term growth potential in the absence of drastic reforms. They include a mounting debt burden, stubbornly high youth unemployment, and a short-lived rebound in the beleaguered real-estate market.

Persistent political tensions have prompted more manufacturers to diversify their supply chains, a trend that will likely erode China's role as the world's factory floor.

Friday's figures are the latest evidence that China's economic recovery remains on shaky ground months after Beijing abandoned its draconian Covid-19 restrictions.



Workers on a production line at Linquan Wuyang Electronics in Fuyang, Anhui Province, China.

Global demand for goods has cooled amid high inflation elsewhere in the world, while a domestic rebound driven by consumer spending is losing steam.

China's official manufacturing purchasing managers index rose slightly to 49 in June from 48.8 in May, not enough to get above the 50 mark that separates expansion from contraction, the National Bureau of Statistics said.

The result largely was in line with the 49.1 expected by economists surveyed by The Wall Street Journal.

A subindex on employment shrank to 48.2 in June, in contraction for a fourth straight month, highlighting the continuing stress in the labor market.

The unemployment rate among workers aged 16 to 24 rose to a record of 20.8% in May, in part because of evaporating jobs in the manufacturing sector.

Despite policy makers' efforts to maintain China's lead in global trade by offering tax

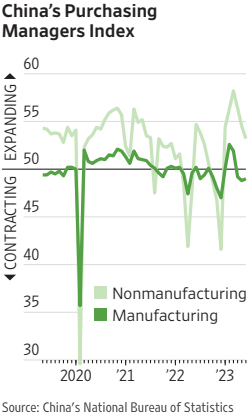
cuts for exporters and allowing its currency to depreciate, demand from overseas continues to drop. The new export orders component of June's manufacturing PMI continued to decline to a five-month low of 46.4. The index for new orders overall remained in contraction at 48.6.

Meanwhile, activities in the services sector, a key driver of China's postpandemic recovery, softened further in June to 52.8 from 53.8 in May, according to the statistics bureau.

That marks the lowest reading since last December, when Beijing abruptly scrapped Covid-related restrictions that had snarled internal travel and confined swaths of urban dwellers at home from time to time during the past three years.

An index of nonmanufacturing sector employment came in at 46.8, registering a fourth straight month of contraction.

The index for new orders, at 49.5, showed contraction



for the second month in a row.

Another subindex tracking construction activities pulled back to 55.7 in June from 58.2 in May, a six-month low, as a short-lived rebound in housing activity continued to fizzle.

Separately, private data released Friday dashed hope of a sustained recovery in the

real-estate market.

Home sales for the top 100 Chinese property developers fell 28.1% by value in June from a year earlier, compared with a 6.7% gain in April, according to China Real Estate Information Corp., an industry data provider.

The weakness raises questions about the effectiveness of Beijing's recent modest moves to cut interest rates, aimed at making it cheaper to borrow but which don't address the demand-sapping stress experienced by many Chinese families.

Economists expect Beijing to remain reluctant to pump large amounts of credit into the economy, in part because demand for loans has been feeble as more households and companies shift to paying down debt instead of spending and making new investments.

China also has refrained so far from launching a big round of government spending, as it did to rescue the economy from the global financial crisis.

"Waning fiscal support weighed on construction activity," wrote economists from Capital Economics in a note to clients on Friday, "and even services sector growth, a bright spot earlier this year, has now dropped below pre-pandemic levels."

China is still largely expected to hit its annual growth target of around 5% despite the continuing weakness, reducing the urgency for Beijing to resort to big-ticket spending.

But economists warn that restraint may come at a cost. "Unless concrete support is rolled out soon, the recent downturn in demand risks become self-reinforcing," according to Capital Economics.

—Xiao Xiao in Beijing and Cao Li in Hong Kong contributed to this article.

Beijing Plans to Name New Central Bank Chief

By Keith Zhai

Chinese leaders plan to appoint Pan Gongsheng, a deputy governor of the People's Bank of China, as the central bank's new head, according to people familiar with the situation.

Pan is likely to first be appointed as the bank's Communist Party chief before he is installed as the governor, which requires appointment by the government, they said.

Pan, 59 years old, has a long career in China's financial sector. He did his postdoctoral research at Cambridge University and was a research fellow at Harvard University. He joined the PBOC in 2012 as deputy governor, and in 2015 became the head of the State Administration of Foreign Exchange.

Pan heads the Leading Group of Internet Financial Risks Remediation, whose tasks include clamping down on the use of cryptocurrency and regulating financial technology companies in China.

The surprise appointment only came to a conclusion last week, the people said. Previously, Zhu Hexin, chairman of the Chinese financial conglomerate Citic Group, was the leading candidate to succeed the U.S.-educated economist Yi Gang as governor of the PBOC, with He Lifeng, a longtime associate of president Xi Jinping, to be appointed concurrently as the PBOC's party chief, The Wall Street Journal has reported.

The leaders eventually leaned toward Pan for his international background and expectations that he would have an easier time working with global central-bank governors, the people said.

Spokespeople for the People's Bank of China didn't immediately respond to a faxed request sent on Saturday in Beijing.

China's economy, grappling with slowing growth, soaring debt levels and an aging population, is at a critical juncture. The appointment of Pan, an economist with extensive experience, appears to signal a cautious stance from Beijing, as officials turn their attention toward stabilizing the economy after years of Covid-19 restrictions.

The changing of the guard at the central bank is part of a broader reshuffling of the financial system as Chinese leader Xi Jinping shapes an economic team that now mostly consists of trusted allies. China has set up a financial watchdog run by the Communist Party, called the Central Financial Commission, as part of a broad reorganization of governing bodies set to give the ruling party direct control and supervision over financial affairs.

The creation of the Central Financial Commission has been seen as a sign that the Chinese government is becoming more concerned about the risks of financial instability.

WORLD WATCH



SNEAK PREVIEW: Rembrandt's portraits of Jan Willem van der Pluym, left, and Jaapgen Carels are held by gallery staff ahead of the Classic Week sales at Christie's in London.

VENEZUELA Top Opposition Figure Banned

Venezuelan President Nicolás Maduro's regime on Friday barred opposition figure María Corina Machado, a conservative who was drawing energetic crowds on the campaign trail, from running in presidential elections expected next year.

"I'm not sorry nor surprised nor worried," Machado, a 55-year-old politician and activist, said via text to The Wall Street Journal. "It is a big mistake on their part."

The decision by the Comptroller's Office dims already faint prospects for free and fair elections in 2024. Biden administration officials have repeatedly said that the Maduro government must organize democratic elections if Washington is to lift sanctions against regime officials and the country's lifeblood oil industry.

In the past, the government has barred other politicians who had been popular in polls from campaigning and holding office. The government has often made vague assertions of irregularities or corruption for prohibiting politicians from running.

—Juan Forero

SOUTH AFRICA Leader Cleared In Cash Scandal

South African President Cyril Ramaphosa was cleared of wrongdoing Friday by a public watchdog over a scandal involving the theft of more than half a million dollars in U.S. currency that was stashed in a sofa at his game farm.

Acting Public Protector Kholeka Gcaleka, whose office holds politicians to account, said Ramaphosa didn't violate the ethics code for members of South Africa's executive over the incident, which occurred in 2020. The scandal was seen as the biggest challenge to Ramaphosa's reputation. There is still a continuing criminal probe.

Ramaphosa was accused of not reporting the theft properly to police to cover up the existence of the large sum of cash hidden in furniture. He said he reported it to the head of his security detail, which is part of the South African Police Services.

Gcaleka accepted that Ramaphosa reported the crime to the head of his personal-protection unit and the contention that he had acted improperly was "not supported."

—Associated Press

FROM PAGE ONE

Goldman in Talks Over Apple Exit

Continued from Page One

Motors to Amex or another issuer, some of the people said.

A deal with Amex isn't imminent or assured, people familiar with the conversations said, and it could take a while to transfer the partnership in any case. Apple would have to agree to a transfer. The tech company is aware of the talks, which have been ongoing for months, the people said.

A retreat from Apple and credit cards would effectively end Goldman's consumer-lending business. The bank has already stopped issuing personal loans, and it is trying to sell GreenSky, the home-improvement lender it bought just last year.

Exiting the Apple partnership would also seal the fate of Goldman's grand plans to become a full-service bank. Goldman, a firm best known for dominating the Wall Street businesses of investment banking and trading, first made a play for Main Street with its Marcus high-yield savings account in 2016. Three years later, it expanded into credit cards with its splashy Apple partnership. Goldman reached a deal for GreenSky in late 2021 and closed on the purchase early last year.

Goldman quickly became a presence in the bidding wars for co-branded credit-card deals, long the territory of megabanks like JPMorgan Chase and Citigroup that have giant consumer arms.

That changed when Gold-

man decided to scale back its consumer ambitions late last year following an internal review. Goldman ended talks with T-Mobile to launch a credit card and stepped away from bidding on new programs, The Wall Street Journal reported in February. A few months later, Goldman said it would look for a buyer for GreenSky.

Still, Goldman stayed close to Apple. On a call with analysts in October, Chief Executive David Solomon talked up the relationship after announcing the retreat from full-service consumer banking.

"It's a very, very strong partnership where there's a lot of opportunity," Solomon said at the time. The bank launched a savings account with Apple in April.

Solomon has fielded a lot of

The bank is discussing offloading credit-card partnership to Amex.



Goldman Sachs Group launched a savings account with Apple in April.

internal criticism for presiding over the costly consumer foray. In January, Goldman disclosed that it had lost about \$3 billion on the consumer-

lending push since 2020.

Should Goldman get out of the credit-card business and sell GreenSky, its consumer business would be reduced to

its original product: the Marcus savings account.

The bank has said it has no plans to stop taking consumer deposits.

FROM PAGE ONE



FROM TOP: VICTOR J. BLUE FOR THE WALL STREET JOURNAL; KAIT SULLIVAN FOR THE WALL STREET JOURNAL

Recruiting Pipeline Weakens

Continued from Page One

itary. That pipeline is now under threat, which is bad news for the Pentagon's already acute recruitment problems, as well as America's military readiness.

"Influencers are not telling them to go into the military," said Adm. Mike Mullen, the former chairman of the Joint Chiefs of Staff, in an interview. "Moms and dads, uncles, coaches and pastors don't see it as a good choice."

After the patriotic boost to recruiting that followed 9/11, the U.S. military has endured 20 years of war in Iraq and Afghanistan with no decisive victories, scandals over shoddy military housing and healthcare, poor pay for lower ranks that forces many military families to turn to food stamps, and rising rates of post-traumatic stress disorder and suicide.

At the same time, the labor market is the tightest it has been in decades, meaning plenty of other options exist for young people right out of school.

U.S. recruiting shortfalls represent a long-term problem that, if not resolved, would compel the military to reduce its force size. With America embarking on a new era of great-power competition with China and Russia, that problem has become more serious.

China, which has around two million serving personnel, versus just under 1.4 million in the U.S., has expanded its military capability in recent decades, especially in the South China Sea. The most immediate threat is a possible conflict over Taiwan, which would require a rapid and sustained response from all parts of the U.S. armed forces.

"I've been studying the recruiting market for about 15 years, and we've never seen a condition quite like this," said a senior Defense Department official.

Toughest year

The U.S. Army in 2022 had its toughest recruiting year since the advent of the all-volunteer military in 1973 and missed its goal by 25%. This year, it expects to end up about 15,000 short of its target of 65,000 recruits.

The Navy expects to fall short by as many as 10,000 of its goal of nearly 38,000 recruits this year, and the Air Force has said it is anticipating coming in at 3,000 below its goal of nearly 27,000. The Marine Corps met its target last year of sending 33,000 to boot camp, and expects to meet its goals this year, but its leaders described recruitment as challenging.

Only 9% of young people ages 16-21 said last year they would consider military service, down from 13% before the pandemic, according to Pentagon data.

Pentagon officials see recruitment shortfalls as a crisis and pledge to hit their targets in the future to stave off making changes to the force structure.

Army Secretary Christine Wormuth said she expects within weeks to begin drafting a proposal for a recruiting overhaul so sweeping that Congress might need to pass legislation to enact all of it.

She declined to provide de-



Top, a recruit during Marine Corps training in 2019. Above, Army recruiters spoke with members of the National FFA Organization, formerly called Future Farmers of America, at an FFA convention in Indianapolis, Ind., in October.

tails but said a key element will be to coordinate with veterans' groups. "Right now we are not in a comprehensive, structured way leveraging our relationships with veterans organizations," Wormuth said.

The Army has stepped up and modernized its marketing, launched remedial courses to bring unqualified young people to a level where they can join and revised some benefits.

When the draft ended at the close of the Vietnam War, the military fostered recruitment with the promise of a career with retirement benefits and healthcare, as well as education benefits to prepare soldiers for life after the military. That strategy worked, and the Army typically met its overall needs.

It did so by relying heavily on veterans and military families to develop the next generation of recruits.

Today, nearly 80% of all new Army recruits have a family member who has served in uniform, according to the service.

Sky Nisperos, who moved around the world as a military brat, said that as a teen she began to see the effect of her father's nearly dozen deployments and tours away from his family. Ernest Nisperos said he remembers being asleep when one of his kids jabbed him in the ribs to wake him. He put Sky's sister in a wrestling ankle lock before he realized he was back home.

"My sister and I would say, 'It's just drill sergeant-dad mode,' especially for the month he came back," Sky said.

Ernest Nisperos realized his deployments, which involved battle planning and top secret intelligence, were taking a toll. In 2019, after he returned from Afghanistan, he took the family to Disneyland. During the nightly fireworks, he cowered in the fetal position while his family and "Toy Story" characters looked on.

Her father decided he didn't want that life for Sky and her two siblings.

Some on the left see the military as a redoubt of fringe conservatism. Oath Keepers, the militia group involved in the Jan. 6, 2021, attack on the Capitol whose leaders were found guilty of seditious conspiracy, and other extremists have touted their veteran credentials.

Those on the right have expressed concerns about the military focusing on progressive issues, or in the terms of some Republican lawmakers, being too "woke."

The sudden and unpopular conclusion to the war in Afghanistan in 2021 added to the disenchantment of some veterans, including Catalina Gasper, who served in the Navy. Gasper said she and her husband, who spent more than two decades in the Army, used to talk to their boys, now 7 and 10, about their future service, asking them if they wanted to be Navy SEALs.

In July 2019, on her last combat deployment to Afghanistan, she was stationed at a base in Kabul when the Taliban launched an attack. The blast battered Gasper's body and she was transported back to the U.S. for treatment and recovery.

The U.S. pulled out of Afghanistan in the summer of 2021, precipitating Kabul's fall to the Taliban. "We're left with the gut-wrenching feeling of, 'What was it all for?'" she said.

She said she was a patriot but decided she would do everything she could to make sure her kids never enter the military. "I just don't see how it's sustainable if the machine keeps chewing up and spitting out" our young people, she said.

Katherine Kuzminski, head of the Military, Veterans and Society Program

at Center for a New American Security, a bipartisan security think tank, said the pandemic exacerbated the military's long-term recruiting problems. "You can't underestimate the fact we didn't have recruiters on college and high school campuses for two years," she said.

Wormuth, the Army secretary, said she is working with the Department of Education to streamline access to schools.

Recruiters are competing with some of the lowest unemployment numbers in decades,

and entry-level jobs in the service industry that can promise quick paychecks, no commitments and no waiting to start.

"To be honest with you it's Wendy's, it's Carl's Jr., it's every single job that a young person can go up against because now they are offering the same incentives that we are offering, so that's our competition right now," said Sgt. Maj. Marco Irenze, of the Nevada Army National Guard.

Defense officials said the military pay scale was designed for single teenage men content to live in barracks and who joined to seek adventure, among other reasons. But the military has seen a shift from teens to people in their 20s, who come in later in life with greater expectations for benefits, pay and marketable skills and who pay more attention to the job market.

Prep courses

The Department of Defense said 77% of American youth are disqualified from military service due to a lack of physical fitness, low test scores, criminal records including drug use or other problems. In 2013, about 71% of youth were ineligible.

The Army estimates that pandemic pressures on education including remote learning, illness, lack of internet access and social isolation lowered scores on the ASVAB, the military's standardized test for potential recruits, by as much as 9%. Those who score below a certain level on the test and on

physical readiness tests can't join without improving scores.

Lt. Col. Dan Hayes, a Green Beret who once taught Special Forces captains, some of the highest-performing soldiers in the Army, took charge of the Future Soldier Prep Course in Fort Jackson, S.C. The course takes Army recruits who can't perform academically or physically and gets them up to standards that allow them to join the service. Other programs help new soldiers raise scores.

"We're looking at the problems in society and recruiting and realizing we have to meet people half way," said Hayes.

The Army is adapting marketing techniques from the private sector. One early lesson: The Cold War-era slogan, "Be All You Can Be," performed better than a recent one, "Army of One," which didn't reflect the teamwork the service thinks appeals to current teenagers. The slogan also emphasizes that the military offers career development and a broader sense of purpose, some of its strongest selling points.

Restructuring units

Deeper problems soldiers report include moldy barracks, harassment, lack of adequate child care and not enough support for mental health issues such as suicide.

"Parents have concerns about, hey, if my kid joins the military are they going to have good places to live?" Wormuth said. "If my kid joins the military are they going to be sexually harassed, or are they going to be more prone to suicidal ideations?"

She said the Army has encouraged recruiters to be forthright about addressing what might have once been taboo issues in order to dispel those concerns. The service says it has worked to encourage troops to report abuse and harassment and cracked down on such behavior, and has also expanded parental-leave benefits.

Pentagon officials have said they will have to address the total combat power of the military if the recruiting crisis continues, but that they aren't ready to yet talk about whether strength will ultimately be affected.

Readiness shortfalls can be masked when units aren't headed into war, but a full-scale response, such as what would be needed in the Pacific, could expose undermanned units that can't be deployed or aren't effective, and ships and aircraft that aren't combat ready due to a lack of personnel to maintain them.

Last year, the Army's top officer, Gen. James McConville, told reporters the service was prepared to eliminate redundancies in the Army's key fighting units, which are called brigade combat teams. The Army would maintain the number of the units by reducing the personnel in each of them, a restructuring that was prompted by the recruiting crunch, according to one defense official.

Mark Cancian, a senior adviser at the Center for Strategic and International Studies, a nonpartisan think tank, said the Army might end up making cuts that leave too few soldiers in platoons and other units. Undermanned units aren't ready to respond quickly, Cancian said, and units with fill-in soldiers don't have the same effectiveness as a unit whose members trained together for months or years.

—Michael R. Gordon contributed to this article.



Sky Nisperos at her home Norman, Okla., in April. She showed a photo of her father, Ernest Nisperos, an officer in the Air Force.



NICK OXFORD FOR THE WALL STREET JOURNAL (2)

OPINION

THE WEEKEND INTERVIEW with **Tony Lyons** | By Daniel Akst

Skyhorse Publishing, the House of the Canceled

New York

Just four years after the liberation of Auschwitz, a panel of literary luminaries awarded the newly established Bollingen Prize for the best volume of American poetry to “The Pisan Cantos.”

The author, Ezra Pound, had spent the war in Italy broadcasting Fascist propaganda. Pound’s raw anti-Semitism was a feature of his radio work, and the prize-winning cantos begin with a lamentation for Mussolini. But the book was published anyway, and the Bollingen judges insisted that to allow anything other than “poetic achievement” to influence their decision “would destroy the significance of the award.”

Attacks on the selection were plenty, and the judges might have found a better choice under the circumstances. But their steadfast defense of such a controversial selection is a measure of the distance we have traveled since. Nowadays, unorthodox views,

An old-fashioned liberal, its president welcomes authors from Woody Allen to Alex Jones and topics from 2020 election fraud to a defense of Venezuela.

departures from one’s ethnic “lane,” forbidden language or the taint of accusation can render a manuscript or author unpublishable. Elizabeth Gilbert stopped the release of her own latest novel simply because it was set in Russia. This climate of timidity creates a niche for publishers willing to buck the dominant culture. Some, like Regnery Publishing and Encounter Books, cater specifically to conservative authors and readers. Then there’s Skyhorse Publishing, which is truly heterodox.

President and publisher Tony Lyons aims to widen the Overton window—the range of ideas that can be discussed—which he considers intolerably narrowed by an unholy alliance of government, media, academics and corporations. His embrace of controversial manuscripts has its costs: It has made enemies of old friends, made it harder to find employees in the ideological monoculture of New York publishing, and brought pressure on his distributor, Simon & Schuster, which has stood by him.

A bearded, fit 60-year-old in a black T-shirt, Mr. Lyons speaks at length about these issues over coffee at New York’s Soho House, a fashionable downtown social club whose denizens might have been dismayed if they overheard our conversation. “If you’re stifling

dissent,” he says, “then it’s not just freedom of speech that we’re losing, it’s democracy that we’re losing.”

Mr. Lyons grew up in a liberal household on Manhattan’s Upper West Side. He recalls with pride that discussion and dissent were dinner-time staples. “I’m still the same kind of free speech Democrat that I would’ve been 30 years ago,” he says. “But other Democrats have changed.”

Book publishing is in his blood. His father, Nick Lyons, was an author, college professor and top editor at Crown who later started a publishing house based on his passion for fly-fishing, eventually publishing books far removed from that niche. The elder Mr. Lyons, still writing at 91, says he wanted to bring out only books “that had something to do with things I believed in fully.” But he respects his son’s more ecumenical approach and acknowledges with a laugh that the younger Mr. Lyons was never one to be deterred by fatherly cautions.

Launched in 2006, Skyhorse now publishes some 450 books a year. Recent works defend ivermectin as a Covid treatment, explore the theory that the disease originated at the Wuhan Institute of Virology and celebrate the joys of Glock firearms. Controversial Skyhorse authors include Roger Stone, Tucker Carlson, Alan Dershowitz and Robert F. Kennedy Jr. Trump attorney Christina Bobb published a book with Skyhorse alleging vote-stealing in the 2020 election.

To its critics, therefore, Skyhorse is a redoubt of the disgraced and the disreputable, in particular those of a conservative bent. But Skyhorse also published former Trump attorney Michael Cohen, who used his inside knowledge to tear into the former president in a ferociously critical book that became a bestseller.

Other books that might surprise and please leftists include “Midnight in Samarra: The True Story of WMD, Greed, and High Crimes in Iraq,” “The Plot to Overthrow Venezuela,” “The Hunting Ground: The Inside Story of Sexual Assault on American College Campuses,” “The Antiracist: How to Start the Conversation about Race and Take Action” and “The Little Book of Restorative Justice Program Design.”

Skyhorse authors include left-leaning stalwarts Chris Hedges, Mark Hertsgaard, Robert Scheer and Salon founder David Talbot, with whom Mr. Lyons published a provocative imprint called Hot Books. Titles in that line included “The Case For Impeaching Trump” by Elizabeth Holtzman and “American Nuremberg: The US Officials Who Should Stand Trial for Post-9/11 War



Crimes” by Rebecca Gordon.

“Tony Lyons is one of the few gutsy, risk-taking executives left in the publishing industry,” says Mr. Talbot, who is writing another book for Skyhorse, this one on the persistence of the military-industrial complex. “The left was supposed to be about free speech.” But now, as Mr. Lyons says, “the left wants to censor the right on certain things, and the right wants to censor the left on certain things.”

You may disdain any number of his books, but in recent years his willingness to publish what others won’t has made Skyhorse not only a bulwark of dissent across the political spectrum but also a stronghold of literary culture against its self-righteous antagonists. In 2021, Blake Bailey’s huge biography of Philip Roth was hailed as “a narrative masterpiece” by Cynthia Ozick in the New York Times. Mr. Bailey’s book was the result of uniquely extensive access to the novelist, who died in 2018, as well as to his papers. But when the biographer was accused of sexual misconduct, including rape, W.W. Norton withdrew the book. It remains in print thanks to Skyhorse.

Mr. Bailey has denied the allegations, and Mr. Lyons considers them irrelevant to the merits of the book. “A publisher’s role is not to determine what happened,” he says. “Even if Blake Bailey had been found guilty of something, that wouldn’t have impacted my decision to publish the best, most comprehensive book on Philip Roth. Nobody else is going to write a book like this. Nobody else could. So this is an important book.”

Similarly in 2020, when Hachette caved in to staff protests and canceled the impending publication of Woody Allen’s memoir,

“Apropos of Nothing,” Mr. Lyons snapped it up and printed 75,000 copies. Mr. Allen, accused of sexual abuse by his daughter, has denied the allegations, of which a 1992 police investigation cleared him. The autobiography of an important American film director, writer and comedian has genuine cultural significance, but might not be available if not for Skyhorse.

Writers have always struggled with censorship. Courageous publishers once risked financial losses and even prison to get James Joyce, D.H. Lawrence and Henry Miller into print. In the Soviet Union, citizens faced severe punishment for reading illicit works by Mikhail Bulgakov, Alexander Solzhenitsyn and Vaclav Havel. Today, in the land of the free and the home of the brave, publishers unmolested by official censors cancel books under pressure from young employees and hire “sensitivity readers” to comb manuscripts for anything that might offend. Even older books, such as those by Roald Dahl, are sanitized for new editions.

That’s how Mr. Lyons found himself publishing the novelist Bruce Wagner, called “a visionary posing as a farceur” by Salman Rushdie and someone who “writes like a wizard” by John Updike. Wagner says that when he submitted his novel “The Marvel Universe: Origin Stories” to his former publisher, his editor demanded huge swaths be cut. “There was so much he objected to,” Mr. Wagner says. “One of my characters used [an antagay slur] and that was taboo, in the same realm as when he said that ‘not even a fictional character can call themselves fat.’ In other words, novelistic characters have a ceiling on what they’re able to express.”

Unwilling to comply, Mr. Wagner withdrew the book, releasing

it online and telling journalist Sam Wasson that “my entire body of work would be thrown into a furnace if it were to be read and judged by sensitivity readers.” His next book, a provocative work of fictional oral history entitled “Roar: American Master,” was deemed “problematic” by yet another publisher. So his agent, Andrew Wylie, took it to Skyhorse, which published it last year. “Tony Lyons is fearless,” Mr. Wagner says. “He is an absolute champion of artists and their work.”

Mr. Lyons doesn’t use sensitivity readers, and that alone qualifies him as a maverick in today’s environment. But he’s really an old-fashioned civil libertarian wary of power in all its forms. He especially deplores the extent to which social-media platforms, traditional media and government seem to have joined hands to combat “misinformation.” He sees such coercive unity as antithetical to the healthy clash of viewpoints necessary for discovering truth.

“The internet started out as an incredible opportunity for freedom of speech,” he says. “You’d have so many voices and the smartest people, the people with the best arguments, would probably rise to the top. And I believe that that would happen if you would allow freedom of speech. But the idea now is that the government wants to tell people what’s right. And even when they’re terribly wrong, they don’t admit to it.”

He speaks acidly of the death toll from an invasion of Iraq based on false information, of the government’s mismanagement of the Covid pandemic, and of a credulous media and publishing establishment that accepts official pronouncements uncritically. Now he’s about to publish a book called “Lost in Trans Nation: A Child Psychiatrist’s Guide Out of the Madness” by Miriam Grossman, a physician board-certified in child and adolescent psychiatry who is critical of the medical establishment’s “gender affirming” approach to children who are confused about their sexual identity. “I’m very proud of it,” he says, “and it’s going to be very controversial.”

Is there anything Mr. Lyons wouldn’t publish? Two of his books, “The Great Reset” and “The Great Awakening,” are by Alex Jones, who has twice been found liable for defamation for his claims that the Sandy Hook school massacre in Newtown, Conn., was a hoax. “If he was writing a book about the shootings,” Mr. Lyons says, “I would not want to publish that.”

Mr. Akst, a writer in New York’s Hudson Valley, writes the Journal’s weekly news quiz.

Keeping Minneapolis Safe Is About to Get Much Harder



CROSS COUNTRY
By Jason Johnson

The Justice Department announced last week that the Minneapolis Police Department will operate under a federal consent decree. An investigation sparked by the 2020 killing of George Floyd determined that the city unlawfully discriminates against blacks and Native Americans in its enforcement activities. The terms of federal oversight are yet to be negotiated, but Minneapolis officials should think twice before signing on the dotted line. These agreements typically make effective policing more difficult and expensive without significantly reducing crime.

A federal consent decree will make policing more difficult and expensive without reducing crime.

There’s no doubt that Minneapolis is in crisis. Police resignations and retirements have shrunk the number of sworn officers by 35% since the unrest of 2020. While the city’s 2023 budget contains funding for 731 officers to protect and serve Minneapolis’s 425,000 residents, the department currently only has 571 officers—496 of whom are assigned to the division that answers 911 calls. And while the post-Floyd upsurge of violence ebbed slightly in 2022, Minneapolis is still a much more dangerous city than it was a few years ago. Last year the number of homicides was 65% higher than in 2019, while reports of gunfire and the number of shooting victims doubled over that period.

Still, the Justice Department’s report on Minneapolis is flawed. Minneapolis police responded to more than a million calls for assistance from 2016-22, but federal officials could cite fewer than 20 specific instances of alleged misconduct. To establish the existence of what the feds call “a pattern or practice of discrimination,” investigators point to racial disproportionality in police statistics. “Based on our review of the data, MPD officers stop, search, and then use force against people who are black and Native American at disproportionate rates,” Attorney General Merrick Garland said at a June 16 press conference.

But a difference doesn’t prove discrimination. Any serious criminologist or statistician would test other variables before concluding that race explains the variation in police interactions. While black and Native American Minneapolis residents are more likely to encounter police, they are also more than three times as likely as other residents to be victims. Without adjusting for where and when the offense occurred and who was the victim, the Justice Department is guilty of cherry-picking facts to fit its conclusion. As I learned while helping to negotiate a consent decree in Baltimore, it’s important for cities to push back at the beginning of this process. It could be the last chance they get.

Consent decrees are often opened and can drag on for a decade or longer. Both Seattle and New Orleans are in their 11th year of federal oversight despite long ago meeting the initial benchmarks of their agreements. Since departmental compliance is often ill-defined or arbitrary, federal monitors and judges can move the goal posts. In Albuquerque, N.M., the latest monitors’ report deemed the department to be 92%

operationally compliant, conveniently shy of the 95% threshold, which would make the monitors redundant.

New Orleans Mayor LaToya Cantrell petitioned a federal court in August 2022 to lift her city’s agreement, saying the monitors’ arbitrary decisions and delays prove “the objective goals of the Decree have all but vanished.” The monitors won’t let go. In March they accused New Orleans of “backsliding” on reforms and “slippage in compliance.” The judge overseeing the agreement delayed considering the city’s petition for 10 months. With no decision date set, the consent decree drags on.

The cost of implementation and monitoring these agreements is exorbitant. Seattle’s decade-long saga has cost taxpayers \$200 million. In Chicago, which had its original five-year consent decree extended by

three years in March, officials expect the final price tag to reach at least \$100 million. Louisville, Ky., has allocated \$8 million to \$10 million a year (which will certainly balloon) for its pending agreement, which is equal to 5% of the city’s police budget. Mr. Garland recognized the runaway spending in 2021 and ordered a cap on monitors’ fees.

In city after city, federal consent decrees have failed to achieve their aims and often proved counterproductive. Surveys show the majority of police support significant reforms, including the use of body-worn cameras, crisis-response teams and improved communications and de-escalation training, but heavy-handed consent decrees can sap morale. Weighed down by excessive paperwork and wary of undue scrutiny, officers’ on-duty

performance suffers and many choose to quit or retire. Fewer qualified candidates are willing to join, creating a staffing crisis.

When the federal government truly needs to step in and help reform a police department via consent decree, that agreement should focus on the most urgent concerns. Its proposals should be backed by rigorous evidence. It should set realistic benchmarks for reform and hold police and city leadership accountable for timely and effective execution. But experience teaches that things rarely work that way.

Mr. Johnson is president of the Law Enforcement Legal Defense Fund. As deputy police commissioner in Baltimore, 2016-18, he oversaw the department’s consent decree negotiations and implementation.

Notable & Quotable: Thomas vs. Jackson

From Justice Clarence Thomas’s concurring opinion in *Students for Fair Admissions v. Harvard*, decided June 29 (citations omitted):

Justice [Ketanji Brown] Jackson uses her broad observations about statistical relationships between race and select measures of health, wealth, and well-being to label all blacks as victims. Her desire to do so is unfathomable to me. I cannot deny the great accomplishments of black Americans, including those who succeeded despite long odds.

Nor do Justice Jackson’s statistics . . . prove anything. Of course, none of those statistics are capable of drawing a direct causal link between race—rather than socioeconomic status or any other factor—and individual outcomes. So Justice Jackson

supplies the link herself: the legacy of slavery and the nature of inherited wealth. This, she claims, locks blacks into a seemingly perpetual inferior caste. Such a view is irrational; it is an insult to individual achievement and cancerous to young minds seeking to push through barriers, rather than consign themselves to permanent victimhood. . . .

Individuals are the sum of their unique experiences, challenges, and accomplishments. What matters is not the barriers they face, but how they choose to confront them. And their race is not to blame for everything—good or bad—that happens in their lives. A contrary, myopic world view based on individuals’ skin color to the total exclusion of their personal choices is nothing short of racial determinism.

OPINION

REVIEW & OUTLOOK

Biden Loses Again at the High Court

No President in memory has exceeded the powers of his office more than Joe Biden, and the Supreme Court keeps telling him he can't get away with it. The latest rebuke arrived Friday when a 6-3 majority cancelled his unilateral decision to cancel \$430 billion in student debt in *Biden v. Nebraska*.

It's hard to understate the importance of the case for the Constitution's separation of powers. After Congress rebuffed Mr. Biden's proposals to cancel student debt, he suddenly discovered in August 2022 the authority to do it himself in the obscure 2003 Higher Education Relief Opportunities for Students (Heroes) Act.

That law lets the Education secretary "waive or modify" student financial aid provisions if he deems it necessary "in connection with a war or other military operation or national emergency." Mr. Biden had declared Covid an emergency, so his lawyers claimed he could wave away \$10,000 to \$20,000 for nearly all 43 million borrowers.

Chief Justice John Roberts educated the President to the contrary by noting his Administration didn't merely waive or modify provisions of the loan program. "The Secretary's plan has 'modified' the cited provisions only in the same sense that 'the French Revolution "modified" the status of the French nobility"—it has abolished them and supplanted them with a new regime entirely," he explains.

"Congress opted to make debt forgiveness available only in a few particular exigent circumstances," he notes. None applied in this case. He adds that the Administration's use of its "waiver power" is far more sweeping than what any other President has done.

Justice Elena Kagan claims in her dissent, which was joined by Justices Sonia Sotomayor and Ketanji Brown Jackson, that Congress in the Heroes Act purposefully delegated sweeping powers to the President. She ignores that no less than former Speaker Nancy Pelosi said in July 2021 that the President couldn't unilaterally forgive loans. "That has to be an act of Congress," she said.

The majority rightly invokes its major questions precedents, which hold that executive actions with major consequences require approval from Congress. The dissent portrays the major questions doctrine as a judicial power grab. "The majority's stance, as I explained last Term, prevents Congress from doing its policy-making job

in the way it thinks best," Justice Kagan writes.

Au contraire, the Chief retorts. "The dissent is correct that this is a case about one branch of government arrogating to itself power belonging to another. But it is the Executive seizing the power of the Legislature."

Specifically, in claiming he can spend \$430 billion without Congress's assent, Mr. Biden is hijacking Congress's power of the purse, which the Constitution expressly reserves for the legislature in Article I. If a President can do that, he can spend money on anything. Imagine what Donald Trump would do with that precedent if he returns to power.

The three liberal dissenters suggest they'd overturn *West Virginia v. EPA*, the case that elaborates the major questions doctrine. But we wonder if that's the view they'll take if the next Republican President tries to imitate President Biden. Our guess is that Justice Kagan might become a major questions convert.

The Court's willingness to police the separation of powers has become more important as Presidents more frequently try to rule by regulation and executive order. With power unchecked by the judiciary, the administrative state can subvert democratic accountability.

* * *

Mr. Biden has now lost four big cases at the Court over his executive power grabs, including the vaccine mandate, the rent-eviction moratorium, and the Clean Power Plan. You'd think he'd get the message, but on Friday he showed no regret for his lawlessness.

He vowed "to find other ways" to forgive student debt. In January he proposed to sweeten the Obama income-based repayment plans by capping monthly payments at 5% of discretionary income and discharging unpaid debt after 20 years.

Borrowers who make less than \$32,800 wouldn't have to pay a penny, while the average borrower would save more than \$1,000 a year or \$20,000 over 20 years. The Penn Wharton budget model estimates this expansion could cost as much as \$471 billion, which is on top of the half a trillion or so that is already set to be forgiven.

Congress didn't authorize the President to cancel student loans on the installment plan either. There's seldom education in the second kick of a mule, as Mitch McConnell likes to say, but the courts will have every reason to try over Mr. Biden's next illegal loan cancellation.

Randi Weingarten and Racial Disparities

Randi Weingarten isn't known for self-awareness. Right on cue this week the teachers union chief denounced the Supreme Court's ruling on racial preferences without so much as a bow to her own role in creating racial disparities.

"This decision ignores the original sin of this country—it's a throwback to a cruel, racist past that admissions policies like this tried to repair," the American Federation of Teachers chief said. Has she read the briefs by teachers unions in the case?

The briefs admit that colleges use racial preferences to increase enrollment of minority students who are often less academically qualified because they've been trapped in rotten public schools. "Our schools, from K-12 to higher education, still struggle to provide equitable opportunities for students of color," the National Education Association lamented in its brief.

But why is that? Because the unions fight educational choice for minorities and protect bad teachers in low-income schools from accountability. Teachers usually receive tenure protection after two to three years. After that, school districts must spend inordinate time

and money to remove them. Instead, they are typically rotated around poor, mostly minority schools in what's known as the "dance of the lemons."

Former Los Angeles Unified School District Superintendent John Deasy testified in a lawsuit brought by minority students last decade that it can take 10 years and \$250,000 to \$450,000 to fire a lousy teacher. Fewer than 0.002% of teachers in California were dismissed for unprofessional conduct or poor performance.

A single year with a grossly ineffective teacher can cost a classroom of students \$1.4 million in lifetime earnings. Less experienced teachers are more likely to be assigned to schools in lower-income neighborhoods. Yet these schools can't recruit higher-performing teachers by offering higher pay since labor contracts base salaries on experience.

The unions more than anyone else are responsible for racial differences in education. College racial preferences try to paper over those disparities while easing political pressure for education reform. Ms. Weingarten can't admit this because she'd indict her life's work.

Score One for Free Speech and Pluralism

Most Americans support same-sex marriage, but an open question since the Supreme Court handed down *Obergefell v. Hodges* in 2015 is whether Americans running a business can dissent from progressive orthodoxies without punishment. The High Court resolved that tension on Friday with a 6-3 ruling in favor of the First Amendment, a decisive victory for American pluralism.

In *303 Creative LLC v. Elenis*, the Court ruled in favor of Lorie Smith and her custom website business. The core question: Can a Colorado anti-discrimination law compel Ms. Smith to lend her creative expression to causes she doesn't condone? Ms. Smith says her Christian faith precludes her from designing tailored websites for same-sex weddings. The Tenth Circuit Court of Appeals ruled that the state could coerce that speech.

Justice Neil Gorsuch corrects that mistake. "Colorado seeks to force an individual to speak in ways that align with its views but defy her conscience about a matter of major significance," he writes for the majority. "As this Court has long held, the opportunity to think for ourselves and to express those thoughts freely is among our most cherished liberties and part of what keeps our Republic strong."

Colorado's logic, he adds, would "force all manner of artists, speechwriters, and others whose services involve speech to speak what they do not believe on pain of penalty." By that standard a gay man could be coerced to create a mural promoting Christian views he finds abhorrent.

The progressives decrying the decision may someday appreciate the Court's protections, and they are shortsighted to assume their views will always be ascendant.

That's one reason the decision should have been 9-0, and Justice Gorsuch shreds Justice Sonia Sotomayor's dissent that "reimagines the facts of this case from top to bottom." One falsehood is her claim that businesses now have "a constitutional right to refuse to serve members of a protected class."

The Court isn't offering a license to discriminate and dodge public accommodation laws. Colorado concedes that Ms. Smith is willing to serve customers regardless of sexual identity. She says she'll happily design a website for a gay customer who wants to promote, say, an animal rescue. What she won't do is promote causes that violate her conscience.

Justice Sotomayor would let government snuff out views the left dislikes. Her dissent, as Justice Gorsuch puts it, "is emblematic of an unfortunate tendency by some to defend First Amendment values only when they find the speaker's message sympathetic."

303 Creative is a cultural tonic the country urgently needs. The tolerance the left once sought for gays and gay weddings has become the coercion that forces dissenters from the dominant culture to bend the knee.

"Abiding the Constitution's commitment to the freedom of speech means all of us will encounter ideas" that are unattractive or even hurtful, as Justice Gorsuch says. "But tolerance, not coercion, is our Nation's answer."

LETTERS TO THE EDITOR

Who's Deluded? Left, Right, All of the Above

Barton Swaim is right about the delusions of the left ("The American Left's Fantastic Threats," op-ed, June 24), but Republicans are no different. President Trump, who claims the 2020 election was stolen, leads the Republican field. While he makes voter fraud a central issue, President Biden does the same with voter suppression. They leave precious oxygen for real issues like debt, entitlements and the role of the government. The only solution is for people like Mr. Swaim to hold their side responsible, too.

JEREMY GILES
Dallas

Mr. Swaim claims liberals are getting overly alarmed by "fictitious" threats on the right. But one need only look at one incident perpetrated by the right to render his argument invalid: Jan. 6, 2021, and its aftermath. If allowing a mob to storm the U.S. Capitol and attempt to overthrow a valid election with zero evidence of fraud wasn't a real threat to this country, then I don't know what is.

KURT HAGEMEISTER
Ann Arbor, Mich.

Left-wing delusions are captured in a nutshell by the myth that Mr. Trump referred in 2017 to neo-Nazis in Charlottesville, Va., as "very fine people." This is believed even though he was referring to different, nonviolent groups of people (those on opposing sides of the matter of taking down the Robert E. Lee statue), and had said only seconds earlier that the neo-Nazis "should be condemned totally." Yet Democrats have peddled the myth for years on end.

CHRIS CATHCART
Newman Lake, Wash.

Mr. Swaim has excellent insight into the fever running high in the U.S., the tendency to believe fantastic political accusations that vilify the other side. I am impressed with the factual way he refutes many of these, and even more impressed with the way he doesn't let off the hook those against whom the allegations are made. Given our polarization, such balanced thinking will be the key to reducing the political tension.

JIM BAILIFF
Sarasota, Fla.

Phonics Has Been Pushed Aside for Too Long

When I began the first grade in 1942, my mother noticed that I was slow to learn to read and arranged a meeting with my teacher. She was given a lecture on how reading was to be taught in school. Using slogans like "look-say" and characterizing it as "progressive education," the teacher explained that educators felt that phonics, with its exceptions to the rules for the sounds of the alphabet, was too difficult to learn ("Phonics Finally Gets Its Due in New York" by Eva Moskowitz, Cross Country, June 24).

Instead, the teacher said, let them learn to read by observing whole words and memorizing their sounds. After all, that is how adults read;

they don't sound out the letters of each word of text. Fortunately, my mother didn't buy it. She supplemented me with a good dose of phonics education. It must have made a difference, because in third grade I was asked to coach a few lagging readers on the side. It shocked me to find how badly they read.

The sooner we learn to read well, the longer we will have to develop the ability to think critically. Anything short of accurate reading is an impediment to our ability to think on our own and disregard the sloganeering of our political class.

BRUCE PERKIN
Red Bluff, Calif.

Does Zoning Reform Work Only on Paper?

The safety, beauty and culture of my hometown, Berkeley, Calif., are being destroyed by the type of zoning reform advocated in Richard Kahlenberg's "Only Zoning Reform Can Solve America's Housing Crisis" (Review, June 24). Sweeping, one-size-fits-all legislation in Sacramento took control of land use away from California's municipalities while encouraging large-scale construction. Local politicians eagerly joined this Faustian bargain with developers. As a result, our university town is becoming a victim of urban sprawl.

The policy wonks who want to blame our housing crisis on the sins of zoning need to go back to the drawing board. Intelligent land use involves far more complex issues—in this case, student housing, wildfire and earthquake risk and street design—than they bother to consider, challenges that can only be addressed locally.

MARY LEE NOONAN
Berkeley, Calif.

Mr. Kahlenberg emphasizes the racial and economic segregation caused by exclusionary zoning. But many readers unwilling to live near poverty might consider such segregation a fine thing. Zoning, however, also hurts

those of us who aren't so marginalized.

Zoning creates a problem of individual rationality and collective irrationality. It may be in the interest of each neighborhood and suburb to create an island of high-cost housing for wealthy people. But when too many neighborhoods do this, entire cities and regions become unaffordable to many. As a result, young talent from high-rent blue America is migrating to cheaper regions, and the businesses our region needs for a strong tax base will eventually migrate with them. New York and California can't stay rich if our major economic activity is charging each other ever-higher rents.

PROF. MICHAEL LEWYN
Touro Law Center
Central Islip, N.Y.

As a planned community, Reston, Va., has affordable housing in high-rise and garden apartments, a variety of townhouse sizes and single-family homes all linked together by shared schools, parks, pools, athletic fields and shopping centers. This has worked for about 60 years. Mr. Kahlenberg doesn't mention the obvious problems with backfilling established neighborhoods: adequate parking, sewage and storm-water concerns, school populations, tree cover and green space, for starters. It's generally accepted that you don't tear down a fence until you know why it was put there. The same goes for zoning.

DENNIS K. HAYS
Reston, Va.

The Court Decides for Itself

I leave it to those expert in the law to assess *Moore v. Harper* ("The Supreme Court's Elections Muddle," Review & Outlook, June 28). The assumption, however, that Republican-appointed justices would be puppets of former President Donald Trump and the extreme right wing of the Republican Party, should be put to rest.

JOHN A. VITERITTI
Laurel, N.Y.

Pepper ... And Salt

THE WALL STREET JOURNAL



Fresh Start for U.S. Colleges

Regarding your editorial "A Landmark for Racial Equality" (June 30): Universities have been given the opportunity to refocus their objectives: from indoctrinating to educating, from conformity to achievement, from banality to excellence. Will they?

RICHARD SWANSON
Asheville, N.C.

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OPINION

What Will Prigozhin’s Rebellion Mean?



DECLARATIONS
By Peggy Noonan

What happened in Russia last weekend? What will it mean for the world? I remember the words of a veteran American diplomat years ago: “Avoid premature joy.” We look at Vladimir Putin and think: That man has been rocked and exposed. He didn’t think an erstwhile ally was going to take arms against him and declare a march on Moscow. He couldn’t have imagined Yevgeny Prigozhin’s advance would be smooth, that town to town he’d meet no resistance, that the locals would stand around and watch, that Mr. Prigozhin’s forces would shoot down a half-dozen helicopters. This does deep damage to the dictator’s mystique—the sense that he’s the only man, the inevitable man, the strongman.

It’s probably too much to hope for Putin’s downfall, but his telling the truth about Ukraine will matter.

But he survived. He ended the rebellion with dispatch. He’s still here. And survival has its own mystique. As this is written he’s back to business as usual: in meetings, making a speech at a Moscow technology fair. Wednesday he greeted happy crowds on the streets of Derbent, in southern Russia. The New York Times notes he broke with his longtime stringent Covid protocols to mix with the crowd and kiss a little girl. One of Mr. Prigozhin’s criticisms was that Russian leadership

had been isolated throughout the war, not meeting with military leaders, doing everything by phone. But we learned things about Mr. Putin. There is every sign he misjudged the situation and wasn’t confident of his position. This was telling. In his speech to the nation last Saturday, he looked scared, talked hot and drew a stunning historical parallel. He invoked 1917, when Russian troops threw down their arms during World War I and went home to join the revolution. That produced turmoil—the collapse of the state and the loss of vast territories,” followed by civil war. “We will not allow this to happen again.” At war again, anything that weakens Russia is “a knife to the back of our country and our people.” “Those who staged the mutiny and took up arms against their comrades—they have betrayed Russia and will be brought to account.” And yet before the weekend was out he’d essentially tell Mr. Prigozhin: It’s OK, never mind, go your way. Mr. Putin’s problem: He didn’t know who’d be loyal to him. What are called the elites—the influential and prosperous, those holding secondary seats of power—weren’t going to back Mr. Prigozhin and weren’t going to back Mr. Putin; they were going to back the winner who emerged. Early this week the Center for Strategic and International Studies hosted a conversation on the still-unfolding events, and a comment by CSIS fellow Maria Snegovaya captured this. “The public, the society, the elites, they have all taken a pause while all this has been unraveling,” she said. “Particularly stunning is the silence of Margarita Simonyan, the notorious editor in chief of RT, who just disappeared from Telegram for a couple of days and then resurfaced saying that ‘Oh well, sorry guys, something happened—I was away, I’m sorry, on holiday, vacation.’ ”



Yevgeny Prigozhin in Rostov-on-Don, June 24.

Beyond that and more important, I think Mr. Putin looked so scared during the crisis because he didn’t know and could not know who his military would back under pressure. After 16 months of a demoralizing, embarrassingly unwon war, would the brass be loyal to the boss of 23 years or the supposedly competent mercenary commander in from the field? The military probably didn’t know themselves. I suspect events would dictate their loyalties—whether Mr. Prigozhin’s forces grew and proved competent in fighting, or whether his column would be bombed, stopped and scattered. That is probably why Mr. Putin made his unprecedented deal—stop, leave now, and I won’t hold it against you. And I suppose it’s why Mr. Prigozhin stopped and fled the field. He didn’t know if he could pull off something serious. He’s not Alexei Navalny, the dissident imprisoned for producing a compelling political challenge to Mr. Putin. He’s a hot-dog salesman turned Putin crony. He could organize certain things, but he’s not a serious man—he’s a slob. And if you’re a slob, you’re surprised when someone

takes you aside and tells you when you take arms against a dictator you’ll be crushed like a bug. From reports, it sounded as if this hadn’t crossed Mr. Prigozhin’s mind, and he decided he might have to rethink. It would be nice to think the past 10 days will leave Mr. Putin wondering if he’s pushed the war too far, made a terrible mistake, and must begin looking for the least humiliating path out. But I don’t guess he’s doing Putin Agonistes. I think he’ll conclude what he needs is more victories. And he’ll do anything to get them. Here is a wholly imagined scenario that wouldn’t shock me in the least. Mr. Putin will not only publicly forgive Mr. Prigozhin and what remains of the Wagner Group; he will, in line with a great man’s magnanimity, privately befriend him. Mr. Putin will order Mr. Prigozhin to take some city. Mr. Prigozhin, his safety dependent on victory, will rouse his men and make some breakthrough. And after he wins the tragic news will spread—Mr. Prigozhin died heroically on the field. No one will mention the Russian colonel who calmly took him out with a pistol shot to the head and was over-

heard muttering, “Clean him up and ship him to Moscow for the state funeral.” Where Mr. Putin will deliver a eulogy about reconciliation in the greater, mystical cause of the endurance of the Fatherland. I close with the one bit of lasting damage Mr. Prigozhin really did. In the audio clips he posted on Telegram at the beginning of his adventure, he said things that have been said before in Russia but not by someone so prominent. Russia is losing in Ukraine: The cost in blood and treasure has been greater than the military admits. The army is “retreating in all directions and shedding a lot of blood. . . . What they tell us is the deepest deception.” The war, Mr. Prigozhin said, was launched under false premises. Ukraine wasn’t the aggressor. President Volodymyr Zelensky wanted agreements. Russia’s Defense Ministry “is trying to deceive society and the president and tell us a story about how there was crazy aggression from Ukraine, and that they were planning to attack us with the whole of NATO.” This was “a beautiful story.” But “the special operation was started for different reasons”—chiefly to enrich the oligarchs and the ruling elite. “The task was to divide material assets” in Ukraine. “The oligarchic clan that rules Russia needed the war,” Mr. Prigozhin said. “The mentally ill scumbags decided: It’s OK, we’ll throw in a few thousand more Russian men as cannon fodder. They’ll die under artillery fire, but we’ll get what we want.” Russian elites want stability. They’d like progress, a better Russia in a better world, though after the last century they’d be forgiven for equating regime change with meet the new boss, same as the old boss. But it will surely mean something in the execution of the war that Mr. Prigozhin described the entire effort as a cynical and cruddy little blunder.

Same-Sex Marriage Doesn’t Trump the Right to Dissent

By Nicole Ault

When the Supreme Court held that the Constitution gives same-sex couples the right to marry, Justice Samuel Alito warned that the decision “will be used to vilify Americans who are unwilling to assent to the new orthodoxy.” Dissenting in *Obergefell v. Hodges* (2015), he wrote: “I assume that those who cling to old beliefs will be able to whisper their thoughts in the recesses of their homes, but if they repeat those views in public, they will risk being labeled as bigots and treated as such by governments, employers, and schools.”

The Supreme Court rules against Colorado’s use of antidiscrimination laws to compel speech.

Justice Alito’s fears were well-founded, despite assurances to the contrary in the majority opinion by Justice Anthony Kennedy. But in *303 Creative v. Elenis*, which was decided as the court’s term ended Friday, the court forcefully affirmed the freedom to dissent. That freedom came under threat even before *Obergefell*. In 2012 a gay couple filed a discrimination complaint against Masterpiece Cakeshop after Jack Phillips, its Christian owner, refused to bake a cake for a Denver reception that would follow their Massachusetts wedding. Although Colorado didn’t recognize same-sex marriage at the time, a state civil-rights panel held that the law compelled Mr. Phillips to bake the cake. He appealed the decision in state court, alleging that this application of the Colorado Anti-Discrimination Act violated his First Amendment rights to free speech and free exercise of religion. In *Masterpiece Cakeshop v. Colorado Civil Rights Commission* (2018), the Supreme Court ruled 7-2 in Mr. Phillips’s favor. But the decision by Justice

Kennedy avoided the constitutional questions and held only that the commission’s members were impermissibly biased. That “has allowed activists to continue to relentlessly pursue those who decline to create speech that violates their convictions,” says Kristen Waggoner of Alliance Defending Freedom, who argued Mr. Phillips’s case at the high court. Lorie Smith, another Denver-area client of Ms. Waggoner, owns 303 Creative, a website-design business. Like Mr. Phillips, she objects on religious grounds to same-sex weddings, and she says she won’t make a website celebrating one. The Justices ruled 6-3 that this is a constitutionally protected right to free speech. Colorado “seeks to force an individual to ‘utter what is not in [her] mind’ about a question of political and religious significance,” Justice Neil Gorsuch wrote for the court. That “is something the First Amendment does not tolerate.” Many similar cases are pending around the country, and the ruling ought to resolve them, in part because it affirms that speech is still protected by the First Amendment even when it is for sale. At least three wedding photographers—in New York, Louisville, Ky., and Virginia—are in federal court fighting public-accommodations laws that would force them to shoot same-sex weddings against their beliefs. They are threatened with crippling fines and, in the New York case, incarceration. The New York and Virginia cases have been on hold pending the outcome of *303 Creative*. The ruling may also help Mr. Phillips, now facing a complaint for refusing to bake a cake celebrating a “gender transition.” He lost in state trial and appellate courts and is waiting to hear if the Colorado Supreme Court will take his case. Another couple, Aaron and Melissa Klein, are Oregon bakers who face fines for refusing to bake a same-sex wedding cake. They lost in state court and asked the justices to hear an appeal. On Friday the high court sent the case back to Oregon for reconsideration in light of *303 Creative*.

The justices didn’t address whether baking celebratory cakes is speech. But Justice Gorsuch wrote that Colorado’s logic “would allow the government to force all manner of artists, speechwriters, and others whose services involve speech to speak what they do not believe on pain of penalty.” In a dissenting opinion, Justice Sonia Sotomayor claimed the decision establishes a “license to discriminate” and “threatens to balkanize the market and to allow the exclusion of other groups from many services.” That fear is overwrought. Ms. Smith and all these litigants say they’re happy to serve gay customers; their objection is to being compelled to affirm a gay wedding. As Justice Gorsuch notes, “Ms. Smith herself recognizes that Colorado and other States are gen-

erally free to apply their public accommodations laws, including their provisions protecting gay persons, to a vast array of businesses.” Mr. Phillips isn’t alone in finding that the next battleground is transgender ideology. “Biological reality is being debated in the public square,” Ms. Waggoner says. An Oregon woman sued the state for rejecting her application to adopt children from foster care because she wouldn’t pledge to “respect, accept and support” the “gender identity” of children in her care. A professor sued Ohio’s Shawnee State University for ordering him to refer to a male student by feminine pronouns. The Sixth U.S. Circuit Court of Appeals ruled in his favor. It’s significant that the justices decided *303 Creative* on free-speech

rather than free-exercise grounds. In *Obergefell*, Justice Kennedy emphasized that “religions, and those who adhere to religious doctrines,” were free to disagree. He relegated “those who oppose same-sex marriage for other reasons” to an afterthought. But compelling an atheist or agnostic to affirm a secular orthodoxy is also a violation of conscience. Friday’s ruling affirms something unique about the U.S. “There’s nothing special about what our First Amendment says,” as Ms. Waggoner puts it. Other countries’ constitutions affirm free speech and religion too. “But judicial precedent and frankly apathy by the citizens have allowed those written guarantees to mean absolutely nothing.”

Ms. Ault is an assistant editorial page writer at the Journal.

Trump Is Saving Joe From Huntergate



BUSINESS WORLD
By Holman W. Jenkins, Jr.

Politicians have perfectly legal and decorous ways to cash in. A problem in history, though, has been the son or daughter, cousin or uncle who lacks the same incentive for discretion and restraint. Vice President Biden’s Ukraine adviser warned him as early as 2015 that his son’s activities were compromising U.S. interests. Here we are. Joe Biden’s political career may already be over and he doesn’t know it. If so, it won’t be because of the tax behavior of his son, allegedly writing off sex-club memberships and prostitutes as business expenses. It won’t be the possibility, as yet unproven, that Joe himself benefited financially. It won’t even be the strained efforts of the Biden Justice Department to avoid noticing the worst of Hunter’s alleged offenses. It will be because Joe Biden has ceased to be a compelling antidote to Donald Trump and the supposed chaos and corruption of Trumpism. Most parents love their children. Any politician had better do the same if he wants the public’s votes. But this line of excuse-making, which has come to dominate on MSNBC and CNN, is redolent of the intelligence community’s desperate intervention when Hunter’s laptop surfaced in the 2020 campaign. The 51 spy veterans who participated, including three former CIA chiefs, had to know they would in short order be shown to be liars. The FBI already possessed the laptop and knew it wasn’t a Russian plot. Why this willingness to risk not only personal reputation but America’s trust in its intelligence establishment? Was it worth it? Many in the establishment will now have to ask that question all

over again. IRS whistleblowers have come forward to describe a story with a similar arc: The Biden Justice Department bent over backward to ignore egregious alleged tax evasion related to Hunter’s earnings from a questionable Ukrainian gas company at a time when his father was in charge of the Obama administration’s Ukraine policy. On a separate front, GOP Sen. Chuck Grassley reports that the FBI received credible information that the Ukrainian gas company’s founder recorded telephone dealings with Hunter and his father. If the FBI seems unkeen to follow up, perhaps

With these two front-runners, the 2024 debates could be hosted by codependents anonymous.

that’s because the next question, if the allegation proves correct, would be: Does the Zelensky government in Ukraine have copies of the recordings? Does the Putin government in Russia? To any realistic person, it’s hard to imagine Joe being so reckless as to angle for a 10% secret “big guy” stake in one of his son’s schemes. It’s hard to imagine him standing at Hunter’s elbow while he shakes down a foreign muckety-muck for a million-dollar “retainer” using WhatsApp. Not hard to imagine is Dad looking away while Hunter recklessly invokes his father’s name because offering a direct financial connection to the Biden who matters is a better way to finance a drug addiction. Remember FBI chief James Comey’s explanation for bigfooting the 2016 election by reopening the Hillary Clinton email investigation days before the vote? He said it was

the right thing to do and he believed Mrs. Clinton would win anyway. Would he have made the same decision if he thought Mr. Trump would win? Um, er, maybe not, he said. Case closed. To imagine such decisions can be made without political consideration is unrealistic. We might as well also acknowledge a second reality. When the GOP nominated Donald Trump, perhaps inevitable was a reciprocal abandonment of “norms” by his enemies in the press and bureaucracy. Mr. Trump gets no remission of sin from me, but he was the one who received a mandate from voters for boundary-pushing. If I recall correctly, Joe Biden received a mandate for the opposite. The irony has lately become rich: The very paucity of Mr. Trump’s Russia connections the media now must cover up by pretending the collusion hoax didn’t happen; the breadth and heedlessness of Hunter’s effort to cash in on his father’s role in Ukraine, China and elsewhere the media must also cover up to protect Joe Biden’s re-election. Maybe I’m Panglossian, but the contradiction is too deep and even our absurd national press won’t be able sustain it. Even more so because the guiding imperative of the Biden administration has so clearly been to prop up not one but two candidacies, Mr. Trump’s as well as Mr. Biden’s. Mr. Biden’s is shakier than it seems, and perhaps ceases to exist without Mr. Trump’s. Indeed, Mr. Trump could provoke panic in the Biden camp tomorrow by dropping out. But don’t hold your breath. Not only have Democratic prosecutions boosted his numbers, he can point to his GOP frontrunner status and claim “election interference.” Codependency is a you-know-what, especially for the American people, yet that’s what they get from the problematic duo of Messrs. Trump and Biden.

SPORTS

Pogacar Seeks To Win Back Yellow Jersey

The two-time Tour de France champion returns after breaking his wrist in late April

By JOSHUA ROBINSON

Bilbao, Spain

Two months ago, one of the most gifted cyclists of his generation sat in a Belgian hospital being peeled out of his jersey by doctors after a crash. With one slip that derailed a dazzling spring, Tadej Pogacar had fractured his wrist and began to imagine a summer without the Tour de France.

This week, Pogacar was popping uphill wheelies.

Out on a reconnaissance ride in the Basque Country, ahead of the Tour start here on Saturday, the two-time yellow jersey winner was showing his teammates that he couldn't only pedal up climbs one-handed, he could also do it one-wheeled. As for the rest of the cycling, Pogacar was sending the message that he was back—mostly.

"It's not completely fine, I failed the wheelie," he joked here on Thursday. "I didn't make it all the way to the top [on one wheel]."

That Pogacar, 24, could go weeks with his arm in a cast, unable to ride outdoors, and yet still arrive at the Tour de France as one of the favorites to win the whole thing says a lot about how fearsome he is to the rest of the peloton. He has been the No. 1 ranked rider in the world for nearly two years straight. Now he's setting out to prove that even breaking three bones in his wrist two months from the Tour can't slow him down.

"The legs are good and the mentality is super good," he said.

Pogacar, who's only competition since the crash was sweeping Slovenia's national championships last week, has shown he can win races a dozen different ways. He can take off on steep climbs, power away with a solo attack on

the flat, dominate time trials, and even sprint if he has to. That unpredictability is how he racked up 14 victories in barely two months of competition this year before his accident, including taking first place at the grueling Tour of Flanders, the punchy Flèche Wallonne, and the eight-day stage race Paris-Nice.

But there's little mystery as to how this Tour de France will be decided. The race, which almost always ends up as a shootout between whoever goes uphill most efficiently, is even more geared toward climbers than usual. Even the 2023 edition's only time-trial, a relatively short effort at 22.4 kilometers (13.9 miles), is designed to suit the climbing experts with a nasty uphill kick at the end.

Pogacar normally would have prepared for it with an altitude camp and a warm-up race in France or Switzerland this month. But he discovered by necessity that if there is such a thing as a good time to fracture your wrist, late April at Liège-Bastogne-Liège was the closest thing to it.

The crash came right at the end of a heavy training period and he was able to reimagine his subsequent workouts to waste as little time as possible. The biggest change was that, instead of flying somewhere for a camp at altitude, he stayed home grinding away on a turbo trainer while wearing a cast on his wrist. Pogacar became fond of telling people that you didn't need a wrist to train your legs. But as he knows better than almost anyone, everything hurts in the Tour de France. Riders roll onto the Champs-Élysées after three weeks feeling like they have been dropped from the Eiffel Tower.

Pogacar said he underwent a scan on Monday that showed that two out of the three broken bones



Tadej Pogacar, front, hopes to win back the yellow jersey from defending Tour de France champ Jonas Vingegaard.

in his wrist had healed. Only the scaphoid bone needed more time. But recovering 60 to 70% mobility was enough to feel confident heading into a three-week Grand Tour, Pogacar added.

"He has worked hard," Team UAE manager Mauro Gianetti told reporters. "We have a lot of faith in him but there are no miracles in cycling."

There are certainly fewer miracles when Team Jumbo-Visma is around. Led by the Tour's defending champion, the Danish featherweight Jonas Vingegaard, Jumbo is cycling's current superteam. Vingegaard just won the Critérium du Dauphiné, a traditional Tour tuneup. And his seven teammates are unmatched at controlling the peloton, protecting their leader, and grinding down the competition. It's no surprise that when it won the Tour last summer, Jumbo managed to post the highest aver-

age speed in the race's 120-year history at 26.117 MPH.

The start of this year's race should be just as frenetic. Because of where it begins, just inside Spain's mountainous border with France, there is no easing into this Tour. It kicks off with two challenging hilly stages that finish in Bilbao and San Sebastian, followed by two flat days, before heading straight into the Pyrenees. Brutal climbing stages that are normally held in reserve until Week 2 now come as early as Day 5.

"This first week is going to be really tough, really explosive," Pogacar said. "You have basically everything."

Pogacar has never approached a Tour quite like this. For the past two years, he has been the defending champion with a target on his back from the outset. Anyone with ambitions of winning the

race knew that they would have to attack him as soon as they got the chance—which is precisely what Vingegaard and his teammates did on a thrilling day on the Col du Granon in the Alps last year. One by one, they accelerated, forcing Pogacar to chase and burn valuable energy until Vingegaard rode away from him.

This time, Pogacar should have stronger teammates at his sides to defuse some of those assaults. Top of the list is new addition Adam Yates, a British rider with three top-10 finishes at the Tour, who will serve as Team UAE's co-leader here.

Pogacar believes he has nothing to lose if his wrist cooperates. The rest of the peloton is bracing for the consequences.

"He has no pressure at all," Dutch rider Mathieu van der Poel said. "That makes him even more dangerous."

July 23

The 21-stage Tour de France starts in Bilbao, Spain, on July 1 and ends in Paris.

Caeleb Dressel's Rocky Return to Competitive Swimming

By LAINE HIGGINS

Indianapolis

OUTSIDE OF KATIE LEDECKY, no one swimming at the 2023 National Championships this week has more Olympic gold medals than Caeleb Dressel. But while Ledecy is trouncing her competition in typical fashion, Dressel, back from a six-month training hiatus, is struggling to get into championship finals of races he's spent the last seven years dominating.

This week's competition is Dressel's first major meet since the 2022 World Aquatics Championships, where he abruptly withdrew midway through the meet for medical reasons unrelated to Covid. Upon returning home from Budapest, he didn't get back in the pool for training until January.

The consequences of that break have been on display here this week.

On Tuesday, Dressel was so slow in the preliminary round of the 100-meter freestyle, an event in which he holds the U.S. record, that he was out of contention to make Team USA for 2023 world championships before the finals session began. Of the eight fastest swimmers, the top two qualify for the individual event, third and fourth place qualify as relay swimmers while fifth and sixth can serve as relay alternates. Dressel finished 19th.

The next day, he finished third in the 50-meter butterfly, missing out on qualifying for worlds by less than a quarter of a second. On Thursday, he tied for fifth in the 100-meter butterfly in a tight heat in which second and sixth were separated by half a second. His final chance to make the Worlds team will be in the 50-meter free on Saturday.

Dressel's results so far show that he has a steep climb to return to the form that has won him 15 long course world championships as well as five gold medals at the 2021 Tokyo Olympics. He has almost an en-

tire calendar year to do it, as USA Swimming doesn't select its team for the 2024 Paris Olympics until next June.

Dressel's break from swimming is unusual, but it isn't unprecedented for him. During his senior year of high school, Dressel didn't race from December 2013 through the balance of the school year. He next competed at Junior National Championships in July 2014, albeit only in the 50-meter freestyle, and enrolled at Florida soon after.

Dressel has said that he deals with performance-related anxiety. In an interview with The Wall Street Journal in September 2021 following the Olympics, he said that he put immense pressure on himself to perform in Tokyo, in part to hold up his end of sponsorship deals. His newfound fame following the Games was also an unwelcome adjustment—he found it weird when strangers approached him and his wife, Meghan, on their grocery runs to Publix.

The swimmer added that he was dismayed by the backlash fellow Team USA member Simone Biles received after she withdrew from a handful of events due to a harrowing condition known in gymnastics circles as "the twisties," a sudden onset of disorientation that causes athletes to lose skills they have comfortably performed for years.

"Everyone had their opinions on Simone," he said. "It shouldn't be anyone else's business."

Almost immediately following the Olympics, Dressel got back to racing with the International Swim League. In retrospect, said his coach at Florida Anthony Nesty, that was a mistake. "I think in the fall [of 2021] he had too much on his plate. Sometimes it mentally wears on you," Nesty said in an interview two weeks before Dressel withdrew from worlds after prelims of the 100 free on June 21.

Dressel's return was gradual. He dove in for casual sessions in late January and began workouts about

a month later. Even then, his training was truncated: It took 10 weeks for Dressel to get back to a full weekly load of eight practices. In previous years of training at Florida, Dressel has swam nine sessions per week, only dropping to eight in the rest period leading up to major competition.

This meant that Dressel only settled back into his regular training regimen in late April, about eight weeks before U.S. nationals—precious little time to regain fitness. The gospel in swimming is that for every one week spent out of the water, it takes two weeks to recover the fitness lost in that time. Dressel didn't swim for approximately 30 weeks.

During his break, Dressel shared an emotional post on Instagram in September. "I know I can have swimming and happiness. I had them both at one point in my life and I'm working on it," he wrote. "If you need a break, take one."

Nesty confirmed this week that

Dressel is now in a much better place mentally. He approaches training with enthusiasm and often brings his black lab, Jane, to the pool for Sunday sessions.

Here in Indianapolis, Dressel looks noticeably skinnier than his usual Adonis form. He did lift weights occasionally during his long layoff from training, but got most of his activity from taking care of the chickens and cows on his property in Micanopy, Fla. Coaches at Florida said that Dressel is back to lifting two days per week.

In his first event at this week's nationals, Dressel underwhelmed in the 100 free. His morning swim of 49.42 seconds was good for 29th place—about 2.5 seconds slower than his personal best of 46.96 from 2019 worlds.

Dressel qualified for the slowest final, but moved up to the C-final—the second consolation heat—because five people ahead of him declined to swim. Florida coaches gave the 26-year-old the option of pulling out, but Dressel insisted that he wanted to race. He had the fastest opening 50 in his heat, but faded to finish in 49.64, third in the heat and 19th overall.

Though it was Dressel's slowest time at a championship meet since 2014, it was about where Florida coaches expected him to be after such a small training runway, according to a person familiar with the Gators program.

Dressel hasn't spoken to reporters in Indianapolis. Several swimmers who qualified for the U.S. team for Fukuoka declined to comment on his swims on Tuesday night.

Ledecy, who trains with Dressel under Nesty, indicated that more important than Dressel's times are his attitude. "There's so much that you all don't see on a day-to-day basis, just of the joy that he brings to the pool deck every day," she said on Tuesday.

"I know that he's got a lot to look forward to this week and in the years to come."



After a six-month hiatus, Caeleb Dressel has been a shadow of himself at U.S. National Championships.



Modelo Man
A lawyer's hand in
the rise of America's
new No. 1 beer **B3**

EXCHANGE

Handover
The software that's
eating the software
industry **B5**



BUSINESS | FINANCE | TECHNOLOGY | MANAGEMENT THE WALL STREET JOURNAL. * * * * Saturday/Sunday, July 1 - 2, 2023 | **B1**

DJIA 34407.60 ▲ 285.18 0.84% **NASDAQ** 13787.92 ▲ 1.4% **STOXX 600** 461.93 ▲ 1.2% **10-YR. TREAS.** ▲ 9/32, yield 3.818% **OIL** \$70.64 ▲ \$0.78 **GOLD** \$1,921.10 ▲ \$11.90 **EURO** \$1.0914 **YEN** 144.32



WHY IT'S IMPOSSIBLE TO GET YOUR CAR REPAIRED THIS SUMMER

A shortage of parts and technicians, more complex auto technology, and older cars on the road are creating a perfect storm; Ford and GM are concerned

BY NORA ECKERT

RONNIE CLENDENIN has been working in the auto-repair business for three decades. He's never been so frazzled. The parking lot at Clendenin's Tire and Auto Service in Guy, Ark., a town about an hour north of Little Rock, was recently packed with 62 vehicles, double the typical workload from a few years ago. Without the workers or car parts he needs to keep up, Clendenin says, he regularly turns away loyal customers. "It's hard to do. People aren't used to it," he says. "They're used to just dropping it off and getting it taken care of."

Across the U.S., a shortage of car parts in the past few years has collided with a continuing dearth of service technicians. The result: more frustrated customers, who are waiting longer to get their cars back, and paying more for service.

The backlog risks becoming a drag on the U.S. economy as higher repair costs prompt consumers to cut back spending elsewhere, or simply not having a working car curtails their mobility and productivity. A swath of service industries are facing labor shortages, from home construction to restaurants, appliance repair to trucking.

For the big automakers, this is the latest sign that the industry is still struggling to adapt to the shifts from the last few years. Nearly everything about shopping for and owning a car is different since the Covid-19 pandemic: Americans wait to get the car they want instead of driving it off the lot, they have fewer choices, and discounts or cheap leases are a thing of a past, prepandemic life.

Patrick Yang, a mechanic at Bowman Auto in Clarkston, Mich., which has more loaner cars available for customers waiting for repairs.

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Apple Closes Above \$3 Trillion Value in Market Milestone

BY AARON TILLEY

Apple on Friday became the world's first corporation to close with a market value above \$3 trillion, a milestone that reflects the lasting impact and resilience of the iPhone, a singular product that continues to transform life and commerce around the world.

Launched from a California garage as a pucky computer company in 1976, Apple is now worth about double the value of longtime rival Google and seven times that of Exxon Mobil, which loomed over markets as the world's most valuable company for many years.

The tech giant has come to be entrenched in the lives of consumers and as a bedrock holding for investors whose faith in its dominance is unwavering even as heightened Western tensions with China continue to call attention to its heavy reliance on Chinese manufacturing.

The Cupertino, Calif., company's stock has been on a tear this year, propelled by new demand from emerging markets such as India and the first new product release in nearly a decade: a \$3,499 headset that combines virtual reality with the ability to place digital content in the real world. Chief Ex-

ecutive Tim Cook called it a platform for "spatial computing."

Apple shares are up nearly 50% since the beginning of the year and have beaten the Nasdaq Composite Index's growth of about 30%. It took 42 years for the company to reach \$1 trillion in 2018, then another two years to reach \$2 trillion in 2020. Getting to the \$3 trillion mark took nearly three more years.

The company briefly surged above a \$3 trillion market capitalization in January 2022 during intraday trading but failed to close above the mark. The stock closed Friday at \$193.97, up 2.3% on the day and valuing the company at \$3.05 trillion.

Dan Morgan, a senior portfolio manager who focuses on technology at Synovus Trust, which counts Apple among its largest holdings, said the company is a haven for investors in almost any scenario because of its "massive cash flow and huge customer base." He added: "It's a company investors buy even when things aren't doing well in the economy."

Much of Apple's current resilience rests on the strength of its

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◆ **Heard on the Street: Valuation is about what's ahead..... B14**



Margot Robbie stars in 'Barbie,' coming out later this month. Mattel is making an aggressive effort to expand the Barbie world beyond toys.

Toothbrush? Luxury Bag? It's 'Barbie' Everything

BY CHAVIE LIEBER

Did you know that there's a "Barbie" movie coming out this summer? Mattel is making sure you don't forget.

Ahead of the July 21 film starring Margot Robbie and Ryan Gosling, the Barbie parent company has been on a marketing blitz, ensuring that whether or not shoppers actually go see the movie, they will still stumble on the 100-plus Barbie collaborations.

At the mall, there are \$40 Barbie and Ken T-shirts from the Gap and \$54 pink gingham Barbie car-

digans at Hot Topic. Neiman Marcus will sell pink \$2,450 Barbie handbags from Balmain, and at Bloomingdale's there will be life-size Barbie DreamHouse installations. Ulta Beauty has \$80 hot-pink Barbie electric toothbrushes. Target and Amazon have \$110 Barbie pool floats. Microsoft made a Barbie Xbox.

Mattel wants to get "everyone playing with Barbie," said President and Chief Operating Officer Richard Dickson, "and that doesn't necessarily mean playing with a doll."

Plenty of movies, from "Star

Please turn to page B5

SEC Says Spot Bitcoin ETF Filings Inadequate

BY VICKY GE HUANG

The Securities and Exchange Commission said a recent wave of applications filed by asset managers to launch spot bitcoin exchange-traded funds are inadequate, according to people familiar with the matter.

The agency informed exchanges Nasdaq and Cboe Global Markets, which filed the applications on behalf of asset managers including BlackRock and Fidelity Investments, that they aren't sufficiently clear and comprehensive, the people said. Cboe updated and refilled its applications Friday afternoon to address the regulator's feedback.

Prices of bitcoin and crypto-related stocks have surged since mid-June when BlackRock unveiled plans for an ETF that holds actual bitcoin. The cryptocurrency has climbed about 20%, rising above \$30,000 for the first time since April. Shares of Coinbase Global, which is listed as the custodian for the BlackRock fund's holdings, have soared more than 30% over the same period.

Bitcoin's dollar value fell 5% after The Wall Street Journal first reported the SEC's decision, before rebounding slightly.

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THE SCORE

THE BUSINESS WEEK IN 6 STOCKS

Walgreens Disappoints, Apple Hits a Milestone

CARNIVAL

CCL
7.6%

Carnival posted record cruise bookings, but the results didn't keep its shares afloat Monday. While the world's largest cruise company's second-quarter revenue came in above Wall Street estimates, Carnival posted a quarterly loss of \$407 million and said costs have been climbing. Adjusted cruise costs for the quarter, excluding fuel, were up 13.5% from the same period in 2019, before the pandemic. Carnival said its costs are expected to exceed previous estimates for the year. Carnival shares **dropped 7.6% Monday**, making the stock one of the S&P 500's worst performers of the day.

LORDSTOWN MOTORS

RIDE
17%

One of America's most widely celebrated electric-vehicle startups has sputtered out. Lordstown filed for bankruptcy protection, the company said Tuesday. The filing came after talks fell through on a plan for investment partner Foxconn Technology to buy \$170 million in shares of the electric-truck maker. The company was once one of the most high-profile startups to go public during the SPAC boom and was celebrated by former President Donald Trump as a savior for a closed General Motors plant in northeast Ohio. Lordstown shares **sank 17% Tuesday**.



Walgreens lowered its outlook for the year on Tuesday.

WALGREENS BOOTS ALLIANCE

WBA
9.3%

The declining health of the American consumer is weighing on Walgreens. The pharmacy chain on Tuesday lowered its financial outlook for the year, as sales in the most recent quarter rose but consumers spent less and the company faced a drop off in its Covid-19 business. "I am not satisfied with today's headline guidance revision," Walgreens Chief Executive Roz Brewer told analysts. Neither, apparently, were investors. The company's stock **dropped 9.3% Tuesday**.

Our customer is feeling the strain of higher inflation and interest rates, lower SNAP benefits and tax refunds and an uncertain economic outlook.

—Walgreens Chief Executive Roz Brewer

JPMORGAN CHASE

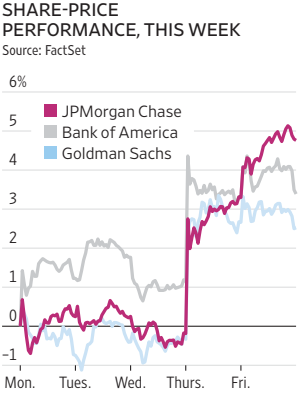
JPM
3.5%

America's biggest lenders cleared the Fed's stress tests, a vote of confidence following the banking crisis earlier this year. The Federal Reserve said all 23 firms—including JPMorgan Chase, Goldman Sachs and other bank giants—performed well in the annual exercise, bolstering their shares. Investors are also watching for expected changes to dividend payouts. A Barclays analyst said he expected several banks to increase their dividends after the release of the stress test results. JPMorgan shares **gained 3.5% Thursday**, Goldman Sachs shares rose 3% and Bank of America added 2.1%.

NVIDIA

NVDA
1.8%

Chip stocks lost some ground on the possibility of new U.S. restrictions on the export of artificial-intelligence chips to China. The Wall Street Journal reported Tuesday that the Biden administration was considering new curbs as concerns rise over the power of the technology in the hands of U.S. rivals. Nvidia warned of the long-term cost of such restrictions for the American chip industry. The recent artificial-intelligence boom has bolstered Nvidia, as it specializes in graphics processing units, or GPUs, adapted to excel at AI. Nvidia shares **lost 1.8% Wednesday**.



APPLE

AAPL
2.3%

Apple became the first U.S. company to close with a \$3 trillion market valuation, with its shares finishing above the threshold of \$190.734 on Friday. The tech behemoth's stock has been on the rise in recent days, closing at record highs. The jump in its shares makes Apple worth more than five of the S&P 500's 11 sectors, per Dow Jones Market Data. The company previously touched the milestone intraday in January 2022, but failed to close above that level. Apple shares **rose 2.3% Friday**.

—Francesca Fontana

STREETWISE | JAMES MACKINTOSH

Is a Downtown Real-Estate Crisis Still Building?

If a commercial real-estate disaster is coming, it will probably start in offices you wouldn't want to work in, let alone own

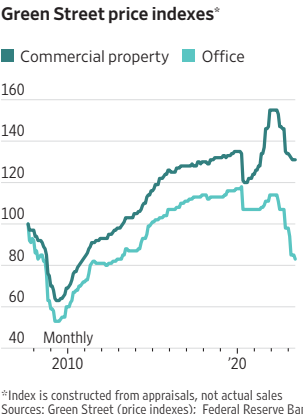

Nothing gets the blood running in the veins of U.S. property investors like interest from Japanese buyers. The legendary prices paid by Japanese buyers of American trophy assets culminated in Mitsubishi Estate taking control of New York's Rockefeller Center in 1989—just before Japan slumped. It defaulted on its mortgage just six years later.

The blood ran hot again this past week after a different Japanese buyer, Mori Trust, bought half an office block next to Grand Central Terminal from real-estate investment trust SL Green. The deal put a value of \$2 billion on 245 Park Avenue, with plans to invest more to spruce it up. SL Green's stock jumped 30% in two days, before falling back a bit, helping to lift the entire REIT sector almost 4% and make it by far the best performing part of the market.

Should investors take heart from the sale, even though it is just a single Manhattan office block? Does it mean the disaster in office ownership is a bit less bad than thought?

The answers will reverberate well beyond the narrow group of buyers of high-end New York real estate. A crash in office values could start a doom loop with banks, with falling prices leading to less finance and thus lower prices. Gloomsters think that could spread across the multitrillion-dollar commercial real-estate sector, sucking money out of the economy as banks and institutional investors turn more cautious.

I suspect this deal doesn't help as much as hoped. First of all, as Ronald Kamdem at Morgan Stanley points out, this office block is different from most. It is in an unbeatable location and represents a bet on redevelopment. Crucially, in these high interest-rate times, it comes with existing low-rate debt locked in for four years. That locked-in low-rate debt alone is



perhaps worth half the equity value.

Unlike in 1989, there is no wall of Japanese money. True, Mori Trust has picked up a few buildings since its first foray into the U.S. in 2017. But Japan is struggling with its plunging currency—it is the opposite of the late-1980s boom that made everything outside Japan look cheap in yen terms.

Still, the building turned out to be worth more than many thought. Given that investors have little to go on in a market where there are few transactions, this is an undoubted positive.

Bulls think that the worst might be priced in and that this deal marks a turning point at least for high-quality offices. Investors thinking of buying here are still bottom fishing. Real estate came in 10th out of 13 sectors in the S&P 500 last year, with only the three technology-related sectors worse. This year, the three tech-dominated sectors rebounded to first, second and third places—but real estate remains in eighth place, with stock prices flat.

Cedrik Lachance, director of research at advisory firm Green Street, reckons that the plunge in REIT shares in the past year antic-

ipated a drop of 50% to 55% in office prices from last year's peak. The 245 Park deal shifted that to a decline of 45% to 50%, not much of an improvement.

For comparison, the Federal Reserve's bank stress test released this past week assumed a worst-case scenario where commercial real-estate prices drop 40%, with falls concentrated in office and retail. REIT investors think that for offices, and to a lesser extent retail, the stress is already here.

The rest of commercial real estate is doing OK, with real strength in some parts, such as data centers and cold storage. But all types of property—even apartment complexes—face a single overriding problem: rising interest rates.

"The reason why values have to inexorably come down across the board is the cost of debt," says Eric Adler, chief executive of PGIM Real Estate. "There's no way around it."

Prices for buildings are taking much longer to adjust than in the financial crisis, the last major downturn, probably because so far there has been relatively little distressed selling or bank seizures. A handful of high-profile cases, several in downtown San Francisco, in which owners walked away from

A Manhattan office building sold for \$2 billion this past week.

buildings worth less than their debt, obscure the fact that overall loan defaults and delinquencies remain low—for now. Regulators seem to be trying to defer problems, on Thursday telling banks to give troubled commercial real-estate borrowers some slack to try to fix their finances.

Green Street estimates that the true value of commercial real estate, which includes industrial, retail and others as well as offices, has come down about 15% so far, which is roughly what ought to happen from higher rates.

But there could be a further financing blow: banks are becoming less willing to lend, and because they make up about 40% of all commercial real-estate lending, other lenders are unlikely to be able to fill the gap. Less lending means higher rates, more distress and lower prices.

So far, we haven't had any sort of doom loop. Prices are down thanks to higher interest rates—as is normal—combined with the twin problems of work from home hitting office demand and online shopping hitting retail. If a recession leads to a big rise in layoffs, expect far worse as firms cut back on the cubicles the newly unemployed used to occupy.

The deal for 245 Park shows faith in the idea that the very best buildings will be exempted from this general gloom. The building is in a tiptop location directly off New York's main commuter station, so if any workers are going back to the office, this is one of the offices they want to go to.

What 245 Park doesn't tell us is anything about the broader economy. It is the sort of building that can attract top-end tenants, top-end financing and global buyers. If commercial property troubles are going to hit, they are much more likely to start in the sort of offices you wouldn't want to work in, let alone own.

SEC Faults Spot Bitcoin ETF Filings

Continued from page B1

A wave of traditional and crypto asset managers followed in BlackRock's footsteps. Fidelity Investments, Cathie Wood's Ark Investment Management, Invesco, WisdomTree, Bitwise Asset Management and Valkyrie all reactivated or amended their applications for a spot bitcoin ETF in recent days.

An ETF that tracks the actual price of bitcoin would mark a watershed moment for the industry because it would provide wider access to the cryptocurrency. It would allow investors to buy and sell bitcoin through a brokerage account as easily as shares of stock.

The SEC has repeatedly rejected such funds going back to 2017 on the grounds that they are vulnerable to fraud and market manipulation.

At least half a dozen ETFs that own bitcoin futures are already on the market.

Investors and analysts viewed the bid by BlackRock, the world's largest money manager, as the best hope yet for a spot bitcoin ETF, partly because of its near-perfect record seeing applications through.

Some industry watchers predicted that BlackRock's filing would appease the SEC's concerns through an agreement to share "surveillance" of a spot bitcoin-trading platform with Nasdaq, which would list the ETF.

Fidelity and Ark also included similar language about a "surveillance-sharing agreement" with the Cboe, which would list their ETFs.

Yet the SEC told the exchanges that it returned the filings because they didn't name the spot bitcoin exchange with which they are expected to have a "surveillance-sharing agreement" or provide enough information about the details of those surveillance arrangements.

Cboe refiled applications Friday afternoon for spot bitcoin ETFs on behalf of Fidelity, WisdomTree, VanEck, Invesco and Ark Investment Management, specifying that it expects to enter into surveillance-sharing agreements with Coinbase.

Nasdaq has yet to refile an application for BlackRock but is also expected to enter into such an agreement with Coinbase, according to a person familiar with the matter.

Refiling the applications resets the clock and sets asset managers back at least seven days in the competitive race to launch the first spot bitcoin ETF.

After an exchange or asset manager resubmits an application, the SEC has 15 days to put the filing out for public commentary, during which it can return the filing to them again by the seventh day.

After the 15-day period ends, the SEC has up to 240 days to either approve or reject the filing.



Not long after he filed his first major case as the government's top antitrust lawyer, Bill Baer found himself explaining to colleagues why he sued the company behind an iconic American brand to block a \$20 billion deal.

There were two reasons Baer wanted to stop the brewer of Bud Light from a merger in 2013 that would have made the world's biggest beer maker even bigger. The first was in his professional capacity as the assistant attorney general in charge of the Justice Department's antitrust division, where his team of regulators feared that consolidation would stifle competition. The second reason was more personal but no less crucial to his decision-making.

"I really like beer," Baer said. I called Baer when Bud Light was recently dethroned as the king of American beers after a two-decade reign because, as it turns out, this antitrust lawyer helped anoint the beverage currently wearing the crown.

It's not Budweiser. It's also not Coors Light, Miller Lite or Michelob Ultra. It's not even brewed in the United States. The most popular American beer right now is the Mexican import Modelo Especial.

This might sound a bit like hosting a Fourth of July barbecue in January. But the coronation of Modelo happens to be a deeply American story of cultural assimilation and economic competition.

The country's No. 1 beer was outside the top 10 in sales when Baer's team intervened in Anheuser-Busch InBev's plans to acquire Grupo Modelo. To appease the DOJ's antitrust squad and rescue the deal, AB InBev agreed to a settlement that shifted control of Modelo's U.S. business to Constellation Brands. This small wine-and-spirits company based in upstate New York would nurture Modelo Especial into Bud Light's most formidable rival over the next decade.

"By overreaching in proposing this transaction," Baer told me, "they accelerated Modelo's success in the U.S."

The other accelerant in the improbable ascent of Modelo was the spectacular demise of Bud Light. When the brand enlisted a transgender influencer for a social-media campaign this spring, the backlash was so unexpectedly intense that AB InBev's bestselling beer still hasn't recovered.

But the odds are that Bud Light would have surrendered its title to Modelo Especial even without this brouhaha. In fact, it was beginning to feel inevitable long before the culture wars came for beer. Last year, a beer analyst named Bryan Roth crunched the numbers and called his shot: Modelo Especial would be within spitting distance of Bud Light by 2025 and could be America's new favorite beer by 2026.

"What's happened over the past few months has just expedited it," said Roth, an analyst for Feel Goods Company, a beverage consulting firm, and editor of its newsletter.

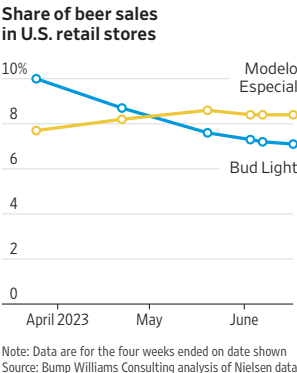
Every ounce of data suggests that Modelo's lead in the beer market is built to last, given the shifting American demographics and consumer habits working in the brand's favor, as my colleague Jennifer Maloney has written. The economic power of the nation's Hispanic population keeps growing, but Constellation also says that 45% of Modelo's customer base in the U.S. is non-Hispanic, as craft beers and Mexican imports



SCIENCE OF SUCCESS | BEN COHEN

The Antitrust Official Behind America's New Favorite Beer

Modelo Especial's dethroning of Bud Light was a decade in the making—and its coronation began with one man blocking a \$20 billion deal

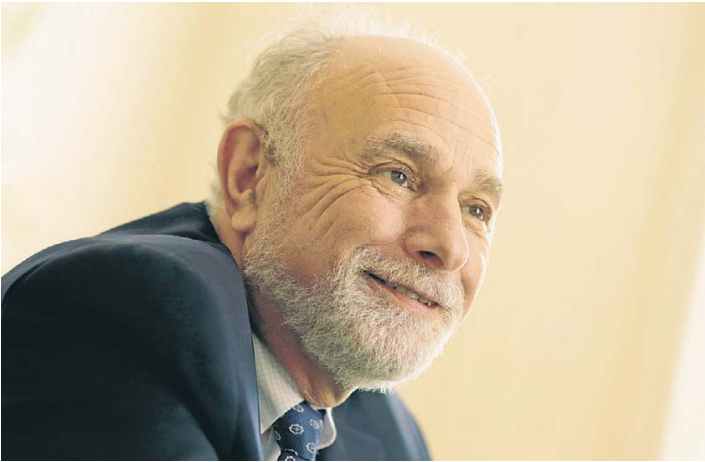


are increasingly popular across the country. The momentum was on Modelo's side. It was only a matter of time before the squat bottle with snazzy gold foil was everywhere.

But the circumstances that were essential to Modelo Especial's success were made possible not a few weeks ago or a few years ago but a full decade ago.

That's when Bill Baer's team of antitrust officials began looking into beer.

They became curious after AB InBev struck a deal to buy Grupo Modelo in 2012, a takeover meant to provide the world's most valuable brewing company with access to Mexico and other emerging markets. Grupo Modelo had an import agreement with Constellation at the time, but AB InBev agreed to sell Modelo's stake in the joint



Bill Baer: former Justice Department official, Milwaukeean, beer lover.

venture to Constellation in the hopes of closing the deal, a \$1.85 billion nod to potential antitrust issues. The catch was that AB InBev would have retained the option to buy the U.S. rights back from Constellation after 10 years.

The shareholders of both companies were pleased. The regulators inside the DOJ's antitrust division were not.

Even before Baer was confirmed to his position in late 2012, investigators had been scrutinizing the deal for months, concerned that the merger threatened competition in a business that was already concentrated. The antitrust officials felt that Modelo played a vital role in the American beer economy.

The brewer of Corona, Pacifico and Modelo Especial wasn't the biggest or the second-biggest player—AB InBev and Molson Coors controlled about 75% of the market—but Modelo's influence was bigger than its market share implied. The government argued that the pricing pressure applied by this Mexican company made it a "particularly important competitor" in a U.S. industry.

So it was only natural that Baer ended his first month on the job by suing to block the deal.

I asked him last week if he was hesitant to build his initial case as the nation's antitrust enforcer around beer. "Of course not," Baer told me.

"I'm from Milwaukeee."

He believed AB InBev was so thirsty for Modelo's international business that it would be willing to swallow a divestiture from the Mexican brewer's U.S. operations. His goal was to force a sale to a third player in the beer market that would have every incentive to "promote the hell out of it." AB InBev was furious, Baer said, but he remained firm. The only way the deal would pass regulatory muster was through a remedy that enhanced Modelo's competitive presence in the U.S. "That is nonnegotiable," he said.

He thought the DOJ would prevail in court, but he bet that AB InBev wouldn't take the case to trial and risk blowing up the deal. He was right.

The company didn't have to look far to find the solution that satisfied Baer's team. The settlement produced a revised deal in which AB InBev essentially agreed to unload the U.S. business of Modelo, handing Constellation the perpetual, exclusive licensing rights to beers like Modelo Especial and ownership of its most advanced brewery for another \$2.9 billion.

Nobody would have blamed Constellation's executives for popping Champagne. The day that AB InBev floated the reworked terms, Constellation's stock price hopped 37%, the best one-day performance in the company's history. One analyst said the new side deal was like going from renting a cabana to buying the whole beach.

Modelo Especial itself wasn't especially huge in the U.S., but that would change as Constellation, whose other brands include Robert Mondavi wines and Casa Noble tequila, poured more resources into this beer. It launched the clever "Fighting Spirit" marketing blitz to boost awareness and tapped distributors to increase availability. Nowhere did it see tastier results than California: Constellation says Modelo is bigger there now than Bud Light, Coors Light, Miller Lite and Budweiser combined.

Those investments have paid off and transformed the entire company. Constellation sold more wine and spirits than beer in the 2013 fiscal year. In the 2023 fiscal year, beer generated nearly 80% of its revenue.

It wasn't a coincidence that Modelo Especial was the beer positioned to displace Bud Light. It was a deliberate business strategy.

It was also exactly what Baer had in mind when he decided to protect Modelo's independence. Not everybody loves antitrust regulation, but it has been a government responsibility since the 19th century—and the most successful beer in the U.S. these days is a reflection of Baer's own success in his job.

He left the DOJ in 2017 and returned to private practice, but he recently experienced for himself the freedom of choice that his antitrust case preserved. When he needed to stock up on beer for a family reunion in Montana—Baerapalooza, he calls it—he went to the nearest grocery store and pulled some local brews from the refrigerator.

Then he did something that so many other Americans will do this summer.

He grabbed a six-pack of Modelo.

Modelo Maker Profits From Bud Light's Decline

By JENNIFER MALONEY

Constellation Brands reported an 11% increase in beer sales in the latest quarter as its Modelo Especial brand became America's top beer, highlighting a reshuffling of the U.S. market ahead of a critical holiday for brewers and distributors.

The stretch between Memorial Day and the Fourth of July is the beer industry's Black Friday, a period that can make or break companies' years. This spring brought a change of control as Modelo Especial took a spot that Bud Light had held for more than two decades.

The ascent of a Mexican import brand is a result of shifting demographics, changing consumer tastes, savvy marketing and, most recently, a culture-war storm.

In April, transgender influencer Dylan Mulvaney posted an image on Instagram of a personalized Bud Light can that the brand had sent her as a gift.

The uproar that followed, and further anger over Anheuser-Busch InBev's response, have battered the sales of Anheuser-Busch brands in-

cluding Bud Light, Budweiser and Michelob Ultra.

Modelo bested Bud Light in dollar sales for the past three months, with 8.4% of U.S. retail-store beer sales in the 12 weeks ended June 17, compared with 7.8% for Bud Light, according to an analysis of Nielsen data by consulting firm Bump Williams.

"We're looking forward to a very strong summer period," Constellation Chief Executive Bill Newlands said on a call with analysts and reporters Friday.

He said he expects Modelo's momentum to prompt retailers to allocate more space to the brand when they reset store shelves in the fall. He didn't say whether he expects Modelo to hold the top spot for the entire year.

Constellation has held the license to sell Modelo in the U.S. since 2013, when AB InBev, seeking to gain clearance from U.S. regulators for its acquisition of Mexican brewer Grupo Modelo, sold to Constellation a Mexican brewery and perpetual U.S. licensing rights for brands including Modelo and Corona.

Constellation said Friday that it was moving ahead with plans to



company Canopy Growth, has gone less well. Constellation booked a \$123.5 million charge in the latest quarter for the unprofitable Canadian company, which warned recently about its ability to continue as a going concern.

Overall, Constellation's net income fell 65% to \$135.9 million and revenue rose 6% to \$2.51 billion in the quarter ended May 31.

The company said higher raw material prices, marketing spending and brewery-expansion costs weighed on profit.

The results were better than Wall Street's expectations. The company lowered its forecasts for the fiscal year when factoring in the Canopy investment.

Bud Light's total sales over the first five months of the year are still higher than any other beer's. But some Bud Light distributors have said they believe the brand might be permanently dethroned.

The brewer recently told its independent distributors it would offer them financial assistance this year. AB InBev has accelerated a slate of new ads leaning into the themes of football and country music; the

brewer this month introduced a Bud Light spot called "Easy to Summer," set to Chic's 1979 disco hit "Good Times."

Mulvaney in an Instagram video Thursday criticized Bud Light for not publicly standing by her amid the backlash. She said she experienced "more bullying and transphobia than I could have ever imagined."

AB InBev said the privacy and safety of its employees and partners is its priority.

Brendan Whitworth, chief of AB InBev's North America business, said this week on CBS that he took responsibility for the impact the boycott has had on the company's business.

He declined to say whether it had been a mistake for Bud Light to send a personalized can to Mulvaney.

"I think it's the impact, honestly, on the employees that weighs most on me," he said. "Over the last month we've talked to over 100,000 consumers and their feedback is very clear... The feedback is to reinforce what Bud Light has always meant to them, which is good times, goodwill, and easy enjoyment."

EXCHANGE



The Car Repair Backlog

Continued from page B1

The average auto repair took more than 17 days to complete last year, up around 65% from 10.3 days in 2019, according to a study from CCC Intelligent Solutions, a technology and AI provider for insurance and automotive clients.

When Oliver Swan got a flat tire on his BMW iX xDrive50 EV after driving over a razorblade, he tried BMW dealers from Arizona to New Jersey. He was told his replacement tire would take at least a month to arrive. In the meantime, he drove a loaner car from the dealer. When the dealer pushed that one-month date back, Swan decided to contact the company and tire supplier himself.

“Something as simple as a stupid tire wasn’t really in stock,” said Mr. Swan, a 43-year-old real estate investor in Tucson, Ariz. He wrote emails to executives at the tire supplier and to BMW, and eventually received a replacement about a month after he got his flat.

A BMW spokesman said almost all parts ordered by BMW dealers are able to be delivered overnight. The company isn’t aware of any delays in tire availability for the BMW iX, he said.

Another factor driving demand for car repair: Owners are clinging to their aging vehicles longer, in part due to the sharp rise in prices for new and used vehicles since the pandemic, dealers and analysts say. The average age of a vehicle on the road in the U.S. hit a record 12.5 years in January, a trend that has stoked greater demand for repair work, according to a report released in May by S&P Global Mobility.

That has customers willing to spend more on repairs than they have in the past, shop owners say. The average cost of a repair increased 19.7% over the last year, while maintenance and service was up 9.9%, according to May data from the Bureau of Labor Statistics’ consumer-price index for urban consumers.

Dealers and independent mechanics describe a frustrating situation: Demand is booming, but many shops are missing out on business because they lack the staff to keep up.

The situation has even prompted car companies to try to help their independent dealers solve the problem. Ford Motor and General Motors are among automakers funneling money into tech-training programs and scholarship funds.

A lack of qualified workers has

been a problem across the industry for more than a decade. There is a need for 258,000 new automotive technicians annually, but just 48,000 people graduate from tech-training programs each year in the U.S., according to TechForce Foundation, a workforce-development group.

Dealers, repair shop owners and auto executives point to several causes. Some say the proliferation of computer-based jobs over the last two decades has sapped enthusiasm for skilled trades. Others say technicians haven’t been paid enough over the years to stick around, and that the often back-breaking work has become less enticing for younger people.

Repair workers also need to undergo frequent training because vehicles have increasingly sophisticated electrical and computer architecture, presenting problems that can sometimes flummox even experienced technicians.

The average weekly wage for U.S. automotive repair and maintenance workers increased 24.3% to \$1,003, in the fourth quarter of 2022, from the same period in 2018, according to data from the Bureau of Labor Statistics. That outpaced the increase in median weekly pay for all U.S. workers during the same time frame, which rose 21% to \$1,084.

Kyle Teuscher, a 24-year-old technician at a dealership in Michigan, wanted to work on cars ever since he was little, when he spent

late nights repairing old Jeeps with his grandfather and dad. He knew the career would be physically demanding, but saw it as a lucrative line of work to jump into after high school.

Already, though, the job has gotten tougher. There aren’t enough techs in his service department, so Teuscher and his co-workers have to shoulder more of the work.

“I’m definitely more worn out at the end of the day,” Teuscher said.

Customers have also come in with more time-intensive jobs recently, he said. That’s partly because the cars are trending older, but Teuscher also grapples more with finicky technology on newer cars that can be difficult to diagnose, such as glitchy multimedia touch screens.

For the technician, who makes the bulk of his pay on a per-job basis rather than an hourly wage, this can translate into making less money at the end of the day.

To retain techs like Teuscher, some dealerships and repair centers have offered more flexible



Technicians work on cars at Bowman in Michigan. Business has increased over the past year. Bowman is taking steps to retain mechanics. ‘The war is on,’ says Bowman’s general manager.

work schedules, sweetened benefits and significantly higher pay.

Some service managers say the competition for good service techs is stiff, and they are taking steps to prevent their people from getting poached.

At Bowman Auto Group in Michigan, the Chevrolet dealership removed its technicians’ names from its website. Service managers noticed some visitors snapping pictures of mechanics’ names on their licenses on the wall, which it figured was for recruiting purposes. The dealership repositioned a display in the customer lounge so that names and license numbers are partially blocked.

“The war is on, and you’ve got to be smart about it,” said Rhonda Jensen, the group’s general manager.

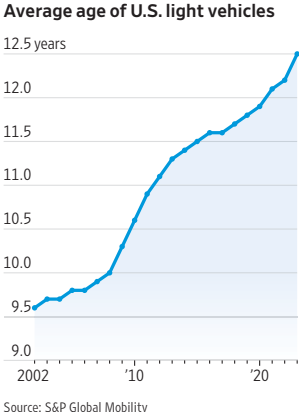
Over the past few years, the dealership has spent \$1.5 million to upgrade the service shop in part to make it more comfortable for workers, with new flooring and walls, an upgraded lounge and better lighting, Jensen said.

The car companies have an interest in helping their dealerships solve the service bottleneck. As they roll out more electric vehicles, the carmakers are relying on their networks of thousands of dealership service centers to emerge as an advantage over Tesla, Rivian Automotive and other newer rivals that don’t have franchise dealers.

Ford, for example, has been working with its dealers in recent years to expand a complimentary mobile-service operation that can offer oil changes, tire rotations and other repairs at customers’ homes, said Elena Ford, the company’s chief customer experience officer, who is a descendant of Henry Ford.

“Customers really are asking to be serviced in a more simple way,” she said. “We’re meeting them on their terms.”

In March, the Dearborn, Mich.-based company said it would invest \$1 million in a scholarship



program for students working to become auto technicians. It focused on four markets: Atlanta, Chicago, Dallas and Phoenix.

GM also has invested in programs that train technicians, including sponsoring students at community colleges and providing retention incentives for GM technicians.

“We’re looking at being able to support our customers how and when they want,” said David Marsh, GM’s executive director of sales and marketing for aftersales. “You can’t do those things without a strong technician base.”

Meanwhile, lingering supply-chain choppiness throughout the auto industry has pinched inventories of key components at repair shops, from computer chips to tires.

Factory shutdowns during the pandemic stalled production of semiconductors, which are integral to car systems such as blind-spot detection and automatic braking. While the computer-chip shortage has eased, other supply-chain and logistical snags continue to plague dealership parts departments, dealers say.

“The chip shortage right now is more disruptive to profitability, but it will eventually end,” said David Whiston, analyst for Morningstar Research Services. “The technician shortage is probably going to be around for a long time.”

For Swan, the long wait for his BMW’s tire replacement caused him to gear up for future delays. He ordered a couple of backup tires. They took a few weeks to arrive.

EXCHANGE

KEYWORDS | CHRISTOPHER MIMS

The New AI Software That’s Eating the Software Industry

Tech companies are turning to artificial intelligence to save money on computer programmers. Is your white-collar job next?



Want to know if artificial intelligence is going to eliminate millions of jobs? The first place to look is the industry that birthed the technology.

AI seems set to do to computer programming what automation has done to other jobs, from the factory floor to the warehouse, the checkout aisle to the call center. In those industries, the end result of widespread automation has been the elimination of countless roles—and their replacement with ones that require either relatively little skill and knowledge, or a great deal more, with workers at either end of this spectrum being rewarded accordingly.

Economists call this “skills-biased technological change.” It’s what happens when technology makes skilled workers more productive, while taking over the complex and difficult parts of more repetitive jobs, making workers who do them easier to train and more interchangeable.

Now, AI is automating so-called knowledge work, and the implications for the half of the U.S. workforce who are employed in such jobs are profound. It’s true that these white-collar roles have been evolving for decades as technology has improved, but the elimination of middle-skilled jobs seems set to accelerate as AI is institutionalized in the workplace.

Tech layoffs over the past year, driven by macro-economic trends, happen to have come just as genuinely useful AI for coding has arrived. For many young coders, the timing is unfortunate. Data from workforce-analytics company Revelio Labs indicate that companies have tended to fire their newest employees, and that in 2023, software engineers represent the largest share of people laid off by tech companies. The few tech job openings that remain, meanwhile, are being snapped up by still-in-demand, more-experienced software engineers.

“If I were an investor, and my companies were thinking about hiring hundreds of engineers, I’d say, well, maybe instead you can

use AI to be more productive,” says Prashanth Chandrasekar, chief executive of Stack Overflow, a company that maintains a user-generated repository of questions and answers for programmers.

‘It came out of nowhere’

Since the spring, investors have been piling into stocks perceived as being at the forefront of the AI boom, such as Nvidia, Advanced Micro Devices, Apple and Meta Platforms.

On one hand, these companies will have to continue hiring developers with skills in building AI. These engineers are currently the best-paid and the most in-demand, says Josh Brenner, CEO at Hired, a tech-jobs marketplace founded in 2013.

On the other hand, there’s Braintrust.

The worker-owned talent network represents about 360,000 freelance developers, and counts Nike, Meta and Google among its more than 1,500 clients. CEO Adam Jackson aims to double Braintrust’s revenue in the next two years, without adding a single employee.

The company is building its own internal AI, trained on all of its job postings and developer résumés—and the successful matches between the two. This system will take over more of the work of matching companies seeking developers with those freelancers, says Jackson. It will use many of the same technologies that make possible other generative AIs, like ChatGPT.

“That productivity creates more value for our network of engi-

neers,” he says. “It came out of nowhere thanks largely to AI.”

Other industry- and company-specific AIs are likely to be built and used in a variety of workplaces. Anytime you’re creating an online marketplace to match two parties—whether that’s home buyers and sellers, or ride-hailing drivers and riders—AI is a way to increase productivity without adding to your company’s head count, says Jackson.

Goodbye, entry-level jobs

Many experienced developers I spoke with expressed skepticism about the ability of AI coding tools

to take over the most essential tasks of programming, including designing solutions to complex problems, and understanding existing libraries of code at companies that have been building up their systems for years, or even decades.

That said, those who are already using such systems think they could eliminate the need for certain tasks that are generally handed off to inexperienced and early-career programmers.

“Simple off-the-shelf issues can be tackled relatively easily now,” says Jerome Choo, head of growth at AI-enabled, business-focused search startup Diffbot.

Indeed, the job- and wage-polarizing effects of automation on industries have often interrupted the usual ladder of hiring and development, warns Yossi Sheffi, a professor of engineering at Massachusetts Institute of Technology whose latest book is on the future of work. In manufacturing, that has meant some countries, including Germany, have created a dual education system that pushes people to do both apprenticeship and university study

within the typical four years of college.

With automation finally coming for knowledge work—in the form of AI—a similar rethinking of employment and education for early-career white-collar workers might be necessary, he says.

In Stack Overflow’s survey of developers, there’s a difference between how experienced and junior coders said they use AI code-completion tools, like GitHub Copilot and ChatGPT. While experienced programmers said their No. 1 reason for using such tools is productivity, junior programmers said their primary use was for education—that is, to absorb what the AI already knows.

Forces in the way

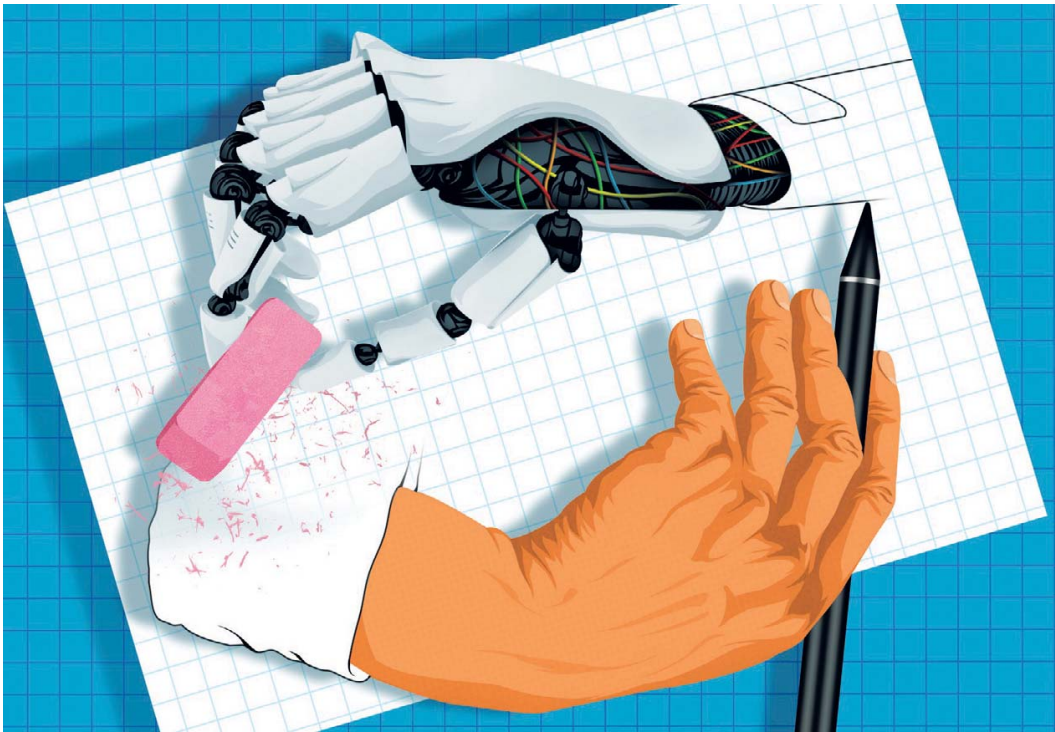
When discussing the pace at which automation can push people out of a job, one of the historical examples Dr. Sheffi likes to cite is the telephone network.

In 1892, AT&T invented the first automatic telephone exchange, says Dr. Sheffi. “But in 1950, there were still 350,000 telephone exchange operators. Only in 1980 did the job basically disappear.”

One reason we tend to overestimate the pace of technological change in the short term is that we fail to appreciate just how many forces stand in the way of a specific technology becoming widespread. Those forces can include unions, government regulation and social acceptability. With today’s AI, Dr. Sheffi sees history repeating itself. Already, for example, there are proposals for a new federal agency to oversee the rollout of new technology platforms, including AI.

No matter how rapid the pace of development of AI, it’s still up to humans to adopt the technology—and in the course of individual human lives, we tend to change slowly, if at all.

That said, the double bind that many earlier-career developers currently find themselves in is a cautionary tale for us all. If AI disrupts a field at the same time that workers in it face other challenges, no matter what historians say, the impact of automation on jobs, and those who hold them, can be swift.



This Summer Belongs To Barbie

Continued from page B1

Wars” to “Frozen,” have spawned lines of toys, clothes and other tie-ins. But few, if any, have inspired the same scale of blitz as “Barbie.”

The movie and its accompanying avalanche of products are part of Mattel’s strategy to expand the Barbie world beyond toys. The company, which also owns Hot Wheels, American Girl Doll and Fisher-Price, banked \$5.43 billion in revenue in 2022, but Dickson called the growth opportunity in these franchise deals “exponential.”

“The bigger opportunity for us is going to be outside of the toy aisle,” said Dickson. “That is the drive for where we see the monetization for the brand moving forward.”

The move is happening as competing fantasy empires like Walt Disney’s Marvel Entertainment have seen record revenue in expanding their world. The toy industry grows at a slow rate, said Andrew Uerkwitz, a senior analyst at Jefferies, which is why competing toy company Hasbro recently put out a “Dungeons & Dragons” film.

America’s most iconic doll is facing fierce competition—from streaming giants pumping out products to complement their shows to YouTubers unveiling toys of their own. Targeting millennials with pink crop tops and denim jackets might very well get nostalgic women to buy Barbie clothing. It might also move them to buy dolls for their children too.

“Brands that have been around for a long time ebb and flow, and Barbie is always on the defensive,” said Uerkwitz.

Dickson said Mattel sees the Barbie film as a first step to “ele-



A real-life Barbie Malibu DreamHouse, above, is a promotion on Airbnb. Right, Italian shoe brand Superga’s line of Barbie sneakers.



vate the Barbie narrative into a pop-culture sensation.” It wanted to make a Barbie movie for years, he said, and began discussing the current film in 2018, when Robbie approached Mattel Chief Executive Ynon Kreiz about the opportunity, later bringing on the director Greta Gerwig. Mattel currently has 14 other feature films in development, the company said.

The movie is meant to drive brand awareness while moving Barbie, perhaps ironically, into the center of a conversation about feminism and beauty standards. Dickson declined to discuss the movie’s profit breakdown with Warner Bros., the studio that is financing and distributing it, but Jefferies estimates Warner Bros paid Mattel \$25 million to \$50 million for making the film. Warner Bros. and Mattel declined to comment on the deal terms.

Mattel has been approaching partners over the past 18 months, eager to fill the market with Barbie products. In some agreements, a brand pays Mattel a flat licensing

fee, while others give the toy company a 5% to 15% cut of sales.

Dickson said Mattel’s merchandising strategy targets all ages, but said many collaborations tend to skew toward teens and adults, since the movie is rated PG-13.

“We go from our core customer, little girls, all the way through grandmas, or what we call ‘glam-mas,’” he said.

The Barbie Xbox Series S—a video game console nestled inside a three-story DreamHouse that will soon be available as a promotional

contest prize—opens the franchise up to another demographic: gamers.

A new Airbnb listing for a Barbie Malibu DreamHouse—actually located in the beachside California enclave—went viral this past week. Amenities of the hot-pink ocean-view mansion include a closet full of Ken’s clothing and an outdoor disco dance floor. Not included: a kitchen or TV. Staying at the promotionally redecorated property will cost nothing, but it is to be available for just two stays.

Mattel has long been an aggressive marketer of products, said Einar Rabinovitch-Fox, a history lecturer at Case Western Reserve University. The company defied industry standards in the 1960s when its TV ads spoke directly to children, she said.

Mattel has reinvented the doll several times to keep up with pop culture. In 2016, Barbie’s proportions were changed, in response to criticism that the doll’s shape wasn’t realistic. The company also issued dolls with more skin tones in response to diversity critiques. Rabinovitch-Fox said the company is now rebranding Barbie for adults, using a film made by a director who has generally gravitated to dark, quirky comedies.

“It’s a repackaging of Barbie to be cool,” she said. “Greta Gerwig’s Barbie has irony and undertones that grown-ups will find funny.”

Brands are hoping that if the bright colors and splashy patterns aren’t enough to lure adult customers, nostalgia will win them over.

“We see ‘Barbie’ as the most highly anticipated film of the summer, so we’re really leaning into it,” said Kevin Harter, vice president of integrated marketing at Bloombergdale’s.

“It is 50 shades of pink here,” said Forever 21 CEO Winnie Park, who estimated pink products make up 15% of the company’s sales. “Pink appeals to men, women and them. It’s a major driver of our business.”

Some brands hope to stand out with merch that has a wow-factor.

“You want to create products that are catchy and grab attention because you have to remember who Barbie is and what that style is about,” said Lorenzo Boggione, chief executive of Superga, an Italian footwear brand that rolled out sky-high pink platform sneakers in early June.

The products have caught the attention of Barbie fans like Matthew Bruneau-Richardson, a 32-year-old independent filmmaker and animator in Boston. He’s been collecting Barbie dolls for about seven years, and displays them in his office. He recently purchased a Barbie set from the paint company Backdrop to make his office the same color as the Barbie DreamHouse.

Playing with Barbie ‘doesn’t necessarily mean playing with a doll,’ says Mattel’s COO.

“I’m living out what 6-year-old me would have dreamed of,” he said.

Jacqueline Pont, a 21-year-old college student in Gainesville, Fla., hasn’t looked at a Barbie doll in years, but said she still finds the brand endearing.

“The Barbie collabs are exactly what I want them to be,” said Pont, who owns a Barbie T-shirt from Old Navy. “We want the pink, the plastic, the girlie, like we’re adults wearing kids’ clothes.”

Sydney Skeete, a 21-year-old college student in Ontario, said all the Barbie merchandise makes her feel nostalgic for childhood. She has her eye on a \$50 Cowgirl Barbie doll Mattel put out for the movie, though she wants to sleep on the purchase a bit longer, since her wallet just became several hundred dollars lighter.

“I went to a Taylor Swift concert recently, so I need to hold off a little until I know what I really want,” said Skeete.

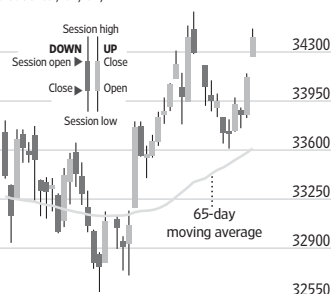
ILLUSTRATION BY TAYLOR GALLERY

FROM TOP: HOGWASH STUDIOS; SUPERGA

MARKETS DIGEST

Dow Jones Industrial Average

34407.60	Last	Year ago
▲ 285.18	Trailing P/E ratio	22.35 17.79
or 0.84%	P/E estimate *	18.19 16.13
All-time high	Dividend yield *	2.15 2.25
36799.65, 01/04/22	Current divisor	0.15172752595384



Bars measure the point change from session's open

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	High	Low	% chg	YTD	% chg 3-yr. ann.
Dow Jones										
Industrial Average	34467.35	34269.92	34407.60	285.18	0.84	34589.77	28725.51	10.6	3.8	10.1
Transportation Avg	15581.13	15386.66	15529.77	10.95	0.07	15640.70	11999.40	16.9	16.0	19.2
Utility Average	907.54	897.44	906.66	9.74	1.09	1061.77	838.99	-8.7	-6.3	5.7
Total Stock Market	44492.41	44225.23	44411.47	502.13	1.14	44411.47	36056.21	15.7	15.3	12.0
Barron's 400	984.76	974.51	980.20	5.69	0.58	1023.20	825.73	12.8	6.5	13.6

Nasdaq Stock Market										
Nasdaq Composite	13816.68	13716.16	13787.92	196.59	1.45	13787.92	10213.29	23.9	31.7	11.1
Nasdaq-100	15213.75	15081.57	15179.21	239.26	1.60	15185.48	10679.34	31.0	38.8	14.3

S&P										
500 Index	4458.48	4422.44	4450.38	53.94	1.23	4450.38	3577.03	16.3	15.9	12.8
MidCap 400	2632.54	2611.69	2622.34	16.98	0.65	2726.61	2203.53	14.2	7.9	13.7
SmallCap 600	1225.18	1215.58	1216.35	1.40	0.12	1315.82	1064.45	6.8	5.1	13.5

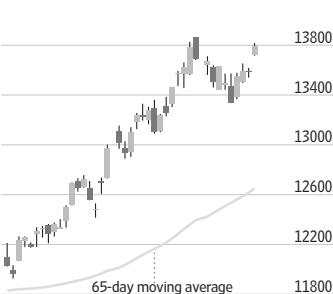
Other Indexes										
Russell 2000	1898.40	1887.55	1888.73	7.14	0.38	2021.35	1655.88	9.3	7.2	9.4
NYSE Composite	15908.71	15737.38	15875.91	138.54	0.88	16122.58	13472.18	8.5	4.6	10.1
Value Line	574.35	568.62	572.50	3.88	0.68	606.49	491.56	7.9	6.7	9.0
NYSE Arca Biotech	5248.76	5192.89	5225.24	32.35	0.62	5644.50	4390.11	10.1	-1.1	-3.0
NYSE Arca Pharma	874.68	863.28	873.94	10.67	1.24	892.45	737.84	3.9	0.7	10.9
KBW Bank	80.84	79.96	80.21	0.18	0.22	115.55	71.96	-21.8	-20.5	2.5
PHLX [®] Gold/Silver	120.06	117.90	120.03	2.03	1.72	144.37	91.40	5.2	-0.7	-2.4
PHLX [®] Oil Service	79.78	78.18	79.08	1.12	1.44	93.94	56.08	19.7	-5.7	33.3
PHLX [®] Semiconductor	3685.76	3644.03	3673.06	58.88	1.63	3739.75	2162.32	49.4	45.1	22.5
Cboe Volatility	13.59	12.96	13.59	0.05	0.37	33.63	12.91	-49.1	-37.3	-23.6

[®]Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

Nasdaq Composite Index

13787.92	Last	Year ago
▲ 196.59	Trailing P/E ratio *	31.15 24.65
or 1.45%	P/E estimate *	28.67 20.96
All-time high:	Dividend yield *	0.73 0.95
16057.44, 11/19/21		



Bars measure the point change from session's open

Weekly P/E data based on as-reported earnings from Birinyi Associates Inc. * Based on Nasdaq-100 Index

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume	*1,008,736,411	8,345,389
Adv. volume	* 761,951,528	4,799,511
Decl. volume	* 232,494,195	2,620,321
Issues traded	3,053	325
Advances	2,100	183
Declines	855	131
Unchanged	98	11
New highs	225	8
New lows	16	9
Closing Arms	0.79	0.92
Block trades	4,474	119

	Nasdaq	NYSE Arca
Total volume	*4,661,127,576	276,906,788
Adv. volume	*3,058,089,007	235,064,309
Decl. volume	*1,545,791,956	41,244,045
Issues traded	4,538	1,782
Advances	2,583	1,622
Declines	1,752	149
Unchanged	203	11
New highs	168	170
New lows	76	16
Closing Arms	0.75	2.54
Block trades	28,844	1,263

*Primary market NYSE, NYSE American NYSE Arca only.
(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

Percentage Gainers...

Company	Symbol	Close	Net chg	% chg	High	Low	% chg
Renalytix ADR	RNLX	2.92	0.85	41.06	3.92	1.05	14.1
CymaBay Therapeutics	CBAY	10.95	3.11	39.67	11.38	2.66	295.3
Gracell Biotech ADR	GRCL	3.81	0.81	27.00	6.99	1.40	-25.3
Friedman Industries	FRD	12.60	2.65	26.63	13.38	6.74	65.6
51Talk Online Educ ADR	COE	8.90	1.70	23.61	9.24	4.40	71.2
TOP Financial Group	TOP	9.39	1.59	20.38	256.44	3.50	-68.5
Rockwell Medical	RMTI	5.46	0.91	20.00	5.81	0.84	326.6
Intensity Therapeutics	INTS	5.96	0.96	19.20	6.75	5.00	...
Savara	SVRA	3.20	0.50	18.33	3.40	1.08	107.5
MicroVision	MVIS	4.58	0.68	17.44	8.20	1.82	15.9
KraneSh Gbl Carbon	KSET	3.39	0.47	16.03	21.93	1.79	-82.5
Arcutis Biotherapeutics	ARQT	9.53	1.20	14.41	27.40	7.25	-56.1
Greenidge Generation	GREE	2.82	0.35	14.17	48.90	1.55	-89.0
GEN Restaurant Group	GENK	16.99	2.08	13.95	19.99	14.05	...
XPeng ADR	XPEV	13.42	1.59	13.44	33.56	6.18	-55.7

Percentage Losers

Company	Symbol	Close	Net chg	% chg	High	Low	% chg
Paltalk	PALT	1.87	-0.95	-33.69	4.60	1.28	-4.1
Apix Medical	APYX	5.03	-1.67	-24.93	11.16	1.31	-10.3
Adv Hlth Intelligence ADR	AHI	3.83	-1.13	-22.78	15.52	0.64	68.0
Alliance Ent Hldg	AENT	2.55	-0.75	-22.73	12.24	1.71	-74.2
Root Cl A	ROOT	8.94	-2.27	-20.25	26.10	3.31	-57.9
GSR II Meteora Acqn Cl A	GSRM	3.23	-0.81	-20.05	11.15	3.15	-67.3
Plus Therapeutics	PSTV	2.02	-0.44	-17.89	18.00	1.97	-75.1
Marpai	MRAI	1.71	-0.37	-17.79	13.60	1.65	-56.8
CalciMedica	CALC	4.01	-0.84	-17.32	20.16	1.00	-70.8
PetVivo Holdings	PETV	1.97	-0.41	-20.73	3.60	1.48	8.2
Cineverse Cl A	CNVS	1.91	-0.40	-17.17	15.60	1.81	-81.3
MGO Global	MGOL	2.23	-0.41	-15.53	16.61	0.92	...
Zivo Bioscience	ZIVO	2.42	-0.43	-15.09	4.60	2.16	-41.0
Kiomic Biopharma	KRBP	2.72	-0.47	-14.73	22.80	2.59	-77.5
Foghorn Therapeutics	FHTX	7.04	-1.15	-14.04	18.12	4.51	-49.6

Most Active Stocks

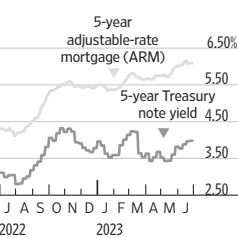
Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	52-Week Low
Mullen Automotive	MULN	278,085	251.5	0.11	-7.16	35.00	0.10
ProSh UltraPro Shrt QQQ	SQQQ	120,214	0.1	18.91	-4.49	69.55	18.73
Carnival	CCL	114,840	186.9	18.83	9.73	18.88	6.11
Baudax Bio	BXRX	112,842	11892.5	1.17	124.91	37.72	0.50
Tesla	TSLA	111,951	-19.3	261.77	1.66	314.67	101.81

* 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

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Interest rate	Yield/Rate (%)	52-Week Range (%)	3-yr chg (pct pts)
Federal-funds rate target	5.00-5.25	5.00-5.25	1.50
Prime rate*	8.25	8.25	4.75
Libor, 3-month	5.55	5.54	2.29
Money market, annual yield	0.54	0.54	0.10
Five-year CD, annual yield	2.84	2.82	1.50
30-year mortgage, fixed*	7.24	7.09	5.26
15-year mortgage, fixed*	6.60	6.55	4.62
Jumbo mortgage, \$726,200-plus*	7.30	7.17	5.19
Five-year adj mortgage (ARM)*	6.09	6.08	4.11
New-car loan, 48-month	7.57	7.27	5.05

Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks. † Excludes closing costs.

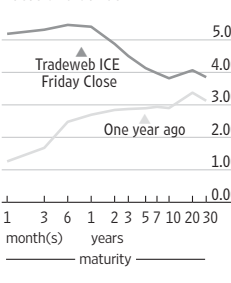
Selected rates

Five-year ARM, Rate

Bankrate.com avg:	6.09%
Grow Financial FCU	5.50%
Hillsborough, FL	800-839-6328
STAR Financial Bank	5.63%
Fort Wayne, IN	765-622-4185
Star One Credit Union	5.75%
Sunnyvale, CA	408-742-2801
The Torrington Savings Bank	5.75%
Torrington, CT	860-496-2152
Citizens Equity First Credit Union	5.88%
Peoria, IL	309-633-3603

Treasury yield curve

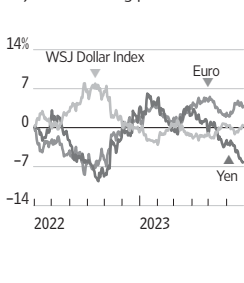
Yield to maturity of current bills, notes and bonds



Sources: Tradeweb ICE U.S. Treasury Close; Tullett Prebon; Dow Jones Market Data

Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Sources: J.P. Morgan; Bloomberg Fixed Income Indices; ICE Data Services

Corporate Borrowing Rates and Yields

Bond total return index	Close	Yield (%)	52-Week High	52-Week Low	Total Return (%)
U.S. Treasury Bloomberg	2123.100	4.370	4.250	4.560	2.840
U.S. Treasury Long Bloomberg	3275.660	3.970	3.940	4.570	3.060
Aggregate Bloomberg	1991.450	4.820	4.720	5.210	3.370
Fixed-Rate MBS Bloomberg	1972.410	4.810	4.690	5.380	3.300
High Yield 100 ICE BofA	3292.248	n.a.	8.184	8.753	6.786
Muni Master ICE BofA	569.141	3.316	3.280	3.936	2.419
EMBI Global J.P. Morgan	797.553	7.666	7.660	9.159	7.084

Track the Markets: Winners and Losers

A look at how selected global stock indexes, bond ETFs, currencies and commodities performed around the world for the week.

Index	Currency, vs. U.S. dollar	Commodity, traded in U.S.*	Exchange-traded fund
Dow Jones Transportation Average			5.73%
S&P 500 Real Estate			4.99
Lean hogs			4.79
S&P 500 Energy			4.77
Nymex RBOB gasoline			4.64
S&P SmallCap 600			4.29
S&P MidCap 400			4.27
Soybeans			4.20
S&P 500 Materials			3.96
S&P 500 Industrials			3.87
S&P/TSX Comp			3.80
FTSE MIB			3.75
Russell 2000			3.68
IBEX 35			3.53
CAC-40			3.30
S&P 500 Financials			2.93
S&P 500 Information Tech			2.93
Euro STOXX			2.83
S&P BSE Sensex			2.76
S&P 500 Consumer Discr			2.48
S&P 500			2.35
Nasdaq Composite			2.19
Nymex crude			2.14
Comex silver			2.04
Dow Jones Industrial Average			2.02
DAX			2.01
STOXX Europe 600			1.94
Nasdaq-100			1.93
Nymex ULSD			1.71
S&P/ASX 200			1.47
NIKKEI 225			1.24
iShiBoxx\$HYCp			1.19
FTSE 100			0.93
S&P 500 Utilities			0.69
Norwegian krone			0.63
iShJPMUSEmgBd			0.57
S&P 500 Health Care			0.56
S&P 500 Consumer Staples			0.56
iShiBoxx\$InvGrdCp			0.41
S&P 500 Communication Svcs			0.37
S&P/BMW IPC			0.35
Mexican peso			0.31
WSJ Dollar Index			0.20
Euro area euro			0.17
Hang Seng			0.14
Swiss franc			0.13
Shanghai Composite			0.13
VangdTotIntlBd			0.10
Indonesian rupiah			0.03
Comex gold			0.01

MARKET DATA

Futures Contracts

Metal & Petroleum Futures						
	Contract				Open	
	Open	High	hi lo	Low	Settle	Chg
Copper-High (CXM): 25,000 lbs.; \$ per lb.						
July	3.6775	3.7515		3.6775	3.7410	0.0635
Sept	3.6995	3.7705		3.6945	3.7595	0.0605
Gold (CMX): 100 troy oz.; \$ per troy oz.						
July	1908.60	1912.10		1900.60	1921.10	11.90
Aug	1916.40	1930.80		1908.10	1929.40	11.50
Oct	1935.60	1949.70		1927.40	1948.50	11.70
Dec	1954.70	1969.20		1946.70	1968.00	11.60
Feb'24	1974.50	1988.70		1966.70	1987.80	11.40
Palladium (NYM): 50 troy oz.; \$ per troy oz.						
July					1213.40	-5.40
Sept	1223.50	1264.00		1218.00	1222.00	-5.40
Platinum (NYM): 50 troy oz.; \$ per troy oz.						
July	899.20	899.20		▼	904.50	6.70
Oct	903.90	917.30		▼	913.20	6.40
Silver (CMX): 5,000 troy oz.; \$ per troy oz.						
July	22.530	22.765		22.345	22.810	0.222
Sept	22.770	23.050		22.540	23.020	0.222
Crude Oil, Light Sweet (NYM): 1000 bbls.; \$ per bbl.						
Aug	69.82	71.04		69.53	70.64	0.78
Sept	69.95	71.17		69.69	70.78	0.76
Oct	69.93	71.10		69.70	70.72	0.68
Dec	69.72	70.75		69.46	70.40	0.56
Jan'24	68.34	69.32		68.21	69.02	0.42
Feb	66.86	67.70		66.73	67.42	0.37
NY Harbor ULS (NYM): 42,000 gal.; \$ per gal.						
July	2.4250	2.4648		2.4020	2.4482	0.0326
Aug	2.4087	2.4655		2.3879	2.4476	0.0404
Gasoline-NY RB (NYM): 42,000 gal.; \$ per gal.						
July	2.6025	2.6435		2.5984	2.6340	0.0163
Aug	2.4953	2.5481		2.4834	2.5449	0.0415
Natural Gas (NYM): 10,000 MMBtu.; \$ per MMBtu.						
Aug	2.677	2.828		2.634	2.778	0.097
Sept	2.664	2.801		2.629	2.794	0.085
Oct	2.751	2.876		2.715	2.847	0.075
Nov	3.114	3.229		3.081	3.211	0.082
Jan'24	3.764	3.863		3.738	3.849	0.082
March	3.427	3.512		3.399	3.503	0.076

	Open	High	hi lo	Low	Settle	Chg	Open interest
Soybean Oil (CBT): 60,000 lbs.; cents per lb.							
July	61.24	65.65	▲	60.85	65.01	4.18	2,885
Dec	55.26	58.97	▲	55.05	58.97	4.00	176,349
Rough Rice (CBT): 2,000 cwt.; \$ per cwt.							
July	17.70	18.51	▲	17.40	18.06	.35	476
Sept	14.97	15.43	▲	14.90	14.99	.02	7,194
Wheat (CBT): 5,000 bu.; cents per bu.							
July	654.00	663.75	▲	634.25	636.25	-16.75	2,083
Sept	669.25	680.75	▲	646.00	651.00	-16.50	144,683
Wheat (KC): 5,000 bu.; cents per bu.							
July	794.50	828.50	▲	793.75	801.25	7.00	707
Sept	800.00	827.50	▲	792.25	800.00	...	75,857
Cattle-Feeder (CME): 50,000 lbs.; cents per lb.							
Aug	241.850	248.075	▲	240.400	247.575	5.200	26,277
Sept	245.400	251.275	▲	244.075	250.825	5.025	11,393
Cattle-Live (CME): 40,000 lbs.; cents per lb.							
June	179.900	181.500	▲	179.150	181.500	1.750	75
Aug	174.500	177.250	▲	173.750	177.175	2.675	137,807
Hogs-Lean (CME): 40,000 lbs.; cents per lb.							
July	94.750	96.125	▲	94.500	95.650	2.00	18,124
Oct	91.200	93.150	▲	91.200	92.600	2.75	71,892
Lumber (CME): 27,500 bd ft, \$ per 1000 bd ft.							
July	534.50	539.00	▲	528.50	531.00	-3.00	2,284
Sept	545.00	551.00	▲	541.00	544.50	-5.50	3,366
Milk (CME): 200,000 lbs.; cents per lb.							
July	14.05	14.20	▼	14.05	14.18	0.09	7,513
Aug	14.71	14.95	▼	14.71	14.86	0.09	6,715
Cocoa (ICE-US): 10-metric tons; \$ per ton.							
July					3,318	100	559
Sept	3,275	3,364	▲	3,273	3,353	92	155,407
Coffee (ICE-US): 37,500 lbs.; cents per lb.							
July	165.90	165.90	▲	165.75	161.00	-2.60	362
Sept	162.80	163.50	▲	158.25	159.00	-2.60	94,827
Sugar-World (ICE-US): 112,000 lbs.; cents per lb.							
July	22.30	22.56	▲	22.28	22.89	.82	8,939
Oct	22.18	23.00	▲	22.17	22.79	.71	395,321
Sugar-Domestic (ICE-US): 112,000 lbs.; cents per lb.							
Sept	39.50	39.50	▲	38.51	39.00	-1.51	1,045
March'24	39.75	39.75	▲	39.00	39.01	-95	2,677
Cotton (ICE-US): 50,000 lbs.; cents per lb.							
July					82.84	1.59	4
Dec	79.05	80.59	▲	78.51	80.37	1.34	126,336
Orange Juice (ICE-US): 15,000 lbs.; cents per lb.							
July	275.40	282.00	▲	273.00	271.75	-2.50	362
Sept	259.90	260.15	▲	254.00	254.75	-5.15	7,118

Interest Rate Futures						
Ultra Treasury Bonds (CBT) - \$100,000; pts 32nds of 100%						
Sept	135-070	136-230	134-120	136-070	1-08.0	1,489,721
Treasury Bonds (CBT) - \$100,000; pts 32nds of 100%						
Sept	126-110	127-070	125-210	126-290	24.0	1,235,342
Dec	126-090	127-100	125-300	127-040	24.0	53
Treasury Notes (CBT) - \$100,000; pts 32nds of 100%						
Sept	112-075	112-125	111-255	112-085	4.5	4,726,800
Dec	112-245	112-310	112-150	112-280	4.0	561

Exchange-Traded Portfolios | WSJ.com/ETFresearch

Largest 100 exchange-traded funds, latest session						
Friday, June 30, 2023						
ETF	Symbol	Closing Price	Chg	YTD %	ETF	Symbol
CnsmrDiscSelSector	XLY	169.81	1.27	31.5	iShEdgeMSCIUSAQual	QUAL
CnsStapleSelSector	XLP	74.17	0.87	-0.5	iShGoldTrf	IAG
DimenUSCoreEq2	DFAC	27.15	0.97	11.8	iShBoxxSHYCbBd	HYG
FinSelSectorSPDR	XLF	33.71	0.64	-7.2	iShBoxxSCGBd	LOD
HealthCareSelSector	XLV	132.73	1.03	-2.3	iShJPMUSDEmb	EMB
InvsCOQI	QQQ	369.42	1.54	38.7	iShMBS	MBB
InvsCSP500EW	RSP	149.64	0.88	5.9	iShMSCIACWI	ACWI
iShCoreDivGrowth	DGRO	51.53	0.92	3.1	iShMSCIEAFE	EFA
iShCoreMSCIEAFE	IEFA	67.50	1.15	9.5	iShMSCIEM	EEM
iShCoreMSCIEM	IEMG	49.29	0.88	5.5	iShMSCIEAFEValue	EFV
iShCoreMSCITotInt	IXUS	62.62	1.08	8.2	iShNatIUmuniBd	MUB
iShCoreS&P500	IVV	445.71	1.23	16.0	iShI-5YCorpBd	IGSB
iShCoreS&P MC	IJH	261.48	0.61	8.1	iShI-3YCorpBd	SHY
iShCoreS&P SC	UR	99.65	0.99	5.3	iShRussMC	IWR
iShCoreS&P TotUS	ITOT	97.78	1.10	15.4	iShRuss1000	IWB
iShCoreTotalUSDBD	IUSB	45.47	0.25	1.2	iShRuss1000Grw	IWF
iShCoreUSAggBd	AGG	97.95	0.24	1.0	iShRuss1000Val	IWD
iShESGAwareUSA	ESGU	97.46	1.17	15.0	iShRuss2000	IWM
iShEdgeMSCIminUSA	USMV	74.33	1.03	3.1	iShRSP500Grwth	IWG
					iShRSP500	SPY
					SchwabSrtTRmUSTrs	SCHO
					SchwabUS BrdMkt	SCHB
					SchwabUS Div	SCHD
					SchwabUS LC	SCHX
					SchwabUS Mkt Grw	SCHW
					SchwabUS Mkt Pwr	NDV
					SchwabUS Div	SDY
					TechSelectSector	XLU
					UtilitiesSelSector	XLU
					VangdInfoTech	VGT
					VangdSCVal	VBR
					VangdExtMkt	VXF
					VangdDivApp	VFI
					VangdTSEAWxUS	VEU
					VangdTSEDevMkt	VEA
					VangdTSEEM	VGO
					VangdTSE Europe	VWG
					VangdGrowth	VWU
					VangdHdGr	VHT
					VangdHdV	VYM
					VangdIntermBd	BIV
					VangdIntCorpBd	VCIT
					VangdIntermTrea	VGIT
					VangdLTC	VLO
					VangdMC	VO
					VangdMVCVal	VOE
					VangdMBS	VMBS
					VangdRealEst	VNO
					VangdS&P500ETF	VOX
					VangdST Bond	BSV
					VangdSTCPbd	VCSH
					VangdSTTrfIntfltn	VTIP
					VangdShorTrea	VTSX
					VangdSC	VW
					VangdTaxExemptBd	VTEB
					VangdTotaBd	BND
					VangdTotIntBd	BNDX
					VangdTotIntStk	VXUS
					VangdTotaStk	VTI
					VangdTotWldStk	VT
					VangdValue	VTV
					WisdTrFRTRte	USFR

Borrowing Benchmarks | WSJ.com/bonds

Money Rates						
June 30, 2023						
Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.						
Inflation						
May index		Chg	From (%)			
level	April '23	May '22				
U.S. consumer price index						
All items	304.127	0.25	4.0			
Core	308.096	0.39	5.3			
International rates						
		Week	-52 WEEK-			
		Latest	ago	High	Low	
Switzerland	2.25	2.25	2.25	0.25		
Britain	5.00	5.00	5.00	1.25		
Australia	4.10	4.10	4.10	0.85		

Inflation				-52 WEEK -				
May index		Chg From (%)		Latest	Week ago	High	Low	
level		April '23		May '22				
U.S. consumer price index				Switzerland	2.25	2.25	2.25	0.25
All items				Britain	5.00	5.00	5.00	1.25
Core				Australia	4.10	4.10	4.10	0.85
				Secondary market				

SECOND QUARTER MARKETS DIGEST

Top 10 Rankings

Global Mergers & Acquisitions

Deals announced in first-half of 2023

Adviser	Value \$billions	No. of Deals	Market Share%
Goldman Sachs	321.3	145	23.7
JPMorgan	309.9	149	22.8
BofA Securities	228.7	118	16.9
Morgan Stanley	192.0	114	14.2
Centerview Partners	143.1	35	10.6
Citi	131.9	70	9.7
UBS	108.4	124	8.0
Barclays	97.9	60	7.2
Guggenheim Partners LLC	97.8	32	7.2
BMO Capital Markets	89.2	46	6.6

Global Debt Capital Markets

Deals priced in first-half of 2023

Bookrunner	Value \$billions	No. of Deals	Market Share%
JPMorgan	213.2	983	5.9
BofA Securities	202.9	824	5.6
Citi	186.1	829	5.1
Barclays	152.1	674	4.2
Morgan Stanley	147.2	779	4.1
BNP Paribas	146.8	588	4.1
Goldman Sachs	129.5	562	3.6
Deutsche Bank	123.4	500	3.4
HSBC	112.3	484	3.1
RBC Capital Markets	100.9	718	2.8

U.S. Mergers & Acquisitions

Deals announced in first-half of 2023

Adviser	Value \$billions	No. of Deals	Market Share%
Goldman Sachs	252.7	99	35.2
JPMorgan	226.9	85	31.6
BofA Securities	195.7	76	27.3
Centerview Partners	132.8	27	18.5
Morgan Stanley	122.8	56	17.1
Guggenheim Partners LLC	97.8	32	13.6
Citi	70.2	37	9.8
Evercore Inc	60.7	54	8.5
Wells Fargo	56.5	23	7.9
UBS	56.1	41	7.8

U.S. Investment-Grade Bonds

Deals priced in first-half of 2023

Bookrunner	Value \$billions	No. of Deals	Market Share%
BofA Securities	82.0	321	10.7
JPMorgan	75.8	370	9.9
Citi	63.9	280	8.4
Morgan Stanley	60.2	210	7.9
Goldman Sachs	44.2	191	5.8
Barclays	41.2	153	5.4
Wells Fargo	39.6	223	5.2
Mizuho	33.8	145	4.4
HSBC	31.8	69	4.2
RBC Capital Markets	27.2	167	3.6

U.S. Core Leveraged Finance¹

Fees paid in first-half of 2023

Bank	Revenue \$millions	2023 Mkt Shr	2022 Mkt Shr
JPMorgan	300.7	13.1	11.9
BofA Securities	192.6	8.4	7.6
Goldman Sachs	170.4	7.4	7.4
Barclays	129.5	5.7	7.8
Morgan Stanley	111.9	4.9	4.7
Wells Fargo	103.1	4.5	2.8
RBC Capital Markets	101.1	4.4	4.1
UBS	86.3	3.8	7.6
Citi	85.1	3.7	4.6
Deutsche Bank	81.7	3.6	4.3

¹Dealogic Revenue analytics are employed where fees aren't disclosed.

Source: Dealogic

Who's No. 1?

Top banks in Dealogic rankings across M&A, equity capital markets (ECM), debt capital markets (DCM) and loans, in first-half of 2023

Product and Deal Type	No.1 - Ranked Bank	first-half of 2023 market share (%)	Chg in share from first-half of 2022 (pct. points)
Investment Banking			
Global IB Revenue ¹	JPMorgan	8.4	0.4
Global M&A Revenue ¹	Goldman Sachs	9.6	-1.4
Global ECM Revenue ¹	JPMorgan	7.0	1.4
Global DCM Revenue ¹	JPMorgan	6.7	-0.9
Global Loans Revenue ¹	JPMorgan	12.5	1.2
Global M&A	Goldman Sachs	23.7	-13.2
U.S. M&A	Goldman Sachs	35.2	-10.2
Global M&A Boutique	Centerview Partners	10.6	4.3
Equity Capital Markets			
Global ECM	Goldman Sachs	7.3	0.7
Global IPOs	CITIC Securities	7.0	0.3
Global All Follow-Ons	Goldman Sachs	9.4	1.7
Global Convertible Bonds	BofA Securities	12.6	9.0
U.S. ECM	BofA Securities	11.7	3.3
U.S. IPOs	UBS	9.6	6.5
U.S. Block Trades	BofA Securities	25.2	14.0
U.S. Non-Block Follow-Ons	Goldman Sachs	10.9	7.1
U.S. Convertible Bonds	JPMorgan	13.3	-2.2
Fixed Income			
Global DCM	JPMorgan	5.9	-1.1
Global Investment-Grade Bonds	BofA Securities	5.8	-0.6
Global High-Yield Bonds	Goldman Sachs	7.8	-0.5
U.S. DCM	BofA Securities	9.7	-0.6
U.S. Investment-Grade Bonds	BofA Securities	10.7	-2.0
U.S. High-Yield Bonds	Goldman Sachs	8.2	0.5
U.S. FIG Bonds	BofA Securities	12.1	-1.8
Global Loans	BofA Securities	10.2	-1.5
Global Investment-Grade Loans	JPMorgan	11.3	1.7
Global Leveraged Loans	BofA Securities	10.3	-0.2
U.S. Loans	BofA Securities	15.4	-1.3
U.S. Investment-Grade Loans	JPMorgan	17.3	1.8
U.S. Leveraged Loans	BofA Securities	15.5	-0.7
U.S. Total Leveraged Finance	BofA Securities	14.2	-1.1
U.S. Core Leveraged Finance	JPMorgan	8.6	0.2
U.S. Core Leveraged Finance Revenue ¹	JPMorgan	13.1	1.2

¹Dealogic Revenue analytics are employed where fees are not disclosed

Source: Dealogic

Market Boxscores

How the major indexes performed

Second-quarter performance				Close 6/30/23	% chg from 6/30/22
Dow Jones Industrial Average				3,4407.60	11.8
DJ U.S. Total Stock Market				44411.47	16.9
DJ World (excl. U.S.)				265.65	9.4
Nasdaq Composite				13787.92	25.0
S&P 500				4450.38	17.6
Russell 2000				1888.73	10.6
NYSE Composite				15875.91	9.6
Value Line (Geometric)				572.50	9.1
NYSE American Composite				4182.48	7.5

Sources: Dow Jones Market Data; S&P Dow Jones Indices

How the 30 Dow Jones Industrials Performed

Percentage change in the second-quarter and year-to-date

Company	2nd-qtr close	Percent Chg 2nd-qtr	YTD	2nd-qtr close	Percent Chg 2nd-qtr	YTD
Microsoft	340.54	18.1	42.0	Procter & Gamble	151.74	2.1
Apple	193.97	17.6	49.3	UnitedHealth Group	480.64	1.7
JPMorgan Chase	145.44	11.6	8.5	Travelers	173.66	1.3
Honeywell International	207.50	8.6	-3.2	Boeing	211.16	-0.6
Merck	115.39	8.5	4.0	Cisco Systems	51.74	-1.0
Caterpillar	246.05	7.5	2.7	Goldman Sachs	322.54	-1.4
Johnson & Johnson	165.52	6.8	-6.3	Dow	53.26	-2.8
McDonald's	298.41	6.7	13.2	Coca-Cola	60.22	-2.9
Walmart	157.18	6.6	10.9	Chevron	157.35	-3.6
Salesforce.com	211.26	5.7	59.3	Verizon	37.19	-4.4
American Express	174.20	5.6	17.9	3M	100.09	-4.8
Visa	237.48	5.3	14.3	Amgen	222.02	-8.2
Home Depot	310.64	5.3	-1.7	Nike	110.37	-10.0
Intel	33.44	2.4	26.5	Walt Disney	89.28	-10.8
IBM	133.81	2.1	-5.0	Walgreens	28.49	-17.6

Source: Dow Jones Market Data

Biggest Percentage Gainers...

Company	Symbol	Close	2nd Quarter Net chg	% chg	Low	52-Week Close(●)	High	% chg
Immunogen	IMGN	18.87	15.03	391.4	3.61	●	20.29	309.3
Applied Digital	APLD	9.35	7.11	317.4	0.85	●	11.62	868.9
Aemetis	AMTX	7.33	5.01	215.9	1.16	●	11.50	51.8
EyePoint Pharmaceuticals	EYPT	8.70	5.76	195.9	2.19	●	11.44	12.3
Carisma Therapeutics	CARM	8.77	5.67	182.9	2.75	●	19.30	-45.1
Applied Optoelectronics	AAOI	5.96	3.75	169.7	1.48	●	6.94	282.1
Nano-X Imaging	NNOX	15.49	9.72	168.5	5.31	●	22.69	42.5
Carvana CI A	CVNA	25.92	16.13	164.8	3.55	●	58.05	18.5
Olema Pharmaceuticals	OLMA	9.03	5.56	160.2	2.19	●	9.87	116.0
Lifecore Biomedical	LFCR	9.67	5.90	156.2	1.52	●	11.96	-4.4
Joby Aviation	JOBY	10.26	5.92	136.4	3.15	●	11.98	109.4
Super Micro Computer	SMCI	249.25	142.70	133.9	37.01	●	270.18	537.0
Carrols Restaurant Group	TAST	5.04	2.81	126.0	1.31	●	6.06	140.0
Upstart Holdings	UPST	35.81	19.92	125.4	11.93	●	38.84	9.1
Weave Communications	WEAV	11.11	6.14	123.5	2.91	●	11.67	249.4

Biggest Percentage Losers

Company	Symbol	Close	2nd Quarter Net chg	% chg	Low	52-Week Close(●)	High	% chg
ViewRay	VRAY	0.35	-3.11	-89.8	0.34	●	4.96	-86.8
Rain Oncology	RAIN	1.20	-7.54	-86.3	0.94	●	14.48	-77.7
FibroGen	FGEN	2.70	-15.96	-85.5	2.39	●	25.69	-76.3
cbdMD	YCBD	1.40	-7.37	-84.0	1.40	●	40.05	-92.8
Mallinckrodt	MNKN	1.18	-6.11	-83.8	0.82	●	24.40	-95.2
Wheels Up Experience	UP	1.17	-5.16	-81.5	0.98	●	28.80	-94.0
Lordstown Motors	RIDE	2.13	-7.82	-78.6	1.13	●	55.95	-91.1
Ault Alliance	AULT	5.15	-18.62	-78.3	5.11	●	88.40	-91.9
Zapp EV	ZAPP	2.27	-8.13	-78.2	2.00	●	10.91	-77.0
Apollomics CI A	APLM	5.73	-18.47	-76.3	3.71	●	49.00	-43.2
Nuburu	BURU	0.68	-1.99	-74.7	0.63	●	14.00	-93.2
Chijet Motor	CJET	2.68	-7.87	-74.6	2.42	●	13.02	-73.1
Local Bounti	LOCL	2.72	-7.64	-73.8	2.52	●	62.66	-93.5
Greenlane Holdings	GMLN	0.97	-2.67	-73.4	0.85	●	49.82	-97.5
Beneficient	BENF	3.00	-7.43	-71.2	2.58	●	16.50	-69.9

Most Active Stocks

Most heavily traded issues in Second quarter of 2023; composite volume, in millions

Company	Symbol	Volume	Close	2nd Quarter Net chg	% chg	High	Low	% chg
Tesla	TSLA	8,630	261.77	54.31	26.2	314.67	101.81	15.2
ProS UltraPro Shrt QQQ	SQQQ	7,439	18.91	-10.45	-35.6	69.55	18.73	-67.2
ProShares UltraPro QQQ	TQQQ	6,980	41.00	12.74	45.1	42.44	16.10	16.3
SPDR S&P 500 ETF Trust	SPY	4,931	443.28	33.89	8.3	444.30	348.11	68.1
Palantir Technologies	PLTR	4,507	15.33	6.88	81.4	17.16	5.92	65.4
Advanced Micro Devices	AMD	4,202	113.91	15.90	16.2	132.83	54.57	54.6
Direxion Dly SCND 3BL	SOXL	3,929	24.83	6.53	35.7	26.79	6.21	114.1
Amazon.com	AMZN	3,900	130.36	27.07	26.2	146.57	81.43	19.0
Ford Motor	F	3,716	15.13	2.53	20.1	16.68	10.61	33.7
Apple	AAPL	3,543	193.97	29.07	17.6	194.48	124.17	39.6
Invesco QQQ Trust I	QQQ	3,281	369.42	48.49	15.1	372.85	254.26	30.9
NIO ADR	NIO	3,243	9.69	-0.82	-7.8	23.28	7.00	-54.6
SoFi Technologies	SOFI	3,207	8.34	2.27	37.4	10.23	4.24	54.2
Bank of America	BAC	3,049	28.69	0.09	0.3	38.60	26.32	-9.1
NVIDIA	NVDA	2,966	423.02	145.25	52.3	439.90	108.13	191.3
Finl Select Sector SPDR XLF	XLF	2,880	33.71	1.56	4.9	37.11	29.59	5.7
Direxion Dly Semi 3 Bear	SOXS	2,855	9.87	-6.41	-39.4	89.59	9.48	-86.6
Intel	INTC	2,762	33.44	0.77	2.4	40.73	24.59	-8.0
Carnival	CCL	2,504	18.83	8.68	85.5	18.88	6.11	113.5
AT&T	T	2,449	15.95	-3.30	-17.1	21.53	14.46	-25.2

Gainers and losers include common issues of \$2 or more listed on NYSE, Nasdaq, NYSE American or NYSE Arca at the beginning of the quarter.

IPO Scorecard

Best-performing U.S.-listed IPOs in 2023 ranked by % change in price from offer to last trade in the quarter

Issuer	Exchange	\$ Offer price	% Chg from offer	Pricing Date	IPO Value \$ millions
Genelux Corp	NASDAQ	6.00	445.3	Jan. 25	16
Structure Therapeutics Inc	NASDAQ	15.00	177.1	Feb. 2	185
Shengfeng Development Ltd	NASDAQ	4.00	136.3	Mar. 31	10
Cava Group Inc	NYSE	22.00	86.4	June 14	365
Skyward Specialty Insurance Group Inc	NASDAQ	15.00	69.3	Jan. 12	154
Nexttracker Inc	NASDAQ	24.00	65.9	Feb. 8	734
Jin Medical International Ltd	NASDAQ	8.00	42.6	Mar. 27	8
GEN Restaurant Group	NASDAQ	12.00	41.6	June 27	43
VCI Global Ltd	NASDAQ	4.00	32.0	Apr. 13	5
Savers Value Village Inc	NYSE	18.00	31.6	June 28	401
Ispire Technology Inc	NASDAQ	7.00	30.3	Apr. 3	22
US GoldMining Inc	NYSE	10.00	30.0	Apr. 19	20
Kenvue Inc	NYSE	22.00	20.1	May 3	4,372
Intensity Therapeutics Inc	NASDAQ	5.00	19.2	June 29	20
U Power Ltd	NASDAQ	6.00	18.3	Apr. 20	15
ICZOOM Group Inc	NASDAQ	4.00	17.9	Mar. 14	6
Acelyrin Inc	NASDAQ	18.00	16.1	May 4	62
Atmus Filtration Technologies Inc	NYSE	19.50	12.6	May 25	31
Golden Heaven Group Holdings Ltd	NASDAQ	4.00	10.0	Apr. 12	5
TXO Energy Partners LP	NYSE	20.00	8.3	Jan. 26	115

QUARTERLY MARKET REVIEW

Treasury Yields Rebound As Investors Bet on Growth

By MATT GROSSMAN

Government-bond yields climbed in the second quarter of the year, with investors saying persistent signs of economic strength and the easing of stress in the banking sector could send them higher still in the months ahead.

When the quarter began in April, bonds were rallying as investors reeled from rapid-fire banking collapses and worried about a broadening crisis that could disrupt the flow of money and credit to households and businesses. Instead, yields have rebounded as the economy and markets powered through the turbulence, including a debt-ceiling fight that carried the government to the brink of default.

Now, recent reports have shown that the labor market remains strong even as inflation declines, boosting optimism that the Federal Reserve can tame price increases without tipping the economy into recession.

Analysts warn that in the months ahead, the central bank's dramatic rate increases since early 2022 might yet begin to work against growth more visibly. Meanwhile, confidence has lifted the yields on Treasury bonds, which tend to climb with expectations for economic activity, inflation and how the Fed will set interest rates.

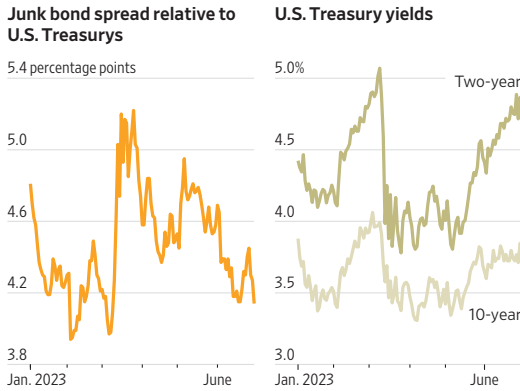
The yield on the 10-year Treasury note finished the quarter at 3.818%, up from 3.49% on March 31. The climb has meant a round trip for the 10-year yield since the start of the year, when it traded around 3.8%. It briefly tested 4% in March before the banking crisis sparked a rally that dragged down yields, which fall when bond prices rise.

The roughly \$30 trillion market for U.S. government debt is a critical benchmark for the economy because—**notwithstanding the debt-ceiling crisis**—investors consider it next to impossible for the Treasury to fall seriously behind on payments over the long term.

That makes Treasury yields an effective floor on borrowing costs for consumers and businesses, from the interest that companies have to pay on their bonds to the rates that are stamped on new mort-



The rise in Treasury yields hasn't been mirrored by a similar increase in corporate bond yields.



gages.

Treasurys, in turn, are deeply influenced by central-bank policy. While June's Fed meeting was the first since early last year that ended without an interest-rate hike, the past three months have brought a sharp re-evaluation of how aggressively the central bank will set policy in the months ahead.

Early in the spring, futures markets showed that investors were expecting at least a couple of rate cuts before the end of 2023, based on fears that the unfolding bank crisis would force the Fed to cushion a flagging economy.

Now, however, traders are betting the Fed's rate target will finish the year above its current 5% to 5.25% level.

That shift launched 2-year Treasury yields, which are especially sensitive to Fed interest-rate policy, on an even sharper climb than longer-

term yields. The 2-year yield finished the quarter at 4.877%, up from 4.06% on March 31.

Two-year yields have now floated consistently higher than 10-year year yields for 12 months, an inversion of the normal yield curve, typically preceding a recession. Despite investors' improved outlook, a slowdown remains quite possible, said Gennadiy Goldberg, head of U.S. rates strategy at TD Securities.

“The market's expecting this run of strong data to continue, but a lot of these things can start to unwind very quickly,” Goldberg said. “It's been a rather unusual rate-hiking cycle in the sense that the market has been anticipating Fed rate cuts almost since the beginning of the tightening, and now as the market has been pricing in more hikes and pricing out more cuts, the curve continues to invert further.”

Yet as a further example of renewed optimism, the quarter's rise in Treasury yields hasn't been mirrored by a similar increase in the yields on corporate bonds, which are considered riskier because of the threat of bankruptcies.

Instead, company bond yields have declined relative to those on Treasuries, pointing to a more positive view of business performance in the year ahead.

In a sign investors think companies' debt isn't getting riskier, investment-grade corporate bonds now yield about 1.31 percentage points more than Treasuries, compared with about 1.45 percentage points at the end of March, according to Intercontinental Exchange.

The yield difference, or spread, on junk-rated bonds is down to 4.14 points, from 4.58 points when the quarter began.

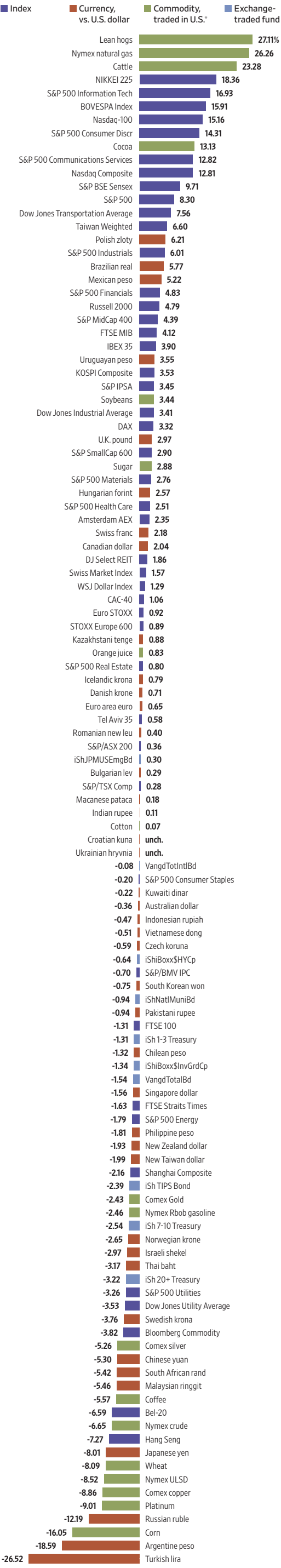
While junk-bond defaults have been rising, Moody's Investors Service projects that they will peak at an annual rate of about 5% sometime next year—below the levels often reached during past downturns.

In recent weeks, regional banks such as Truist Financial have successfully sold bonds with minimal pricing concessions, a sign that investor sentiment has improved, said Blair Shwedo, head of investment-grade trading at U.S. Bank.

“The market seems like it's in a totally different place than it was at the end of March,” Shwedo said.

Track the Markets: Winners and Losers

A look at how selected global stock indexes, bond ETFs, currencies and commodities performed around the world for the quarter



Banks Are Bracing for More Turmoil

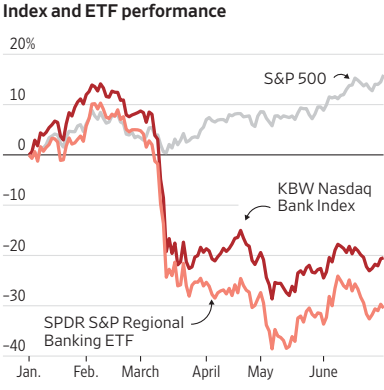
By GINA HEEB

Bank stocks have steadied after a monthslong spiral set off by the failure of three banks. Second-quarter earnings will test whether that moment of relative calm can last.

Investors dumped banks after the collapse of Silicon Valley Bank and Signature Bank in March sparked a crisis of confidence in the system, and short sellers seized on the volatility. The dramatic selloffs continued after First Republic crumbled less than two months later, fueling contagion fears.

Those wild price swings have eased, but bank stocks remain sharply below where they stood before the turmoil. The KBW Nasdaq Bank Index has fallen more than 20% since the start of the year, and the SPDR S&P Regional Banking ETF is about 30% lower.

Major regionals have logged double-digit-percentage declines, with **U.S. Bancorp** and **Truist Financial** down 24% and 29%, respec-



Sources: FactSet; Dow Jones Market Data (market cap); the companies (deposits)

tively. **PacWest Bancorp** and other banks that appeared shaky during the recent turmoil have lost half of their market value or more. Though declines at the megabanks have been less severe, they have shed billions of dollars in market value.

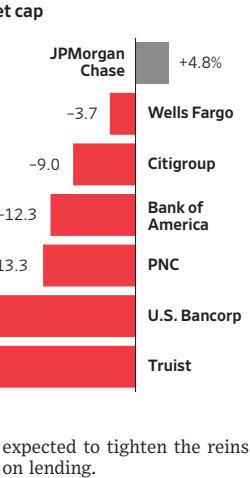
Regulators have said that the banking system is safe and that deposits have stabilized after record outflows across

the system in the first quarter. Many banks still posted solid first-quarter profits because they were able to charge more interest on loans than they paid to depositors.

Still, investors are wary. The first quarter covered only the first few weeks after the SVB and Signature failures. The Federal Reserve has hiked interest rates again since then, bringing them to a range of 5% to 5.25% for the first time in more than a decade.

Higher interest rates have made it more lucrative for customers to park money in Treasuries and money-market funds than in deposit accounts. Midsize and smaller institutions face a particularly competitive fight for deposits because **JPMorgan Chase** and other banks are viewed as less likely to fail.

That is expected to drive key profitability measures lower in the second quarter because banks are under pressure to shell out more interest to depositors. They are also



expected to tighten the reins on lending.

A number of regional banks lowered their forecasts for second-quarter profits in recent weeks.

At a Morgan Stanley conference in June, **KeyCorp** Chief Financial Officer Clark H.I. Khayat said the Cleveland-based bank expects net interest income to fall 12% rather than the 4% to 5% decline estimated in March. Deposit costs have risen faster than anticipated, he said.

“Deposits are staying in place. They are just more expensive,” Khayat said at the conference. “And they’re going to continue to be more expensive as long as rates sort of sit where they are.”

NEXT REPORT

The Investing Monthly report, including quarterly data for mutual funds and ETFs, will appear on Monday, July 10.



PacWest Bancorp is among the bank under pressure.

BUSINESS & FINANCE

ESPN Lays Off 20 On-Air Commentators to Cut Costs

By Ben Glickman

ESPN on Friday cut about 20 on-screen commentators, including longtime basketball anchor Jeff Van Gundy and analyst Jalen Rose, a person familiar with the matter said, part of parent company Walt Disney’s plan to slash billions in costs.

Other personalities let go include football analyst Keyshawn Johnson, host Max Kellerman and basketball commentator LaPhonso Ellis, the person said. The broadcasters didn’t immediately respond to requests for comment.

Suzy Kolber, who has been at ESPN for 30 years and hosts the network’s coverage of Monday football, tweeted that she had been let go, as well.

“Longevity for a woman in this business is something I’m especially proud of,” she wrote.

In an internal memo reviewed by The Wall Street Journal, ESPN said it opted to cut some commentators’ salaries as an additional cost-saving measure, and that the outlet would focus on managing costs when negotiating contracts in the future.

“These difficult decisions, based more on overall efficiency than merit, will help us meet our financial targets and ensure future growth,” the company said in the memo.

It added that it doesn’t plan to release a complete list nam-



Jeff Van Gundy, Max Kellerman and Jalen Rose were among those to lose their jobs.

ing those affected.

The layoffs at the sports network are part of Disney Chief Executive Robert Iger’s plan to cut 7,000 jobs across the company and save \$5.5 billion in costs at a time when it faces heightened competition in streaming and weaker revenues from its movies.

ESPN has already let go some behind-the-scenes employees in the past few weeks, according to the memo, after beginning layoffs in April.

A spokesman for ESPN said the outlet decided to cut higher-paid on-screen talent to save off-screen jobs.

ESPN is reducing workers and costs as income from Disney’s traditional TV business drops faster than expected.

ESPN is laying the groundwork to sell its channel directly to cord-cutters as a streaming service in coming years.

Russell Wolff, a longtime executive, left ESPN in April, the Journal reported. ESPN, originally acquired by Disney in 1995, has helped the company’s bottom line, but the network has lost subscribers amid a decline in cable subscriptions.

Van Gundy, a former head coach of the National Basketball Association’s New York Knicks and Houston Rockets, joined ESPN in 2007 and served as the color commentator of multiple NBA Finals broadcasts on ABC, calling games alongside Mike Breen and Mark Jackson, according

to ESPN.

Rose, a former NBA and college basketball player, joined ESPN in 2007 as a contributor during basketball coverage.

Johnson initially joined the outlet as a guest analyst during the 2007 National Football League Draft, and has since been a regular on ESPN’s football coverage. He played in the NFL and won the Super Bowl with the Tampa Bay Buccaneers.

Kellerman, a former boxing commentator, has appeared on various ESPN shows across TV and radio since appearing on First Take in 2016.

Ellis, after playing in the NBA, began his career at the network in 2009 as a college basketball analyst.

Lawsuit Alleges Disney Paid Less To Some Women

By Robbie Whelan

Disney paid female middle managers at least \$151 million less than their male counterparts with similar experience and skill sets over nearly a decade, according to a Friday filing in a continuing pay-equity lawsuit against the company.

The suit, originally filed in 2019 by employee LaRonda Rasmussen, alleges that “Disney systematically pays women in California less than men” across multiple divisions of the company and has violated two state labor laws aimed at preventing workplace sex discrimination.

The estimate, which was described in the filing as conservative, was made by an expert hired by Rasmussen’s legal team based on documents Disney provided during the discovery process.

Disney disputes the claims in the case and says the data presented in the suit are inaccurate. “The plaintiffs’ assertions about an alleged pay gap between women and men are simply false, which we will demonstrate,” said Shawna M. Swanson, Disney’s associate general counsel, though a spokesman.

The nine named plaintiffs in the Los Angeles County Superior Court suit on Friday sought to certify it as a class action. That status would allow claims to be adjudicated by a single jury, should the case go to trial, and would likely result in the plaintiffs’ lawyers adding additional

claims to the case.

Rasmussen is a current Disney employee who has worked for the company for more than a decade, mostly in product development. Her legal team enlisted David Neumark, an economist at the University of California, Irvine, as an expert witness to examine thousands of Disney internal employment records.

He found that since 2015, nonunion female Disney employees below the level of vice president have been paid 2% less than their male counterparts, a gap that the plaintiffs’ lawyers say can only be explained by sex discrimination.

“The most powerful conclusion coming out of our expert’s study is that women have been cheated out of \$151 million at Disney over the last eight years,” said Lori Andrus of Andrus Anderson in San Francisco, who is the lead plaintiffs’ attorney on the case.

Over time, that disparity snowballs, she said, and impacts how much women are able to save for retirement, among other things.

Disney has pointed to an internal pay-equity review conducted in 2022 at the behest of shareholders that found women at the company earn 99.4% of what men earn. The company also has argued that the lawsuit shouldn’t be certified as a class action because many of the plaintiffs hold different jobs in different business units at Disney that aren’t comparable to one another.

\$151M
Difference suit says between the pay of male and female middle managers.

Bausch + Lomb Buys Novartis Dry-Eye Drug

By Jared S. Hopkins

One of the drug industry’s most prolific dealmakers is striking again to revive eyecare company **Bausch + Lomb**.

The company said Friday it will pay \$1.75 billion to acquire a dry-eye drug from **Novartis**, the first big move by Chief Executive Brent Saunders since he returned to the helm in March.

“This is a great first step to add scale to our business,” Saunders said in an interview.

The acquisition heralds Saunders’s return to mergers-and-acquisitions territory, which catapulted him up the ranks of pharmaceutical industry chieftains before costing him his job.

Saunders previously led Bausch + Lomb from 2010 to 2013 before its sale to **Valeant Pharmaceuticals International** for \$8.7 billion in 2013.

Then, from his perch helming Forest Laboratories, he used a series of deals, including one for Botox maker Allergan for \$66 billion in 2015, to build the company into one of the industry’s biggest.

He served as chief executive of Allergan until it was acquired by AbbVie in 2020 for \$63 billion.

At Bausch, in Vaughan, Ontario, Saunders must find new growth at a company whose \$3.8 billion in revenue last year was relatively flat from the prior year.

The acquisition of Xiidra expands Bausch’s presence in the lucrative and growing

market for dry eye, which affects some 16 million people in the U.S.

Diagnoses of the condition have been increasing partly because the population is aging.

The global dry-eye market will surpass \$10 billion in 2030, up from \$5.5 billion last year, according to Grand View Research.

Bausch expects Xiidra, an eye drop that generated \$487 million in sales last year, to help the company increase revenue. Bausch this year forecast total company sales between \$3.9 billion and \$3.95 billion.

“This is not going to solve our problems overnight either, but it is a very important, very bold step forward to solving our scale issues,” Saunders said.

Xiidra will face fierce competition from one of Saunders’s old powerhouse products at Allergan, a dry-eye drug called Restasis, which had \$666 million in sales for AbbVie last year, and its generic copies.

Saunders said the dry-eye disease market is underpenetrated, and Bausch + Lomb can use its leading position in eye care to help increase the drug’s sales.

Bausch plans to sell Xiidra as part of a portfolio with a prescription dry-eye treatment called Miebo, which was approved in May, works differently from Xiidra and targets a different aspect of the disease.



Travelers checked in at United Airlines terminal at Los Angeles International Airport on Wednesday, ahead of holiday weekend.

United CEO Apologizes for Flying on Private Jet Amid Airline’s Cancellations

By Alison Sider

United Airlines Chief Executive Scott Kirby apologized for taking a private jet from Teterboro Airport in New Jersey to Denver on Wednesday as his airline grappled with widespread weather disruptions.

“Taking a private jet was the wrong decision because it was insensitive to our customers who were waiting to get home,” Kirby said Friday. “I sincerely apologize to our customers and our team members who have been working round-the-clock for several days—often through severe weather—to take care of our customers.”

A United spokeswoman said Kirby took the flight Wednesday because he was unable to secure a seat on a commercial flight. The company didn’t pay for the private flight, she said.

Wednesday was a hectic day for United: The carrier canceled more than 750 mainline flights, according to Flight-Aware, more than a quarter of what it had scheduled. The night before, a long stretch of bad storms in New York led to logjams at the area’s airports, including United’s Newark hub.

Some travelers over the past week have been stranded for days waiting for space on flights home, in some cases sleeping in the airport. Travelers said they spent hours waiting in line for assistance or to be reunited with checked bags.

Tensions between United and some employee groups had already flared as pilots and flight attendants expressed frustration with their own long waits getting assignments and hotels.

Kirby said that he had seen employees at work at four dif-

ferent airports this week. “It’s clear to me they represent the best of United and I regret that I distracted from their professionalism,” he said.

United continued to work through an operational hangover that began with thunderstorms last weekend that battered New York, choking off routes into the area’s airports and snarling travel.

Flight cancellations eased in recent days, but United’s recovery has been slower than other airlines that were essentially back to normal on Friday, which the Transportation Security Administration has predicted will be the busiest travel day in more than three years.

On Friday evening, 236 of the roughly 430 U.S. flights that had been canceled were United flights, according to Flight-Aware, a flight tracking site.

United on Friday said storms in Denver, Chicago and the East Coast will pose challenges but that it is ready for the busy July 4th travel weekend.

Days before airline operations were upended, United touted its network’s ability to “run well and recover fast.”

Marc Champion, United’s vice president of flight operations, told pilots Wednesday that the weather early in the week shut down Newark for hours at a time.

The airline’s pilots and flight attendants said United’s crew scheduling department has been understaffed, leaving crew members unable to get through to receive information about reassignments.

United has said it has added staffing and mandatory overtime for crew schedulers in an effort to catch up.

Fox Settles Litigation With Former Producer for \$12 Million

By Jeffrey A. Trachtenberg

Fox Corp. and Fox News have settled all claims brought by former TV producer Abby Grossberg for \$12 million.

A March lawsuit alleged a “misogynistic environment” permeated Fox News and fostered “a toxic workplace where truth remains a fugitive while female workers are verbally violated on almost a

daily basis by a poisonous and entrenched patriarchy.”

The suit was filed in federal district court in Manhattan against Fox Corp., Fox News and former prime-time host Tucker Carlson, among others.

A separate lawsuit, later withdrawn, was filed in Delaware.

One of Ms. Grossberg’s attorneys and a Fox spokesperson confirmed the settlement

on Friday.

Ms. Grossberg was a senior booking producer on “Sunday Morning Futures with Maria Bartiromo” and later the head of booking on the “Tucker Carlson Tonight” program.

She alleged that she was “isolated, overworked, undervalued, denied opportunities for promotion, and generally treated significantly worse than her male counterparts,

even when those men were less qualified than her.”

She also alleged that Fox News retaliated against her “after she complained about the unlawful harassment (based on her gender and Jewish religion) to which she was subjected.”

Mr. Carlson declined to comment. In late April, Fox News took Mr. Carlson’s show off air.

Earlier this year, Fox Corp. agreed to pay a \$787.5 million settlement to voting-machine company Dominion Voting Systems to resolve a defamation lawsuit brought by Dominion.

Fox Corp. and Wall Street Journal parent **News Corp** share common ownership.

“While I stand by my publicly filed claims and allegations, in light of today’s settle-

ment of \$12 million, pursuant to which I have now withdrawn those claims, I am heartened that Fox News has taken me and my legal claims seriously,” said Ms. Grossberg, in a statement released by her lawyer.

A spokesperson for Fox News said the network was “pleased that we have been able to resolve this matter without further litigation.”

BUSINESS & FINANCE

EU Rules for AI
Worry Big Brands

By Kim Mackrael

BRUSSELS—Regulators in Europe are racing to create the West’s first comprehensive set of rules for artificial intelligence. Some businesses say their plans go too far.

Executives from dozens of large European companies including engineering giant **Siemens**, Dutch brewer **Heineken** and French carmaker **Renault** issued an open letter Friday warning that the rules as drafted risk driving companies and capital away from the continent. Other signatories included leaders from a handful of European startups and a top AI researcher at **Meta Platforms**.

“The result would be a critical productivity gap” between the U.S. and Europe, the executives wrote.

The letter adds to a lobbying effort from business leaders, academics and AI companies over whether and how to set out rules for the powerful technology behind tools such as OpenAI’s ChatGPT and Google’s Bard.

European lawmakers are hammering out draft legislation that could require companies to design their AI models in a way that prevents them from creating illegal content. Companies might also be required to publish summaries

of the copyrighted data used to train their models and to disclose whenever content is generated using AI.

Other provisions could include restrictions on some types of biometric surveillance and on the way images are gathered for facial-recognition databases.

Officials from the European Commission, the European Parliament and member states say they want to come up with a compromise agreement on the new rules before the end of this year.

Politicians, academics, activists and many tech executives have pushed for some form of AI regulation. But the breadth of the industries represented by the letter’s signatories demonstrates an unease among many companies about taking a prescriptive approach in reining in the technology.

After ChatGPT and Bard were launched, companies have scrambled to learn how they can put such tools to use, including how they might lower costs.

The business executives behind this week’s letter said they believe AI regulation is needed. They said their main concern is with the addition of new provisions focused on generative AI to the draft legal text, which they said were too rigid.



Rainbow flags in Manhattan. Pride Month began after a Bud Light collaboration with a transgender influencer led to a boycott.

Pride Campaigns Went Ahead
Despite Recent Controversies

By Megan Graham
and Patrick Coffee

Major marketers moved ahead with Pride Month efforts in June after recent controversies with Bud Light and Target raised questions about how much commitment to LGBTQ rights brands would show this year. But some marketing professionals say the fallout from those disputes has begun to reshape how companies approach social causes.

Pride Month began soon after a Bud Light collaboration with a transgender influencer triggered a boycott and Target’s Pride collection sparked a backlash that it said included in-store confrontations. Some conservatives sought to build on those clashes by calling for boycotts of brands that advertise their support for Pride.

The Body Shop nonetheless ran a “Freedom to be” campaign featuring drag performers that the cosmetics and skin care retailer called a response to rising anti-drag legislation and sentiment in the U.S. As it has in the past, the chain pre-emptively trained employees to respond to possible negative reactions from consumers, the company said.

So far the response has been positive, said Hilary

Lloyd, vice president of marketing and corporate social responsibility for The Body Shop North America.

“Our primary position is that equality is a human right,” Lloyd said. “It becomes a decision about how to execute, as opposed to whether or not we should execute.”

A number of other brands brought on crisis communications teams to help them respond to any attacks on their Pride messaging, said Sarah Kate Ellis, president and chief executive of LGBTQ rights group GLAAD.

The top question marketers asked GLAAD at June’s Cannes Lions International Festival of Creativity, the ad industry’s biggest annual gathering, was how to avoid becoming the next Bud Light or Target, Ellis said.

Careful examination

This spring’s controversies might lead some marketers to re-evaluate their level of commitment to various social causes, so as to avoid bruising controversies and advocate for issues they consider priorities, marketing experts said.

That could mean a turn away from surface-level marketing efforts to gain the dollars and attention of the LG-

BQ community, but that don’t demonstrate deeper support. For instance, some brands might add a rainbow to the company logo for Pride month, while supporting legislation viewed as harmful to LGBTQ rights. The divergence is known as “rainbow-washing.”

Some might re-examine their policies to eliminate gray areas.

Starbucks, for instance, this year pledged to continue to support LGBTQ rights and released seasonal cups with references to Pride events and drag shows. But some of the coffee chain’s workers went on strike, saying some store managers had limited their ability to put up Pride decorations, citing concerns including safety.

In response, Starbucks said it would issue clearer guidelines for in-store visual displays supporting inclusion, while still allowing flexibility for individual stores.

Brewers’ backing

Bud Light sponsored or co-sponsored Pride events this year in St. Louis, San Antonio and other U.S. cities, while Coors Light sponsored events including a Colorado Rockies Pride Night baseball game and

returned as the title sponsor of the Denver Pride Parade.

Pride sponsorships have generally been a key opportunity for beer brands to reach LGBTQ-friendly audiences, with parade sponsorships in some of the largest U.S. cities priced around \$150,000, and others costing significantly less, said Christopher Shepard, senior editor of trade publication Beer Marketer’s Insights.

Pride messages on social media have also been relatively low-cost and low-risk for beer brands in the recent past, but that dynamic shifted this year after the Bud Light boycott, Shepard said.

A spokeswoman for AB InBev said the company remains committed to organizations and communities it has worked with for decades, including those in the LGBTQ community.

Molson Coors, which makes Coors Light, has raised money for LGBTQ nonprofits in recent years through its “Tap Into Change” initiative, but hasn’t mentioned the program in this year’s marketing materials.

In response, a spokesman said Molson Coors has celebrated Pride for decades, did again this year and will “for decades to come.”

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Apple Tops
\$3 Trillion
Valuation

Continued from page B1

iPhone, which accounts for around half of its annual sales. The company has sold more than two billion iPhones since the product’s introduction in 2007. While iPhone shipments are no longer growing fast, Apple’s decision to increase prices with the introduction of the Pro lineup in 2019 has boosted overall sales.

Apple also continues to spin up ancillary businesses around the iPhone that both generate additional sales and keep its customer tied to its ecosystem, such as a high-yield savings account as part of its Wallet app.

Apple’s latest run has shown the company’s resilience in the face of broader market challenges, allowing it to rebound much more quickly than most of its big tech rivals following the post-Covid doldrums.

The company has surged ahead of longtime rival Microsoft. The Redmond, Wash., software company hit the \$2 trillion mark in 2021, a year after Apple, and briefly eclipsed Apple as the world’s most valuable company. Microsoft’s stock is up more than 40% this year so far, riding high on its uniquely close partnership with OpenAI, whose ChatGPT software has become one of the most closely watched new technologies to emerge in many years.

Microsoft is valued at around \$2.5 trillion.

At the end of last year, Apple was struggling. In November, it

Apple’s market value as a share of the S&P 500’s total market value, monthly



8.12%*

*As of Thursday

Market value of a selection of 10 large U.S. companies vs. Apple

Combined market value: \$2.86 trillion			Apple: \$3.05 trillion				
Exxon Mobil \$433.61B	Walmart \$423.26	JPMorgan Chase \$425.02					
Johnson & Johnson \$430.14	McDonald’s \$217.87	Coca-Cola \$260.43	Netflix \$195.81				
	Walt Disney \$163.14	Nike \$169.65	Intel \$139.48				

Source: FactSet

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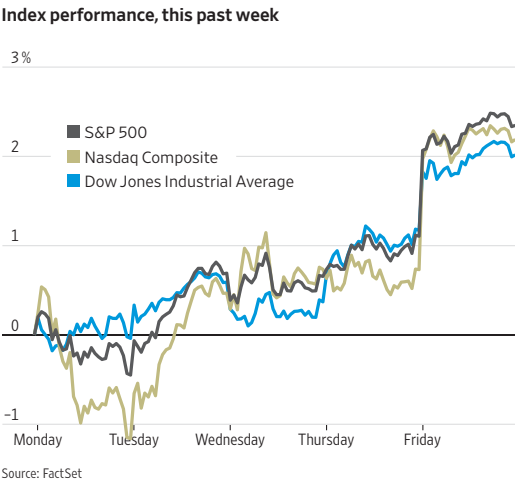
MARKETS

Stocks Add to Robust Gains

The tech-focused Nasdaq’s 32% gain this year is the best start since 1983

By MATT GROSSMAN

Modest daily stock gains cinched a strong six months on Wall Street, fueled by investors’ optimism that inflation is easing while the economy continues to hum. Fresh spending data added momentum on Friday, showing milder core-price increases in May compared with a month earlier, while consumer outlays continued to rise. The data lifted major stock indexes on a day of calm trading, rounding out the Nasdaq Composite’s best first half of a year in four decades. The tech-centric index climbed 1.4% Friday, sealing a 32% gain since the end of 2022. Enthusiasm about artificial-intelligence breakthroughs has sent investors into shares of companies such as **Microsoft** and **Nvidia**, while upbeat corporate results have also lifted the tech sector’s appeal. The S&P 500 gained 1.2% Friday, locking in a 16% rise since December. The Dow Jones Industrial Average added 285.18 points, or 0.8%, to end the month at 34407.60. In the first half of the year, the latest leg of the Federal Reserve’s aggressive interest-rate increases sometimes shaded trading with fear that tighter financial conditions could stoke a recession. But so



far in 2023, markets and the broader economy have dodged a bevy of potential hazards mostly unscathed. The S&P financial sector rose in the second quarter after a rough first quarter, when a series of bank failures starting in March sparked worries about the industry’s health. A last-minute resolution to June’s debt-ceiling standoff soothed bond-market turbulence. The labor market still looks healthy despite some high-profile corporate layoffs. “Coming into the year, markets overestimated the transmission mechanism of monetary policy in different sectors of the economy, not just the labor market but also in more interest-rate sensitive sectors,” said Amar Reganti, a fixed-income strategist at Hartford Funds.

More recently, the year’s stock rally—at first concentrated among a handful of huge technology companies—has shown signs of broadening. All 11 of the S&P 500’s industry sectors gained ground in June. Solid stock performance has been a welcome surprise this year, but has also shifted investors’ focus to the risk that further Fed rate increases may yet tamp down economic growth, said Anders Persson, chief investment officer for fixed income at Nuveen. “In the second half, I think we’re concerned that there’s going to be more scrutiny from investors around what the recession probabilities look like,” Persson said. His team believes that bonds are now offering a better trade-off between risk and reward than

stocks are. Treasuries edged higher on Friday, paring Thursday’s sell-off that followed an unexpectedly strong upward revision to the economy’s first-quarter growth rate. The yield on the 10-year note, which moves contrary to its price, finished at 3.818%, down from 3.853% a day earlier. Treasury yields, which closely follow growth and interest-rate projections, climbed substantially in the second quarter as economic jitters eased. Corporate performance has held up better than many analysts expected this year. But a pair of fresh earnings reports drew a tepid response Friday. **Nike** shares fell 2.6% after the apparel company Thursday evening posted a smaller profit year over year in the latest quarter despite rising sales. **Constellation Brands**, which sells Modelo and Corona beer, also said Friday that higher costs weighed on profits even as sales improved. Shares slid 0.3%. Brent crude, the global benchmark for oil prices, rose Friday by 0.8% to \$74.90 a barrel. Oil’s 13% decline this year marks its worst first half since the pandemic scuttled demand in 2020. The stock market will close early on Monday ahead of Independence Day.

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Some SVB Customers Win Court Victory

By FRANCES YOON

Silicon Valley Bank customers who saw their Cayman Islands deposits wiped down to zero have won a court ruling that could help them get their money back. A Cayman Islands court on Thursday approved a petition to wind up the local branch of SVB, according to Paul Kennedy, a partner at law firm Campbells, who filed the petition and attended the hearing. The petition was filed June 13 on behalf of SVB customers who collectively had around \$38 million in deposits before the bank collapsed in March. That money was seized by the Federal Deposit Insurance Corp., which guaranteed the bank’s deposits held inside the U.S. but not those outside the country. SVB’s customers in the Cayman Islands checked their deposit balances one morning and saw they had been wiped down to zero. These customers are still expected to pay back loans they had taken from SVB, since they are now owned by **First Citizens BancShares**, a large U.S. regional bank that bought SVB’s loans in late March. The money they had earmarked to repay the debt is in the Cayman bank accounts, the customers said. SVB’s Cayman Islands depositors think the ruling will increase their chances of getting their money back from the FDIC. In the petition, they

argued that it was “just and equitable” for SVB’s local branch to be wound up due to its inability to pay debt. Many of these customers were venture-capital funds in Hong Kong and mainland China. The Cayman Islands court also approved the appointment of two liquidators, who will begin investigating ways to challenge the FDIC’s classification of the Cayman depositors as unsecured creditors, according to people familiar with the matter. “We see this as a very positive outcome for the Cayman depositors who up to now were not represented by an officeholder that could take steps on their behalf,” said Kennedy. The Cayman Islands Monetary Authority, the islands’ main financial regulator, is also considering its legal options, The Wall Street Journal previously reported. André Ebanks, the Caymans minister of financial services and commerce, met depositors in Hong Kong in May, people attending the meeting said. The Cayman Islands doesn’t have an equivalent to U.S. federal deposit insurance, which officially covers up to \$250,000 per bank account. SVB had branches in Germany and Canada that made loans but didn’t take deposits. It also had a subsidiary in the U.K., which was taken over by HSBC and had the equivalent of about \$8.5 billion in deposits on March 10 of this year.

Very Precious ‘Ring’ Found

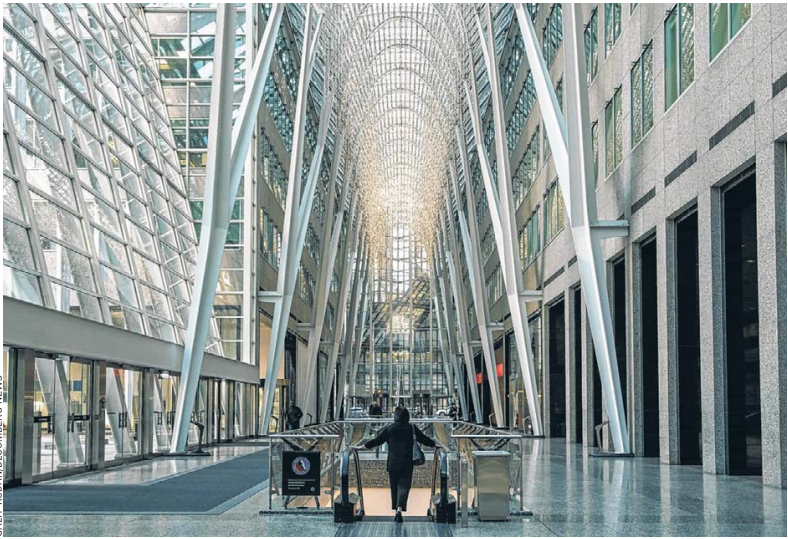


A one-of-a-kind trading card that sparked a global search and a raft of big-money offers has been found. The card, a depiction of J.R.R. Tolkien’s “One Ring” from the Hasbro tabletop game “Magic: The Gathering,” has been authenticated, receiving the second-highest available rating for its condition, “Mint 9,” according to grading company PSA. The person who found the card for now prefers to remain anonymous, PSA said. Francisco Rubio, owner of Valencia, Spain-based card shop Gremio de Dragones, has offered more than \$2 million, the highest known amount. Rubio didn’t respond to requests for comment Friday. Buffalo, N.Y.-area shop Dave & Adam’s Card World has said it would pay \$1 million for the card, and owner Adam Martin said that the offer stands. —David Marino-Nachison

Brookfield Seeks Elusive American Equity Deal

By MIRIAM GOTTFRIED AND JEAN EAGLESHAM

After dancing around a deal for years, the last big independent seller of fixed annuities might finally be pushed into an awkward embrace with its biggest shareholder. **American Equity Investment Life Holding** is considering a cash-and-stock offer this week from **Brookfield Reinsurance**, the publicly traded insurance arm of Canadian investment giant **Brookfield Asset Management**. Under the deal, Brookfield would buy the portion of the company it doesn’t already own for \$55 a share, valuing American Equity at \$4.3 billion. Brookfield said in a regulatory filing it was aiming to reach an agreement with American Equity by Friday, but there is no guarantee the insurer’s board will make a decision within that timeline. For Brookfield, which already owns around 20% of American Equity’s stock but no longer has a board seat, there were only three options: hold the stock and accept the company’s strategic direction, sell the stock, possibly at a discount, or buy the company outright. Should a deal for American Equity be reached, it would be a landmark moment for private-equity investors’ increasing presence in the huge annuity market. “It’s the last one standing,” said Wilma Burdis, an insurance analyst at **Raymond James**, of the insurer. The Brookfield offer comes at a boom time for fixed annu-



The Brookfield Place office complex in the financial district of Toronto, Canada.

ities. The sharp rise in interest rates since spring 2022 has pushed up the returns offered on annuities, making them an attractive alternative to certificates of deposit. Annuity sales by all companies, including insurers, topped \$94 billion in January through March, up 49% from the first quarter of last year, according to industry-funded research firm Limra. American Equity sold \$964 million of fixed-index annuities from January through March, a 23% increase on the previous quarter and 9% higher than the first three months of 2022. Private-equity firms have ramped up their exposure to annuities in the past decade, ei-

ther by buying insurers outright or striking part-ownership deals that carry the right to manage the assets underlying the policies. Sales from firms backed by private investors last year accounted for a quarter of fixed and indexed annuity sales, compared with a 7% market share in 2011, according to consulting firm McKinsey. American Equity has proved an elusive target for private-equity suitors, with a string of rejected offers going back to 2018. The current takeover drama kicked off in September 2020 when **Apollo Global Management**’s insurance company **Athene Holding** and **Massachusetts Mu-**

tual Life Insurance offered to buy American Equity for more than \$3 billion, or \$36 a share. The company’s board rejected the deal, opting instead to sell a roughly 20% stake to Brookfield for \$37 a share, with Brookfield taking a seat on American Equity’s board. Then in December 2022, **Prosperity Life Insurance Group** and its principal shareholder, hedge fund **Elliott Investment Management**, made a \$45 a share offer for American Equity. The insurer’s board rejected that offer, too. American Equity had already been a sought-after target. It considered transactions in 2018 and 2019. Athene was one of the interested parties.

American Equity Chief Executive Anant Bhalla has had his own strategy for the company, which he calls AEL 2.0. It involves shifting a significant minority of assets from the plain-vanilla bonds that are a staple of insurers to higher-risk, higher-return private assets, such as real estate and lending. The strategy got the insurer into hot water with Brookfield last November, when American Equity struck a reinsurance deal with 26North Partners, a private-equity firm launched last September by Apollo co-founder Josh Harris. The move to join with a newly minted rival firm, effectively putting 26North into the insurance business, so angered Brookfield that its representative to the board stepped down, according to people familiar with the matter. He announced his resignation in a regulatory filing minutes before American Equity’s third-quarter earnings call. American Equity’s shares plummeted 21% that day. The drop left an opening for the Prosperity-Elliott bid, though the firms wouldn’t have been getting it cheaply. Analysts from Autonomous Research said the offer valued American Equity at about nine times its estimated earnings per share for 2023 and 1.1 times adjusted book value. It “will likely take a significantly higher offer than \$45 to get a deal done, and we question whether that makes sense for a potential buyer,” they wrote in a December research note.

IPO Window Opens, and Private Equity ‘Is Having a Moment’

By MARIA ARMENTAL

The IPO window has opened—at least a crack—and private-equity sponsors are starting to line up. Among the initial public offerings this week were EQT-backed **Kodiak Gas Services** and Ares Management-backed **Savers Value Village**, marking the return of leveraged buyouts to the IPO market, according to IPO specialist **Renaissance Capital**. Savers had initially filed to go public in late 2021. “The IPO market broadly is opening up, but PE especially is having a moment,” said Matthew Kennedy, senior IPO market strategist at Renaissance Capital, noting that all of the largest IPOs this week were backed by private equity. While IPOs generally repre-

sent a less popular exit route for private equity-backed companies than mergers or strategic sales, the IPO market is considered a bellwether for the exit environment. And the recent successful IPOs of companies like **Invus Group**-backed restaurant chain **Cava Group** and **Johnson & Johnson**’s consumer healthcare business **Kenvue** are offering glimmers of hope, academics and attorneys said. Further, Cava’s success showed that investors are willing to back companies that aren’t profitable yet. Follow-on stock offerings are also showing signs of life. TPG-backed **Nextracker**, a solar technology company that went public in February as a carve-out of manufacturing giant Flex, launched an offering this week that will allow TPG



CEO Mark Walsh celebrates Savers Value Village’s IPO.

to cash in some of its holdings. Nextracker remains controlled by Flex. Jay Ritter, a finance professor at the University of Florida, said public stock investors

are willing to put their money behind companies that lay out growth plans. An extreme example of that, he said, are biopharmaceutical startups. However, investors are less excited

about companies that are growing rapidly just because they are selling their products or services below cost, according to Ritter. Ritter said that if this week’s deals generated strong reception, “that certainly is going to encourage some other companies to decide to go public now rather than wait or sell to a private buyer.” While the stocks of Kodiak and reinsurer **Fidelis Insurance Holdings** fell on the first day of trading, Ritter said “the strong reception to [Savers] saves the day. So no major change in opinion.” Both Ritter’s research and Renaissance Capital’s IPO data show private equity-backed IPOs collapsed last year, but volume is picking up this year. June activity points to an IPO

pickup in the second half of the year, according to Kennedy, the Renaissance Capital senior strategist. “It’s going to end up looking like a relatively slow second half, but slow is a lot better than nothing,” he said. Portfolio companies lined up for IPOs include L Catterton-backed Oddity Tech and Klaviyo, a marketing automation company whose backers include Summit Partners and Accel. Oddity Tech, the online beauty-care retailer behind beauty brands Il Makiage and SpoiledChild, last year sold digital assets that convert to stock shares in an IPO. Given the difficult market, some companies, including Cava and thrift-store operator Savers, are lining up investors in advance to anchor their offerings.

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Fierce Debate in the Cards

Credit-card fees are in focus in Washington, creating complicated allegiances

The economics of the credit-card industry are complicated. Its politics may be even more so.

Legislation to change how credit-card transactions are handled is making its way through Washington. Proponents are hoping to lower the fees that merchants pay to accept credit-card payments, and in turn the fees that big banks and card networks collect—prompting strong opposition from those giants. Along the way, things like how credit-card purchases at gun stores are categorized, and how banks parcel out rewards points like airline miles, are emerging as talking points in a fierce debate.

One of the bill's co-sponsors, Democratic Sen. Dick Durbin of Illinois, successfully led a past effort to limit debit-card fees. Yet many Wall Street analysts are skeptical that his latest bill will become law. And why shouldn't they be? Passing legislation of any kind has for years seemed like a long shot in American politics. That is especially the case for something that would impact major interest groups, ranging from card networks Visa and Mastercard, to card-issuing banks such as JPMorgan Chase and Capital One Financial, and even airlines, which have co-branded credit cards.

Yet there are also a number of reasons why its passage in some form might be more possible than it first seems. For one, there is the timing. The so-called Durbin amendment for debit cards came on the heels of the 2008 financial crisis, attached to the 2010 Dodd-Frank reform act. The recent banking crisis in the wake of the failure of Silicon Valley Bank may not be anything matching 2008, but some bank reforms are already under consideration in Congress.

Another factor is the political coalition coalescing around the proposal. Proponents include some giant retail chains, such as Walmart and Target, as well as small local shops—and co-sponsors of the bill on both sides of the aisle have talked up the possible benefit for them.

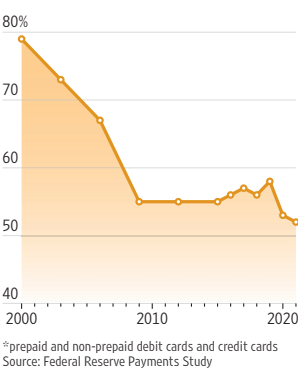
What's more, the proposed measure has a key difference with the 2010 legislation, which had the Federal Reserve set a cap on debit-

card fees. This time around, the bill avoids such caps, and instead directs the Federal Reserve to write a rule that most very large bank card issuers have to put at least two credit networks on their cards, as they typically do for debit, and they can't select both Visa and Mastercard.

The alternative network could then, advocates argue, use lower fees as a way to motivate merchants to choose their network to route a payment. The use of a market mechanism, rather than the use of what some lawmakers have called a price control, to try to lower fees could aid its appeal across the political spectrum. Even so, some free-market advocates, such as Americans for Tax Reform, have opposed the act, viewing it as an expansion of regulation.

But some Republicans may have an additional reason to support the proposal: social policy. Plans for a

Credit cards payments as a percentage of the value of all card payments* in the U.S.



merchant category code for gun and ammunition stores have drawn sharp rebukes from some in the

GOP. These codes are established by an international standards group, and then used by card networks and other payments companies. The concern is that such a code could pave the way for gun sales to be monitored. Co-sponsor Sen. J.D. Vance of Ohio, a Republican, speaking at a press conference for the credit-card proposal in June, warned companies: "Don't stick your nose in the social policy of this country."

Visa and Mastercard earlier this year said they paused efforts to implement the global standard, citing discussions in some states to ban the use of such a code. They have also said that the codes don't give information about what was purchased. Nonetheless, the specter of such a code has added to interest among some Republicans in promoting more competition in cards. Meanwhile, opponents of the legislation argue that these fees

pay for many things Americans like, such as fraud prevention and, notably, credit-card rewards. Here is how that works: Card networks set what are known as interchange fees, which in practice can often be around 2% of a transaction. But they don't keep this fee, which goes to banks that issue cards on the networks. (Networks get to keep a separate, typically far-smaller fee.) Then a sizable portion of that interchange is often returned to card customers in the form of rewards and perks, to motivate people to use that card.

So in theory, a competing network could use lower interchange fees as a way to make itself a cheaper option. Merchants could benefit from lower fees, though not all merchants are excited by this possibility; some that participate in card reward programs, like airline miles, are breaking ranks. Airlines for America, an industry group, said in a statement that "millions of Americans choose to use co-branded rewards credit cards every day because of the tremendous benefits they provide customers," and that the proposal could "put these popular consumer credit options in jeopardy."

The political debate could be further muddled by the intricacies of credit-card economics. It is not certain that interchange would be the fee initially impacted by adding

network competition, or how much fees might change overall. For example, it is also possible that an alternative network could offer attractive interchange rates to banks, then set a lower network fee than Visa or Mastercard—a much smaller component of the total cost—to lure merchants. "A competing network would likely need to match the interchange rates already in place to win an issuer's business," says Craig Maurer, co-director of equity research at Financial Technology Partners. "The network would likely have to eat into its own margin to take volume share from the incumbents."

But Washington isn't always a place for nuance. Payment systems may be complicated; political appeals can often be very simple. Whether this bill becomes law may depend in part on whose message can charge ahead.

—Telis Demos

ILLUSTRATION: ROBERT NEUBECKER



Apple's new Vision Pro headset is partly responsible for the stock's gains.

Apple at \$3 Trillion Is About What's Ahead

The stock's gains reflect hype over the next big thing

Apple's heady market value has little to do with its current business, and much to do with what might be yet to come.

The world's most valuable public company got a little more so on Friday, with its stock price rising more than 2%. That put Apple's market value above the \$3 trillion mark for the first time ever. The milestone follows a strong run that has boosted the stock by 49% so far this year, though Apple is hardly the only beneficiary of the market's revived love of Big Tech. Amazon.com, Nvidia and Facebook-parent Meta Platforms have seen even stronger gains over that time, with the latter two seeing their stock prices more than double.

Recent memory suggests this could be a good time for caution. Apple's market value came within about 1% of the \$3 trillion level during the first week of 2022. That turned out to be a precursor to a major tech selloff that year, which clipped 33% from the

Nasdaq Composite and gave Apple and its other trillion-dollar tech peers their worst performance since 2008. The timing of that surge wasn't great for Apple itself, as the company was coming off a strong product cycle that included the iPhone's best year of sales growth since 2015. Apple's revenue grew 33% in the fiscal year that ended in September of 2021—and growth slid to just under 8% in the following fiscal year.

Wall Street is actually projecting a 2.5% revenue decline for Apple in its current fiscal year—its first annual drop since 2019. But at least some of the stock's recent run can be attributed to hype over Apple's supposedly next big thing. The company used its Worldwide Developers Conference earlier this month to introduce its long-awaited augmented-reality headset called the Vision Pro. The device had been the subject of leaks and rumors for months, which helped drive the stock to a gain of 39% for the year ahead of the con-

ference. That was the biggest run the stock has seen ahead of the annual June event since 2012.

The stark reality of that product hasn't cooled enthusiasm. VR and AR devices from other tech giants have so far failed to tap in to the mass market, and Apple's doesn't even go on sale until sometime early next year—for a very non-mass-market price of \$3,499. But Apple's stock has gained another 6% since that event, outperforming the Nasdaq and S&P 500 in that time.

Most analysts don't see the Vision Pro making a material contribution to Apple's sales next year. They do, however, see the company continuing to command premium prices on its line of hardware products while also building the contribution of its higher-margin services segment. The latter has helped rerate the stock in recent years. Apple has traded between 20 and 30 times forward earnings since 2020, compared with its typical multiple in the mid-to-high teens in the five years prior.

But Apple's stock is now at the high end of its recent valuation range, ahead of what looks like a lackluster business cycle and without a clear tie to the hype over generative artificial intelligence that is propelling investor interest in its tech peers. The next iPhone at least might need to make a surprisingly strong connection.

—Dan Gallagher

Apple's share price as a multiple of forward earnings



Nike Is No Longer On the Back Foot

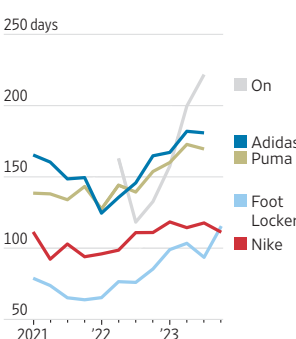
It isn't an easy time to be selling sneakers, even for Nike. But that shouldn't overshadow the brand's enduring strength.

Nike on Thursday said sales rose 8% excluding currency impacts in its quarter ended May 31 compared with a year earlier, better than Wall Street's expectations for 5.4% growth. Net income, though, declined 28%. That was partly because of higher product input and logistics costs, as well as higher markdowns, which pressured Nike's gross margins. The company also said it faced higher wage-related expenses. Operating margins fell to 9.5% from 11.6% a year earlier. Nike's shares, which were already down 3.1% year to date, fell by another 2.6% on Friday.

Investors have had a few reasons to be worried about Nike. One concern was its return to selling at retailers—such as Macy's and DSW—that it previously pulled back from to preserve margins and cachet. That introduced not only concern about the soundness of Nike's direct-selling strategy, but also questions about its brand perception. Another worry was China, where recovery had been slow. And third, there was growing unease that Nike might be losing market share in its running business to specialty brands such as Hoka and On, which are growing at a furious pace—even if from a much smaller revenue base. Hoka and On grew their sales by 40% and 78% on-year, respectively, in their most recent quarters.

Nike's latest results provided some level of assurance. Sales through wholesale partners—such as Macy's and Foot Locker—aren't stealing Nike's thunder anymore. Its direct channel revenues were up a healthy 18% on a currency-neutral basis, while wholesale revenue was up just 2%. Plus, sales in the Greater China region rose 25% on a currency neutral basis, about

Average days of inventory outstanding



\$140 million more than Wall Street expectations.

Less reassuringly, Nike's commentary about its running business gave an impression of a company that was caught on its back foot: Chief Executive John Donahoe said running has been a "competitive battlefield lately" and that Nike is now looking to "reinvigorate" its running footwear line.

Achieving better profitability won't be easy. While it expects gross margin to expand in the current fiscal year ending May 2024, its path could be obstructed by unsold, discounted sneaker inventory in the market.

A June survey conducted by Citi showed that when North American consumers were asked which athletic brand they considered purchasing next, the top choice was Nike at 32%.

Investors' downbeat sentiment has put Nike on an alluring discount, with its shares now going for roughly 3.2 times forward sales, 15% lower than its five-year average.

Now might be the time to pounce.

—Jinjo Lee



Animal Spirits
The eagle bested the zebra, beaver and turkey to be America's icon **C5**

REVIEW

Defining Liberty
British philosophers and the Founding Fathers **Books C7**



CULTURE | SCIENCE | POLITICS | HUMOR THE WALL STREET JOURNAL. * * * * Saturday/Sunday, July 1 - 2, 2023 | **C1**



FROM TOP: SERGEI GUNEV/ITASS/ZUMA PRESS; ALEXANDER BRNOCHENKO/REUTERS

What's Next for Russia

The Wagner rebellion that briefly sent tanks toward Moscow exposed damaging rifts within the regime, and the turmoil isn't over. How a weakened Putin responds has huge stakes for Ukraine and the U.S.

By Yaroslav Trofimov

WHEN RUSSIAN PRESIDENT Vladimir Putin was growing up in a tenement in postwar Leningrad, his attempt to chase away one of the building's abundant rats went awry. Pushed into a corner, the rat lashed out and pursued the boy all the way back to his apartment.

"I got a quick and lasting lesson in the meaning of the word cornered," Putin described the incident in his autobiography in 2000. The message, amplified by Kremlin propaganda over the years, was that it was unwise for anyone to try cornering Putin's Russia because it would react in violent, unpredictable ways.

Yet, as Putin faced the most dangerous moment in the more than two decades of his rule on June 24, with thousands of heavily armed rebels from the Wagner mercenary force speeding toward Moscow, he backed down from initial pledges to crush the "traitorous" putsch. Instead, he accepted a humiliating compromise that punctured his indispensable

aura of strength.

The mutiny's leader, Yevgeny Prigozhin, was allowed to set up a new base in Belarus. Putin granted him and his men impunity under a deal brokered by Belarusian President Alexander Lukashenko—even after Wagner fighters shot down several Russian military aircraft and killed their crews.

"The huge lesson we have learned about Putin is that, when he's put in a corner, he's not a rat that lashes out, he negotiates," said Alina Polyakova, president and CEO of the Center for European Policy Analysis, a Washington think-tank. "What we've seen is it's not just the Russian military power that looks weak, Putin looks weak. This is a very, very big crack in the regime."

The rifts are not just between Wagner—Russia's most combat-capable military formation, funded by Putin with billions of dollars in state money—and the rest of the Russian security establishment. The mutiny has also highlighted deep splits among the commanders of the Russian military, a force battered by



heavy losses during 16 months of war in Ukraine.

"The system seemed to be a monolith that stayed solid when the war began," said Russian political scientist Ilya Matveev. "It appeared that everyone is afraid of Putin, and everything will go on as before. But this turned out to be just the surface, and beneath the surface there were all these quarrels, not just among elites but among elites who operate their own armed regiments."

If there are any winners in the aftermath of Prigozhin's uprising, none are inside Russia. Ukraine, Lukashenko, and the U.S. and its Western allies all stand to benefit in different ways from the exposure of Russia's fractures. But every part of the

Please turn to the next page

Top, Putin after he spoke on Tuesday in Moscow about the uprising. Above, Wagner chief Prigozhin in Rostov during the rebellion.

Inside

HEALTH

A new generation of gyms and trainers is encouraging people to exercise for the sake of health and well-being, not losing weight. **C3**



Deep Breath

Research shows that intentional sighing can be the fastest way to reduce stress and anxiety. **C6**

BACK WHEN

On July Fourth, M-80s and cherry bombs used to offer young people the thrill and risk of freedom. **C5**



LAW

Former chief justice Aharon Barak is at the heart of Israel's judicial-reform crisis. **C4**



REVIEW



Clockwise from top:
Wagner tanks at
Russia's military HQ in
Rostov on Saturday;
Belarus President
Alexander Lukashenko;
Russian Defense
Minister Sergei Shoigu;
Russia's Head of General
Staff Valery Gerasimov.



Putin’s Regime Faces Its Own Show of Weakness

Continued from the prior page

Russian regime—Putin, Prigozhin, the armed forces and the country’s extensive domestic security and intelligence services—has emerged enfeebled by the ordeal. “There are no heroes here,” Lukashenko summed up the mutiny’s outcome.

A product of the same rough neighborhoods of Leningrad as Putin, Prigozhin was the president’s chef and confidant, running delicate and deniable missions for the Kremlin. They included an internet troll farm that, according to the FBI, interfered in the 2016 U.S. election, and Wagner itself, which focused until the Ukrainian war on covertly bolstering Russian interests in Syria and Africa.

As the conflict between Prigozhin and the Russian defense ministry leadership turned increasingly acrimonious in recent months, 70-year-old Putin appeared paralyzed by indecision, unwilling to take sides until it was too late.

“This crisis was entirely of Putin’s making. Prigozhin was Putin’s crea-

“How high and how broad was Prigozhin’s support in the upper ranks of the military? That’s got to be worrying Putin, and I don’t think he knows,” said Daniel Fried, a distinguished fellow at the Atlantic Council and a former U.S. Assistant Secretary of State for Europe.

The implications of the failed putsch are huge not just for Russia itself, but also for the West—especially as it ponders how best to help Ukraine reclaim occupied land. President Biden and other NATO leaders are gathering in Lithuania for a summit on July 11, aiming to discuss how to deal with Russia’s new reality.

Ever since Putin invaded Ukraine, fear of escalation by the Russian president constrained the level and the kind of Western military assistance that was provided to Kyiv. Those self-imposed restrictions, particularly on long-range weapons such as ATACMS missiles and jet fighters, should be cast aside now that Putin has revealed his weakness, many supporters of Ukraine say.



only Russian lawmaker to have voted against the annexation of Crimea in 2014, is the political co-ordinator of the Freedom of Russia Legion, one of the two main Kyiv-backed forces. The Legion, he said, has thousands of fighters ready to confront Putin’s rule and march to Moscow.

“The regime is a colossus on feet of clay. These events have shown that it’s not just possible to act against it, but that we must act against it, and that the actions will bear fruit,” Ponomarev said. “This means that we have to finish what Comrade Prigozhin didn’t complete.”

Kyiv-backed Russian rebels, of course, couldn’t count on any of the cooperation within the Russian security establishment that Prigozhin had enjoyed, at least not in the foreseeable future. So far, there are no other parts of the military system with the autonomy and the resources of Wagner to mount a similar challenge—especially as Russian counterintelligence operations have started purging the regular army of generals with suspect loyalties. The militia of Chechen strongman Ramzan Kadyrov could play a role in the Northern Caucasus one day, but would have little support in Moscow.

“For now, there are no alternative centers. The elites are atomized,” cautioned Alexander Gabuev, director of the Carnegie Russia Eurasia Center in Berlin. “And the regime has shown in the past that it learns how to adapt to the huge screw-ups created by Vladimir Putin.”



‘How high and how broad was Prigozhin’s support in the upper ranks of the military? That’s got to be worrying Putin, and I don’t think he knows.’

DANIEL FRIED
Former U.S. Assistant Secretary of State

“This is the time to strike when the iron is hot,” said ret. Col. Matt Dimmick, a former White House director for Russia and Eastern Europe who’s now working with American veterans to supply Ukrainian troops. “The U.S. and everybody else should be throwing as much support and as much equipment as humanly possible, as rapidly as possible, to get into the hands of the Ukrainians so that they can maximize the opportunities that are in front of them right now.”

The turmoil in Russia also presents a diplomatic opening, added Stephen Hadley, a former U.S. national-security adviser: “We should use diplomacy to go to countries like Brazil and India, who have been on the fence about Russia and Russia’s war in Ukraine, and to say: if you’re tacitly backing Putin, you’re backing a loser, and isn’t this time to shift a little bit and be more pro-Ukraine in your policies?”

Russia’s unexpected fragility, however, has also spooked some Western officials, a reminder of the worries about control over nuclear weapons that animated opponents of the Soviet Union’s collapse in 1991.

“These events will strengthen the ideas of those who think that stability in Russia is paramount, and that Putin is better than the unknown,” said Bruno Tertrais, deputy director of the Foundation for Strategic Research, a Paris think-tank that advises the government. “This would be a mistake. Betting on the stability of Putin’s regime at a time when it is so brittle risks alienating Russian democrats and other Russian alternatives, if they exist.”

While the turbulence in Russia provided little immediate advantage to Ukraine on the battlefield, Kyiv is likely to benefit in the long run if Wagner, the only Russian force that advanced since last summer, is re-

moved. Lukashenko has emerged as another winner from the Prigozhin mutiny, by gaining political prestige and by hosting in Belarus a contingent of Wagner troops—a force that could now protect his own autonomy.

An impulsive former convict turned catering tycoon, Prigozhin is far from being revered within the Russian military. But many officers, including in the senior ranks, have come to share his view, expressed in a rambling video on the eve of the uprising, that the war on Ukraine had been launched on false pretenses.

Hours before ordering his troops to seize the southern city of Rostov, Prigozhin argued that Ukrainian President Volodymyr Zelensky—whose calls Putin refused to take for three years—would have agreed to a compromise if someone were to “climb down from the Olympus to strike a deal” last year, averting the bloodshed. “The war was necessary only so that a bunch of scoundrels would celebrate and get PR showing how strong their army is,” he said before enumerating huge Russian losses. “And, secondly, the war was needed by the oligarchs.” Prigozhin, however, stopped short of calling for an end to the war.

Many Russian military officers agree with Prigozhin that, regardless of the reasons for the invasion, the conflict—which saw a series of Russian defeats as Kyiv regained half of the initially occupied territories—is badly mismanaged by Defense Minister Sergei Shoigu and Chief of General Staff Valery Gerasimov, whose resig-

nations Prigozhin demanded.

Without firing a shot the morning of June 24, Prigozhin’s men seized the Southern Military District headquarters in Rostov, the nerve center of the Russian war effort—shortly after Gerasimov escaped from the building. Wagner’s leader sat down in the courtyard with a deputy defense minister and a deputy chief of the GRU military intelligence, fuming about the “geriatric clowns” in charge of the war.

“We came here because we want to get the chief of general staff and Shoigu,” Prigozhin told them, in a video released by Wagner.

“Take them,” Lt. Gen. Vladimir Alekseyev, the GRU deputy chief, said with a smile, waving his hand.

Neither Shoigu nor Gerasimov appeared in public that day to rally the troops, and Gerasimov wasn’t seen all week. The country’s feared security and intelligence services, the army and the National Guard internal security force all seemed helpless to stop the mutineers’ progress—until Lukashenko negotiated a compromise, on terms that have yet to be fully clarified.

“This weakness will encourage others to continue this adventure, and sooner or later, they will do the job better than Prigozhin,” said European Parliament member Witold Waszczykowski, a former foreign minister of Poland.

Kyiv-backed Russian insurgent fighters who briefly seized a sliver of Russia’s Belgorod region last month say they are definitely inspired by the recent events. Ilya Ponomarev, the

“Watching the actions of Russian authorities after the conclusion of the so-called mutiny (which can no longer be considered a mutiny because its participants face no persecution whatsoever from the authorities), I have come to the conclusion that our president has become completely senile,” Igor Girkin, a former FSB officer who launched the Russian-sponsored armed rebellion against Ukrainian rule in Donbas in 2014, and has emerged as a prominent nationalist critic of Putin and Prigozhin, wrote on Telegram. “They truly believe that everyone around is blind and deaf.”

The official narrative may work with the country’s ordinary citizens who get their news from propagandists on state TV, but not with the elites that matter in Russia’s power structure, said Russian political scientist Ivan Fomin, who left Moscow last year and is now a visiting scholar at the Johns Hopkins University School of Advanced International Studies.

“This will give more confidence to Putin’s enemies, in Russia and abroad,” Fomin said. “They will see that you can put pressure on that man if you have weapons in your hands.”

CLOCKWISE FROM TOP: ERIK ROMANENKO/TASS/ZUMA PRESS; GETTY IMAGES; RUSSIAN DEFENSE MINISTRY PRESS SERVICE/ASSOCIATED PRESS

REVIEW

By Leigh Kamping-Carder

If you're about to kick off a summer workout program with the aim of unearthing your "beach body," I am here to tell you: Don't.

I spent years of my life suffering through exercise, or ignoring it entirely, because of a weight-loss goal. I've pounded treadmills, pushing myself to hit a certain calorie count. I've tucked and pulsed through barre classes, dreaming of the long and lean muscles that would be my prize. I've tried personal training, spin classes, gym memberships and more. Like millions of Americans I have turned to fitness to shrink my body, and when it didn't work I dropped it. Over and over again.

A few years ago I hit a breaking point and stopped trying to lose weight. Slowly, I was able to return to exercise with new goals and a new attitude.

A small but growing group of trainers, gyms and studios are ditching weight loss as a goal of exercise. By focusing instead on the joy, strength and health benefits that often come from movement, they hope to give people a less punitive and more sustainable relationship with fitness—whether or not the size or shape of their bodies change. The movement builds on the decades of work of fat activists, many of them Black women, who have fought against discrimination based on size. It also rests on research that suggests exercise rarely results in sustained weight loss, that people can be both fat and fit, and that fitness has health benefits even in the absence of losing weight.

"Weight loss in general strips people of joy, period," said Luca Page, the founder of Radically Fit, a gym in Oakland, Calif., that describes itself as serving "queer, trans, BIPOC and bigger bodied folks." "It asks you to shrink yourself, not only physically, but emotionally, eventually. When you're able to find some joy in movement, it does the opposite. It expands your life in all these different ways."

Weight-inclusive fitness re-frames the reasons for engaging in movement, tossing aside narrow aesthetic goals. Instead, participants might aim to curl 20 pounds instead of 15, run a faster mile, alleviate lower back pain, or even build community. The instructor tends to be less of a guru or drill sergeant—urging participants to push harder and conform to an ideal posture or look—and more of a guide, encouraging people to decide what feels best that day. Language is also different: Comments about toning, sculpting or shedding pounds are forbidden, as is the idea that exercise is a punishment for eating ("Keep going to burn off brunch!").

"You will never hear...anything about getting fit so that you will be

Fitness Means More Than Losing Weight

A new generation of gyms and trainers is focusing on the strength, health and emotional benefits of exercise, rather than the often elusive goal of shedding pounds.



Feeling like your body is worthy and strong, instead of wrong and inadequate, can be a powerful motivator for exercise.

skinnier, hotter, ready for bikini season. Sculpted abs, never," said Sadie Lincoln, co-founder and CEO of Barre3, which offers online classes and in-person classes at more than 170 U.S. locations. "We go the other way about taking space in your body, breathing fully in your belly, not pulling it in."

The Centers for Disease Control and Prevention continues to emphasize the importance of weight loss, stating that "people who have obesity, compared to those with a healthy weight, are at increased risk for many serious diseases and health conditions," including diabetes and heart disease. Still, discarding weight loss as a workout goal has scientific backing. Extensive evidence has shown that exercise rarely leads to long-term, substantial weight loss, since the body will compensate for an energy deficit, in part by increasing appetite. Often a person who works out with a specific weight-loss goal—say, losing a certain number of pounds to

fit into a swimsuit—might find initial success. But when their weight inevitably plateaus or the pounds return, they get frustrated and stop engaging in exercise, said Ragen Chastain, an American Council of Exercise-certified health coach, fat-positive advocate and writer of the "Weight and Healthcare" newsletter.

This can make fitness seem futile, potentially leading to emotional distress, a higher risk of eating disorders and a harmful feedback loop known as weight cycling. This yo-yo process of losing and regaining weight has been linked to many of the harms associated with being at a higher weight. Stopping and starting exercise also means that people lose out on the advantages of movement. Benefits like better sleep, lower stress, increased en-

ergy and a reduction in the risk of many diseases can accrue whether a person loses weight or not.

"This myth that movement makes you healthy because it makes you lose weight—that's simply not true. The benefit is direct," Chastain said.

In a 2012 study, researchers looked at data from almost 12,000 men and women enrolled in the U.S. National Health and Nutrition Examination Survey to determine the association between mortality and healthy behaviors, including eating five or more fruits and vegetables a day, exercising regularly, limiting alcohol and not smoking. The healthy behaviors were associated with a significant decrease in mortality, regardless of baseline body-mass index, the study found.

When it comes to reducing

health risks, increasing fitness and physical activity is more beneficial than losing weight, said Glenn Gaesser, a professor of exercise physiology at Arizona State University. In 2021, he and a co-author published a wide-ranging review of the research on weight-centered versus weight-neutral approaches to health. If people increase physical activity or fitness, their risk of mortality goes down by 40% to 60%, Gaesser said; with weight loss alone, the risk reduction ranges from no effect to 20%.

Aerobic and resistance training can lower blood pressure, blood glucose and blood lipids at least as much as losing weight, according to the review. And mortality risk associated with obesity is largely reduced or eliminated by moderate to high levels of cardiorespiratory fitness or physical activity. "Just on the basis of scientific evidence alone, it would make sense to try to get a person fit rather than try to get a person thin," Gaesser said.

Most fitness gurus are still trying to get people thin. Weight loss sells gym memberships and fitness equipment. Even fitness spaces that preach body positivity often also promote weight loss or use weight-stigmatizing language, Chastain said. For many people, particularly in bigger bodies, fitness spaces are areas of shame, ridicule, bullying or condescension. Body shame can have the opposite effect of encouraging health-promoting behaviors, research suggests. Priming half of the 100 overweight women in one 2009 study with weight-related stereotypes significantly diminished their intention to exercise and eat healthfully compared to the half that wasn't primed.

"It's not a consistent practice to go into something that you hate and try to hate yourself to these goals that you think will make you happier," said Lauren Leavell, a weight-neutral fitness instructor and

trainer based in Philadelphia. "I just really don't think hate is a health-promoting behavior."

No one is obligated to work out, and not everyone has the time, ability or budget to do so. But feeling like your body is worthy and strong, instead of wrong and inadequate, can be a powerful motivator. Weight-neutral fitness instructors say that their clients—and they themselves—stick longer with programs that focus on objectives beyond pounds and inches.

When I work out today, I monitor my heart rate and ignore how many calories I'm burning. I go to a Pilates studio that encourages me to listen to my body rather than sculpt my muscles. I've found a personal trainer who embraces a weight-neutral philosophy. I leave the gym feeling energized, flooded with endorphins from the power and joy of moving my body, of getting stronger, not smaller.

To my constant surprise, I actually like it.



A Way to Celebrate Longevity, Even Amid Changes

TEN YEARS AGO, the very first "Word on the Street" column appeared in The Wall Street Journal. The word I explored in that debut column was "cyber," which I noticed was starting to get used as shorthand for "cybersecurity." Since then, I have filed regular weekly dispatches



As a term of celebration and commemoration, it has found a place in our language for more than eight centuries, and yet its meaning continues to shift in modern usage.

In classical Latin, "anniversarius" meant "returning yearly," combining "annus" for "year" and a form of the verb "vertere" meaning "to turn." (That same turning root can be found in words like "convert," "invert," "versatile" and "version." Even "universe" is related, originally meaning "turned into one.") A "dies anniversaria" was an anniversary day, originally marking a person's death—in Christian

contexts, often the remembrances of the martyrdom of saints.

The word entered medieval French as "anniversaire," and the English "anniversary" began showing up in print in the early 13th century. The Oxford English Dictionary's earliest example comes from "The Ancrene Riwe," a manual for anchoresses, or ascetic nuns, instructing them in the finer liturgical points of praying for departed souls.

It took a few centuries before the word started getting used more broadly for an annual celebration. A 1567 collection of historical tales called "The Palace of Pleasure" by William Painter describes how the ancient kings

of Persia "yearly did solemnize an anniversary of their coronation, with great feast and triumph." In American newspapers as early as 1783, the Fourth of July was sometimes dubbed "the anniversary of our independence," while in England, the jubilee of 1809 celebrated the 50th anniversary of King George III's accession to the throne.

Wedding anniversaries also became more commonly observed in the early 19th century, following German traditions. One 1819 account in a London newspaper explained that the 50th anniversary of the King of Saxony's marriage day was called in Germany "the Golden Marriage." Golden anniversaries were joined by silver (25 years), ruby (40 years), and so forth. Eventually retailers worked out gifts to commemorate any number of years of marital bliss, starting with the "paper" anniversary.

As "anniversary" got used more frequently, the "annual" part of the word was often forgotten, and it came to be used to mark other lengths of time. Why should a married couple wait for their paper anniversary when they can get an early start

celebrating their "one-month anniversary"? Sticklers who want to keep "anniversary" annual have suggested other terms for the monthly equivalent, like "mensiversary" (using the Latin root "mensis" for "month"), or the English-Latin hybrid "monthiversary." (These days, that "i-versary" ending can also be grafted on to other words, like "workiversary" or "Twitter-versary.")

Usage nit-pickers might also balk at phrases like "10-year anniversary," since "10th anniversary" should be enough to indicate the time period. But with the meaning of "anniversary" getting diluted over time, the annual nature often requires a little extra emphasis.

If there is one thing that readers of this column should appreciate by now, it is that the meanings of words inevitably change as time marches on. Just as we no longer expect "anniversary" to be limited to the death days of saints, we should likewise learn to accept that the word has broadened to encompass non-annual commemorations. As language shifts over time, we learn new ways to mark its passing.

[Anniversary]

from the world of words—and fortunately, I'm in no danger of running out of fascinating items from our lexicon to investigate.

For my 10th-anniversary column, what better word to write about than "anniversary" itself?

KATIE THOMPSON

JAMES YANG

REVIEW

EVERYDAY MATH

EUGENIA CHENG

How a ‘Fixed Point’ Keeps a Map on Target



WHEN I’M USING my computer to look at a digital map, I often get frustrated by clicking on the “plus” icon to zoom in. The problem is that the location I’m trying to zoom in on invariably disappears off the screen, and then I have to move the map around to find it again. To avoid this, I try to remember to put the place I’m interested in at the center of the screen, because it’s the center that stays put while zooming.

In mathematics the part that stays put is called a “fixed point,” and fixed-point theory is a highly productive field of study—despite its name sounding like nothing is moving along. Mathematicians study fixed points of so-called transformations. Zooming in is one example of a transformation; another is rotation, where the fixed point is the center around which you’re rotating. We also study fixed points of functions. For instance if you multiply all numbers by 2, the only point that stays fixed (meaning it doesn’t change its value) is 0. If you square every number, then both 0 and 1 stay fixed and maintain their values.

One of the most widely used fixed-point theorems was proved by Dutch mathematician L.E.J. Brouwer in the early 20th century. The theorem says that if you start with a circular area and map it with a “continuous” function—not breaking anything apart—then there must be a point that stays fixed. But the area doesn’t actually need to be circular. For example, if you take two identical pictures and crumple one up and squash it on top of the other one, the theorem says there will be at least one point on the crumpled picture that’s sitting exactly on top of the same point on the flat one.

Applications of fixed-point theory include differential equations, game theory, finance and internet searches. The idea of Google’s original page-ranking system was to rank search results by the chance of landing on each page based on how often it was linked to by another page. You’re more likely to land on a page if it has many links



pointing to it from other pages, but it also depends on those other pages having plenty of links pointing to them. (The very large) matrix of probabilities stabilizes after a certain number of hypothetical clicks, and can be calculated as a fixed point that doesn’t change with further iterations. Fixed points in the context of matrices were already well understood when Google started up, and the ranking system made effective use of that existing theory.

Mathematicians often do this sort of reframing, using an existing theory to solve something new. The practice gives rise to the joke about a mathematician who knows how to boil an egg starting with an empty saucepan. When handed a saucepan full of water, instead of boiling the egg the mathematician pours out the water and triumphantly announces, “I have reduced the problem to the previous one.”

Sometimes problems involving infinity can be solved as a fixed point, because infinity can be regarded as fixed under a function that adds 1 to everything—every finite number increases by 1, but infinity stays the same. I have used this in some of my own research to construct an infinite-dimensional object as a fixed point rather than trying to construct it directly with an infinite building process, which could take an infinitely long time.

Less abstractly, fixed-point theory can be used to prove that if you stir a martini there will always be a fixed point—a point that ends up in the same place it was before you stirred it. That provides a possible reason to prefer a martini shaken, not stirred.



Aharon Barak, former Chief Justice of Israel’s Supreme Court, in 2010.

The Judge at the Heart of Israel’s Constitutional Crisis

Chief Justice Aharon Barak led the Israeli Supreme Court in expanding the power of the judiciary. Now a controversial proposal for judicial reform is bringing new scrutiny to his legacy.

By SHAYNDI RAICE

In 1992, Israeli Supreme Court Justice Aharon Barak declared that the country had undergone a “constitutional revolution” after its parliament, the Knesset, passed laws enshrining the right to life, liberty and dignity for the first time. Israel had functioned since its founding without a written constitution but now the courts would act as if it had one, Barak declared.

“I had to interpret [the laws] based on the values of Israel as a Jewish state and a democratic state, according to what I understand the deep values of Israel are now,” he recalls today. In the following decades, the Israeli Supreme Court evolved into arguably the most activist judicial body of any advanced nation in the world, assuming the power to strike down government decisions, including military ones.

Barak retired from the court in 2006 after 28 years, 11 of them as its president. Now 86, he remains a towering figure—the Israeli equivalent of American jurists like John Marshall, who established judicial review in the U.S., or Earl Warren, who presided over a rights revolution in the 20th century. “I doubt if there has ever been any legal figure or judge or legislator that had such a formidable impact...on the whole society and political system as Aharon Barak,” said Yoav Dotan, a law professor at Hebrew University in Jerusalem.

Now that legacy is now under scrutiny as never before, as Prime Minister Benjamin Netanyahu, leading a coalition of ultra-nationalist and religious political parties, aims to roll back Barak’s legacy. Earlier this year, Netanyahu advanced legislation that would significantly weaken the Supreme Court’s power. The most controversial clause in the plan would give Parliament the power to override its decisions by a simple majority vote.

In an exclusive interview this week with The Wall Street Journal, Netanyahu said that clause was “out,” handing a win to the overhaul’s opponents. He said he would move forward with other elements, including one that would give the Knesset majority more say in appointing new justices. That power is currently entrusted to a committee jointly appointed by sitting justices, the government, opposition parties and the Israeli bar association.

Netanyahu’s proposal has exposed deep divisions among secular, religious and ultranationalist Israelis about what it means for Israel to be a Jewish and democratic state. Protests against the plan have drawn hundreds of thousands of marchers to the streets for 25 weeks straight. The demonstrations reached a fever pitch in March, after which the prime minister paused the legis-

lation to allow for compromise talks between the governing coalition and opposition parties. Those talks have since fallen apart and Netanyahu has vowed to pass the bills unilaterally, but in a “measured way.”

Though Barak has been off the bench for nearly two decades, he finds himself at the center of the national debate. A Holocaust survivor born in Kaunas, Lithuania, he moved to Israel in 1947 and went on to become dean of the law school at Hebrew University in Jerusalem. After being appointed as attorney general in 1975, he went on to serve as a key Israeli negotiator for the Camp David Accords with Egypt. He was appointed to the Supreme Court in 1978.

Barak wrote several controversial decisions during his tenure. In 2000, the Court ruled that the state cannot discriminate against Arab citizens in the use of state land; Barak’s opinion rejected the concept of “separate but equal,” a term he borrowed from the U.S. Supreme Court’s ruling in Brown vs. Board of Education. In a 2004 decision, he wrote an opinion ordering the Israeli government to alter the route of a barrier between the West Bank and Israel to avoid disproportionately impacting Palestinians.

Today, supporters of judicial reform argue that Barak helped the Court usurp the will of the majority, while opponents of the overhaul praise him as a defender of democracy and human rights. Both sides have demonstrated in front of his ground-floor apartment on a leafy street in Tel Aviv, which he shares with his wife, Erika. Barak says he’s proud of the demonstrations, both for and against him. After all, in 1994 he wrote the Israeli Supreme Court opinion that permitted demonstrations near the home of a public figure. “If they think that if I or my colleagues have done something wrong to them, they should demonstrate,” he said. “I was a public figure. And in a sense, I’m still a public figure.”

The current debate over the

role of the judiciary stems from Israel’s unusual constitutional history. The country’s 1948 declaration of independence committed to creating a constitution, but the next year, the newly elected Knesset couldn’t agree on a final version. Instead, lawmakers decided to pass a series of so-called basic laws, each of which would serve as a chapter of a future constitution.

Before the 1990s, the Knesset passed nine basic laws detailing the workings of government institutions. A bill of rights protecting civil liberties was continually

‘There is a tremendous lack of legal norms for how our democracy should behave.’

AHARON BARAK

put off, in part because it was difficult to achieve consensus on the role of religion in the Jewish state. But in 1992 a new basic law was passed stating the right of Israeli citizens to human dignity, liberty, property and privacy, followed by another in 1994 establishing the right to choose a profession.

Dan Meridor, Israel’s justice minister at the time, said the laws’ language was left intentionally vague in order to garner public support. Religious and ultra-nationalist political parties, in particular, refused to sign onto specific language about a right to equality or the separation of religion and state, fearing that such provisions could undermine the role of Judaism in public life or Israel’s ability to maintain its occupation of the West Bank, where Palestinians do not have equal rights.

But Barak’s Supreme Court interpreted the basic law on human dignity as implying the existence of other legal rights. “I asked myself, ‘What does human dignity mean?’” Barak said. “It means that every human being should be able to write his life story...which includes equality,

freedom of speech, people are free agents.”

According to Yaniv Roznai, a law professor at Israel’s Reichman University, “this kind of interpretation brought a lot of criticism.” After all, he notes, “one of the main reasons why the Knesset has managed to constitute the basic law on human rights was exactly because equality was left out.” Roznai said that “in retrospect, these kinds of maneuvers fueled the populist rhetoric of ‘look at these judges, trying to impose liberal values on us, and we the people do not want these values.’”

Yoav Dotan, the law professor, is one of Barak’s critics, arguing that his judicial activism stems from a belief that judges are superior human beings. “His constitutional theory is the good guys and the bad guys,” said Dotan. “The good guys are the judges. They are pure, they are superior, they can be trusted. The bad guys are the politicians, and bureaucrats to some extent.”

Barak denies this charge, saying that the courts do have a check on their power: the law itself. “The judge is the creation of the law,” he said. “A judge cannot act against the powers that the law gave.”

If the judiciary in Israel is unusually activist, Barak and his supporters argue this is for good reason. Since its founding Israel has been mired in hostilities, forcing it to constantly weigh security risks against civil liberties. Just as important, the checks and balances on government power are extremely limited. There is no federal system, only one legislative chamber, and little separation between the executive and legislative powers. It is also a young country, with little history of legal precedents to draw on.

“For all these reasons, there is a tremendous lack of legal norms for how our democracy should behave on all its levels,” Barak said. “That’s the reason why I was very much in favor of liberalization—not in order to give power to the judges, but in order to allow them to enable them to write down those basic norms, basic to any democracy, in which human rights are protected.” He notes that Israel’s Supreme Court has overturned just 22 statutes since 1995, out of thousands of cases brought before the court annually.

Looking back on his years on the court, Barak says he made mistakes but shies away from giving examples relevant to the judicial overhaul. In any case, he thinks that the proper way to overturn his legacy would not be to strip power from Israel’s Supreme Court, but for the Court itself to overturn his decisions. “I will not be judged by the polls of public opinion,” he said. “I will be judged by history.”



Demonstrators outside Aharon Barak’s home in Tel Aviv, April 30.

REVIEW

How the Eagle Became an Emblem Of American Freedom

Friends and foes of the American Revolution imagined the new country as a zebra, a deer and other animals before the settling on the classic symbol.

By Stuart Halpern

Most Americans celebrating our independence on July 4 are likely unaware that before we were an eagle, we were a beaver, a zebra and a goose.

In 1778, a British Tory with artistic flair decided to satirize the rebellious 13 colonies that dared to defy the King. Rendering each colony as a stripe on a zebra, he placed them in geographical order—except for Massachusetts. Home to those rabble-rousing Bostonian tea-partiers, it merited placement on the animal’s rear end.

Supporters of the rebels turned from the zoo to the farm. Some Whig artists depicted the colonies as a cow with its horns being sawed off by one British politician, while another milked it. Other like-minded cartoonists drew the colonies as a goose: Why, they wondered, would the British attack an animal that laid golden eggs, in the form of tax revenue?

‘The American Eagle must be able to fix its eyes upon the sun.’

MARQUIS DE CHASTELLUX

Early in the Revolution, some American patriots adopted the white-tailed deer as an emblem of swiftness and freedom, adorning their hats with bucktails and wearing deerskin leggings. Others were partial to the beaver, which had long been used as a symbol of New York and adorned the city’s flag. As Robert Beverly of Virginia noted in 1705, Americans should admire the beaver, who, in building a home, “sees that every one bear his equal share of the burden; while he bites with his teeth, and lashes with his Tail, those that lag behind, and do not lend all their strength.”

Fittingly, Continental six-dollar bills produced in the fall of 1775 rendered America as a very small beaver chewing away at a rather large tree. One writer explained that “the large tree represents the enormous power of Great Britain, which the persevering, stead-working beaver (America) is reducing within proper bounds.”

Following the success of the Revolution, the Continental Congress sought a symbol for the national seal. If, as they teach in business school, a camel is a horse planned by committee, then it’s no wonder that three congressional committees proposed a dove (representing vir-



Franklin the eagle, photographed at a nature center on Long Island, June 2023.

tue) alongside a warrior in armor (military might), accompanied by an eagle (sovereignty), a harp (harmony), a pillar (fortitude), a rooster (vigilance), two fleurs-de-lis (a token of appreciation for the French assistance in the war), an unfinished pyramid (endurance) and the eye of Providence.

Somehow not making the cut was John Adams’s suggestion of “Hercules, as engraved by Gribelin, in some editions of Lord Shaftesbury’s works. The hero resting on his club. Virtue pointing to her rugged mountain on one hand, and persuading him to ascend.” As the future presi-

dent regretfully admitted in a letter to his wife, “this is too complicated a group for a seal or medal, and it is not original.”

Also not chosen was the biblically-based suggestion submitted by Benjamin Franklin and Thomas Jefferson of “Pharoah (sic) sitting in an open Chariot a Crown on his head and a Sword in his hand passing through the divided Waters of the Red Sea in Pursuit of the Israelites: Rays from a Pillar of Fire in the Cloud, expressive of the divine Presence and Command beaming on Moses who stands on the Shore and extending his hand over the Sea

causes it to overwhelm Pharoah.”

The eagle survived subsequent editorial decisions. Depicted with 13 arrows in one claw and an olive branch with 13 fruits and leaves in the other, adorned with 13 shining stars and bearing a national shield, its beak held the motto *E pluribus unum*, “out of many, one.”

Franklin, probably still sore that his suggestion hadn’t been accepted, lamented to his daughter Sarah that Congress had chosen “a bird of bad moral character; like those among men who live by sharpening and robbing, he is generally poor, and often very lousy.” If the national symbol

evoked the bird as a symbol, quoting the prophet Isaiah: “They that wait upon the Lord shall renew their strength; they shall mount up with wings as eagles; they shall run and not be weary; and they shall walk and not be faint.”

Gliding above a nation of freedom, vigor and aspiration, the American eagle survived both British military might and death by committee.

Rabbi Halpern is the senior adviser to the provost and deputy director of the Straus Center at Yeshiva University.

SHAYAN ASGHARIA



BACK WHEN
RICH COHEN

The fireworks of July Fourths past offered the thrill of the near miss.

The Bombs Bursting In Air

PROBABLY THE MOST exciting moment of my childhood occurred on July 4, 1977, when my father, without first reading the instructions, lit a ground bloom flower in our suburban Chicago yard. If placed as directed on cement or some other hard surface, the firework spins wildly and changes color.

If placed on the grass, as my father (who routinely put metal in the microwave) had done, the ground bloom flower zings higgledy-piggledy, like an incoming shell. For a long moment on that July morning, it was as if my grandfather, my father, my brother, my mother, my sister, my dog and me were diving into the bush in Vietnam.

Fireworks have meant more than happy celebration to me ever since. It’s not barbecues and beach balls that come to my mind on Independence Day. It’s the excitement of danger and the

thrill of the near miss. It’s those fireworks that we are still free to enjoy and those that have been banned in the years since my family’s near-death experience.

Start with snakes, the go-to appetizer for a home fireworks show. These were to sparklers as mustard is to ketchup. Once set alight, a snake—the ones we used came as small black balls in a yellow pack from China—expanded into a delicate web of ashy tentacles. Ex nihilo, something out of nothing, the magic of creation!

But, as it turns out—I learned this only when I tried to buy a pack for my own kids—the delicious smoke that rose from some brands and set us dreaming of clowns and sailing ships was mercury vapor. That’s why snakes are now illegal in much of the U.S. and Europe.

Or how about the cherry bomb, so called because it looked like a red fruit with a fuse and was in fact a junior-league explosive. It went off with the kind of head-rattling report that told the block you’d come to party.

Or the M-80, a half-inch



A girl holds packages of firecrackers, Missouri, July 2020.

Best of all were the sky rockets that rose like a missile and descended in a glittering shimmer of dazzlements. They could be purchased in Wisconsin even when illegal in Illinois, which is one meaning of the term “Sconi Run” (the other involves beer).

Having gone north with nothing more than a spare tire and a jack in the trunk of his Cadillac Sedan Deville, my father would return with a giant

load of poppers, parachutes, artillery shells, sparklers, bees, shot cakes and bottle rockets. And of course roman candles, Jack Kerouac’s metaphor for actualized individuals in “On the Road”: those who “burn, burn, burn like fabulous yellow roman candles exploding like spiders across the stars.”

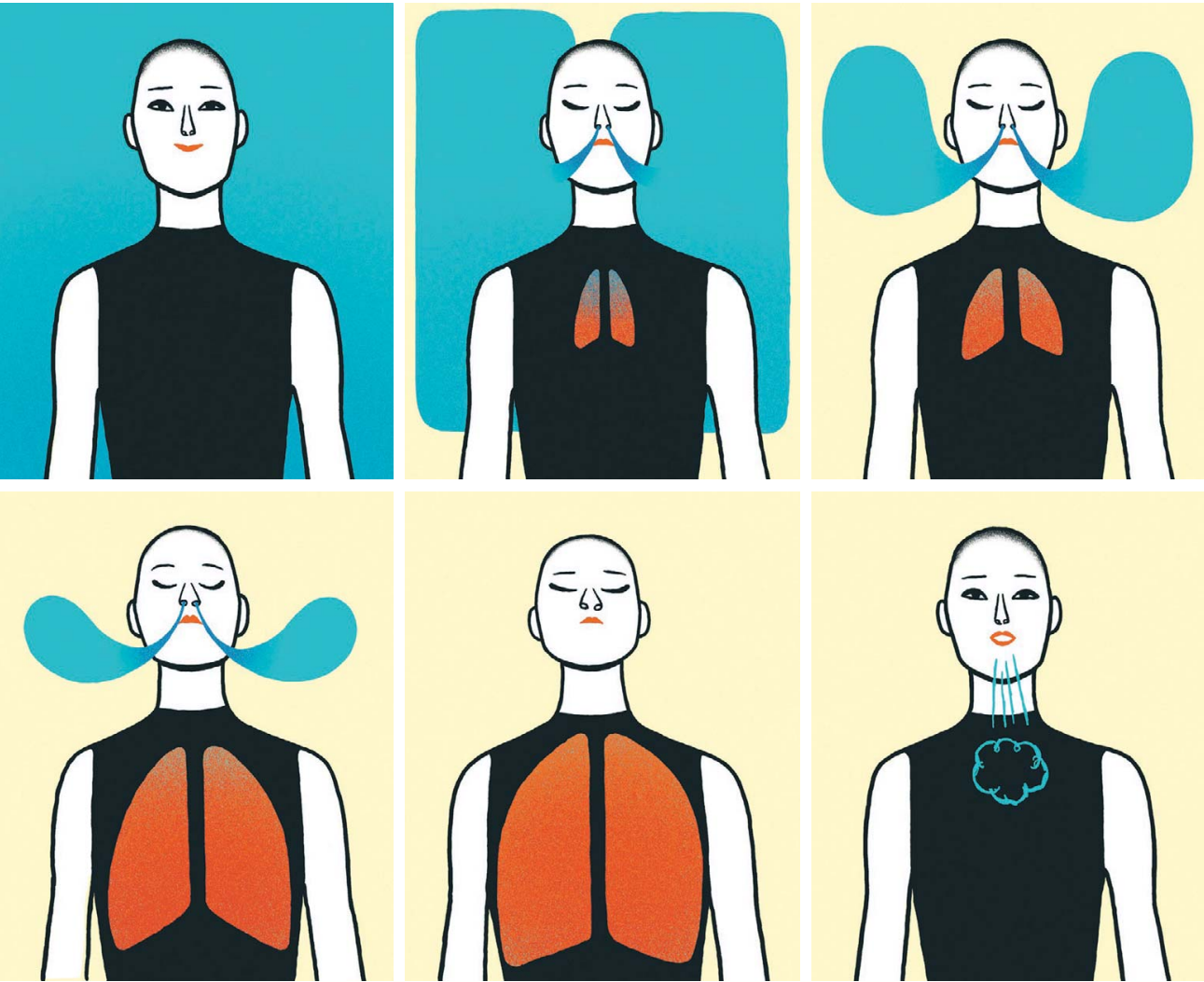
It’s the element of danger that makes fireworks fun, the thrill of lighting the fuse and running and also of creeping back to ground zero to examine the dud.

Though July 4th fireworks commemorate the adoption by the Continental Congress of the Declaration of Independence, I’ve always considered the shows that light the sky over the beach in Glencoe, Ill., to be a celebration not of freedom but of survival.

“The rocket’s red glare, the bombs bursting in air / Gave proof through the night that our flag was still there”—the British gave us the business and still we made it through. That’s the real meaning of the celebration: We turned their cannon fire into the multi-colored plumes that dazzle and fade over the inky black surface of the lake.

STELLA BLACKMON

REVIEW



By JENNY TAITZ

The average person sighs about 12 times per hour, often as an involuntary reflex that we don't even notice. When there is a feeling behind a sigh, it's often not a happy one—think sighs of frustration or boredom. But research shows that sighing intentionally and consciously can change how we feel for the better, generating positive emotions and reducing stress.

“A sigh is a psychophysiological disrupter,” says Dr. Patricia Gerbarg, a psychiatrist, co-author of “The Healing Power of the Breath,” and co-founder of the Breath-Body-Mind Foundation, which teaches breathwork to survivors of disaster. “Signals from the respiratory system have a top priority over pretty much any other signal from the body, especially when there’s a sudden change. So when you change your pattern of breathing, you suddenly change all of the signaling up to the brain,” Gerbarg said. That includes the amygdala, which impacts our emotional experience; the thalamus, influencing our alertness; and the prefrontal cortex, affecting our decision making.

“As far as we know, [sighing] is the fastest way to deliberately calm down,” says Dr. Andrew Huberman, a neuroscientist at Stanford University and host of the Huberman Lab podcast, who studies the emotional

and physiological effects of sighing. Beyond the differences between inhaling and exhaling, there are three types of respiration: normal breathing, gasping and sighing. When you sigh, you’re reinflating hundreds of

‘Breathing represents a bridge between conscious and subconscious control of the nervous system.’

DR. ANDREW HUBERMAN

millions of collapsed alveoli, tiny air sacs, in the lungs. That improves lung functioning by suddenly expanding, clearing and opening up airways, infusing even more oxygen into the bloodstream—as well as balancing the ratio of carbon dioxide

and oxygen in our brain and body, Huberman explains.

In a study published in January in the journal Cell Reports Medicine, Huberman and colleagues examined a technique known as “cyclic sighing.” To produce a sigh, people were instructed to close their lips and slowly inhale through the nose; then take a second inhale, completely filling the lungs; and then release an extended exhale from the mouth. Cyclic sighing involves gently repeating this sigh continuously for five minutes. The researchers found that people who practiced cyclic sighing every day for a month experienced reduced anxiety and increased positive emotions, with better results than other relaxation techniques such as mindful meditation.

“What’s surprising is that practicing cyclic sighing for five minutes during the day also decreased respiratory rate during sleep, which suggests that it’s possible to train our

nervous system to become calmer, even when we’re not actively engaged in the breathing practice,” says lead study author Dr. Melis Yilmaz Balban, a neuroscientist at Stanford. It also increases feelings of control, which brings emotional benefits as well. According to Huberman, “Breathing represents a bridge between conscious and subconscious control of the nervous system.”

The pace and fluidity of your breath also play’s significant role in how you feel. James Nestor, a science journalist and the author of “Breath: The New Science of a Lost Art,” explains that most people take too many breaths per minute: “When we overbreathe, we send the nervous system signals that we’re stressed, which further disrupts our breathing cadence. It’s a negative feedback loop.” Intentionally heaving a physiological sigh in one way to recalibrate from breathing too much or holding our breath, as we do when we’re anxious. “This isn’t a

placebo or magic, it’s basic biology,” says Nestor.

This isn’t to say we should be sighing all day long. Excessive sighing offloads too much carbon dioxide, which can lead to symptoms of hyperventilation and is associated with panic and other anxiety disorders, warns Dr. Elke Vleminx, an assistant professor at Vrije University in Amsterdam. Gerbarg also notes that intentional, repeated sighing may not be helpful for individuals with asthma or with pulmonary conditions. “The biological activities like a sigh have immensely complex effects and the body has spent millions of years evolving ways to do this, we don’t need to tinker with it too much,” she said.

“I wish there was just a blanket prescription we could give everybody, but everyone’s going to respond differently,” Nestor says. “Asthmatics and panic sufferers need different breathing instructions than ultramarathoners.” A person’s unique sighing needs depend on factors such as size, activity level and emotional state, Vleminx notes. So rather than rigidly following a protocol, individuals should find out what feels best, knowing that the benefits of cyclic sighing improve over regular practice. Inspired by her studies, Vleminx says she tries to be aware of when she is naturally sighing and exaggerate the reflex.

Investing in a couple of sighs isn’t enough on its own, according to Nestor. The key to healthy breathing, he says, is breathing healthy day and

night. He practices slow nasal breathing as often as possible, including in his sleep, using a small piece of surgical tape to ensure he’s not slipping into mouth breathing. When sighing during stressful moments, such as standing in line at the airport, he inhales, holds his breath for 3 or 4 seconds, then takes another inhale and briefly holds before taking a relaxed exhale, repeating this pattern about three times. After some trial and error, he has come to find this sigh with an added breath hold to be powerful, specifically when followed by coherent breathing—gently breathing in for 5 to 6 seconds and then out for 5 to 6 seconds. Similarly, Gerbarg invites participants in her trainings to use two sighs—taking a deep inhale through the nose, followed by an audible “ahh” to exhale—before and after engaging in muscle relaxation exercise.

Beyond the specific psychological benefits of sighing, the larger message of the sigh is hopeful and relieving. Regardless of what’s challenging in this moment, we are wired to reset ourselves, and can count on our bodies to keep us both relaxed and grounded.

Dr. Taitz is a clinical psychologist and an assistant clinical professor in psychiatry at the University of California, Los Angeles. She is the author of the forthcoming book “Stress Resets: How to Soothe Your Body and Mind in Minutes.”

MARTIN TOGKOLA



Time for Summer Lawn Games and Drinks in Plastic Cups

Maybe you’re a volleyball family, perhaps it’s Wiffle ball season. Free advice: Don’t light the grill nearby.

THE SEASON IS HERE: If you have a lawn, or know somebody with a lawn, or are skilled at trespassing onto a stranger’s property, borrowing their lawn, and hopefully avoiding arrest, you will probably wind up playing a summertime lawn game. Consider this your primer for summertime lawn fun.

To be clear: This is not the season for Thanksgiving Family Touch Football. That blood-thirsty chaos is best left until autumn, when family resentments are simmering. Summer lawn games should be casual, slow-footed, and accompanied by a light refreshment, and by that, I mean a plastic cup with rum. Stakes are low. Scores don’t need to be kept. If you find yourself attacking each other with yellow Wiffle ball bats, you should probably stop.

Another key ingredient for successful yard games is that

everyone should be terrible at it. Nothing spoils a yard game like someone who’s really good at it. If you find yourself in a badminton game with a badminton pro, a volleyball game with a collegiate volleyballer, or, heaven forbid, Wiffle ball with Major League Baseball players, halt the contest and flee the lawn immediately. Unless the Major League Baseball players are with the 2023 New York Mets, in which case I actually like your chances.

Maybe you’re a fan of classic net games: badminton and volleyball. Badminton can be fun and furiously paced. Volleyball can be team-oriented and is full of shouting. If you’re playing a family game, it’s important to choose the right team; I would recommend the squad with the fewest hip replace-



ments.

Cornhole feels like it’s exploded in popularity—first at tailgate parties, then on ESPN, now everyone seems to have tried the bean bag game. Cornhole does fulfill a few essential requirements: You can play it with a cocktail in your hand, and you do not need to be anywhere near in shape. A tip: Try to avoid playing cornhole with people who own college football season tickets, they’re all ringers and are going to want to talk about Nick Saban and Kirby Smart.

There’s also Spikeball, which is fast-paced and definitely a thing with my son and all of

our teenaged cousins. There’s the disc-toss Kan Jam, which I can’t say I’ve tried. My Instagram feed serves me a steady diet of cornhole-meets-netball games which are too many to list, but look confusing and speedy and make me want to lie down in a hammock.

Of course there’s croquet. I’ll say it right off the mallet: I don’t know much about croquet. I have played croquet a few times, but not enough that I wouldn’t need a refresh on the basics, especially if someone wanted to fly me in for their game on Nantucket. However, I don’t want to wear a fancy hat. Nobody needs to see

me in a fancy hat.

My neighbor is building a bocce court, so I am not going to make any jokes about bocce, because I want to be invited to his bocce court. I am also not going to say anything snarky about horseshoes, because horseshoes rules. It’s a perfect game. Thank you, horses.

In the end, however, I am partial to the aforementioned Wiffle ball, the game of my childhood summers and really the only version of baseball I should be allowed to attempt. I believe in slow-pitch Wiffle ball, maybe some loopy curves thrown in, but not the aggro 70 mph craziness you can find on YouTube. Summer Wiffle ball should be played with no bases, a nearby roof as a home run, plenty of kids, an eager dog in the outfield, and definitely not a lit grill in foul territory.

Decide what’s a single, what’s a double, what’s a triple, and what you’re going to do when you shatter the neighbor’s garage window for the third straight summer.

Or just let the neighbors play. Especially if they’re on the Mets.

ZOHAR LAZAR



Indigenous History
Native Americans
in our national
narrative C12

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American Stoic
Ralph Waldo Emerson
as a modern
Marcus Aurelius C9



Enlightenment and Revolution

The Declaration of Independence was not a ‘home-grown’ document but the product of a trans-Atlantic conversation

Life, Liberty, and the Pursuit of Happiness

By Peter Moore
FSG, 572 pages, \$35

By DOMINIC GREEN

THE YOUTH of the American republic is one of its oldest traditions. Its unique origins will always make it younger than any other nation. Yet the United States is also the world’s oldest democracy. Britain in the time of George III was a liberal monarchy, but Britain democratized only by degrees in the 19th century. France was neither liberal nor democratic before the revolution of 1789, and the French are now on their fifth republic. The American ideal of democratic self-governance looks ever more exceptional as it creaks toward its 250th birthday. Britain has a kind of old-fashioned pseudo-constitution: an accumulation of legal precedent and patchwork legislation, standing on unwritten assumptions and topped by a hollow crown. Americans were the first to spell out their social contract and specify the rights of individuals in plain English. But what did the magic words of the Declaration of Independence—“life, liberty, and the pursuit of happiness”—mean to their authors?

History is best written by the losers. In “Life, Liberty, and the Pursuit of Happiness: Britain and the American Dream,” Peter Moore, a historian who teaches at Oxford, shows how Britain exported its highest ideals to the Americans, who rejected it.

Mr. Moore breaks the American creed into three sections and examines each in context. “Life” explores how Benjamin Franklin embodied colonial intellectual potential in the 1740s, and how he developed in London in the 1750s and 1760s. “Liberty” shows how the London rabble-rouser John Wilkes catalyzed the politics of liberty in the 1760s, and why he resonated so loudly in the Colonies. “Happiness” explains what the Enlightenment blend of action and emotion meant in England in the early 1770s, and how Americans understood it on the cusp of their reinvention.

Bible reading made colonial Americans perhaps the most literate population on the planet, but the “life” of the American mind was rooted in London. In 1740, Philadelphia was the Colonies’ leading city, with a modern street grid and a handy location on the post road between Boston and Charleston, but its population of 10,000 was half that of Bristol in England. London’s coffee-house culture,



TOWER DWELLER Cartoon of John Wilkes, after an engraving by William Hogarth made upon Wilkes’s arrest in 1763.

and periodicals such as Addison and Steele’s short-lived Spectator, were the templates for Benjamin Franklin’s self-improving “Junto” book club, his Pennsylvania Gazette and the “Almanack” that he published under the pseudonym Richard Saunders.

All American roads led to London, and back. A London printer, William Strahan, supplied British news for the

Pennsylvania Gazette. Strahan’s protégé, David Hall, emigrated to Philadelphia and worked in Franklin’s print shop. In 1747, Franklin retired from trade, passed the shop to Hall, and commissioned his “coming-out” portrait as a gentleman. Franklin’s scientific studies were not just an expression of practical polymathy. England’s aristocracy of the mind were fasci-

nated by science. When Franklin went to London in the 1750s, his electrical speculations were his calling card.

Meanwhile in London, Strahan was printing Samuel Johnson’s “Dictionary” in installments. Johnson was writing his own one-man periodical, the Rambler. Franklin launched Johnson in America, publishing excerpts in “Poor Richard’s Almanack.” Though

Strahan linked the leading minds of American and British letters, Franklin and Johnson’s “division of perspectives” anticipated the parting of imperial ways. Franklin presented himself carefully, playing the “Gentleman in Philadelphia” for his London correspondents, just as he would later play the noble savage for Parisian admirers during the American revolution. Johnson was a tic-ridden social bumbler. Franklin was irreligious but believed in progress. Johnson, a prayerful Anglican, thought that “all change is of itself an evil.”

Mr. Moore describes their differences in the 1750s as “liberalism against conservatism,” but neither of those terms existed in those happy days before everyone had an “ideology.” The only word that made the king and his ministers “sit up and think hard about America,” Mr. Moore

The Founders spelled out their social contract in plain English. But what did ‘life,’ ‘liberty’ and ‘happiness’ mean to them?

writes, was “France,” and that made the colonists want “more of Britain than less of it.” The Seven Years’ War (1756-63) brought London and the colonists together, but the subsequent tax burden demonstrated how unequal the relationship was. Americans began to sour on the distant mother country, especially after George III and his ministers tried to ruin John Wilkes.

Wilkes was a radical journalist, a defender of free speech, a well-connected Whig parliamentarian, and possibly the ugliest man in England. In 1763, George III demanded his trial for libeling the prime minister. Wilkes won his case, raised the ante by issuing a pornographic and blasphemous poem, and then skipped the country. He returned, won a seat in Parliament, and was imprisoned in 1768. The London mob cried “Wilkes and Liberty!” and rioted. The army, in a prequel to the Boston Massacre, fired into the crowd.

The Wilkes saga helped convince the colonists that George III wanted “absolute Tyranny.” The continuities with modern populism are obvious. In 2016, just after the British had voted to leave the European Union, I asked Nigel Farage, one of the architects of Brexit, to name his political hero. His answer was not Churchill or Thatcher but Wilkes. Likewise, Donald Trump’s rhetoric of “deep state” conspiracies

Please turn to page C9

The Rise And Fall Of Managers

The Corporation and the Twentieth Century

By Richard N. Langlois
Princeton, 799 pages, \$50

By DANIEL AKST

THE CORPORATE behemoths that once dominated American business are easy to mock as bastions of conformity and hypocrisy, but in their day they were world-beaters. One reason was vertical integration; a paper-products company, for instance, might own forests, factories and delivery trucks.

Another reason was management. Unlike earlier firms, run by the entrepreneurs who created them or by the tycoons who gobbled them up, outfits like General Motors and IBM were run by salaried professionals, many highly specialized, on behalf of widely dispersed shareholders. Say what you will about “managerial capitalism,” but for the better part of a century it made America rich.

In recent decades, things have changed. America still has world-beating companies, but the likes of Alphabet (Google), Microsoft and Tesla focus tightly on their core businesses, and they matured under

the enduring influence of founders. Apple, to cite perhaps the most iconic example, achieved greatness under co-founder Steve Jobs. It mostly leaves the production of its phones and computers to contract manufacturers in China—and is today the world’s most valuable company.

Students of business have long argued about why managerial capitalism arose and what led to its demise. At the heart of this debate is an age-old conundrum: What should the boundaries of a corporation be? What goods and services should it produce and which should it buy from others? Executives stake careers on such questions, but economists, historians and social critics have tried to answer them as well.

It is in such a context that Richard Langlois offers “The Corporation and the Twentieth Century,” a monumental history of American business during the eventful decades when

Big, vertically integrated businesses dominated midcentury America. Why did they do so well? Why couldn’t they last?

managers ruled. Among much else, he makes the argument that firms embraced managerial capitalism in response to the century’s cataclysmic events and the heavy-handed government intercessions they prompted. When the crises and related policies finally fell away, we



saw the resurgence of the focused, entrepreneurial enterprise that predominates today.

Mr. Langlois, an economics professor at the University of Connecticut, pushes back in particular against the explanation laid out by Alfred Chandler, the father of American business history, in his great work, “The Visible Hand” (1977). For centuries, Chandler said, firms were limited in size, run by their owners, and coordinated by the invisible hand of the marketplace. But running the booming railroads of the 19th century created unprecedented needs for capital and coordination. Instead of a single owner, there would be many investors and, to work for them, an army of salaried managers. The same system made sense for the era’s nascent industrial giants, whose growth the sprawling new railroads would abet.

Bringing functions in-house offered big advantages over dealing with an array of outside vendors and

contractors. The benefits included greater reliability, easier communication, and the development and retention of know-how. Individual managers could cultivate technical specialties, and capital could be shifted around as needed. Once established, managerial capitalism took on a life of its own. “The hierarchy itself,” Chandler wrote, “became a source of permanence, power, and continued growth.”

But Mr. Langlois tells a different story, contending that managerial capitalism didn’t truly flourish until later. He notes that, despite a wave of mergers, most large firms in the early 20th century were still controlled by their owners, thanks to the extensive shareholdings of financiers such as John D. Rockefeller or investment banks such as J.P. Morgan—owners not especially known as silent partners. The real heyday of the managers was yet to come.

Enter the reform-minded Progressive movement, which aimed to

curtail the excesses of just such tycoons. Easily distinguished from today’s progressives by their capital letter and lack of stated pronouns, the Progressives held that scientific techniques had solved the problems of industrial management and would do likewise for those of government administration, which was to be entrusted to “experts.”

These Progressives brought with them a hubristic “managerial model of the world” that called forth a managerial form of capitalism, one designed to clasp the meddlesome hand of government. The ensuing era of federal regulation offered big business relief from haphazard and potentially more radical state regulation, but it also shifted power over firms toward Washington and the federal judiciary.

The ground was thus laid for managerial capitalism to be turbocharged by “the great catastrophes” of World War I, the Depression and World War II. All were hugely disruptive in themselves, but they came with federal policies on regulation, antitrust, intellectual property and economy-shaping “industrial policy” that had the effect, Mr. Langlois says, “of buttressing the large managerial corporation and insulating it from the impulses of change.”

The Interstate Commerce Commission, created in the 1880s to rein in the railroads, set the pattern—and would sow inefficiency and stagnation in freight transportation far into the next century. The Federal Trade Commission, established in 1914 to battle “unfair” competition, embarked on an ever-evolving cam-

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BOOKS

‘How little do my countrymen know what precious blessings they are in possession of, and which no other people on earth enjoy!’ –THOMAS JEFFERSON



FIVE BEST ON THE FOUNDING FATHERS

R.B. Bernstein

The late author of ‘The Founding Fathers Reconsidered’ and, more recently, ‘Hamilton: The Energetic Founder’



SIGNATORIES Detail from ‘The Signing of the American Constitution’ (1910) by Albert Herter.

Ratification

By Pauline Maier (2010)

1 Recounting how the American people argued about and adopted the Constitution, Pauline Maier’s engrossing book blends top-down and bottom-up approaches to this tangled history. She examines the 13 states’ battles over ratifying or rejecting the proposed Constitution. She addresses political campaigning out of doors, the brawling in state legislatures over whether and when to call state ratifying conventions and how to elect convention delegates, and the debates in those ratifying conventions, at once tense, profound and hilarious. Maier concludes: “‘We the People’ of 1787 and 1788 inaugurated a dialogue between power and liberty that has continued, reminding us regularly of the principles of 1776 upon which the United States was founded and that have given us direction and national identity. Their example might well be their greatest gift to posterity.”

White Over Black

By Winthrop D. Jordan (1968)

2 This enlightening study explores ideas about slavery and race during the period between the settlement of the North American colonies and the early 19th century. Winthrop D. Jordan writes that

Thomas Jefferson “is important—or perhaps more accurately, valuable to historical analysis—because he permits (without intending to) a depth and range of insight into the workings of ideas about Negroes within one man as he stood in relationship to his culture.” The book transformed historical scholarship upon its publication and still speaks to us today. Jordan’s deeply unsettling work forces us to rethink how the Founding Fathers saw issues of race and slavery and how we see them today.

Law and Letters in American Culture

By Robert A. Ferguson (1984)

3 The Founding Fathers were writers. Between the colonial era and the American Renaissance, when American literature turned inward, the new nation’s literature adopted a different approach—a public perspective making it possible for writers and readers to wrestle with issues of government, politics and law. Robert A. Ferguson’s innovative study explores that “configuration of law and letters,” from the era of Paine and Jefferson through that of Lincoln, showing how American literature and American politics, government and law shaped and learned from each other. Ferguson observes: This “deliberate combination of intellectual breadth, artistic insight, and political

commitment has been unique in American history” and is one of the reasons why the emergent “definitions of country have been so decisive in shaping the American mind.”

The Great Challenge: The Myth of Laissez-Faire in the Early Republic

By Frank Bourgin (1989)

4 This book’s origins are as important as the story it tells. It began as a doctoral dissertation at the University of Chicago, but Frank Bourgin discovered, to his dismay, that it failed to win acceptance. Decades later, a series of events so unlikely as to seem miraculous caused the university to reconsider and accept Bourgin’s dissertation and to award him a doctorate in political science. Bourgin had a career in business and government, including working for the Office of Emergency Management. The foreword to this book, written by the historian Arthur M. Schlesinger Jr., enthusiastically praises its scholarship and intellectual importance. The book reveals the debates by the Constitution’s framers about how the federal government they were working to create could use federal power to foster economic development. Bourgin analyzes the federal and state creative uses of government power to foster economic and political development in the first decades under the Constitution. “It was

no accident,” Bourgin writes, “that during the early era of our national government the governmental policies leaned in an affirmative direction, positive and active rather than negative and passive, which followed later.”

The Origins of American Constitutionalism

By Donald S. Lutz (1988)

5 This study of American constitutional thought, institutions and practices focuses on their sources and evolution. Ranging from the founding of the colonies of British North America through the launch of the U.S. Constitution, Donald S. Lutz analyzes American constitutionalism’s many roots—in ancient, medieval and early modern Europe as well as in American colonial political experiments—and its development during the era of the American Revolution. “The root word for history, *histeme*, means storytelling,” Mr. Lutz writes in his introduction to the book. “Perhaps in this sense what follows is a history, my recounting how groups of people founded and refounded themselves as a nation to create a federal republican constitution. But my hope is that my focus upon the public documents, especially those consensual documents of political foundation, will allow the people themselves to tell the story in their own words in the only writing designed specifically and consciously to speak for them all together.”

The Secrets Of Their Success

Continued from page C7

paign of antitrust enforcement that paradoxically fattened the managerial beast. The New Deal, by means of which the Roosevelt administration flailed at the Great Depression, further expanded federal power over business and stifled the workings of the marketplace. “Industrial regulations of various sorts,” Mr. Langlois writes, “distorted technological choices and retarded technological advance.”

World War II, while enormously profitable for industries that performed the feats of production so crucial for Allied victory, inevitably led to an even more vigorous suppression of normal market activities. It also left the U.S. a global colossus with little serious business competition in a world short of nearly everything. Huge, heavily capitalized firms were well positioned to take advantage.

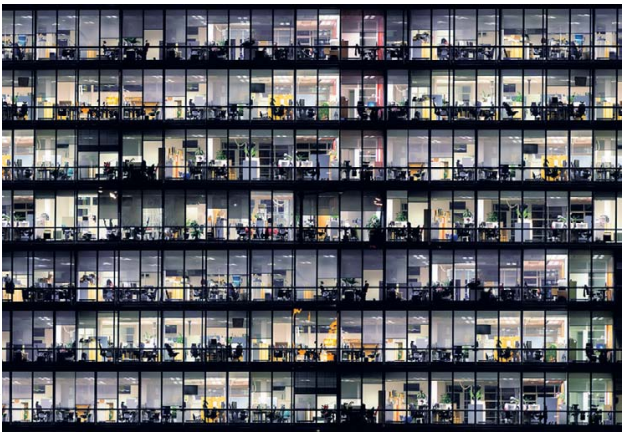
Sometimes, of course, growth and innovation have been boosted by government, as in the development of the railroads and creation of the internet or the funding of basic science. But in Mr. Langlois’s chronicle examples to the contrary abound. In 1945, he notes, Bell Labs developed a proposal for what was then the American Telephone and Telegraph Co. But the Federal Communications Commission, still nursing hopes that

the ultra-high-frequency radio spectrum could be used for television, wouldn’t grant any UHF space for the plan. The federal agency finally began accepting cellular license applications—in 1982.

The author’s most persistent culprit is what he sees as Washington’s incoherent tilting against “anticompetitive” behavior. He doesn’t seem ever to have met an antitrust action he approves of, and in his telling the whole effort has served only to penalize success. Some giants were splintered, but all had an incentive to avoid organizing themselves into efficient and discrete operating units that could, in an antitrust action, easily be broken off. Compulsory technology licensing in antitrust settlements discouraged innovation, Mr. Langlois argues, and some firms naturally found themselves “propitiating the antitrust authorities by failing to compete aggressively.”

Say what you will about managerial capitalism, but for the better part of a century it made America rich.

Today’s readers may be surprised to learn that deregulation, when it came, was often a liberal cause, as when Sen. Ted Kennedy and future Supreme Court Justice Stephen Breyer (counsel to a Kennedy subcommittee) set out in 1974 to liberate the airlines. At the time, the Civil Aeronautics Board controlled fares, routes and entry, Mr. Langlois notes. The ef-



fect was to assure “the dominance of the four major trunk carriers, American, Eastern, TWA, and United,” freezing in place routes that were “uninformed by any market test.”

After President Jimmy Carter signed a deregulation bill in 1978, the incumbent airlines adopted a hub-and-spoke system, bought more efficient planes and found themselves battling lower-cost upstarts. The results were revolutionary. “Whereas flying was once synonymous with the *beau monde*—the jet set—air travel after deregulation became increasingly available to the *hoi polloi*,” the author writes. In 1971, 49% of the American population had been on an airplane; by 1997, 81% had.

“The Corporation and the Twentieth Century” is a remarkable achievement, not least for its detailed case studies of firms and whole industries that instantiate the author’s points. Yet the argument that managerial capitalism flourished largely due to muffled price signals, over-regulation and over-zealous antitrust tells only part of

the story. Surely the nature of mass production, a giant domestic market, a growing middle class and a world in ruins made the large vertically integrated corporation, guided by careful professionals, a suitable vehicle for delivering the goods while earning oodles of profit.

There is also a cultural dimension to the story that Mr. Langlois doesn’t sufficiently address. Managerial capitalism was powered by a relatively homogeneous tribe of company men, many of whom had served in the armed forces, and their faith in authority, in science, and in planning helped shape the business ethos of their time. The 1960s, the Me Generation and the end of conscription marked a cultural shift that would further transform the world of business, as would the mass entry of women into the workforce and the resumption of large-scale immigration. As if to symbolize the changes, the traditional management uniform of suit and tie has gone the way of the IBM Selectric.

Mr. Langlois recognizes that the deregulating spirit of the 1970s

was part of a change in the Zeitgeist. He describes, for example, how the Bay Area’s hippie ethos intersected with the rise of the personal computer. The resulting digital revolution upended corporate hierarchies and changed much of America’s output from the physical to the intangible. Ascendant tech firms ushered in a new entrepreneurial paradigm. The center of business gravity shifted from Manhattan boardrooms and Midwestern factories to the freewheeling West Coast.

Vietnam and inflation, meanwhile, sapped faith in government as well as in the dollar, and a series of countries (lately China) would soon replace the U.S. as the world’s factory. The unbundling of corporations was accelerated by low-cost overseas manufacturing and by the new “barbarians at the gate” from Wall Street. These have made us richer, yet the distribution of benefits has been lopsided, and the author takes little note of the consequent painful social dislocation.

The questions at the heart of “The Corporation and the Twentieth Century” are interesting and important, but it doesn’t matter whether you accept the author’s answers or not, because they are plausible enough and because in any case they serve as the engine of a remarkable alternative history of what Henry Luce famously called the American Century. It’s a work propelled by vast learning, a focus on business and a consistent point of view in favor of free markets. Imagine that.

Mr. Akst is a frequent contributor to the Journal.

BOOKS

‘The unfolding of his nature is the chief end of man.’ —RALPH WALDO EMERSON

Stolid as a Rock

Lessons From an American Stoic
By Mark Matousek
HarperOne, 260 pages, \$28.99

By CHRISTOPH IRMSCHER

‘LIFE CONSISTS in what a man is thinking of all day,” declared Ralph Waldo Emerson, anticipating James Joyce’s “Ulysses” by more than half a century. But what we’re thinking of oscillates and changes by the minute. In “Lessons From an American Stoic,” Mark Matousek, a writing coach and spiritual guide from Springs, N.Y., reminds us that inside the human mind resides not a stable self but a “shifting composite,” a messy bundle of “impressions, memories, expectations, projections, opinions, and myths.” Mr. Matousek’s book offers 12 lessons (and an appendix of corresponding exercises) to help us take charge of our complex inner lives. Although the topics range widely, from originality to intimacy to enlightenment, the lessons have the same underlying purpose—to persuade us that self-awareness is the pathway to self-reliance and individual healing. If such rhetoric seems familiar, it certainly is: The “American Stoic” of Mr. Matousek’s title is none other than Ralph Waldo Emerson, the Transcendentalist prophet of inexhaustible selfhood.

The eminently sociable Mr. Matousek and the famously aloof philosopher from Concord, Mass. (who once joked that he preferred stateliness to fellowship), make an odd pair. Emerson, though he gave lectures, taught no lessons and wanted no disciples. Were he alive today, it is hard to imagine he would offer writing retreats focused on spiritual “self-inquiry,” as Mr. Matousek regularly does (and in Italy’s Umbria region, no less). But Mr. Matousek’s current success is hard-won. The son of a mother who had a preference for disastrous lovers and a shiftless father whose last parental act was an attempt to kidnap him when he was 4, Mr. Matousek struggled with addiction and depression. In the 1980s, while living in New York City, where he did a stint as an editor of Andy Warhol’s magazine, Interview, he learned that he was HIV positive. As he wrote in “When You’re Falling, Dive” (2008), soon he was moving from place to place, staying wherever he could find “a cheap bed and a teacher who claimed to have something important to say.” People thought he had lost his mind, but in reality he had only begun discovering himself.

In “Mother of the Unseen World” (2017), Mr. Matousek gave thanks to one of those teachers, the Indian mystic Mother Meera. “American Stoic” is his tribute to another and perhaps even more influential mentor. Back in the late 1970s, when he was a directionless graduate student at UCLA, Mr. Matousek applied to help a visiting professor with her research. He found himself thrust into the world of



JOANNE BATH/THE BOSTON GLOBE/GETTY IMAGES

UNFLAPPABLE Bust of Ralph Waldo Emerson (1884) by Daniel Chester French.

Emerson’s essays, where he encountered “a vision of human potential I had never known existed.” A tattered copy of “The Portable Emerson” has accompanied him ever since. Like Mr. Matousek, Emerson was a survivor of multiple tragedies, including the deaths of his father when he was barely 8 and of his wife, Ellen, within two years of their marriage. He learned to stare down fate when it hit him: When his 5-year-old son Waldo was taken by scarlet fever, Emerson famously claimed—chillingly, to some; stoically, to Mr. Matousek—that he lost “a beautiful estate,—no more.” Change what you can; accept what you can’t: This is one of the precepts

of Stoicism, a school of thought founded by Zeno of Citium, who gathered his students at the Stoa Poikile (hence the name), the painted colonnades in the marketplace of Athens. Today, Stoicism’s best-known representatives, frequently invoked in “Lessons From an American Stoic,” are two Roman writers, Marcus Aurelius and Lucius Annaeus Seneca, Nero’s tutor and later chief adviser, who distilled Greek wisdom into bite-size, eminently rational rules for living a contented life. Stoicism is the perfect philosophy for the status quo. It wouldn’t have occurred to Marcus Aurelius or Seneca to challenge political hierar-

chies or to hope, as Emerson did, that greater inner harmony would somehow bring about greater social peace. But Emerson did share many beliefs with his Stoic predecessors, including a rejection of travel for the sake of travel: There is no point in running away, since you inevitably are, Seneca acidly pointed out, “running away in your own company.” Mr. Matousek, a proudly unacademic but acute reader of Emerson’s work, uncovers even more salient points of contact between Emerson and his Latin predecessors, who, buoyed by a sense of nature’s benevolence, celebrated its beauty. If Marcus Aurelius saw splendor in ripening figs

or a sunbeam illuminating a dark room, Emerson was captivated by the azure sky above him or the sight of a weather-beaten rock in the ocean showing us how to remain firm even during a storm. Mr. Matousek’s book resurrects an Emerson who was writing to be heard, not to deliver handy maxims for wall calendars or grist for scholarly mills. Yet not all the parallels the author proposes are convincing. For example, he writes, movingly, about awe, those transformative moments in which the “flattened, domesticated world” around us disappears and we glimpse the miracle of our own existence. While these are familiar experiences to the Emersonian (one pictures the famous “transparent eyeball” roaming the landscape), a practically minded Stoic tends to be concerned

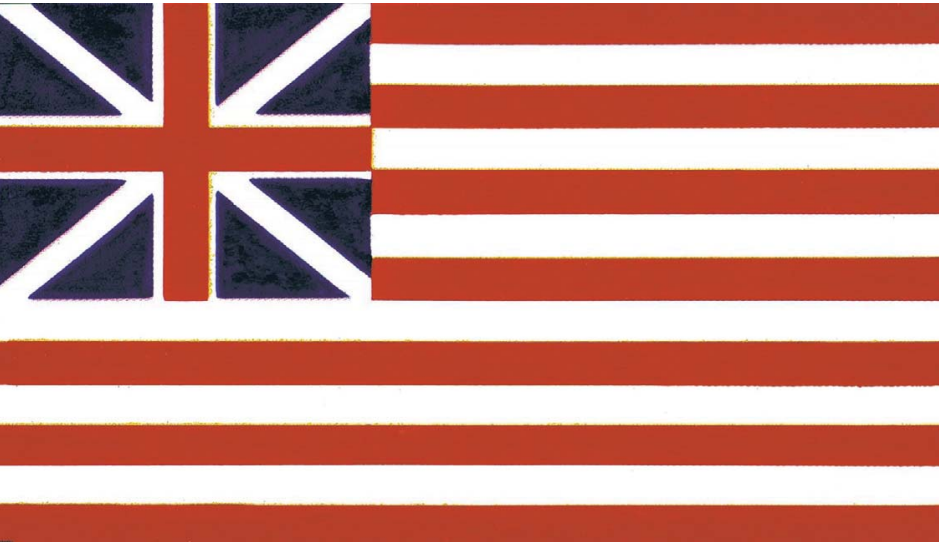
From Marcus Aurelius and Seneca to Emerson, a reminder that self-awareness is the pathway to self-reliance and individual healing.

with more immediate matters. In his “Meditations,” Marcus Aurelius writes about good reasons for getting out of bed in the morning (animals go to work, too) or the best way to deal with someone who insults you (“wish him well”). In his previous works, notably the memoirs “Sex Death Enlightenment” (1996) and “The Boy He Left Behind” (2000), Mr. Matousek showed himself to be a punchy writer with a penchant for colorful metaphors and analogies: He would shudderingly describe the feel of Warhol’s hand (“like boiled chicken”) and refer to God as a “lousy editor,” imagining how he would, if he could, come up with a better version of his mother’s anguished life. Mr. Matousek is more relaxed here, sometimes to the point of looseness. (“When you . . . hit the pause button, you open yourself to the divine flow.”) But “Lessons From an American Stoic” was written to be used, not to be admired for its self-conscious prose. With that in mind, I dipped into some of the spiritual exercises in the back of the book. Equipped with a decent share of skepticism bred by a lifetime in academia, I settled on one exercise that seemed particularly salutary for a book reviewer: “Reflect on the ways you leap to judgment,” counsels Mr. Matousek. “Practice giving others the benefit of the doubt.” As I closed my eyes, unable to shut off my mind completely (a professional liability), I recalled Mr. Matousek’s favorite American Stoic, who cast that same insight even more succinctly: “Don’t . . . bark against the bad, but chant the beauty of the good.”

Mr. Irmischer is the author of “The Poetics of Natural History,” available in a new edition with photographs by Rosamond Purcell.

Of ‘Life,’ ‘Liberty’ and ‘Happiness’

Continued from page C7 echoes that of the Sons of Liberty. No wonder the French see modern British and American politics as an “Anglo-Saxon” continuum, just as it was when Franklin first set sail for London. “Liberty” was the single word uniting “freeborn Britons”—including those in the Americas. Liberty, like the British state, was patriotic and Protestant. Whigs invoked its origins in the Magna Carta, the Anglican church, the Glorious Revolution of 1688 and the Bill of Rights passed by Parliament in 1689. As Voltaire saw when he fled to London in the 1720s, liberty was simply the English way of life. Freeborn Britons knew liberty when they saw its enemy, the monarchical despotism and religious obscurantism of “Popery,” exemplified by France. Londoners, Daniel Defoe wrote, were “stout fellows that would spend their last drop of blood against Popery, that do not know whether it be a man or horse.” The same went in the Colonies. The apprentices of Boston held an anti-Catholic revel on Nov. 5 every year—Pope’s Day, which the



CONTINENTAL COLOURS The ‘Great’ or ‘Grand Union’ flag, raised in Cambridge, Mass., in January 1776.

British still celebrate as Guy Fawkes Day. When the Quebec Act of 1774 legalized Catholicism in Canada, the Congress called this decision “impolitic, unjust and cruel, as well as unconstitutional.” As late as 1826, Thomas Jefferson dog-whistled that the Declaration had “burst the chains” of “monkish ignorance and superstition.” Mr. Moore does not mention the religious origins of secular liberty, the anti-Catholic bigotry that was then considered progressive, or the British Whigs’ distrust of Protestant “Enthusiasm,” which they considered a kind of democratic dynamite. Without this

context, we cannot understand what “liberty” meant to Wilkes and Franklin, why the London mob rallied to Wilkes, or why the American rebels, who were in many ways freer than their British contemporaries, thought taxation a harbinger of “Arbitrary government.” The belief in a “conspiracy against liberty” crossed the Atlantic along with ideas about its antidote, a new social contract. Mr. Moore rightly avoids ascribing undue importance to French Enlightenment thought or the philosophy of John Locke. The rebels, or at least their intellectual leaders, took these ideas up instrumentally.

The American revolution was a civil war over the Whig constitutional inheritance. British republicans such as the historian Catharine Macaulay and the pamphleteer Tom Paine helped to push Whig complacency to its logical but surprising American outcome. Social alignments in London shifted as the battle lines developed. Dining at Macaulay’s house in the early 1770s, Samuel Johnson had demolished the host’s “levelling doctrine” by inviting the footman who was standing behind her chair to sit at the table. The footman did not dare. Macaulay flushed and was lost for words. “She has never liked me since,” Johnson told Boswell.

Edmund Burke, who in 1770 had endorsed Wilkes’s claim that English liberty was thwarted by a ministerial “Cabal,” sympathized with the

Enlightenment ideas flowed freely from London to the Colonies. Was the ‘American Dream’ Britain’s greatest export?

Americans’ objections but saw secession as treason. William Strahan, who had risen from the printing house to the House of Commons, agreed. Benjamin Franklin’s last letter, written on July 5, 1775, accused Strahan of having “the Blood of your Relations” on his hands. On the same day, Strahan wrote to Franklin, begging him not to tear “the most glorious Fabric of Civil and Religious Government that ever existed on this Globe.” Franklin did not reply. By 1775, the Lady’s Magazine in London was reporting three categories of current affairs: home news, foreign news and a new, third category that could not be fitted into either because it stemmed from both: “America.”

Mr. Green is a Journal contributor and a fellow of the Royal Historical Society.

BOOKS

‘Without memory, there is no culture. Without memory, there would be no civilization, no society, no future.’ –ELIE WIESEL

Prudence and Prophecy

A History of the Island
By Eugene Vodolazkin
Plough, 311 pages, \$26.95

By GARY SAUL MORSON

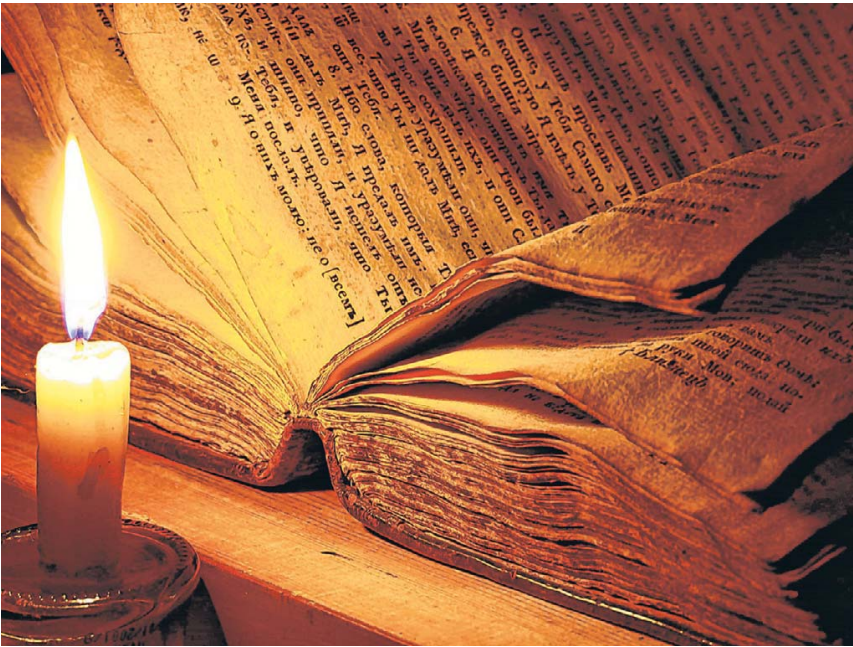
EUGENE Vodolazkin rejects the familiar characterization of the Middle Ages as a barbarous era inferior to our own. Trained as a medievalist, Mr. Vodolazkin achieved renown for his 2012 novel “Laurus,” which evokes the understanding of life that prevailed centuries ago, and is already a minor classic of Russian literature. In many respects, Mr. Vodolazkin suggests, that understanding is preferable to ours, and he has expressed the hope that we might recover some of the lost wisdom of those distant times.

Mr. Vodolazkin’s most recent novel is “A History of the Island” or, more literally, “Justification of the Island.” Translated from the Russian by Lisa Hayden, the book takes the form of a medieval chronicle of an imaginary Island, written by monks and extending into the present. The monk-chronicler Ilary, who sets out to describe the eternal struggle of good against evil, rejects modern historians’ smug assurance that history is only “an uninterrupted chain of causes and effects.” In fact, Ilary counters, the causes of events are unknowable. Modern historians employ a “magnetic” method that pulls out only those facts fitting their preferred narrative.

“Progressive” thinkers, Ilary (and Mr. Vodolazkin) maintain, presume that later is better and that today’s educated elites must be the wisest people who ever lived. Bolshevism, apparently, was only the most extreme case of such self-congratulation, which, even in more moderate Western forms, leads to chaos

and cruelty. Every time a “progressive” ruler imposes his views on the Islanders, disaster ensues, as we see in the successive entries that make up the monks’ chronicle.

The royal couple of Parfeny and Ksenia, who once ruled the Island, have unaccountably survived for centuries in a perfect and chaste union of souls. They have lived joyfully in all conditions, from a palace to a Russian-style communal apartment. Parfeny and Ksenia record their own impressions of each chronicle entry; unlike other Islanders, they see through the rhetoric of newspapers repeating the same



progressive ideology “as if they were publishing carbon copies.”

By this and other devices, Mr. Vodolazkin juxtaposes worldviews from different eras. Parfeny and Ksenia are especially interested in the lost prophecy of Agafon the Forward-Looking, which describes the Island’s destiny. So intriguing is this pair that a famous French filmmaker, Jean-Marie Leclerc, brings Their Royal Highnesses to Paris to make a movie about their long lives. Leclerc correctly senses that “the narrative about the Island [is]

a metaphor for the history of the state in general. Maybe even for world history.”

If so, then world history illustrates the utter vileness of human beings. Vindictive, narrow-minded and credulous enough to follow any moderately skillful demagogue, the Island’s population demonstrates that without the guidance of religion, people almost always choose what is most foolish. Their worst trait, it seems, is conformity. As the chronicle explains, all that is needed to get individuals to betray their conscience and interests is “to gather them together—they will be obedient. There are no individual forces of will within a crowd, there is only a common force of will, which can be manipulated.”

The Island’s history especially resembles that of Mr. Vodolazkin’s Russia. Like Stalin, one ruler demands that history should be writ-

ten not factually but to celebrate “the greatness of the people.” He decrees that historians record the “bright future,” which can be known by “scientific foresight” and described “based on cause-and-effect chains, events that were certain to come about.” Except that, as in the U.S.S.R., the regime falls before those events can happen.

Democracy seems possible, but the Island’s only good ruler since Parfeny and Ksenia, Field Marshal Serapion, doesn’t place much hope in it. Serapion organizes the Island’s first elections, and, as he has promised, relinquishes power, but he is anything but confident that democracy will thrive. “The field marshal did not reject government by the people but he did not believe in its unlimited possibilities. Serapion thought that a democratic way of life demanded feelings of responsibility from every human soul. He had not observed that on the Island.”

Two mysteries shape the novel’s plot. What happened to Agafon’s lost prophecy and what future did it foretell? And why have Parfeny and Ksenia survived so long? When brutal troops are summoned “to return a progressive way of life to the country,” or when rulers indulge insane obsessions, the royal couple accepts events with sad understanding. The contrast of their wise perspective with official rhetoric creates the humor of Mr. Vodolazkin’s satirical story. Readers are shocked by one cruel absurdity after another while Parfeny and Ksenia remain unperturbed.

Agafon’s prophecy is at last discovered. It foresees a time recalling

the Bible’s promised apocalypse, an epoch of depravity and hostility when even the earth, “which is sensitive to the bitterness of people, will itself become embittered. . . . And ash will float from the heavens and your hearts will turn to ash.” The Lord will turn his face from the people. “And if three righteous people are not found among you, to climb the Mountain and speak with Him, your life will remain in smoke and darkness.” Parfeny and Ksenia are two righteous people, but what hope is there for a third?

Since Mr. Vodolazkin chooses lines from Agafon’s prophecy for the novel’s epigraph, he seems to share the sage’s foreboding. Lacking sense, people—especially today—take bad ideas to extremes, as if the solution to life’s problems must be simple and easy. In their sanctimonious blindness, they close their minds to counter-evidence and treat caution as treasonous. By contrast, Parfeny and Ksenia, like Chekhov, Tolstoy and other great Russian writers, deplore self-righteousness and extremism. The experience of centuries has taught them that “the truth never lies at the extremes and correcting harsh decisions with other harsh decisions” can only magnify existing evils. Will we heed their warning?

Mr. Morson, a professor of Slavic Languages at Northwestern University, is the author of “Wonder Confronts Certainty: Russian Writers on the Timeless Questions and Why Their Answers Matter.”

MYSTERIES
TOM NOLAN

Man, Woman
And Drug Lord’s
Best Friend



IN T. JEFFERSON PARKER’S latest work, “The Rescue” (Forge, 339 pages, \$28.99), a dog named Joe is appropriated from a Southern California household and used by the DEA to sniff out contraband drugs and cash. “I love a tool that works,” says Joe’s new handler, “and dogs are the best tools

man has ever made.” Joe is “a trim fifty-five pounds, short haired, long legged and saber tailed with rust ovals on a cream background.” So good is this animal at his job that, at the end of five years of fighting crime, he’s acquired by a security expert—who, unbeknownst to the DEA, moonlights as a crook. Dan Strickland, whose criminal alias is “the Roman,” puts Joe to work in service to one of the Mexican cartels. After having sniffed out drugs for law and order, Joe now sniffs for the profit of his latest master.

It’s dangerous labor. In a Tijuana drug heist gone awry, Joe’s shot badly, rescued by a neighborhood boy and brought to a shelter, where a saintly vet named Félix saves his life. While recuperating, Joe draws the attention of

THIS WEEK

The Rescue
By T. Jefferson Parker

26-year-old Bettina Blazak, a writer for a Laguna Beach weekly, whose print and video stories make this temporarily anonymous pooch a local celebrity.

Mr. Parker has introduced a number of memorable series heroes, including private eye Roland Ford and homicide detective Merci Rayborn, over the course of a long career. None have proved as charming as his new canine protagonist, with his knack for making fast friends with nearly every man or woman he meets. Bettina adopts the dog and names him Félix, after the caring doctor. She likes her town job but chafes at the journalistic limitations of the paper that employs her; she yearns to write “stories that matter.” As she pieces together Félix’s history, she shares the news with her readers, and with sympathetic (and smitten) police officer Billy Ray Crumley.

Alas, Bettina’s coverage brings Félix to the attention of his former keeper, the Roman. Also keenly interested in the dog is Billy Ray’s brother Arnie, a DEA agent who claims the dog is still federal “property.” Then there’s 15-year-old Teddy Delgado, the orphan who raised Joe from a pup and now wants to buy him back. Bettina is adamant that Joe—Félix—will remain with her. She’ll have to fight to keep him.

The author is a quiet master who delivers all the action and emotion a reader might wish. He has a gift for rendering the psyches of his diverse players: risk-prone Bettina, dependable Billy Ray, inconsolable Teddy—and, most impressively, Joe: “There are memories and there are dreams, dreams of memories and memories of dreams. They are one story. . . . And to Joe . . . meanings are always more important than words.”

The Enduring Satisfactions of a Bookish Existence



FICTION
SAM SACKS

A 70-something ex-librarian savors the quiet life in a novel of rare and easy geniality.

PATRICK DEWITT, who made his name with madcap parodies of genre fiction—the western in “The Sisters Brothers” and the fairy tale in “Undermajordomo Minor”—has attempted a risky experiment with normality for his latest novel, “**The Librarianist**” (Ecco, 342 pages, \$30). Our hero is Bob Comet, a septuagenarian who has spent most of his life with books, as a public librarian in Portland, Ore., and now, in retirement, as a devoted reader. Though Bob has few regrets—it was his “lack of vanity and his natural enjoyment of modest accomplishment that gave him the satisfaction to see him through the decades of his lifetime,” Mr. deWitt writes—he would like to feel more of use, so he begins volunteering at an understaffed neighborhood senior center.

It’s here that we meet the eccentrics with whom Mr. deWitt typically populates his books. Many suffer from some degree of dementia, while others are just naturally snake-bitten: “Jill was a sincerely negative human being with unwaveringly bad luck and an attitude of ceaseless headlong indignation,” reads one dryly delivered introduction. The novel explores a kind of give and take: Bob’s stalwart ordinariness lends a measure of stability to the chaos of the senior center. But a chance encounter with a woman from his past stirs up Bob’s most

deeply repressed memories, and the book jumps back in time to the sad events of his short-lived marriage and then to a curious episode when he ran away from home at the age of 11.

There is a quality of happenstance to these discrete sections. The amusing latter interlude, which finds a preadolescent Bob latching onto a pair of dotty old stage actresses in an empty hotel on the Oregon coast, is a return to the familiar deWitt material of absurdist genre spoofing—there are playful vibes of Anita Brookner and early John Irving. But it does feel as though Mr. deWitt wrote this separately and then grafted it onto the novel, relying on the pleasantness and easy geniality of his prose to level out the transitions.

The result is Mr. deWitt’s smoothest book by far, one more prone than usual to clichés (“the words had the effect of a splash of cold water on Bob’s face,” etc.) but also more warmhearted. It shares the attributes of its hero: likable, unshowy, somewhat dull but reliably soothing.

We find more adventures of a bookish wallflower in Dorothy Tse’s memorable debut novel, “**Owlsh**” (Graywolf, 217 pages, \$16). Professor Q is a mousy academic in a friendly but sexless marriage who, at the age of 50, is “embroiled in his very first extramarital affair.”

The rub is that the object of his infatuation is a life-size doll.

The doll, called Aliss, is a mechanical ballerina that Q finds in an antique shop in the coastal territory of Nevers. Partly a stand-in for Hong Kong and partly a realm of the subconscious, Nevers gives a sense of the smoky, ambiguous nature of this fable. Q’s wife, a driven government employee, embodies all that is literal and concrete

THIS WEEK

The Librarianist
By Patrick deWitt

Owlsh
By Dorothy Tse

The Exhibitionist
By Charlotte Mendelson

in the rapidly developing region. But Q has played out his emotional and erotic life in daydreams, usually inspired by his collection of dolls, of whom Aliss is the cynosure. As they conduct their affair on a mysterious island Aliss gradually comes to life, pulling Q further toward a future of private bliss and public disgrace—a blind leap that constitutes “an act of rebellion against himself.”

Though Ms. Tse alludes to a number of artistic influences—the biggest debt may be to the Olympia story in Jacques

Offenbach’s “Tales of Hoffman”—her writing most resembles that of Kazuo Ishiguro in its ability to render a strange allegorical fantasia in precise, formal prose. (The excellent translation from the Chinese is by Natascha Bruce.) But “Owlsh” is sexier than Mr. Ishiguro’s books, in rich and discomfiting ways—a “folk tale,” as Q imagines his reckless romance, “full of lust and passion.”

It’s domestic dread all the way down in Charlotte Mendelson’s “**The Exhibitionist**” (St. Martin’s, 296 pages, \$29), which dramatizes the unraveling of a remarkably bad marriage. Ray and Lucia Hanrahan are English artists in their 50s with three grown children and career trajectories moving in opposite directions. For decades Ray has been the family focal point and Lucia has acted as little more than a glorified handmaid. But lately his reputation has nosedived while her sculptures have found a place in an upmarket gallery. “We just have to accept that, when we met, I was the star, gave you endless leg-ups and now, thanks to me, your time has come,” Ray bitterly complains.

There’s no real question of taking sides here. Ray is narcissistic, bullying, possessive, adulterous, chauvinistic, homophobic and ridiculously

thin-skinned; he greets news of Lucia’s successes by weeping and pounding on the floor, “a toddler long past comforting.” The novel is set over a weekend in which he intends to present some paintings that will inaugurate his comeback, but instead it is Lucia who is offered a brilliant professional opportunity—and a chance at real love, in the flourishing of an affair with a beautiful female MP.

I have to say that I wish this novel had not been billed by its publishers as a comedy of manners. It is instead a deeply unfunny depiction of an abusive relationship, its deforming effects on family life, and one woman’s redemptive journey to liberate herself. Moments when Lucia fearfully ponders diving into the surprise love affair are quite touching (“You are old, she tells herself. Wanted, but old. All your joy should be over”), but rarely does the novel offer readers the kind of freedom she seeks. Ms. Mendelson is smotheringly present, always diagnosing the characters and signaling which ones are good or bad, as though she doesn’t trust us to draw the correct conclusions. Perhaps “The Exhibitionist” has simply arrived too late: The subject of so-called art monsters is everywhere this year, and it’s usually treated with far more depth and curiosity than this novel allows.

BOOKS

‘Standin’ at the crossroad / I tried to flag a ride / Didn’t nobody seem to know me / Everybody pass me by.’ —ROBERT JOHNSON

Obsessive on His Trail

Biography of a Phantom
By Robert ‘Mack’ McCormick
Smithsonian, 264 pages, \$29.95

By DAVID KIRBY

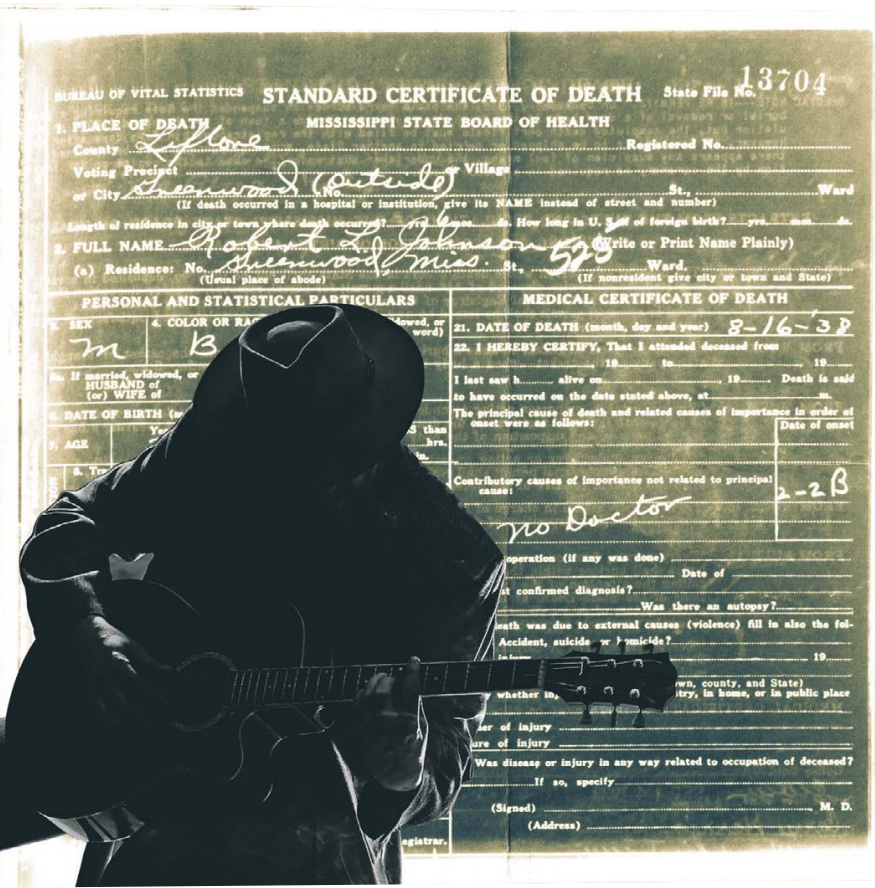
IN THE POPULAR press, almost no music writing is about music. Instead, it’s about the musician, and for good reason: knowing about Mozart’s early death, Beethoven’s deafness or Dylan’s motorcycle accident binds us to them in human ways, whereas in most cases the fact that a certain song is in the key of B-flat minor or a ¾ time signature is liable to fall, so to speak, on deaf ears. No wonder music writers find it more productive to focus on the singer, not the song.

If they can find him, that is. This biography is, at first glance, yet another book about easily the most sought-after of the enigmatic Delta bluesmen, Robert Johnson. And yet both book and its backstory serve up more mystery. The body of “Biography of a Phantom” was authored by Robert “Mack” McCormick, but it never appeared during his lifetime. As editor John W. Troutman explains in a preface and an afterword, the version he offers preserves McCormick’s early version—shorn of “large swaths” of now-dated academic “ruminations.” What is left reads more like a novel than a scholarly study.

Johnson is a figure many a writer has chased and failed to catch, a journeyman guitarist who became a prodigy after, as legend has it, making a deal with the devil. The truth is that Johnson probably just followed the more traditional route to artistic success: He listened to and learned what audiences like, stole from others, and he practiced, practiced, practiced. As far as his personal life goes, the few people who knew him and the fewer still who were willing to go on record said that Johnson was shy. He liked to drink and was popular with women—single and otherwise, supposedly. He died in 1938.

Other than that, we know almost as little about him as we know about Homer. The 1961 Columbia Records album “Robert Johnson: King of the Delta Blues Singers” was the record that brought Johnson to the attention of everyone from Muddy Waters to Eric Clapton and the Rolling Stones and changed popular music forever. Frank Driggs, who provided the liner notes for the collection, observed that “Robert Johnson appeared and disappeared, in much the same fashion as a sheet of newspaper twisting and twirling down a dark and windy midnight street.”

One thing that sets “Biography of a Phantom” apart from other studies is its author. Mack McCormick, who died in 2015, was also a shape-shifter of sorts and something of a troubled soul himself. His father had traveled the country demonstrating new X-ray technology; young Mack moved at least 20 times during his first 16 years,



NO DOCTOR Mack McCormick’s copy of Robert Johnson’s death certificate

and he never received a high-school diploma. His one constant was the radio, though, and he resolved early to become a music writer. For a decade he worked in various Houston eateries while corresponding with record collectors all over the world, ginning up the necessary knowledge and eventually landing jobs as a writer for Down Beat magazine and press agent for a Texas dance band.

The life of blues guitarist Robert Johnson is an enigma that has tantalized many music writers. For one, it became a quest with no end.

But in August 1949, he was arrested for forgery, officers having found in his Dallas hotel room drivers’ license forms, blank checks, a list of pseudonyms, and other evidence not only of criminal activity but, as Mr. Troutman notes, a “penchant for holding onto everything he touched.” This foreshadowed the later amassing of his immense archive of notes, lists, posters, photographs and other materials that were the basis of his unpublished Robert Johnson biography. Even in jail he continued to write

and publish, and was released on probation in May 1950. Thereafter he was plagued by episodes of depression and paranoia that Mr. Troutman sees as hallmarks of a bipolar disorder.

Through the 1950s McCormick built his profile as a “folklorist,” researching blues history through interviews across the South, while also writing music journalism and liner notes. By the late 1960s, he began the project that would consume him—a definitive record of the life of the elusive Robert Johnson. His archive of notes and documents—“the Monster”—slowly consumed his family’s house and lives.

The story McCormick tells reads like noir fiction. It’s a detective story riddled with fatalism and ambiguity, carried out by someone who, like the archetypal noir hero, isn’t a detective but an ordinary guy in a dismal, often violent setting searching for what can’t be found. His prose even reads like the hardboiled fiction of the ’50s, as when he describes a roadside diner on Highway 61: “The food was overcooked, and the waitress was careless. My coffee arrived half in the cup and half in the saucer. It tasted bitter. By dusk I was pulling into a motel: a row of little brick houses with a lot of neon out front.” In another sense “Biography of a Phantom” reads like “Moby-Dick”—as voiced not by Ishmael

but by Ahab, the obsessed sea captain seeking an outcome that is doomed from the start. McCormick hints at both his obsessiveness and his fears when he admits “no quest can be quite so tantalizing as one in which the hunter comes, inevitably, to doubt that his quarry exists.”

Mr. Troutman is curator of music at the Smithsonian, and it’s thanks to his biographical framing here that we know now more about the hunter than the quarry he sought so doggedly. Even Johnson’s fellow bluesmen didn’t know who he was. Walter Horton says, “I traveled up and down the line with him, but I never got to know him.” According to Roosevelt Sykes, “He didn’t want you to know him.” And Sunnyland Slim says simply, “He was just a guy. An exceptional music man but just an ordinary guy.”

Bruce Conforth and Gayle Dean Wardlow’s definitive “Up Jumped the Devil: The Real Life of Robert Johnson” (2019) establishes the place and time of Johnson’s death by poisoning at the hands of a jealous husband who said later than he only meant to make the bluesman sick, but in McCormick’s day, as the writer himself notes, “something like twenty-three towns had been named as the place where he’d been murdered.” Much more certain than any details about his life is the dramatic impact his songs have had on thousands of listeners.

McCormick, like others, hears something in the music that seems to merge with his imagination of the musician’s life. He tunes in to Johnson’s “tough, evil sound” consisting of “a bag of imagist songs, a dry, clenched throat, and a rushing, knifing guitar style.” One could say of Johnson what the critic Walter Pater said of another Michelangelo, that his work was marked by great strength but also “a lovely strangeness.” Or one could just say, as McCormick does, that Robert Johnson’s music “stung the mind.”

Short of a technical analysis meant for music scholars, maybe that’s about all that needs be said. A St. Louis pianist named Henry Townsend, who worked with Johnson for several months, said the bluesman’s “inward feeling” was something “you could only tell from a song.” Many artists will tell you that no matter how much they prepare, in the end they fly by the seat of their pants with only an occasional glance at the instrument panel. Or, as Bob Dylan confessed to Ed Bradley in 2004, “I don’t know how I got to write those songs.” We might one day learn the secrets of Johnson’s inspiration. But it will probably require a deal with the devil.

Mr. Kirby teaches at Florida State University. His books include “Little Richard: The Birth of Rock ‘n’ Roll” and “Crossroad: Artist, Audience, and the Making of American Music.”

Soothing Dialogue, Elusive Friendship



CHILDREN’S BOOKS
MEGHAN COX GURDON

SOME NIGHTS call for wild and weird bedtime reading, full of noise and action. Other evenings it’s nicer to curl up with picture books that exude coziness and comfort. “**My Love for You**” (Peter Pauper, 32 pages, \$16.99) partakes of that second mood, combining avowals of tenderness with sweet images of animal babies and their mothers. Written by Cristina Petit and illustrated by Carlotta Passarini, it is the sort of soothing bedtime read that’s designed to impart shared feelings of closeness.

There is no story here, just expressions of love and reassurance delivered with

lullaby cadences. Lines of text in blue represent what the babies are saying, lines in gray represent the speech of their mothers. With the writing divided in this way, a grown-up can supply both voices when reading to an infant, but toddlers or older children may join in the dialogue. So, for instance, on seeing a picture of a hippo and her calf snuggling together, a child on the lap would read, for the calf: “My love for you is like a stream, / flowing wide, and long, and deep,” and the parent would respond: “My love for you is just as long. Now hush-a-bye to sleep.” Giraffes, pandas, koalas, tigers and other animals present similar opportunities to exchange words of love while readying for bedtime in this volume first published two years ago in Italy as “Ti voglio bene come,” or “I Care for You.”

Catherine Rayner uses delicate, expressive artwork (see left) to introduce 2- to 4-year-olds to new friends in “**Molly, Olive, and Dexter Play Hide-and-Seek**” (Candlewick, 32 pages, \$17.99). This gentle story begins by situating young readers near an old oak tree in a flowery meadow bound by stone walls. There Molly the hare has just induced Oliver the owl and Dexter the fox to join in her favorite game. To Molly’s frustration, her friends don’t quite understand how Hide-and-Seek is supposed to work. After she sets them

straight, they grasp the idea all too well. (“What if they got lost when I told them to hide?” Molly frets. “I’ll never see them again and it’s all my fault.”) Small but real joys and perplexities of toddlerhood play out in an affectionate setting

THIS WEEK

My Love for You
By Cristina Petit
Illustrated by Carlotta Passarini

Molly, Olive, and Dexter Play Hide-and-Seek
By Catherine Rayner

How to Make Friends
By Cat Rabbit

Need a House? Call Ms. Mouse!
By George Mendoza
Illustrated by Doris Susan Smith

The Baddies
By Julia Donaldson
Illustrated by Axel Scheffler

in this first volume of a forthcoming picture-book series by the author of “Solomon Crocodile” (2011).

The difficulty for Bear in “**How to Make Friends: A Bear’s Guide**” (Berbay, 36 pages, \$18) is that she’d like to branch out from her usual company of stuffed toys but doesn’t know how. In this picture book by an author-illustrator with the endearing

name Cat Rabbit, Bear sees Lamb and Koala having a lovely time together and, with the idea of ingratiating herself, follows them around hoping to wow them with her spectacular attire and baking skills. Unfortunately, she’s trying too hard and her efforts fall flat. “Maybe real friends are just not for me,” thinks woeful Bear.

As we know, acting the phony is never as persuasive as being oneself. And indeed, once Bear gives up trying to impress, her true personality draws interest and friendship. It’s a useful lesson, of course, but the real charm of “How to Make Friends” is that all this low-key psychological drama unfurls in humorous photographed dioramas full of pipe-cleaner objects and felted miniature toys. The illustrations, one feels, must have been as much fun to make as they are to explore.

The appeal of “**Need a House? Call Ms. Mouse!**” (NYRB, 48 pages, \$18.95), first published in 1981, lies less in the amiable text by George Mendoza (1934-2018) than in Doris Susan Smith’s witty illustrations. The idea is that an imaginative mouse named Henrietta designs dwellings for her animal clients, and, through cutaway images, readers ages 4-8 get to poke around the finished properties. Here is a Japanese-inflected modern villa scaled for a cat, with a zen garden and bonsai trees on the deck. Here is an exca-

vated pear, furnished with a stove and greenhouse, “the very core” of the dream of its owner, a caterpillar. “Lizard, the sun worshiper, basks in his rooftop solarium from dawn to dusk,” we read, laughing a little as we take in the concrete contours of a waterfront lair that would be suitable for a lizard-size Bond villain. Like Doris Burn’s 1965 classic “Andrew Henry’s Meadow,” this picture book plays to the special fondness children have for imagining the neat features they’d incorporate were they to build houses of their own.

The latest collaboration for 2- to 5-year-olds between writer Julia Donaldson and illustrator Axel Scheffler doesn’t look like a gentle book, but really it is. “**The Baddies**” (Scholastic, 32 pages, \$17.99) tells of three stinkers—a witch, a ghost and a troll—who notice a new girl move into a cottage nearby and decide to chase her out again. “The ghost said, ‘I can’t wait to haunt her / Until she’s a quivering jelly.’ / The troll said, ‘I’m going to eat her.’ / And he patted his big bulgy belly.” The witch has her own witchy plans. When a mouse challenges the baddies to steal the girl’s handkerchief, the malefactors are ready. One by one, the child outwits them, and though she’s ultimately parted from her hanky, it is for the best of all possible reasons in this rhyming romp from the dynamic creators of “Stick Man” and “The Gruffalo.”



CATHERINE RAYNER

FOREGROUND: LASSE ANSARU/ALAMY; BACKGROUND: SUSANNAH NIX/NATIONAL MUSEUM OF AMERICAN HISTORY

BOOKS

‘The true point of view in the history of this nation is not the Atlantic coast; it is the Mississippi Valley.’ –FREDERICK JACKSON TURNER

A History of Violence

The Rediscovery of America
By Ned Blackhawk
Yale, 596 pages, \$35

By KATHLEEN DUVAL

FOR MORE THAN a generation, historians have been researching and writing American Indian history and showing how to incorporate it into U.S. history. The title of a 2015 collection of academic essays explains “Why You Can’t Teach United States History Without American Indians.” And yet most U.S. history teachers do teach their subject without much American Indian history. Most states’ social-studies curricula include American Indians only in the pre-1900 period—and then mostly as generalized objects of U.S. colonization and westward migration. New visions of U.S. history, such as the 1619 Project, continue to be as lacking in American Indians as older triumphalist accounts. History teachers at the K-12 level get little if any training in American Indian history beyond perhaps a few key moments, such as Pocahontas and Jamestown in the early 1600s and Cherokee Removal in the 1830s.

Ned Blackhawk, a professor of history at Yale and a citizen of the Te-Moak Tribe of Western Shoshone Indians, seeks to change that. “The Rediscovery of America: Native Peoples and the Unmaking of U.S. History” is an eloquent and comprehensive telling of how the history of the United States and that of American Indians since the 1500s are the same story. Mr. Blackhawk points out that those who recently argued for slavery’s centrality to American history juxtapose it to American freedom while continuing to exclude Native Americans from a history that, after all, happened on their homelands. He argues instead that the “histories of Native America provide the starkest contrast to the American ideal.” He makes a persuasive case that we all should “rediscover” how Native Americans interacted with and shaped the United States from the period of European exploration and colonization to today. “Rather than seeing U.S. and Native American history as separate or disaggregated,” Mr. Blackhawk writes, he “envision[s] them as interrelated.”

“The Rediscovery of America” follows the standard chronology of U.S. history, while showing how it was intersected by the interactions of Native Americans with Europeans and their North American descendants. By presenting post-1492 history as a series of encounters between the various peoples of the Americas and the peoples from Europe, Africa and Asia—rather than as an account of



CLOSE ENCOUNTER ‘La Salle Meets a War Party of Ceniz Indians on a Texas Prairie. April 25, 1686’ (1848) by George Catlin.

Europe’s discovery of a new world—Mr. Blackhawk provides a view of that past from multiple perspectives. He draws together hundreds of histories that have been written about specific encounters in particular times and places, including

The taxation power granted by the Constitution allowed the federal government to fund its Western Indian wars. The Monroe Doctrine discouraged Spanish and British aid to Native Americans.

his own “Violence Over the Land” (2006); “Peace Came in the Form of a Woman” (2007), Juliana Barr’s account of colonial Texas; and “These People Have Always Been a Republic” (2019), Maurice Crandall’s history of interactions across what is now the U.S.-Mexico border.

But calling these interactions “encounters” does not mean that they were peaceful. Indeed, Mr. Blackhawk argues for seeing violence as being at the heart of U.S. history. “The lethal combination of disease and warfare,” Mr. Blackhawk tells us, “remade the human geography of North America.”

In the book’s sweeping synthesis, standard flashpoints of U.S. history take on new meaning. The taxation power that the Constitution granted allowed the federal government to fund its Western Indian wars. The Monroe Doctrine was designed not only to ward off European powers from meddling in Latin America, but also, and perhaps more immediately, to caution Spain and Britain to cease their longtime military aid to Native Americans fighting the United States. The Union’s mobilization in the West during the Civil War “developed the administrative and military infrastructure that subsequently enabled the federal government to subjugate the West.” The U.S. Indian wars of the late 19th century shaped the strategy and tactics of U.S. wars in the Philippines and beyond. Federal efforts

in the 1950s to dissolve tribes reflected a Cold War ideology that distrusted anything that seemed remotely communal.

Although violence runs throughout the book, it is tempered by Mr. Blackhawk’s attention to Native American diversity and how Native nations persisted through these centuries of violence, “emphasizing survival rather than elimination.” The book is full of strong characters who stand out against dehumanization. Mr. Blackhawk draws on “Standing Up to Colonial Power” (2018), by the anthropologist Renya K. Ramirez, to highlight the Ojibwe Progressive Era leader Elizabeth Bender Cloud, who, as a Native teacher, mitigated the assimilationist impulses of Indian boarding schools. In Los Angeles, the Tongva leader Toyypurina is remembered for her rising up against California’s Spanish mission San Gabriel in 1785. “By the end of the twentieth century,” Mr. Blackhawk writes, “after five hundred years of contact with Europeans, a new generation of Native leaders had endured the turbulent challenges of the Cold War era and entered the dawn of the

new century, positioned to ensure that their communities never again faced elemental threats to their existence.”

Like Pekka Hämäläinen’s “Indigenous Continent” (2022) and Daniel K. Richter’s “Facing East From Indian Country” (2001), the comprehensive coverage of “The Rediscovery of America” makes it a useful book to read alongside or even instead of a textbook, or as a supplement for readers interested in broad overviews of U.S. history. While “The Rediscovery of America” takes its story past the ending points of those two books, it covers the 20th century fairly quickly and stops at the year 2000. David Treuer’s “The Heartbeat of Wounded Knee” (2019) would make a good companion to tell the later parts of this history more fully. In any case, Ned Blackhawk has written a U.S. history that places Indigenous Americans at its heart.

Ms. DuVal, a professor at the University of North Carolina at Chapel Hill, is the author of “Independence Lost: Lives on the Edge of the American Revolution.”

Bestselling Books | Week Ended June 24

With data from Circana BookScan

Hardcover Nonfiction

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK	TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Atomic Habits James Clear/Avery	1	3	1964 Paul McCartney/Liveright	6	8
Taylor Swift Wendy Loggia/Golden Books	2	7	Sixty-One Chris Paul & Michael Wilbon/St. Martin’s	7	New
Outlive Peter Attia & Bill Gifford/Harmony	3	6	The Creative Act Rick Rubin/Penguin Press	8	—
The Wager David Grann/Doubleday	4	5	I’m Glad My Mom Died Jennette McCurdy/Simon & Schuster	9	—
Magnolia Table, Vol. 3 Joanna Gaines/Morrow	5	9	The In-Between Hadley Vlahos/Ballantine	10	4

Nonfiction Ebooks

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK	TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
The Success Paradox Gary C. Cooper/Forbes	1	New	Atomic Habits James Clear/Avery	1	4
The Wager David Grann/Doubleday	2	4	Summer Brain Quest: K & 1 Workman/Workman	2	3
Outlive Peter Attia & Bill Gifford/Harmony	3	2	The Wager David Grann/Doubleday	3	2
Shakespeare Bill Bryson/Harper Perennial	4	—	Outlive Peter Attia & Bill Gifford/Harmony	4	7
The House of Morgan Ron Chernow/Grove	5	—	Taylor Swift Wendy Loggia/Golden Books	5	—
The In-Between Hadley Vlahos/Ballantine	6	1	The 48 Laws of Power Robert Greene/Penguin	6	—
Boy 30529 Felix Weinberg/Verso	7	—	The Body Keeps the Score Bessel van der Kolk/Penguin	7	—
Killers of the Flower Moon David Grann/Doubleday	8	—	Killers of the Flower Moon David Grann/Vintage	8	9
Atomic Habits James Clear/Avery	9	—	Summer Bridge Activities Summer Bridge Activities/Summer Bridge Activities	9	10
Steve Jobs Walter Isaacson/Simon & Schuster	10	—	The In-Between Hadley Vlahos/Ballantine	10	1

Hardcover Fiction

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK	TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
The Five-Star Weekend Elin Hilderbrand/Little, Brown	1	1	Happy Place Emily Henry/Berkley	2	3
Lessons in Chemistry Bonnie Garmus/Doubleday	3	2	Zero Days Ruth Ware/Scout	4	New
Dog Man: Twenty Thousand... Dav Pilkey/Graphix	5	5			

Fiction Ebooks

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK	TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Fourth Wing Rebecca Yarros/Entangled: Red Tower	1	3	The Five-Star Weekend Elin Hilderbrand/Little, Brown	2	1
Zero Days Ruth Ware/Scout	3	New	Lessons in Chemistry Bonnie Garmus/Doubleday	4	6
Happy Place Emily Henry/Berkley	5	7	The Covenant of Water Abraham Verghese/Grove	6	9
Hurricane After Dark Marie Force/HTJB	8	New	The Secret History Donna Tartt/Vintage	7	—
It Starts With Us Colleen Hoover/Atria	9	—	Rich Waters Robert Bailey/Amazon	10	New

Fiction Combined

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK	TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
The Five-Star Weekend Elin Hilderbrand/Little, Brown	1	1	Happy Place Emily Henry/Berkley	2	4
Lessons in Chemistry Bonnie Garmus/Doubleday	3	3	Fourth Wing Rebecca Yarros/Entangled: Red Tower	4	7
It Starts With Us Colleen Hoover/Atria	5	5	Zero Days Ruth Ware/Scout	6	New
Verity Colleen Hoover/Grand Central	7	9	Love, Theoretically Alii Hazelwood/Berkley	9	2
Icebreaker Hannah Grace/Atria	8	6	The Covenant of Water Abraham Verghese/Grove	10	—

Methodology

Circana BookScan gathers point-of-sale book data from more than 16,000 locations across the U.S., representing about 85% of the nation’s book sales. Print-book data providers include all major booksellers, web retailers and food stores. Ebook data providers include all major ebook retailers. Free ebooks and those selling for less than 99 cents are excluded. The fiction and nonfiction combined lists include aggregated sales for all book formats (except audio books, bundles, boxed sets and foreign language editions) and feature a combination of adult, young adult and juvenile titles. The hardcover fiction and nonfiction lists also encompass a mix of adult, young adult and juvenile titles while the business list features only adult hardcover titles. Refer questions to Teresa.Vozzo@wsj.com.

Hardcover Business

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK	TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Atomic Habits James Clear/Avery	1	1	StrengthsFinder 2.0 Tom Rath/Gallup	2	2
Rewired Eric Lamarre, Kate Smaje & Rodney Zemmel/Wiley	3	New	The Daily Stoic Ryan Holiday & Stephen Hanselman/Portfolio	4	3
Dare to Lead Brené Brown/Random House	5	4	The Five Dysfunctions of a Team Patrick M. Lencioni/Jossey-Bass	6	—
Emotional Intelligence 2.0 Travis Bradberry/TalentSmart	7	8	Think Again Adam Grant/Viking	8	9
Never Split the Difference Chris Voss & Tahl Raz/Harper Business	9	10	Total Money Makeover Dave Ramsey/Thomas Nelson	10	—

PLAY

NEWS QUIZ DANIEL AKST

1. The Yankees’ Domingo Germán pitched the 24th perfect game in major league history. Which team has the most?

- A. The Yankees

○ B. The Dodgers

○ C. The White Sox

○ D. The Red Sox

2. The Supreme Court found it unconstitutional to consider race in university admissions. Besides Harvard, which other school was a defendant in the case?

- A. UCLA

○ B. Virginia

○ C. Michigan

○ D. North Carolina

3. Who bought Bed Bath & Beyond’s trademarks, internet domains and other brand assets for \$21.5 million?

- A. General Motors

○ B. Target

○ C. Overstock.com

○ D. A consortium of creditors

4. Buyers are shunning a particular kind of home. Which?

- A. Two-family houses

○ B. Fixer-uppers

○ C. McMansions

○ D. Sears houses



5. Fed chief Jerome Powell appears to be a Grateful Dead fan. Which successor band did he recently hear in concert?

- A. Life After Death

○ B. Dead & Company

○ C. Grateful Still

○ D. The Quick and the Dead

6. Blue Frontier, Transaera and Montana Technologies are looking to disrupt an industry. Which one?

- A. Skiing

○ B. Space tourism

○ C. Virtual reality

○ D. Air conditioning

7. Gymnast Simone Biles plans a return to competition, opening the door to an appearance at the 2024 Olympics—in what city?

- A. Paris

○ B. Madrid

○ C. Warsaw

○ D. Stockholm

8. Who’s gone on a worldwide church building spree?

- A. The Roman Catholic Church

○ B. The Anglican Communion

○ C. The Salvation Army

○ D. The Church of Jesus Christ of Latter-Day Saints

9. Scientists have learned from gravitational waves what black holes are up to—which is?

- A. Surfing

○ B. Disintegrating

○ C. Merging

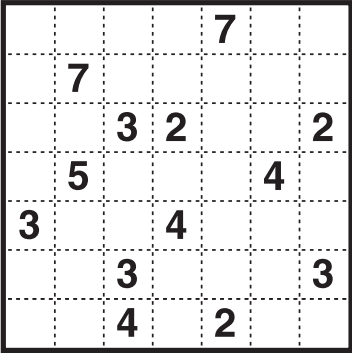
○ D. Issuing previously unknown nanoparticles

Answers are listed below the crossword solutions at right.

From this week’s Wall Street Journal

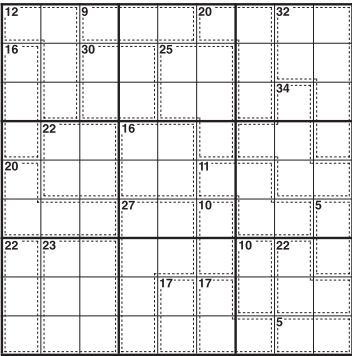
NUMBER PUZZLES

Cell Blocks



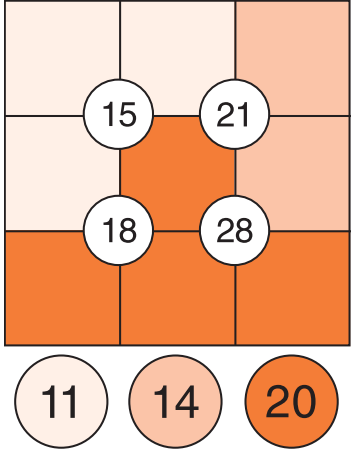
Divide the grid into square or rectangular blocks, each containing one digit only. Every block must contain the number of cells indicated by the digit inside it.

Killer Sudoku Level 4



As with standard Sudoku, fill the grid so that every column, every row and every 3x3 box contains the digits 1 to 9. Each set of cells joined by dotted lines must add up to the target number in its top-left corner. Within each set of cells joined by dotted lines, a digit cannot be repeated.

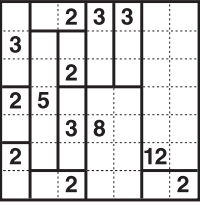
Suko



Place the numbers 1 to 9 in the spaces so that the number in each circle is equal to the sum of the four surrounding spaces, and each color total is correct.

SOLUTIONS TO LAST WEEK’S PUZZLES

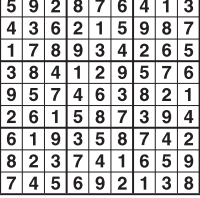
Cell Blocks



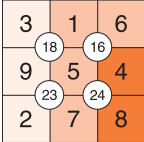
For previous weeks’ puzzles, and to discuss strategies with other solvers, go to [WSJ.com/puzzles](https://www.wsj.com/puzzles).

Killer Sudoku

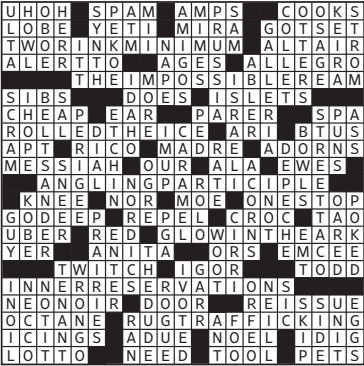
Level 3



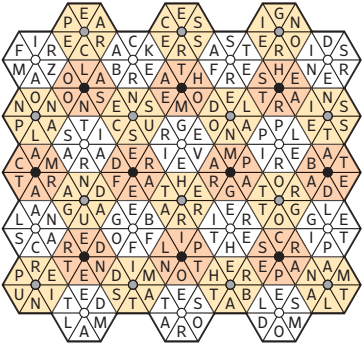
Suko



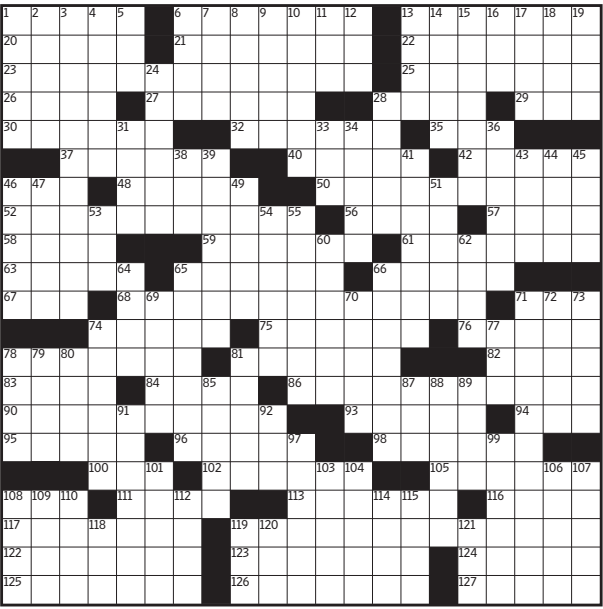
Deleted



Rows Garden



THE JOURNAL WEEKEND PUZZLES edited by MIKE SHENK



REVIEW

Michael G. Vickers is concerned about the future of American power. The former undersecretary of defense for intelligence, who played a central role in shaping the country's use of covert forces under George W. Bush and Barack Obama, admits that he now worries about the U.S.'s ability to win wars, both cold and hot.

"We're past the period where our main enemy is jihadists or regional rogue states like Iran or North Korea," Vickers, 70, says over the phone from his home near Washington, D.C., which he shares with his wife, Melana Zyla Vickers. "In the 20th century we had what I call economic escalation dominance, with an economy that was at least twice the size of any rival, but we don't have that anymore." He is troubled that the U.S. can't seem to boost production of rockets and long-range missiles, given that our support for Ukraine has run through much of our arsenal: "Now imagine a conflict with China."

This, he says, is why he decided to write his new memoir, "By All Means Available." By chronicling some of the lessons he learned guiding national security through various crises, Vickers hopes to help the U.S. in its "new Cold War" against China and Russia. "It is in some sense 1947 all over again," he warns. "This decade could well prove decisive, and the side that prevails will determine what kind of world we live in for the remainder of the 21st century."

Growing up in Hollywood with a father who built and sold homes, Vickers was far more interested in sports than school. A self-described "superb underachiever," he took his C-plus average to a local community college with dreams of playing baseball or football. When these ambitions fizzled, he remembered a high-school teacher who took him aside to share an article about a covert CIA operation against the North Vietnamese Army. "I imagined myself leading secret armies in far-off lands and winning against impossible odds," Vickers recalls. At 19 he set his sights on joining the CIA, liking the idea that "a highly trained individual could make a difference." He adds, "I probably saw too many James Bond movies."

Vickers had yet to earn the college degree he needed to work for the CIA, so he began training to become a Green Beret first, in 1973. He allows that it was a strange time to dream of becoming the next T.E. Lawrence, with the U.S. still mired in its chastening war in Vietnam. Yet he notes that the military had already pivoted to deterring a war with the Soviet Union, and many of the Vietnam veterans he served with in his first Special Forces unit were Eastern European émigrés, eager to liberate their former homelands from Soviet tyranny. "They were my first exposure to freedom fighters," he writes.

By the time Vickers applied to join the CIA in 1982, he had learned Czech, Russian and Spanish, trained to parachute behind enemy lines



WEEKEND CONFIDENTIAL | EMILY BOBROW

Michael G. Vickers

An intelligence community veteran is worried about the future of American power.

with a "backpack nuke," commanded a clandestine counterterrorism unit, and earned a bachelor's degree in international relations from the University of Alabama. In a preliminary interview, he was told his owlish glasses made him look more like an insurance salesman than a Green Beret. "This is the CIA," he replied. "Aren't we supposed to look like something other than what we are?"

After participating in the U.S. invasion of Grenada in 1983, Vickers helped shape the American response to the Iranian-backed bombings of the American embassy and Marine barracks in Beirut. The region's in-

creasingly ruthless operators demanded more intensive intelligence efforts: "A new era of mass-casualty terrorism had been born." By 1984 Vickers was running the CIA's covert support for Afghan resistance fighters in their ultimately successful war against the Soviets. "It was the job of a lifetime," he says. Feeling that nothing he could do in the CIA would match it, he decided it was time to leave the agency: "To this day, I don't know if I made the right decision," he says.

He went on to earn a master's from the Wharton School of Business—"I learned how to think strate-

gically in a different way"—and a Ph.D. in international relations and strategic studies from Johns Hopkins. When planes slammed into the World Trade Center and the Pentagon on Sept. 11, 2001, Vickers was working as a strategic consultant to the U.S. government and other clients, focused mainly on China. "I was as shocked as most Americans," he admits. With hindsight, he says the U.S. should not have disengaged from Afghanistan after the Soviets were expelled in 1989: "The 9/11 attacks were not inevitable." Many of the Afghan fighters he helped arm in the 1980s turned on American sol-

diers decades later. He says that the Iraq war was a costly distraction that "took us away from the main problem, which was defeating al Qaeda."

By 2006, with the wars in Afghanistan and Iraq dragging on, President George W. Bush lured Vickers back to government with a new job in the Defense Department that gave him oversight over everything from nuclear weapons to "shaping the military for the future,"

I imagined myself leading secret armies in far-off lands and winning against impossible odds.'

he says. Forgoing nation-building as a counterterrorism strategy, Vickers instead expanded the military's fleet of armed drones and helped craft plans for remotely killing insurgent leaders. He also oversaw the creation of a Cyber Command and the development of new space capabilities. He is mum on specifics, but says "space superiority is to the 21st century what air superiority was to the 20th." President Obama kept him on and then promoted him to undersecretary of defense for intelligence, a position Vickers held from 2011 till he retired from government service in 2015.

Vickers was alarmed by America's abrupt withdrawal from Afghanistan in 2021, which he says "turned a stalemate into defeat" and "made us look weak." He notes that some of al Qaeda's biggest supporters are now back in power: "We don't want Afghanistan to become jihad central again."

Although he describes American primacy in the past tense, Vickers insists it is still possible to remain a leading power "if we win the tech arms race against China." He recommends leveraging U.S. advantages in undersea warfare and sustaining our advantages in space and in "global precision strike capabilities," which he hopes will deter a full-scale war. "China poses a threat to us in its region, but not so much globally," he says. He adds that failing to arm Ukraine sufficiently "would lead to a more aggressive and powerful Russia."

Given these challenges, Vickers says he's particularly concerned about the rise of political polarization and the "fraying" of America's social fabric. Although he avoided partisanship throughout his career, he broke his silence in 2016 to speak out against Donald Trump: "I thought that he was unfit, and his administration confirmed it for me." Vickers expresses nostalgia for a time when politicians were more engaged in honest debate: "We're going to need good leaders on both sides if we hope to prevail in this new Cold War."

GREG KAHN FOR THE WALL STREET JOURNAL

MASTERPIECE | 'THE FOURTH OF JULY' (1912), BY CHARLES IVES

Modern Musical Fireworks

By STUART ISACOFF

CHARLES IVES'S REMARKABLE orchestral work "The Fourth of July" was, as film composer Bernard Herrmann told oral historian Vivien Perlis, intended as more than a mere poetic impression of an occasion. Scored in the summer of 1912, this third movement of the composer's "A Symphony: New England Holidays" is, in Hermann's words, "A photographic replica in sounds of a happening"—that is, a veritable tapestry of specific musical cues. The overall effect belongs less to the linear storytelling tradition of Berlioz or Liszt than to the radical literary experiments forged by writers like Marcel Proust and James Joyce, where events and sensory memories collide in vivid stream-of-consciousness juxtapositions. This example of homespun Americana was first performed in 1932 by the Paris Symphony Orchestra under the direction of conductor, composer, musical wit and historian Nicolas Slonimsky.

In a memo, Ives, who was born in 1874 and died in 1954, described the inspiration behind this six-minute piece as "a boy's 4th," filled with artifacts of a New England childhood, including a "Cannon on the Green, Village Band on Main

Street, fire crackers . . . Church bells, [a] lost finger, fifes, clamchowder, a prize-fight, drum-corps, burnt shins, parades (in and out of step), saloons all closed (more drunks than usual), baseball game (Danbury All-Stars vs Beaver Brook Boys), pistols, mobbed umpire, [a] Red, White, and Blue runaway horse—and the day ends with the sky-rocket over the Church-steeple, just after the annual explosion sets the Town-Hall on fire." These individual moments merge in the music like a fevered dream. Ives assumed that this knotty composition would actually never be played—"perhaps could never be played," he stated—"although the uneven measures that look so complicated in the score are mostly caused by missing a beat, which was often done in parades."

Parades figured prominently in Ives's musical experience. His father, George, a Union bandmaster, famously set in motion two groups of musicians from opposite ends of the town of Danbury, Conn., marching toward each other while playing familiar works simultaneously, in disparate keys. The younger Ives eventually became notorious for weaving similar sonic mashups into his music, producing grating, dissonant pastiches out of well-known traditional songs. The resulting ca-

cophonous jumble here, sentimental and bellicose, staunchly patriotic yet defiantly mutinous, was quintessentially American, reflecting the description of the fledgling democracy offered by French aristocrat Alexis de Tocqueville during his 1831 visit. Tocqueville reported a society perpetually on edge, its citizens engaged in seemingly endless disagreements. "No sooner do you set foot upon American soil than you are stunned by a type of tumult," he wrote. "Everything tends to dispute and uncertainty."

Ives's frenetic music perfectly captured that sensibility. His startlingly unconventional compositional style was nevertheless tinged with nostalgia. The catalog of songs he quoted in "The Fourth of July" includes "Columbia, the Gem of the Ocean" (an Ives favorite), "Yankee Doodle," "Dixie," "Battle Cry of Freedom," "Marching Through Georgia" and "Battle Hymn of the Republic." Its dramatic arc resembles that of a fireworks display: Opening with mere whispers in the strings, the piece grows into a series of mam-



Charles Ives, whose music challenged convention.

moth explosions—a roller-coaster ride of raucous eruptions. Unlike the spectacle that inspired it, the music ends not with a bang but a whimper.

Ives met the derisive critical barbs that inevitably came his way with undisguised exasperation: "Beauty in music," he declared, "is too often confused with something that lets the ears lie back in an easy chair." That declaration could have served as a modernist an-

them, and his example inspired countless composers, including the venerable American master of musical complexity, Elliott Carter.

He had few followers at first. Ives's success as an innovator in the insurance industry, where he enabled people of modest means to protect their savings, far surpassed his recognition in musical circles during most of his lifetime, yet he continued to compose, often keeping the results to himself by stuffing his musical manuscripts into empty cubbyholes and desk drawers around his office. He seemed to prefer the anonymity, and only allowed his efforts to appear in the radical publication New Music after he learned that its slogan was "If it will sell, we won't accept it." Like most of his compositions, "The Fourth of July" didn't sell well when he first revealed it. But by 1947, too ill to continue his creative efforts, Ives received the Pulitzer Prize for Music, his experiments finally memorialized as works of genuine art.

Mr. Isacoff's most recent book is "Musical Revolutions: How the Sounds of the Western World Changed" (Knopf).

ALAMY STOCK PHOTO



FULLY LOADED | ELEMENTS OF A MANGO CHAAT DOG
At a recent Chaat Dog pop-up at Brooklyn's Grimm Artisanal Ales, this all-beef hot dog on a ghee-toasted bun came topped with, among other ingredients:



+



+



+



+



Over-the-Top Dogs

The mood is maximalist. For next-level July 4th grilling, eat up this guide to America's most extravagant and irresistible hot dogs, with recipes to recreate them at home.

By Pervaiz Shallwani

FEW DISHES ARE more recognizably Filipino than sisig, a sizzling platter of minced pig parts tossed in garlic, citrus and chiles. And perhaps no food is more manifestly American than the hot dog, a vehicle for endless interpretation.

So when chef Chance Anies set out to expand the menu at Tabachoy, his Philadelphia restaurant showcasing the Filipino-American food of his childhood, he hit upon the Sisig Dog, built to satisfy all his customers. "Filipinos know sisig, locals know hot

dogs," Anies said. He sourced Martin brand hot dogs, an American-made version of the style of frank popular in the Philippines. "They are bright red," Anies said. "The color is artificial, but I felt like if we're doing a Filipino hot dog, we need a Filipino hot dog."

The result is a multiple-napkin, meat-on-meat beast: a blistered crimson dog in a toasted bun, slathered in curry mayo and topped with rich pork-belly sisig, a pickled carrot and green-papaya salad, with a final scattering of fried shallots and chopped scallions.

While that might sound a little over-the-top, it's certainly not the most extravagant dog on offer these days. Consider the \$29 version at the fine-dining restaurant Mischa, in Manhattan—or, for sheer

audaciousness, the Slider Dog brought to Cleveland's Progressive Field by local bar and restaurant Happy Dog, which comes loaded with Froot Loops, pimento mac and cheese, and bacon.

You wouldn't think hot dogs needed such a hard sell: According to the National Hot Dog and Sausage Council (NHDSC), Americans purchase more than 900 million pounds of them annually at grocery stores alone. And they buy more in July—National Hot Dog Month—than any other month. "We have seen that over the years, people have gotten a lot more creative with how they top their hot

Please turn to page D6



Inside



SHORTS COMING
Get ready for roomy cuts. Highlights from the Spring 2024 menswear shows **D2**



DON'T SLIGHT THE STRIPES
Six rules to follow when displaying the flag (even if the NFL doesn't always) **D4**



LISTEN UP, POUR-OVER LOVERS
Now you can just press a button **D5**



HOWARD'S END: CONDENSED EDITION
How to pack country-house charm into a small San Francisco apartment **D11**

STYLE & FASHION

MEN'S SPRING 2024 TREND REPORT

THE ONE SHEET

At the men's shows in Milan and Paris, an easy elegance reigned. And all eyes were on Pharrell.

SPOTTED AT MILAN fashion week: actor Chris Pine strolling the streets barefoot, pants messily cuffed, loafers in hand. Though scorching heat likely explained the hoof-baring move, it had echoes of “man stumbles home at dawn after raucous wedding.” Soon after, Pine redeemed himself. He breezed into the Zegna show, his pleated pants now unrolled and pooling over his loafers. His slouchy elegance would’ve looked at home on many of this season’s runways.

A stylist friend described the prevailing mood as “the new formal.” Meaning: clothes that are un-stuffy yet pulled-together. Streetwear was scarce, colors muted, loud logos MIA. Labels like Dries Van Noten, Hermès and Prada served up drapey tailoring, wafer-thin knits and blazers so fine they felt like shirts when I got my hands on them. Such clothes are the right amount of dressy for postpandemic offices or when you want to make an effort on weekends or nights out, without appearing starched.

Key to the sense of ease: volume. See the flotilla of boxy, billowing shorts—or the parade of roomy, extra-long pants whose hems gathered handsomely atop fisherman sandals, the shoes that

hit runways with the persistence of “Jaws” sequels. A picture of gentle, romantic masculinity emerged.

Some runway trends will likely alienate average guys. Sheer shirts treated viewers to more nipples than a Chippendales revue. And certain pants were so exaggeratedly high-waisted that the waifish models wearing them resembled Tweedledum and Tweedledee after a juice cleanse.

Even more eyebrow-raising: The sight of Logan Roy warmly embracing...*Cousin Greg?* Yup. “Succession” actors Brian Cox and Nicholas Braun got the cameras flashing when they chin-wagged at Loewe. But nothing could compete with the star turnout at Louis Vuitton for the huge-news debut of musician-producer-designer Pharrell Williams as its men’s creative director. Heavyweights like Beyoncé, LeBron James and Zendaya gathered on Paris’s oldest bridge, the Pont Neuf, which was recast as a checkerboard runway. After the models walked, Williams and Jay-Z performed a series of bangers. As entertainment, the runway-show-bonanza was unrivaled. And the clothes? Eminently neo-formal and wearable, including dark, flowy trousers and knockout collarless jackets. —*Jamie Waters*



THESE SHORTS SPEAK VOLUMES The season’s most dominant trend: Boxy shorts that ended above the knee yet were wider than an ox. From left: **Prada’s** high-waisted, thigh-baring example; at brands including **Wales Bonner**, roomy shorts were teamed with boots; a rock’n’roll take from **Gucci**; **Dries Van Noten** turns the volume up to 11; shorts sets were big at **Louis Vuitton**; **Sacai** had the blues.



GO LONG, GO WIDE! The reign of pants with exaggerated proportions continues. Clockwise from top left: graceful at **Dries Van Noten**; everything’s peachy for **Amiri**; countered with a lean top at **Loewe**; paired with a party shirt at **Etro**; roomy all-round from **Givenchy**.



HEY, STERNUM Pronounced, skin-baring V-neck designs brought a sexy loucheness to proceedings—and offered an untacky alternative to deep-V tees, which remain indefensible. From left: in the navy at **Officine Générale**; waistcoats are a thing now, says **Giorgio Armani**; raciness from **Zegna**; **Neil Barrett’s** more demure version; plunging tailoring at **1017 ALYX 9SM**.



TRADING FLOOR COUTURE Wall Street bankers in power suits and ties were evidently on the minds of several designers. From left: seeing red in a good way at **Giorgio Armani**; off to do some deals in **Brunello Cucinelli**; **Brioni’s** power stance; suitably accessorized at **Kiton**; **Ralph Lauren Purple Label** commits to the look with a contrast-collar shirt.

Catch of the Season

Charming (and a bit childlike), fisherman sandals beat out boots as the shoes to get.

A classic take at Ralph Lauren Purple Label

It’ll be sandy suede for Canali.

Hermès’s chunky proposition

Rhude chose a light style...

...while Tod’s went to the dark side.

Moments We (Mostly) Loved



TORSOS, RISING At Dior Men, models emerged from beneath the runway via trapdoors. It felt like a scene from a sci-fi flick.



FAMILY REUNION Nicholas Braun (left) and Brian Cox, who respectively played Cousin Greg and Logan Roy in ‘Succession,’ at Loewe.



SLIME PICKINGS Prada’s models wore the shorts of the season while goo oozed from the ceiling, to surprisingly beautiful effect.



HOTFOOTING IT It was a sizzling day in Milan, and actor Chris Pine clearly wasn’t in the mood for sweaty loafers. So he rolled his pants and went barefoot. (Ew or cool?) Soon after, at Zegna, he reappeared shod.



ALL TOGETHER NOW After the Louis Vuitton show, Pharrell Williams did a lap of the runway with the house’s design team.

STYLE & FASHION

Let’s Hack a Deal

Think you know how to get the best discounts on designer clothing? Think again. These fashion insiders divulge tricks that mere mortals will want to steal.

By ARIA DARCELLA

YOU NEEDN’T take out a second mortgage to dress as well as a real-estate magnate. With the rise of luxury consignment platforms like the RealReal and Fashionphile; outlet websites such as the Outnet and Saks Off 5th; and easy access to once-exclusive sample sales via Instagram tips and sites like 260 Sample Sale, nabbing designer clothes at deep discounts has never been easier. But, while thrifty, those are the sort of hacks that style insiders con-

sider bush league. Yes, stylists and even designers hunt for low prices just like the rest of us—but their tricks far outrank ours. For example, Century 21, the recently revived Manhattan retailer famed for mega bargains on high-end fashion, isn’t exactly a secret. But New York stylist Steven La Fuente claims that the most coveted treasures can often be found first thing weekend mornings (a spokesperson for the retailer attributes this to merchandise that has come in throughout the week hitting racks right before the weekend). “It was the holy grail of holy grails,”

he said of his first time visiting the store in 2019, when he saw Demna’s debut collection for Balenciaga next to Phoebe Philo’s last collection for Celine, “somehow next to 12-packs of Nike tube socks and Jessica Simpson shoes.” While fashion-industry types and creative style obsessives might look like they have infinite funds to blow on clothes, the best-dressed among them have simply discovered how to build impressive wardrobes without squandering their savings. We found five such savvy shoppers willing to share their strategies, plus their favorite, hard-won fashion bargains. —Aria Darcella



STYLE CONNIVERS The fashion pros from ‘Absolutely Fabulous.’

Bonnie Morrison
48, Brand Consultant
The Tips
Yoox is a trusty discount retailer

that gets off-season merchandise from around the world. Morrison discovered further deals can be had if you register for the app. “That’s where they have flash sales,” she said. Another Morrison standby: eBay. There, you can find designer clothes comparable to those on the RealReal, but on eBay, you can negotiate. See something you like? Message the seller and propose a price, advised Morrison, especially if it’s been listed for a while. “See what they’re willing to take.” **The Steal** A 1960s Givenchy gown. It’s hard to determine the value of such a rare find, but Morrison won it on eBay for a mere \$268 circa 2009.



Mickey Boardman
56, Editor
The Tips
“The secret to all my success in life is who

you know—and it’s not who you think,” said Boardman. Chatting with salespeople at sample sales can get you on future invite lists, he said. But the real trick is befriending department-store salespeople. “They’ll tell you when something’s going on sale, they’ll put things aside for you.” If you’re a loyal customer—who visits regularly and occasionally buys smaller items at full price—they might give you the discounted price before a sale event starts. **The Steal** Dries Van Noten shorts from Nordstrom. The shorts, which were around \$450 full-price, were about to be reduced for a seasonal sale. Boardman’s salesperson put them aside until the sale kicked off. Between the mark-down and a \$150 gift card, he paid about \$17.



JiaJia Fei
36, Digital Strategist
The Tips
Any Facebook user can easily find many of the

ads on the social site. This intel helps Fei find deals. Simply type “ad library” into Facebook to pull up the database. From there, search by brand or retailer to see what they’ve posted. It will pull up active ads that are running, said Fei. “Often, they’ll also include promo codes.” She isn’t above the trick of using different email addresses to sign up for accounts: That lets her snipe 10-15% promo discounts meant to lure first-time shoppers. **The Steal** An Issey Miyake trench. She scoured the internet to find the four-figure coat on sale and finally got it half-off at Farfetch.



Kathy Kuo
42, Founder of Kathy Kuo Home
The Tips
Rent the Runway, a designer-

fashion rental company, isn’t technically a retailer, but the subscription service gives users the option to purchase items they really like. And it’s a source of stupendous deals. In Kuo’s experience, the longer one keeps a rental item, the cheaper the Buy Now price gets. It’s a version of the “abandon cart” trick—adding items to your cart but not buying them, thus triggering the retailer to email you a discount code to incentivize a purchase. **The Steal** An Ulla Johnson sweater from Rent the Runway. Kuo adored the sweater (which retailed for \$1,200) and kept re-renting it under her flat-rate membership (options for two-month rentals range from \$94 for five items to \$193 for 15 items) until its Buy Now price dropped to roughly \$200.



Laurel Pantin
37, Brand Consultant
The Tips
Great stores exist outside of

major fashion hubs—and they’re only a phone call away. “Local stores often have more interesting inventory,” Pantin said. “If you call and say, ‘I’m looking for this Dries Van Noten print. What do you have on sale?’, associates will often work with you remotely.” Among her favorite finds is United Apparel Liquidators, a southern equivalent to Century 21. She swiped a rather out-there Loewe dress, normally worth four figures, for roughly \$200 from a Nashville location. “If it was something easier to wear they probably wouldn’t discount it so much,” she said. But the prices for avant-garde items tend to get slashed. **The Steal** A pristine cashmere Jil Sander coat from the RealReal. She nabbed the four-figure jacket for around \$300.



Save Face, Sumptuously

Sunscreen can feel downright disgusting. It doesn’t have to. These evolved formulas evoke luxe face creams and serums, not gunk.



“YOU HAVE TO find a sunscreen that you look forward to putting on,” said Daisy Nicole Toye. The New York makeup artist, who was responsible for client Martha Stewart’s radiant complexion on the cover of May’s Sports Illustrated Swimsuit issue, ensures that the lifestyle mogul’s face is perpetually “slathered” in a high-SPF formula, ideally with sheen. Even if you aren’t modeling mail-lots for magazines, smearing on sunscreen (and reapplying every two hours) is still a must, regardless of your skin tone or the weather. Yet only 13.5% of Americans safeguard skin daily, according to a recent survey in the

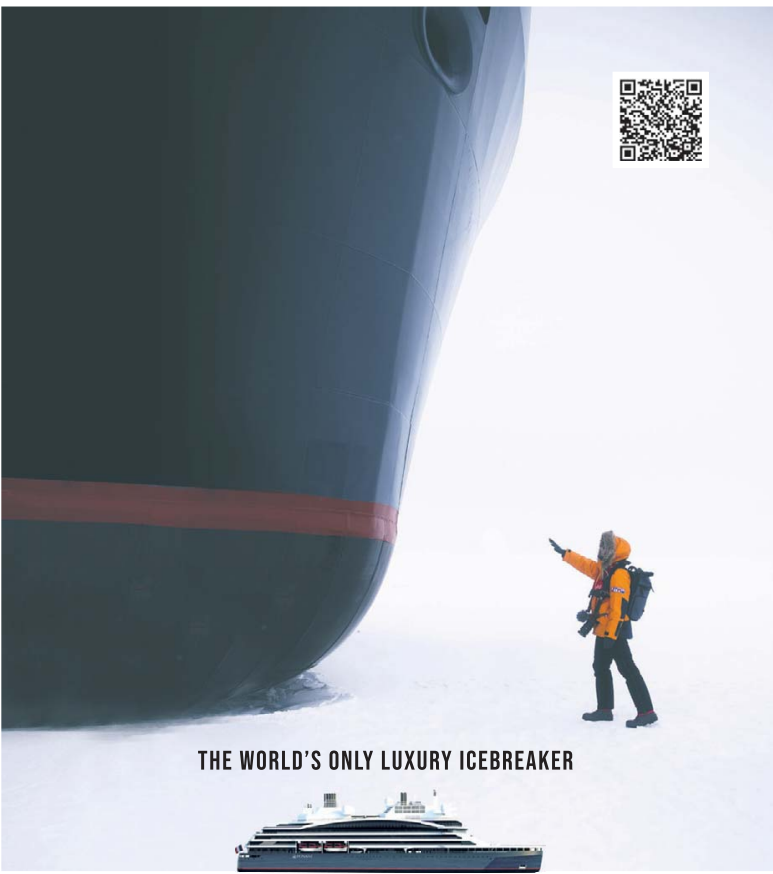
medical journal Archives of Dermatological Research. Why the aversion to protection? One theory: The noxious, chalky creams of yore were, frankly, gross. But, in our tests, some new formulas felt more like serums or moisturizers than gunk. And that, as Stewart might say, is a very good thing. Another good thing: Application is simple. Swipe two finger-lengths of SPF 30 (or higher) to your face, neck and ears as the last step in your skin-care routine, said Naana Boakyie, a dermatologist in Englewood Cliffs, N.J. Wait five minutes, then layer on makeup. Here, effective, opulent options. —Amber Kallor, with additional reporting by Christina Middleton

RULE #1
After moisturizer but before makeup, apply a sunscreen with at least SPF 30.

- 1 | FOR ACNE-PRONE SKIN**
Neutrogena Clear Face Serum Sunscreen SPF 60+
What it feels like A light, cooling breeze.
Why you’ll wear it Don’t worry about clogged pores with this oil-free serum. Bonus: Its dose of antimicrobial green tea could help battle breakouts. \$14, Neutrogena.com
- 2 | FOR INVISIBLE PROTECTION** *Lesse Every Tone SPF 30*
What it feels like Lush, but

- not suffocating.
Why you’ll wear it Most mineral sunscreens notoriously leave unsightly white residue, but this one disappears into any complexion. Anti-inflammatory extracts help too. \$85, LesseOfficial.com
- 3 | FOR GLOW GETTERS**
Supergoop! Glowscreen SPF 40
What it feels like Sheer, airy but still rich.
Why you’ll wear it Toye, the makeup artist, uses this SPF on Martha Stewart because it

- delivers delicate sheen sans glitter. It also smooths skin and gives makeup grip. *From \$22, Supergoop.com*
- 4 | FOR CITY DWELLERS**
Chanel UV Essentiel SPF 50
What it feels like Vaguely French, silkier than the rest.
Why you’ll wear it This gel-cream sinks into skin in seconds while delivering lasting moisture. It also contains free-radical-fighting blue ginger and gardenia extracts aimed at protecting against urban pollution. \$60, Chanel.com



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STELLANTIS

RUMBLE SEAT / DAN NEIL



A Fun, Responsive, Sporty Crossover? Now That’s Italian.

OUR GUEST HAS come a long way to be with us. Born near sunny Napoli, in the Kingdom of Stellantis, it travels under the name of the Dodge Hornet R/T but was born an Alfa Romeo Tonale, which rhymes with *giornale*. Dodge needed a compact crossover in its North American showrooms; and the historically dubious “Hornet” nameplate was available. The last Hornet model in series-production (1970-1977) was built by American Motors Corporation. Apparently, “Malaise-Era Rust Bucket” was taken.

The Hornet is an anchor baby, helping Stellantis’s fuel-economy and air-quality numbers in California and other jurisdictions. The two engine packages available are so Euro-spec they might as well be wearing cravats: In the GT, a 2.0-liter turbocharged inline four (268 hp) is paired with a nine-speed auto transmission and permanent all-wheel drive; in cars like our R/T, power comes from a turbocharged 1.3-liter four, mated to a six-speed transmission and enhanced with a plug-in hybrid harness. A belt-driven starter/generator helps spin up the little turbo-four, adding up to 44 hp on its own. Between the rear wheels, a small, torque-rich induction motor (184 lb-ft) renders computer-coordinated all-wheel drive as needed.

The R/T’s gas-electric output (288 hp) and the oodles of lag-free torque (383 lb-ft) allow Dodge to claim the most power in its competitive set. Should R/T owners find themselves in a cut-

2023 DODGE HORNET R/T



Base price \$40,935
Price, as tested \$53,245
Powertrain Plug-in-hybrid gas-electric, with turbocharged direction-injection 1.3-liter four-cylinder engine, belt-driven starter/generator, six-speed automatic transmission; rear-mounted induction motor (184 lb-ft, 250 Nm), on-demand AWD; 15.5 kWh liquid-cooled battery and 7.4 kW inverter charger
Power/torque 288 hp/383 lb-ft
Length/wheelbase/width/height 178.3/103.8/82/63 inches
Curb weight 4,140 pounds
0-60 mph 5.6 seconds
EPA fuel economy 77 MPG-e (gas+electric), 29 mpg, combined
Charging time 2.5 hours (Level 2)
Cargo capacity 22.9/50.5 cubic feet (rear seats up/folded)

throat drag race coming out of Ralphs, they can activate the PowerShot feature. Pulling back simultaneously on the paddle shifters unlocks an additional 30 hp for up to 15 seconds—enough to shave 1.5 seconds off the standard 0-60 mph acceleration, according to Dodge. It’s a bit like the boost feature in “Mario Kart,” named after another great Italian.

Dodge calls the R/T a performance hybrid, with good reason. Much of the good extracted from the hybridizing serves performance and not efficiency. The R/T conceals a liquid-cooled 15.5-kWh battery, which gives it a nominal 32 miles all-electric range. In the

dedicated Electric drive mode the system will awaken the gas engine only as needed until the battery runs down. You’ll know it when you hear it.

The R/T is also equipped with a 7.4-kW inverter to charge a 15.5-kWh battery in as little as 2.5 hours, which statistically speaking no one will ever do. That said, the satisfactions of hybridizing are real—more responsive torque, the integrated AWD traction, the extended periods of whisper-quiet low-speed operation. I mean, you can plug it in, if you feel you must.

Imagine me returning to my house after a test drive in the R/T. My hair is tousled and my ears are

ringing. Dang, man. What the R/T lacks in urbanized refinement—a lot, so so much—it makes up for with a racy disposition, deep braking, taut-and-toned suspension, darty steering (2.5 turns lock-to-lock) and, overall, a curiously edgy state of tune. Oh I get it: It’s Italian.

Year to year, I drive most new models on the U.S. market. I have observed that each of the sprawling multinationals that populate the new-car cosmos—VW Group, GM, Stellantis—has an ineffable thing, a constancy that transcends the branding. Call it the human factor. In the case of Stellantis—with products branded as Dodge, Alfa Romeo or Maserati—every-

A SATISFYING STING Like other vehicles from Stellantis, the Dodge Hornet R/T is engineered for buyers who really enjoy driving.

thing is tuned as if the product development people were nerveless 18-year-olds.

Both GT and R/T trims get the sport-tuned suspension with Koni-branded dampers and torque vectoring/limited slip differential. Brembo brakes, with four-piston front floating calipers, 20-inch wheels and dual-stage performance shocks are upsells on the GT.

What the R/T lacks in urbanized refinement, it makes up for with a racy disposition, a curiously edgy state of tune.

Our R/T tester carved through esses and curves with pace and purpose. In fact, the little hatch never seemed to be as happy as when it was settled into its on-ramp cornering stance with the rear electric motor pushing the AWD. Dodge says the R/T can generate up to 0.9 Gs of lateral acceleration in steady-state cornering.

In the competitive and diverse compact-crossover category, there is something for everybody. The standard bearers—CR-V, RAV4, Kia Sportage—are masters of bland competence. The Subaru Forester has its symmetrical all-wheel drive system. The Ford Bronco Sport is the most expressive and me-forward.

The Hornet R/T is the hot one. It’s also the pricey one. Given the shared bones, replete equipment list and segment-leading power—as well as a MSRP of \$30,735—the GT is clearly the bang-for-buck pick. The GT is no slouch, either, yielding a lateral acceleration of .87 g according to Dodge’s accelerometers. Enthusiast buyers can tweak the GT through Dodge’s dealer-installed program, which will offer engine upgrades, suspension kits and aftermarket-style cosmetics, like the dual black-chrome exhaust tips—a little sfumato to go with your fagioli.

Complaints? I had a few. First, what is up with the stance of this thing? The Dodge-branded top hat sits tall and weirdly on its undercarriage—from some angles the wheels and wheel arches appear curiously non-concentric. This defect is shared with the Alfa Tonale donor vehicle. Dodge should make the suspension-lowering kit a no-cost option. Mario agrees.

I’m not feeling the \$10,000 bump for the PHEV, marginal utility-wise. Nor am I sure my nerves could take it. Its periods of electric operation notwithstanding, the R/T’s turbo’ed and D’ed, all-aluminum engine is—*como si dice*?—hella loud. The 1.3-liter snores at idle and roars at high rpm like Torino stadium after a home goal. The cold-start cycle, with the engine temporarily idling at 1,400 rpm, will drown out the morning’s conversation.

That’s OK. My Italian isn’t very good anyway.

Stars, Stripes and Etiquette

How to make sure you don’t get a flag on the play this July Fourth

HANGING A U.S. flag off the porch is, for many, as key to celebrating the Fourth of July enthusiastically as fireworks or scraping the grill. But while you might be vaguely aware of the etiquette around hanging Old Glory, when was the last time you pored over Title 4 Chapter 1 of the U.S. Code, particularly sections 6 through 9? Sure, this code is legally unenforceable, but ignore the rules at your own peril. Hanging the flag improperly—be that upside down, below your favorite baseball team’s flag or inadequately illuminated at night—might signal sloppy patriotism, especially to eagle-eyed veterans, vexillophiles (the fancy word for flag enthusiasts), or Eagle Scouts. Luckily, most of the rules are easy to follow. To figure out what guidelines are most crucial, we spoke to some flag experts.

The flag should never touch the ground or floor.

Make sure the flag hangs unencumbered, but don’t overreact if it accidentally grazes your steps or a shrub. As long as your flag hasn’t been “torn, ripped, frayed, faded, or soiled, [it] may continue to be displayed,” allowed Ann Byars, manager of Youth Education and Civics for the American Legion. When at-

tached to a wall, the section with the stars (called the canton) should be on the upper left-hand corner as you face it.

The flag should never be carried flat or horizontally.

This one is pretty easy to follow at home, though you’ll see it routinely violated on TV. “How many football games have you seen where they

bring out a big flag that’s displayed flat?” snorted Peter Ansoff, former president of the North American Vexillological Association.

The flag should never have any mark of any kind added to it.

That means no matter how festive it might appear, that Etsy flag customized with the message “Welcome to our July 4 Party!” will potentially torment flag zealots.

The flag should never be used for advertising or displayed on anything designed for temporary use and discarded.

While, technically, the flag code speaks to fabric flags and not renderings, you might want to rethink those “patriotic” paper plates, cups and napkins. “They’re going to end up in the trash...it’s not a respectful look,” said Byars. Instead, she says, “buy plates that are red, blue, and white, and mix them



FREEDOM REIGNS Make sure your flag hangs unencumbered.

up.” One wrinkle: Most flag experts say clothing that incorporates stars and stripes, be it shirt, necktie or hairband is OK.

The flag, when no longer a fitting emblem for display, should be destroyed, preferably by burning.

Before you go rogue and try lighting a tattered nylon or polyester flag on fire at home, take a beat. That’s not safe! If you can’t mend any rips or frays, know that many of the 12,000 American Legions—plus organizations like the Boy Scouts, Veterans of Foreign Wars or American Veterans—will take it and burn it for you.

The flag can be displayed at night as long as it’s properly illuminated

Some citizens believe anything less than a dedicated spotlight is a violation, but Byars says your existing solution is probably fine. All you need is nearby ambient light, such as street or building lights, or a house porch light, sufficient enough that a casual passerby can tell it’s the American flag. —*Sal Vaglica*

CRAG MCMAUSLAND/GETTY IMAGES; VALLEY FORGE (FLAG)

GEAR & GADGETS

Painless Pour-Over

A new breed of coffee machines promises the highest-quality drip at the push of a button. Could they possibly be worth \$645?



By Max Cea

IN PURSUIT of the perfect cup of coffee, Dorothy Weinstein has tried almost every method of brewing. The 62-year-old adjunct professor of clinical research and leadership based in Bethesda, Md., has reached

one firm conclusion: No drip machine, AeroPress, Keurig, percolator, French press or moka pot can compare to the \$7 plastic Melitta pour-over cone she began using in college. To get the best results with such a device, or the ubiquitous hourglass-shaped Chemex, you must heat the water yourself, precisely

weigh, then grind your coffee—and then stream the heated water over those grounds with finesse. Good as the resulting coffee is, the process can be a hassle, especially in the morning. “I wanted something automated to make my life easier,” said Weinstein of her quest for an alternative. “It’s

really hard to boil water!” Last year, she decided to splurge on one of a growing class of machines that promise pour-over-quality joe with press-a-button convenience: the Chemex Ottomatic 2.0 (\$350, *ChemexCoffee-Maker.com*). Though pricey, the Ottomatic might seem a bargain compared to similar machines that range from \$645 to \$799, including: the Ratio Eight, which debuted in 2012; the xBloom, released last year; and the Brew by Balmuda, new this May. Pour-over devotees might point out smugly that a cone like Melitta’s costs little more than a latte with tip. As any good barista will tell you, though, getting the most from one of these drip-pers does require some skill.

These machines simulate the motion of a human barista.

Every decision you make while brewing a cup of pour-over leads to small, but discernible, changes in flavor. It’s not just water temperature that matters, but the rhythm, motion, and speed with which it’s poured over the grounds. These automatic pour-over machines promise to simulate the motion of a human barista, extracting all the coffee’s particular flavors and hidden notes, without making it too bitter or acidic. But, according to Jon Frehofer, 34, the director of coffee services for Joe Coffee Company, these further degrees of control aim to “add a level of replicability that’s hard to achieve as a human.” I’m no professional barista, but I have an embarrassing amount of experience trying coffee brew methods in search of the optimal cup. I own a Breville Bambino espresso machine,

Hario V6 pour-over dripper, AeroPress and moka pot, but I tend to default to my Bonavita Connoisseur automatic drip machine for my morning jolt. I was drawn to the sleek, compact design of Balmuda’s the Brew, and some of its extra features, including its ability to make cold brew concentrate. Mostly, though, I wanted to see if it was worth the absurd cost: Could it brew a transcendent cup of coffee? The machine is intuitive to use, offering just a few options when it comes to “Mode” (iced, strong, regular) and “Size” (small, medium, large). It operates with a symphony of cheery chimes, clicks and brew sounds. After experimenting with a few different grind sizes (grinder not included), I could easily make a cup that was, if not transcendent, consistently balanced, bright and smooth. To help test if its results beat those from my drip machine, I invited my sister over for a blind, but certainly not peer-reviewed experiment. Using beans from two favorite New York roasters—Brooklyn’s Abbotsford Road and Tarrytown’s Coffee Labs Roasters—I brewed coffee three ways: with a manual Hario V6 pour-over; with my Bonavita Connoisseur drip machine; and with the Brew. The differences were small but noticeable. Each time, my sister favored the manual pour-over, closely followed by the Brew, with the standard drip ranking a relatively distant last. “The manual pour-over was the Goldilocks cup, not too burnt or bitter, something I could drink every day,” she said. After a year of using her Chemex Ottomatic 2.0, Weinstein says she’s mostly satisfied. It makes a good cup, but if she gets lazy and adds too much coffee, she might wind up with a mess on her hands (and counter). In hindsight, she isn’t sure she’d repeat the purchase. “No matter what, finding the perfect cup really comes down to the user,” she said. “You find a coffee you like and then you just have to be mindful about how you make it.”

BOTHER-FREE BUZZ / 3 NEW AUTO-POURERS



BALMUDA THE BREW
The sleek, compact machine is programmed to first steam the grounds and then drip water over them in precisely heated 0.2 mL increments. \$699, *Us.Balmuda.com*



RATIO EIGHT
The brewer boasts precise temperature controls and a pouring movement that emulates the pulse rhythms of top baristas. \$645, *RatioCoffee.com*



XBLOOM
For an even-lower effort brew, this machine processes Keurig-esque pods full of whole beans. It grinds them itself, then brews coffee according to a recipe from the roaster. \$799, *Xbloom.com*

RICHARD BERGE (ILLUSTRATION)

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EATING & DRINKING

Hot Dogs Off the Chain

Continued from page D1 dogs,” said NHDSC president Eric Mittenthal.

At Mischa, chef Alex Stupak lets that \$29 hot dog—8 inches long and a half-pound in weight—speak for itself. Crafted from dry-aged brisket, stuffed in a pork casing and griddled in dry-aged-beef fat, it’s served unadorned, on a potato roll baked on the premises. But your \$29 does buy you a palette of toppings to apply as you wish, including brisket chili and house-made condiments such as kimchi, bacon-habanero chile crisp and yellow mustard dyed with tagete flowers.

Stupak conceived his dog as an answer to the custom-blend burger, now a standby at New American restaurants. “We kind of moved all the qualities that we felt were important in a burger and gave them to a hot dog,” he said. “So when people are like, ‘\$29 for a hot dog, what the hell?’ That hot dog is harder to make than a burger.”

“I Hate That I Loved the \$29 Hot Dog” read the headline of a review from Eater NY’s Robert Sietsema. Its growing fandom has made the item the star of the menu, available now at lunch as well as dinner. “I just thought it would be too heavy for lunch when we opened, but the people have spoken,” Stupak said.

Similarly, for Edgar Rico, chef and co-owner of Nixta Taqueria in Austin, Texas, the hot dog offers a canvas for both craft and creativity. He wraps his celebrated nixta-malized-corn tortillas around the Crispy Dog aka Space Glizzy, a tribute to San Antonio’s style of deep-fried dog. “We were doing a homage to old-school Tex-Mex classics, and this dish left quite an impression,” Rico said.

The Nixta team takes a local 44 Farms hot dog and wraps it first in a slice of American cheese, then in the taqueria’s artisan tortilla of the day. They run a skewer through the dog and briefly deep-fry it. “Essentially what happens is the corn tortilla seizes up to the weenie and the cheese kind of melts, and you get this almost corn-dog-like effect,” Rico said.

A traditional crispy dog arrives with ketchup and mustard on the side, but Rico makes his “fancier,” with zig-zags of ketchup and mustard, a tomatillo-onion relish and puffed amaranth for crunch. The kitchen creates 20 a day, available from 5 p.m. to 6:30—or until they run out.

At the Los Angeles restaurant Guelaguetza, chef Bricia



L.A. Street Dog

On the streets of L.A., this bacon-wrapped dog piled with grilled peppers and onions is a cheap on-the-go meal. Chef Bricia Lopez makes this at-home version with top-quality ingredients.

Total Time 1 hour
Serves 8

4 tablespoons grapeseed oil, plus more for greasing the grill
8 hot dogs
8 slices bacon
1 large white onion, cut in half and sliced crosswise into 4 thick pieces
4 large red bell peppers
4 large jalapeños
8 hot dog buns
Mayonnaise
Ketchup
Mustard

1. Preheat a grill to 375 degrees if using a pellet grill; to low

heat if using gas; or for indirect cooking if using charcoal. Place a paper towel on the end of your bottle of grapeseed oil and flip it so that the paper towel absorbs a little bit of oil. Grip oiled paper towel with tongs and carefully apply oil to grill grate to make sure bacon does not stick while cooking.

2. Cut a couple slits into each hot dog so they won't burst while grilling. Carefully wrap each dog with bacon, using a toothpick or two to secure bacon to hot

dog. Try to get it as tightly wound as you can. In a bowl, carefully toss onions with oil, making sure to keep large pieces intact.

3. Carefully place hot dogs on grill, along with whole bell peppers, jalapeños and oiled onions. Cover grill and let cook. After 15 minutes, flip hot dogs and vegetables, and cover grill again. After another 15 minutes, the hot dogs should be nicely grilled and the bacon a little crispy.

4. Remove hot dogs and vegetables from grill. When grilled

bell peppers and jalapeños have cooled enough to handle, slice them in half and remove seeds. Cut peppers into strips. Place hot dog buns, facedown, on grill and toast until lightly browned.

5. To assemble, place hot dogs in buns and layer with bell peppers, jalapeños and onions. Drizzle with as much mayonnaise, ketchup and mustard as you like.

—Adapted from *‘Asada: The Art of Mexican Style Grilling’* by Bricia Lopez with Javier Cabral (Abrams)

Lopez mostly cooks food from her family’s native Oaxaca. But in her new cookbook, “Asada: The Art of Mexican Style Grilling,” written with Javier Cabral, she includes a tribute to the L.A. street dog. The contribution of Mexican immigrants to American hot-dog culture, this bacon-wrapped dog is grilled low and slow until it develops a crisp exterior. Cradled in a toasted bun, topped with charred onions, green peppers and jalapeño or serrano chiles, it’s finished

with ketchup, mustard and mayo. “The smell of the grilled onions and peppers and bacon, that’s how it smells outside of every club in L.A., every sporting event,” Lopez said.

For her, the L.A. street dog naturally expresses Mexican-American cooking and identity. “We made Cheetos spicy,” she said. “Of course, we would make a spicy hot dog. Of course, we would add chiles and bacon and flair, because that’s who we are.”

I’ve been clocking the over-dressed-dog trend for a few years now, since creating my own, the Chaat Dog. I grew up in Chicago, where we like a dog “dragged through the garden”—that is, garnished with neon-green relish, yellow mustard, a dill-pickle spear, pickled sport peppers, onions, tomatoes and celery salt. (But you likely already knew that, since the Chicago dog has recently found its way onto menus well beyond the Windy City.) Honoring

my Pakistani heritage, I swap in the South Asian snack chaat for the classic Chicago-dog toppings.

Positive reviews from friends and family encouraged me to start doing pop-ups at breweries and bars in Brooklyn, where I live, and other cities around the country. I begin with an all-beef dog nestled in a ghee-toasted bun. The chaat varies depending on the season; a recent one combines charred corn and poblano peppers, red onions, garlic, cilantro, lime and the spice mix chaat masala. I drag the dog through the desi garden, layering on flavors and textures familiar to any South Asian kid: cilantro chutney, tamarind chutney, sev (chickpea-flour vermicelli), boondi (crunchy chickpea-flour balls), cilantro leaves, pickled chiles, fried onions and yet more spice.

This capacity to reflect a place or a perspective—with-out restraint—drives the hot dog’s appeal for comedian Jamie Loftus. “I love when a hot dog goes turbo,” she said. Loftus literally wrote the book on the topic, “Raw Dog: The Naked Truth About Hot Dogs,” published in May by McMillan. Researching it took her on a hot-dog-fueled road trip across America in the summer of 2021, “the year after Americans had grown so nostalgic for something bad and familiar to them, while locked inside, that hot dog



‘Of course we would add chiles and bacon and flair, because that’s who we are.’

sales leapt...” In the course of the book, the hot dog is a vehicle for everything from comedy to cultural history to capitalist critique.

While she admits she doesn’t like some toppings personally, Loftus steadfastly supports the right to experiment. “I will tolerate so much on a hot dog,” she told me. “Judging people by their toppings, that’s not how I live.”

► Find more fully loaded hot dog recipes at [WSJ.com/food](https://www.wsj.com/food).

Frankly The Best

We tested dozens of brands to find these 7 outstanding hot dogs. Garnish as you see fit.

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Hot dogs hit the U.S.

in the 1860s, via German immigrants in New York City. Today, Americans purchase more than 900 million pounds of franks, wieners and red hots annually from grocery stores alone, according to NielsenIQ, with hundreds of national, international, regional and local brands to choose from, in halal, kosher and vegan iterations. Of the more than four-dozen brands we tested, these offered the best flavor and snap. With a few exceptions (sold online), these dogs—listed in no particular order—can be found at grocery stores around the country; prices (approximate here) vary state to state. Check the brands’ websites for availability near you.

1 | Hebrew National Beef Franks Created over 100 years ago for the kosher market, this All-American frank is a ballpark and backyard favorite. The juicy all-beef link’s classic notes of garlic and paprika marry well with any number of condiments. \$5 for 10.3 ounces/6 dogs, [HebrewNational.com](https://www.HebrewNational.com)

2 | Niman Ranch Fearless Beef Franks Clean, with a classic all-beef-hot-dog flavor, from a brand founded in the 1970s with a mission to treat its animals humanely, Niman Ranch is now owned by Perdue, and these franks are available in select grocery stores across the U.S. as well as online. \$7 for 11 ounces/4 dogs, [NimanRanch.com](https://www.NimanRanch.com)

3 | Heritage Foods Uncured Pork Frankfurter Supremely juicy and meaty, these artisanal pups are made exclusively from American heritage pig breeds and stuffed into a snappy lamb casing. They are the most expensive on our list, and worth it. \$65 for three 16-ounce packs/24 dogs, [HeritageFoods.com](https://www.HeritageFoods.com)

4 | Vienna Beef Natural Casing The wiener of choice for a Chicago dog, this 125-year-old, family-owned company with Hungarian-Austrian roots makes several styles of franks, but this natural-casing version does best on the grill, offering classic snap and a robust beefy flavor. *Natural Casing Hot Dog Pack*, \$68 for three 20-ounce

5 | Schaller & Weber Wieners This smoked beef-pork wiener from the venerable N.Y.C. German butcher chaws well. The casing’s hearty snap gives way to a smooth interior with a clean flavor. \$11 for 9 ounces/5 dogs, [SchallerWeber.com](https://www.SchallerWeber.com)

6 | Nathan’s Skinless Bun Length Beef Franks Some dogs shine as a vehicle for condiments—for instance, this 106-year-old, all-beef American icon, synonymous with Coney Island’s annual hot-dog-eating contest. Fatty and juicy, it complements toppings rather than competing. Family Pack, \$11 for 28 ounces/14 dogs, [NathansFranks.SFDBrands.com](https://www.NathansFranks.SFDBrands.com)

7 | Field Roast Signature Stadium Dogs As classic as a vegan dog gets—smoked and meaty, laced with the key spices. One vegetarian taster worried, “I think you accidentally gave me a meat hot dog.” \$7 for 10 ounces/6 dogs, [FieldRoast.com](https://www.FieldRoast.com)

QUENTIN BACON (LA DOG); EDGAR RICO (NIXTA); EVAN SUNG (MISCHA); KRISTEN RED (VINSETTA GARAGE); MARTIN RAMIN (THE WALL STREET JOURNAL SIGN AND FRANKS)

EATING & DRINKING



ON WINE / LETTIE TEAGUE



Hey Oenophile, Who Are You Calling a Wine Geek?

“GEEK” IS A NAME some wine lovers proudly claim, just as sommeliers often aspire to create a “geeky” wine list. But what does the term really mean in the world of wine?

The question occurred to me while I was reading a “geeky” wine list created by ChatGPT, the artificial intelligence chatbot, and posted on the Wine Berserkers forum. Forum member Mariano Chiaramonte had asked the bot to create a list that “should mainly include producers, regions and grape varieties that are appealing to wine geeks.” This prompted much discussion among forum members about their own actual geekiness (and surprisingly little concern about a chatbot taking a sommelier’s job). As one who has never identified as a geek—but who may have actually been one in school—I decided to investigate the “geekiness” of wine a bit more.

The bot made some interesting choices. A number of wines were expensive but not obscure—obscurity is big in geekdom. These included Champagne Billecart-Salmon Brut Rosé, Tenuta San Guido Sassicaia and Dominus, the pricey red Napa

blend. Others were famous and not that hard to find if you have (very) deep pockets. See: Domaine Coche-Dury Meursault and Domaine Leroy Chambertin. Still others were less pricey but much more obscure—Battenfeld Spanier Frauenberg Riesling from Germany’s Rheinhessen region and Tatomer Meeresboden Grüner Veltliner from Santa Barbara County—which I guess makes them geeky or at least niche.

The bot-generated list seemed like it could almost be the work of an actual sommelier with good taste and an unlimited budget—but a lack of attention to certain details. (One wine was listed simply as Sancerre Rosé.) But was the list truly geeky? Who could say? A wine drinker would have to be both knowledgeable and wealthy to order a bottle of Coche-Dury Meursault, which costs around \$1,500 a bottle retail and much more on a restaurant list. (The bot did not price the wine list.) I came to the same conclusion as most forum members: The bot-made list was more about expensive wine than pure geekiness.

Chiaramonte told me the idea to ask for such a list came to him while

reading an earlier Wine Berserkers post, about a real wine list that had been labeled geeky by another forum member, Dan Kravitz. Indeed, according to Kravitz, Leeward restaurant in Portland, Maine, has an “aggressively geeky” wine list because—at the time of Kravitz’s post on Wine Berserkers—few wines from familiar grapes like Cabernet,

There is one aspect of geekiness I do possess: an abiding desire to discover and taste wines I’ve never had.

Chardonnay or Pinot Noir were listed. “[They] refuse to put anything well-known or popular on the list,” Kravitz said in an email.

Leeward is a high-profile, Italian-focused restaurant, and I was curious to see its wine list. I found wines that were definitely uncommon, including bottles from small producers, many of whom were working

with lesser-known varieties—hybrid American grapes (Marquette, Vidal Blanc) as well as European ones (Grolleau, Jacquère, Erbaluce). I found some wines I knew and many I did not but was curious about, including a red blend, Mimeomia, from the Kalchê Wine Cooperative in Fletcher, Vt., featuring Marquette, Frontenac Noir and Petite Pearl. The last was a grape I’d never heard of; that wine, said Leeward’s general manager and wine director Paige Buehrer, was probably the geekiest one on her list.

When I told Buehrer that her list had been described as “aggressively geeky,” she laughed. “I would hope that it’s not ‘aggressive,’” she said. But she conceded, “I think it is a little bit geeky.” She explained that the list was designed to provoke a conversation and “to open people up to new things.”

Buehrer emphasized that she takes pains to describe lesser-known wines in terms non-geeky drinkers recognize. For example, she described Erbaluce, a white grape from the Piemonte region of Italy, as “like Pinot Grigio but with more going on and a tea-like bitterness.” As a

drinker fond of Erbaluce, I thought that was a good description.

If a geeky wine list could be defined as one that showcases obscure wines that may or may not be expensive, what, then, is the definition of a wine geek? Is there a difference between a wine geek and a wine lover or oenophile? I put the question to my friend Brad, who calls himself a wine geek, as do the members of his tasting group.

“Maybe calling yourself a geek says it might not be considered normal, but you’re okay with that,” Brad said. Other terms—“connoisseur,” “oenophile”—don’t capture the “nonjudgmental” aspect of being a geek, he explained. His group of geeks does, however, “toss around a fair amount of judgment in a nonjudgmental way,” Brad conceded.

Ivan Ruiz so thoroughly identifies as a wine geek, he’s adopted the term as his Instagram handle (@wine.geek). The Summit, N.J.-based sommelier and wine retailer said calling himself a geek is a way to express his enthusiasm for wine and to connect with others equally inspired. While “geek” once described someone “highly intelligent but introverted,” Ruiz said, “the world has evolved, and in today’s world being a geek is fashionable.”

I’m definitely not fashionable in my wine tastes, so I suppose that disqualifies me as a geek. More important, as a columnist, if I adopted a geeky outlook I might lose sight of how most people think about wine. For most drinkers, wine is an adjunct to their lives, not front and center. It’s an enjoyable component of a meal, a pleasurable time with friends. There is, however, one aspect of geekiness I do possess: an abiding desire to discover and taste wines I’ve never had.

That’s why I decided I had to track down that wine I’d never heard of before on the bot-made geeky list: the 2020 Tatomer Meeresboden Grüner Veltliner from Santa Barbara. Only 600 cases of the wine were made; it’s sold in just a few restaurants and stores. I found a bottle for \$25. And as “geeky” wines often do, this one came with a good story.

Graham Tatomer founded his winery in 2008, after working in wine since 1995. In the mid-2000s he worked off and on in Austria, where he learned more about Riesling and Grüner while working at the legendary Weingut Knoll. Back home in Santa Barbara, Tatomer currently makes 3-4 Grüners a year (as well as Pinot Noir and Riesling) and considers himself a “white wine specialist.” His Tatomer Meeresboden Grüner Veltliner Santa Barbara County proved excellent. Crisp, bright and pure, it put me more in mind of Austria than California.

Was my desire to find and taste this wine proof of geekiness, or something else? I believe simple curiosity fueled my quest—not the pride in knowing that can be part of geekiness. I would call one possessed of unquenchable curiosity a wine lover. (And if you know where I can track down that Vermont blend from Leeward’s list in New Jersey, where I live, let me know.)

► Email Lettie at wine@wsj.com.

SLOW FOOD FAST / SATISFYING AND SEASONAL FOOD IN ABOUT 30 MINUTES



The Chef
Renee Touponce

Her Restaurants
Port of Call and Oyster Club, both in Mystic, Conn.

What she’s known for Inventive dishes that celebrate the local seafood and family farms of coastal Connecticut. Leading the kitchens at two buzzy restaurants in a burgeoning New England food town.

RENEE TOUPONCE WAS raised a few hours from Mystic, Conn., the coastal town where she now leads the kitchen at two acclaimed restaurants celebrating local seafood and just-picked produce. But in terms of ingredients, the food on her family’s Italian-American and Puerto Rican table was a world apart, the chef says. Happily, this recipe—her first Slow Food Fast contribution—represents a delicious collision of her past and present. “Growing up, I loved chicken Milanese. So, after a while [as executive chef at Oyster Club], I thought: ‘Why not do swordfish Milanese?’”

The resulting dish—delicate, decadent

and dead easy—is as clever as it is speedy to make. When selecting swordfish, choose thick white steaks, advises the chef. And if you’re worried your knife skills aren’t up to snuff for slicing the fish horizontally into cutlets, ask your fishmonger to handle the task. From there, all you have to do is pound the cutlets thin, robe them in a light layer of flour, egg and breadcrumbs and quickly pan-fry in oil. As for an accompaniment, a simple early-summer salad of arugula, cherry tomatoes and sweet onion is all Touponce says you’ll need. When everything is so fresh, that’s all there is to it, she explained. —*Kitty Greenwald*

Total Time 25 minutes
Serves 4

- 1½ pounds swordfish steaks**
- Kosher salt**
- ½ tablespoon onion powder**
- ½ tablespoon garlic powder**
- 1 cup all-purpose flour, plus more as needed**
- 4 eggs, beaten**
- ¾ cups panko breadcrumbs**
- 2 tablespoons olive oil, plus more for frying as needed**
- 4 large handfuls arugula**
- 1½ cups cherry tomatoes, halved**
- ¼ red onion, thinly sliced**
- 2 lemons**

1. Slice swordfish horizontally to form 4 (½-inch-thick) cutlets. Sandwich cutlets between plastic wrap and, using a meat tenderizer or heavy pan, pound each one to a ¼-inch thickness. (Take care not to tear fish.) Remove plastic and season cutlets on both sides with salt, onion powder and garlic powder.
2. Fill a shallow bowl with flour, another with eggs, and a third with breadcrumbs. Working one at a time, dredge cutlets in flour, then dip into eggs and press into breadcrumbs until both sides are evenly coated. Set aside.
3. Add 1-2 inches olive oil to a large saute pan over medium heat. Once hot, fry cutlets in batches until golden on one side, about 2 minutes, then flip and fry 1-2 minutes more to brown on the reverse. Transfer to a paper towel-lined plate and season with salt. Add fresh oil to the pan between batches if needed.
4. Meanwhile, toss arugula, tomatoes and onion in a large bowl. Dress with juice of 1 lemon and 2 tablespoons olive oil. Cut remaining lemon into wedges. Divide cutlets and salad among four plates. Serve lemon wedges on the side.



IN FOR A POUND A seafood-focused riff on the classic chicken cutlet, this quick, summery dish will satisfy even temperamental 10-year-olds.

ENIMA FISHMAN FOR THE WALL STREET JOURNAL; FOOD STYLING BY PEARL JONES; PROP STYLING BY STEPHANIE DE LUCA; MICHAEL HOEWELER (PORTRAIT)

ADVENTURE & TRAVEL

THAT’S DEBATABLE

Do Travel Guidebooks Beat Your Phone?



MY “SOUTH AMERICA On a Shoestring” guidebook was not exactly backpacker-friendly, but in 2009, sans smartphone or laptop, I lugged that 1,112-page travel tome around for almost a year exploring the continent on a solo trip.

An element of nostalgia fuels my bookish penchant for guidance that’s tangible, not digital.

Fourteen years ago, traipsing without technology meant a reliance on the maps I ripped from that Lonely Planet edition each time I stumbled bleary-eyed off a bus in a new city or village in search of a place to sleep. When deciding where to go next in Brazil, Argentina or Colombia, I relied on the book’s suggestions, its hidden gems and remote enclaves. Now, one can find similar tips via an online search, but between algorithm changes, ChatGPT-generated lists, and opportunistic bloggers who might have enjoyed a free stay in exchange for a glowing online post, my loyalty remains with the experts responsible for a guidebook’s content.

Through the years, guidebooks have let me plan ahead but also given me the confidence to go with the flow. Travel involves flexibility, no matter how much you research and plan. A guidebook on Vietnam steered me away from the lovely, albeit

touristy, Hoi An, and led me to Quy Nhon, a charming coastal town with few foreign visitors. And when researching ryokans in a Japan guidebook before my honeymoon in 2016, I appreciated the tip to book these inns six months in advance—excellent advice as it turned out. No bride wants to be told there’s no room at the ryokan.

Perhaps this nugget of booking wisdom exists online, but would I have discovered it in time? That brings me to another point: Guidebooks hold lots of valuable facts *in one place*.

Sure, the internet has infinite sources, but I have a finite number of hours for research. A guidebook is a field guide to fun—all the cool places to sleep, eat, visit and ogle. Plus, what’s more reliable when Wi-Fi gets wonky? You know my answer by now. Dog-eared pages, sticky tabs, orange highlighted passages, notes scrawled in the margins—for me, guidebooks are the ultimate travel companion: inspiring, flexible, generous, clever and astute. I love the handy 5-, 7-, 10-day itineraries and the reliable advice from “getting here” strategies to what time of year to go, plus “essentials” on tipping etiquette, safety notes and more.

On occasion, I feel inspired by online travel stories, but those narratives won’t get me from A to Z. —Stacey Lastoe

I HAD NOT PURCHASED, used or even seen a travel guidebook in so many years that I was surprised to discover six linear feet of the dusty volumes occupying two lower shelves of our home’s library. Clearly, I once found them valuable, especially DK’s Eyewitness Travel series.

But now the downsides (their weight, bulk and inherent datedness) are apparent. Having the information for a destination’s landmarks, restaurants and abodes all in one place used to matter, but my cellphone contains multitudes. It can also snap a photo of a menu, business card or town square and store it, weightlessly.

Grand Tour guidebooks like Baedeker’s offered their well-vetted imprimatur, sending all the “right people” to all the right (read “same”) places. Instagram—the Devil’s eye-candy—gets dissed for similarly pointing people en masse to the chalk cliffs in Sussex or azure waters in Bali. An IG search for “Jaipur” might lead to Villa Palladio (Villa-Palladio-Jaipur.com), the hotel with photogenic crimson-on-crimson décor, but also to @travelsamwise, written by a historian with an informative perspective on India.

I’m hardly a webmaster of insider travel sites, but I do have a quick routine for tailoring trips to my interests by scanning

municipal websites—like EsMadrid.com—which offer travel tips and routes tailored to short or longer stays. My typical searches are for the best small museums, gallery districts and local flea markets.

For me, those places tend to segue into cool neighborhoods where local designers, worthwhile restaurants and other spots unique to that city abound. Once I have a place to start, I unwind, because I prefer exploring to following an itinerary.

Granted, I grew up with a “wherever the wind takes us” travel philosophy. My father once flew 12 of us to New Orleans for the Super Bowl with no hotel plans beyond insisting we stay in the French Quarter (we did, at the Monteleone no less).

I recently guided my own family on a four-day getaway to Geneva, under the threat of rain. With a rental car and our smartphones, we had our pick of beautiful cities such as Dijon and Beaune in France or Lucerne or Gstaad in Switzerland, to outrun the clouds. And outrun them we did, finding sunny days in Bern, Gruyères and finally Geneva, once the rain left the lakeside city. To finesse that freewheeling plan the old-school way, we’d have needed multiple guidebooks and lots of Swiss francs for all the pay phone calls to hotels. —Andrew Ferren

SEVERAL hours into my first day of a week-long solo trek in Torres del Paine National Park in Chile’s Patagonia region, the trail disappeared on the bank of a roaring stream. The forests around me murmured in the wind. I stared up toward a ring of snow-capped peaks and realized I was already lost.

My plan was to hike O Trek, a circuitous trail that crosses a steep mountain pass and runs past a spectacular glacier, but I began to question my resolve. The “Self-Guided” program I had signed up for with Vertice Travel, a local concessionaire, called for me to spend nights at campgrounds that supplied meals, a tent and a sleeping bag. But reaching them often involved challenging hikes up to 12 hours long over scree-covered slopes and wind-swept, icy ridges.

So Long, Solo

That first day, I backtracked up and down trails, sidestepping a cluster of horses who raised their heads to stare at me. I considered returning to the park entrance and renting a room at a luxury lodge. But on the verge of giving up, I ran into David Catz and Brian Trost, two young hikers from Argentina, carrying giant backpacks and camera equipment.

“Hike with us!” said David. Turned out I had been on the trail after all. After my new friends and I built a



small dam of rocks and tree branches to ford a stream, we hiked for hours along a winding trail through open pastures and lush forests. Setting aside ambitions for a soul-searching trek, I fell into comforting chats about past trips and our hopes of seeing the park’s pumas and giant condors.

The darkening sky was spitting rain when we reached the Seron Campground, where dinner and a tent awaited. I was so exhausted and cold that everything felt like a major task, from removing my hiking boots to waiting to wash up in the grimy shower stall.

Our Group Expands

By the third day, an esprit de corps developed among our growing band of hikers, which included an Australian welder and a British financial consultant. “Here, I am alone, but never lonely,” said Jason Chen, a Stanford sophomore, who preferred hiking to “partying in Cabo with my friends.”

On the most difficult day, we started out on a steep trail in the morning while it was still dark, wearing headlamps to make it over the John Garner Pass. We emerged above the tree line into a snowy expanse, where we were blasted by screeching gusts of wind. Sunrise danced through layers of clouds, reflected brilliantly in a chilly lake we passed.

When we hit the crest, we



TRAIL MIX From left: A hiker on the O Trek with views of Torres del Paine’s snowy peaks; campground tents.

paused to take in the view of the massive Grey Glacier below, pockmarked with deep fissures and canyons, then began our descent along icy ridgelines. There we faced a new challenge: black ice. Still, my spirits were buoyed by fellow hikers who cheered as each of us careened on our rear ends down steep trails that had morphed into icy chutes.

The Post-Trek Effect

It was late afternoon when we made it safely off the mountain, with four hours to the next campground. I left behind Brian and David, who were bogged down with their camping gear. Something inside me had indeed changed. I found myself blithely hopping through fields and clambering up part of the elusive trail that pierced a small waterfall, maneuvers that would have terrified me only days earlier. —Alex Ulam

ADVENTURE & TRAVEL



IDYLL WILD From left: Chiswick House garden; van Gogh was a fan of the area.

roundabout is Hogarth House, where the painter, engraver and satirist William Hogarth lived from 1749 to his death in 1764. Hogarth didn't think much of his neighbor, Lord Burlington, whom he considered a "continental fop." The house-turned-museum offers details about his life, but to see his famed "The Rake's Progress" engravings, visit the Sir John Soane Museum in London's Bloomsbury section.

Van Gogh, in his early 20s, wrote a letter to his brother Theo praising verdant Chiswick

Where Luminaries Dallied

When in London, day-trip to idyllic Chiswick and see why it's inspired immortals from Yeats to van Gogh to the pop star who penned the sibilant 1985 hit, 'Sussudio'

By MARY LOU LONGWORTH

LONG BEFORE Vincent van Gogh painted "Wheatfield with Crows," he visited much greener pastures. For three years of his short life, the artist taught at a London boys' school and assisted at the Chiswick Congregational Church. Van Gogh, then in his 20s, wrote to his brother Theo in 1876 praising verdant Chiswick. Today, the West London district, 30 minutes by tube from Central London, remains a lush and leafy respite

from city life. A friend from Notting Hill joked that suburban Chiswick is where young, well-off Londoners go to have babies but the area also boasts a grand, Palladian-style mansion with 65-acres of free gardens and quaint riverside pubs to dally in. What's now Chiswick has been inhabited since the Iron Age. The Saxons lived prosperously there, thanks to barley fields and abundant fishing, christening the riverside land Chiswick, meaning "cheese farm."

Where Notables Converge
From the 1700s on, Chiswick

has been home to a Who's Who of British literary and artistic fame. Many of them lived in Bedford Park, an area designed in 1875, with distinctive Queen Anne-style homes set in a village-like setting. It makes for a pleasant one- or two-hour stroll past residences displaying English Heritage blue plaques that mark the former dwellings of notables.

On Blenheim Road, I came upon one of the family homes of W.B. Yeats in Bedford Park; the poet wrote "The Lake Isle of Innisfree" here. Writers E.M. Forster, Harold Pinter and Patrick Hamilton also lived in Chiswick; the poet Sir John Betjeman loved it here and helped save Bedford Park from 1960s developers. In nearby Stamford Brook, Impressionist painter Camille Pissarro turned out c. 1897 oils of Bath Road and cricket games in local spots. I paused before Dame Iris Murdoch's beloved childhood home (no blue plaque yet, but the writer's address can be found at ChiswickCalendar.co.uk). It is likely a plaque won't be given to Phil Collins (famous for power ballad "Against All Odds," pop hit "Sussudio" and being Lily Collins's dad), who is counted as an alumnus of Chiswick School.

Time for a Toastie
After an hour, I was parched and a visit to the Tabard, a pub and live theater dating to the 18th century, was in order. You enter through the garden into a historic bar adorned with Arts and Crafts tiles. After a pint and a cheese toastie with 1833 Vintage Cheddar, I wandered off to Foster Books, thrilled to discover Marga-

ret Drabble and Murdoch first editions. But it was the formidable Alexander Pope who prompted me to my next stop. The Enlightenment-era poet and satirist grew up in a small riverside house, and his well-known phrases—see: "to damn with faint praise"—are popular even today. Pope was a friend of

the third Earl of Burlington, the owner of the Palladian-inspired Chiswick House, built between 1725 and 1738. Pope was an entertaining guest, and his love of the classics proved fruitful: Burlington sought his advice on classical garden design. The formal paths of the gardens, open to the public daily, radiate out from a central circle, each ending with an architectural feature. Designer William Kent later softened them, endorsing a more-natural look that would be the blueprint for the English Landscape Movement.

A Tourist's Progress
As you leave Chiswick House, turn right, and near a busy

The Not-So-Secret Gardens
Before leaving, I stopped at my favorite place to dine: the Carpenter's Arms, a food lover's gastropub run by owners Tamsin Saunders and Simon Cherry, a block away from Chiswick Mall, one of area's prettiest streets. (My meal of choice? Manx Queenie scallops with Jerusalem artichokes and Pernod.) The street's Georgian homes have riverside gardens, hidden by hedges and entered via a locked gate. Both Iris Murdoch, in "Under the Net," and William Thackeray in "Vanity Fair" place their opening scenes here. I snapped a photo for my Notting Hill friend and headed home.



From above: Tamsin Saunders and Simon Cherry, owners of the gastropub Carpenter's Arms; a view from the garden of Hogarth House, the home of artist William Hogarth.



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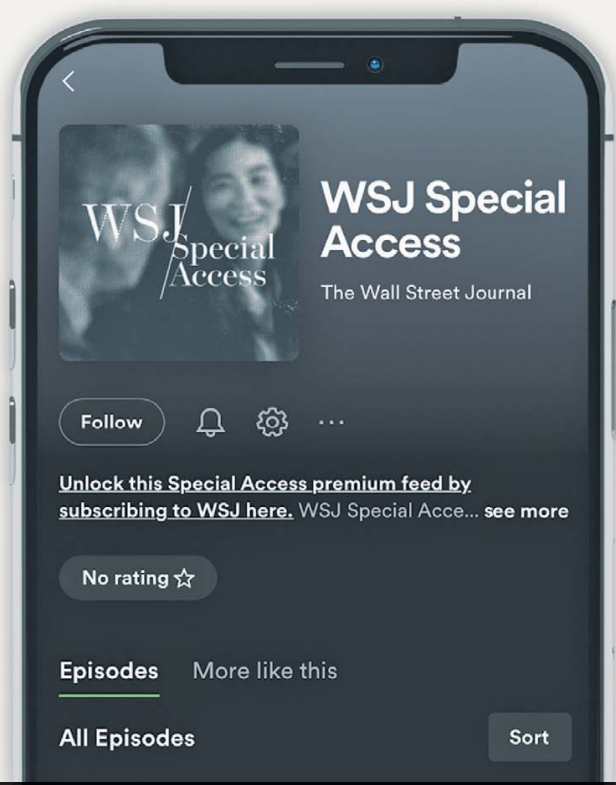
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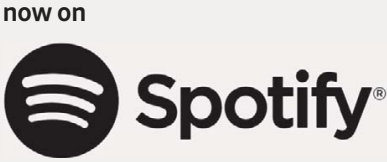
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DESIGN & DECORATING



TURN ON THE HIGH BEAMS

With its peaked roof and views of verdant Alta Plaza Park next door, the building has a bit of a leafy “village” feel, says Caillier. But it took a dramatic architectural tweak to the living room to really bring that country-cottage vibe alive. “The original ceiling was flat, but we realized there was space to open it up [and vault it],” the designer explained.

Now, the lofty room is swathed in Benjamin Moore’s Simply White (an understated cream), and reinforced by

handsome, hewn-oak beams. Punctuated by leafy sconces and a spare ceiling fixture designed by famed Austrian designer Josef Hoffmann, the airy expanse feels both rustic and modern. A veined marble mantel evokes antique statuary, and the hues of Old World tapestries inform the palette of mustard and aubergine, as seen on a Martin and Brockett chair and linen-upholstered sofas from Amber Interiors. But the overarching effect is “ahhhh!” “Walking in, the space seems to expand,” Caillier said. “After the coziness of the rest of the home, it feels like a breather.”



GO FOR RUSTIC REFINEMENT

In a kitchen this petite, the imposing chimney breast—which Caillier knew could not be removed—might easily have been an eyesore. Instead of fighting it, she decided to recast the detail as a feature, trimming the rim with reclaimed wood and hanging a pair of framed prints. After all, few elements scream European kitchen-chic more than a stately range that’s tucked inside a masonry alcove. (Bonus: Recessing the stove saves space.)

A colorful backsplash of hand-painted Tabarka tiles speaks to the clients’ Iberian connections, Caillier said—while underfoot, picket-shaped mosaics “kick things up a notch” and continue the terracotta theme. The finishing touch: Shaker-style cabinets, finished in Farrow & Ball’s serene Vert De Terre green and topped with a raw-edged gray marble. “The understated veining and rustic detail of the stone really makes the space,” the designer explained. “It’s all about looking soft and natural—of the earth and not trying too hard.”

SOOTHE WITH MUTED HUES

In the compact guest room, Caillier suppressed her love of densely patterned wallpapers. To create a sense of refuge in the diminutive space—where the wife’s sister often stays when visiting the couple—Caillier eschewed maximalism in favor of an all-over lick of Farrow & Ball’s Pigeon, a foggy gray-green paint. “Covering walls, ceiling and trim with one color is one of my favorite tricks for making details recede so other elements—like these lovely arched dormers—can sing,” she explained. A plush custom window seat and a bed swathed in army-green Pierre Frey velvet invite lounging—and make up for the fact that constraints left no room for a comfy chair. Along the sloped ceiling, a gallery wall of vintage landscapes and still lifes—sourced from flea markets and online auctions—is meant, the designer said, “to evoke the feeling of being added to over time.”



PILE ON THE PATINA

Caillier had to get resourceful to deliver the sort of layered, European-style dining room her clients wanted within a slender footprint. With no room for a buffet, she stole valuable inches within a wall to create a recessed marble-lined sideboard—a perch for both entertaining essentials and the homeowners’ eye-catching collection of blue and white Spanish pottery. On the walls, the rich, repeating pattern of Gooseberry, a hand-blocked botanical wallpaper by Jean Monro, echoes the room’s earthy indigo and other hues. Finally, a French pine table, that she sourced from 1stDibs, and simpatico farmhouse chairs, lend a crucial sense of age to the space. “I love a good farm table,” said Caillier. “It’s casual in a way that doesn’t feel too designed, and the warmth and the richness of that brown—it’s the sort of patina you just can’t beat.”



HOUSE TOUR

New Digs, Old Soul

It was a bland California apartment, until clever styling infused it with country-house charm

By SARAH KARNASIEWICZ

CONJURING a cozy European-style country house atop a San Francisco apartment building? Sounds like the stuff of fairy tales. But imbuing humdrum interiors with moody magic has become one of designer Heidi Caillier’s hallmarks. That’s why, in 2021, when a continent-hopping husband and wife with a taste for Old World styling purchased a 1350-square-foot Pacific Heights pied-à-terre, they gave the Tacoma, Wash.-based designer a call.

“The couple had been living in Spain and were definitely craving more of that timeworn, nothing-too-precious aesthetic,” Caillier explained. The good news: With an intimate layout, sharply angled roof lines and ample nooks, the bones of the 1908 two-bedroom already had a homey feel. But historic preservation rules meant no window openings or other exterior details could be altered and an an-

odyne prior renovation had sapped the space of soul. “Builder-grade tile and white walls made it feel like a sad gray box,” Caillier recalled.

To kick-start the metamorphosis, the designer reimaged each room’s layout, maxing out the functional space while exploiting old-fashioned elements like cove windows and stately chimneys. She found underused corners to accommodate cushy built-in benches and warmed up walls with hand-made clay tiles, mossy green paints and intricate botanical wallpapers. Meanwhile, to keep the mood from veering into “grandma territory,” she mixed new and antique furnishings—seasoned with choice pieces from the clients’ contemporary art collection.

The result: a master class in eclectic Euro-style layering. “It all looks collected, as if it might have been there forever, which was really the whole idea,” Caillier said. Here, tips on infusing Old World flair into your own home, no matter the zip code.



SEIZE ON UNIQUE DETAILS

How to nail an unstudied “quiet luxury” look? One strategy: Work in one-of-a-kind “heirlooms,” like the Arts and Crafts-style vanity in the primary bathroom above—the only piece of the apartment’s original furnishings that Caillier carried into her final design. “The wife was determined to keep it, so we did—though we elevated it with a soapstone top and new, wall-mounted fittings,” she explained.

Glossy grape zellige wall tiles, brass hurricane sconces, a custom-fabricated brass shower door, and the pièce de résistance—a “gorgeous” copper soaking tub from the U.K. outfitter, Drummonds—complete the room’s quietly blingy scheme. “When you’re working in a compact space like this, every little corner counts,” said Caillier. “So, you have to ask: What can I do to make it special, without going over the top?”



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