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Last week: DJIA 43840.91 ▲ 412.89 0.95% NASDAQ 18847.28 ▼ 3.5% STOXX 600 557.19 ▲ 0.6% 10-YR. TREASURY ▲ 1 17/32, yield 4.228% OIL \$69.76 ▼ \$0.64 EURO \$1.0378 YEN 150.62

What's News

Business & Finance

◆ **High domestic prices**, largely unaddressed in Trump's public statements, worry some Republicans aware that a campaign promise to bring relief to consumers could embarrass the president should prices continue to rise. **A1**

◆ **Chinese buyers** are circumventing U.S. export controls to order Nvidia's latest AI chips, illustrating the challenges the Trump administration will face in choking off cutting-edge American technology. **A1**

◆ **Shell is exploring** a potential sale of its chemicals assets in Europe and the U.S., part of a continuing drive to refocus its business on its most-profitable operations. **B3**

◆ **Crypto prices surged** after Trump said he would move forward on a U.S. crypto strategic reserve that will include bitcoin and ether as well as three smaller and riskier tokens. **B1**

◆ **Shares of fast-food chain** Mixue were set to begin trading in Hong Kong on Monday in an initial public offering that follows a blistering expansion of the business from its base in China. **B1**

◆ **Investors anticipating** the imposition of Trump's tariffs are ditching risky corners of the stock market for areas perceived as more insulated from the president's trade salvos. **B1**

◆ **Mondelez, a maker of** glow-in-the-dark confections, plans to begin selling at least two of the products in the U.S. online and in stores this month. **B3**

◆ **KPMG began to set up** a law firm in the U.S. after a court decision made it the first of the Big Four accounting firms eligible to practice law in the country. **B9**

World-Wide

◆ **European allies led by** the U.K. and France will work with Ukraine to try to forge a peace plan that they would present to Trump after a public clash between the U.S. and Ukrainian presidents at the White House on Friday. **A1, A7**

◆ **Ukrainian President** Volodymyr Zelensky took half steps over the weekend to repair the damage done in the blowup, but offered no apology, a portent of the difficulties ahead for him in Washington. **A6**

◆ **Israel said it was** stopping any entry of goods into the Gaza Strip after a 42-day cease-fire expired a day earlier without any agreement with Hamas on what comes next. **A1**

◆ **A budget fight brewing** in Congress is becoming the first test of whether lawmakers will try to claw back the powers they ceded willy-nilly to Trump in the first weeks of his second term. **A4**

◆ **Some of the biggest** U.S. consulting firms are meeting with Trump administration officials to defend their projects ahead of a deadline for government agencies to justify major consulting contracts. **A4**

◆ **Former Gov. Andrew** Cuomo, who resigned in disgrace three years ago, announced his return to politics with a bid to become New York City's next mayor. **A3**

◆ **Iran's parliament** impeached the country's finance minister and voted to dismiss him amid accusations of mismanagement and a steep depreciation of the national currency. **A7**

◆ **A private lunar lander** carrying tools and experiments for NASA touched down on the moon on Sunday. **A5**

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Ukraine President Volodymyr Zelensky arrives for a European meeting in London on forging a peace accord in Ukraine.

European Allies Seek to Forge Their Own Ukraine Peace Plan

U.K., France look to repair diplomatic damage after Trump outburst at Zelensky

LONDON—The U.K. and France said they would lead a European effort to forge a Ukraine peace plan to present

By Max Colchester, Laurence Norman and Ian Lovett

to President Trump, as they sought to patch up differences between Kyiv and Washington following Friday's White

House clash.

British Prime Minister Keir Starmer hosted nearly 20 allies in London on Sunday and said progress had been made in building a "coalition of the willing," which would commit military assets, including troops on the ground, to secure any eventual peace. He said more countries would need to come on board if Europe is to build a force that would deter Russian aggression in Ukraine.

"Through my discussions over recent days, we've agreed that the U.K., France and others will work with Ukraine on a plan to stop the

fighting, then we'll discuss that plan with the United States," Starmer said, adding that he had spoken with Trump about his intentions.

Friday's White House meeting between Trump and Ukrainian President Volodymyr Zelensky, in which the U.S. president berated the Ukrainian leader during an extraordinary on-camera exchange, triggered frantic diplomacy among European allies as they both sought to display support for Ukraine while finding a way to ensure the U.S. doesn't turn its back on Kyiv.

After the meeting, Trump said on his Truth Social plat-

form that he had determined Zelensky wasn't ready for peace if America was involved, because that gave Ukraine an advantage, reducing its incentive to make concessions.

European officials hope to bring Washington, Europe and Ukraine to a shared stance on the conditions for ending the war that they can use as the

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- ◆ **Zelensky offers gratitude, no apology.....** A6
- ◆ **Years of war leave Ukrainians weary.....** A6
- ◆ **Vance defends Trump's Ukraine strategy.....** A7

Some in GOP Get Nervous As Prices Stay High

WASHINGTON—President Trump promised during the campaign to lower prices on day one of his presidency. But with costs still high, Republicans are worried the economic factors that helped Trump win the election could come back to bite him if inflation remains stubborn.

By Tarini Parti, Xavier Martinez and Josh Dawsey

In public appearances and social-media posts, Trump is more likely to talk about federal workers, diversity programs and foreign policy than the price of eggs. Trump, urged by his advisers, last year made high costs a centerpiece of his bid to retake the White House.

Republicans, who still pin the blame on Trump's predecessor, say voters have been willing to give Trump some leeway to enact his agenda—but they warn that goodwill might not last.

"I'm nervous about it," said Stephen Moore, a veteran outside adviser to Trump on economic issues. "The Trump administration needs to keep its eye on what's happening with prices. It should be a top priority. The trend is a little bit troubling."

Further compounding the political risks: Trump's far-reaching plans to impose stiff tariffs on foreign imports could drive up prices further, according to economists.

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'Anora' Dominates Oscars



BIG WINNER: 'Anora,' starring Mikey Madison, left, received the award for best picture on Sunday at the 97th Academy Awards in Los Angeles. The film, about a New York sex worker, also received awards for best actress, best director, best original screenplay and best film editing. **A12**

'Garage Mahals' Are Driving Neighbors Nuts

When a regular garage isn't big enough, Minnesotans turn to luxury storage spaces

By Joe Barrett

CHANHASSEN, Minn.—With his three-car garage in this Minneapolis suburb already full, Bret Bailey had to keep his racing Porsche in a trailer outside through brutal Minnesota winters.

Then one March, as he prepared for a race, Bailey discovered the wheels of the trailer had frozen to the ground.

"For two weeks, I'm throwing salt out there," said the 64-year-old retired IT manager.

Now, Bailey is part of a man-cave-meets-Storage Wars

revolution spreading across the country.

He keeps his two Porsches, Ferrari, custom Harley, dune buggy and racing trailer in a nearly 2,700-square-foot space outfitted like a sleek European car dealership. It sports a tequila bar, heated floors, bathroom with a shower, giant TV, leather sofa, stack of racing tires and a car lift. He's among 100 owners in a complex of garage condos called Chanhasseen AutoPlex whose car shows attract thousands of people on summer weekends.

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Schools Revive Shop Class

Hands-on skills stage comeback, driven by college costs, demand for choices

By Te-Ping Chen

In America's most surprising cutting-edge classes, students pursue hands-on work with wood, metals and machinery, getting a jump on lucrative old-school careers.

School districts around the U.S. are spending tens of millions of dollars to expand and revamp high-school shop classes for the 21st century. They are betting on the future of manual skills overlooked in the digital age,

offering vocational-education classes that school officials say give students a broader view of career prospects with or without college. With higher-education costs soaring and white-collar workers under threat by generative AI, the timing couldn't be better.

In a suburb of Madison, Wis., Middleton High School completed a \$90 million campus overhaul in 2022 that included new technical-education facilities. The

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Nvidia AI Chips Reach China Despite U.S. Ban

By Raffaele Huang and Liza Lin

Chinese buyers are circumventing U.S. export controls to order Nvidia's latest artificial-intelligence chips, illustrating the challenges the Trump administration will face in choking off cutting-edge American technology.

Traders in the country are selling computing systems with Nvidia's Blackwell chips installed by routing them through third parties in nearby regions. Some sellers promise buyers delivery within six weeks.

The transactions are the latest example of how U.S. restrictions barring China from buying high-end AI processors have failed to stop the trade. Since 2022, Washington has

imposed export controls to curb China's access to semiconductors for training and powering state-of-the-art AI, but an underground network of brokers has sprung up to get around the controls.

What to do about the gray-market activity is a challenge for the Trump administration, which is weighing how to manage the technological rivalry with China.

Beijing is promoting AI development, and the recent frenzy surrounding Chinese AI developer DeepSeek has prompted local companies to deploy the technology more widely.

James Luo, a vendor in the Chinese tech hub of Shenzhen, said he received an order for more than a dozen Blackwell

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U.S. NEWS

What Contributes to the Trade Gap

By ANTHONY DeBARROS and PETER SANTILLI

The U.S. imported \$1.2 trillion more in goods in 2024 than it exported, a record annual deficit and a major economic irritant for President Trump. On Feb. 13, the president announced that his administration would evaluate tariffs and other trade barriers imposed on U.S. exports by other nations and match them with “reciprocal” tariffs. The president has said that 25% tariffs on Canada and Mexico would go into effect Tuesday.

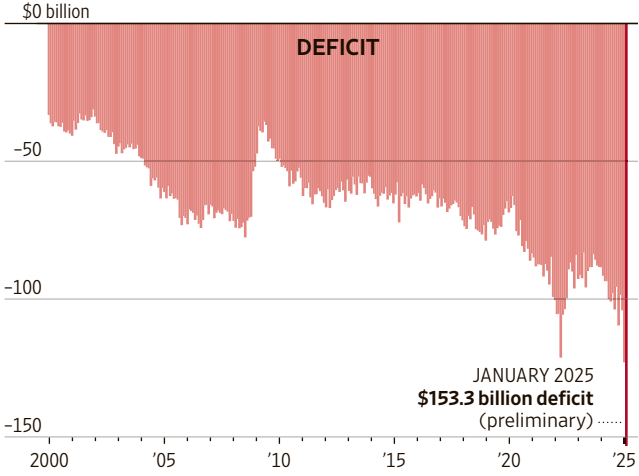
Part of the president’s goal is to shrink that trillion-dollar gulf between imports and exports by getting other countries to buy more goods from the U.S. and by spurring domestic manufacturing. The nation’s biggest trading partners—Mexico, Canada and China—contribute a sizable share of the gap. But

the U.S. last year ran a trade deficit with more than 100 countries, according to Census Bureau data. Gaps with some of those nations, including Vietnam and India, have grown as businesses shifted supply chains away from China.

The monthly goods deficit has been on a tear—to the downside. Preliminary census numbers for January show that, after hitting a record \$123 billion in December, it rocketed to \$153 billion as businesses raced to import goods ahead of tariffs. The U.S. runs a steady trade surplus in services, which in 2024 left the overall goods and services deficit at about \$918 billion.

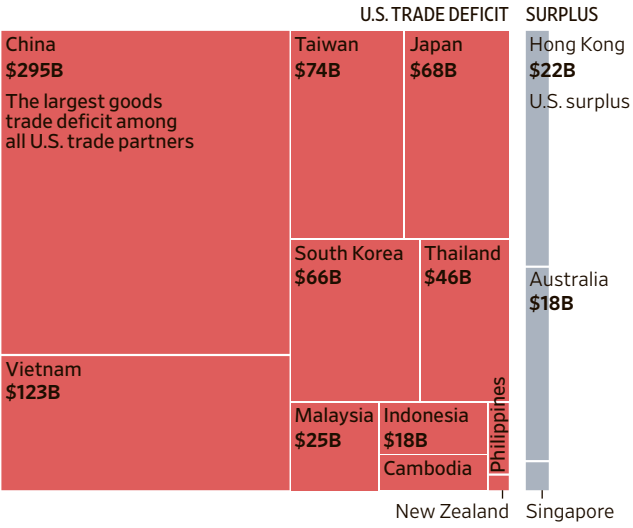
Here’s a look at the top nations whose trade balances with the U.S. added to or reduced the goods trade deficit in 2024.

Monthly balance of U.S. trade in goods



East Asia and Pacific

U.S. balance of trade in goods, 2024
Among top regional trade partners



The U.S. recorded a combined deficit of more than \$620 billion with its five largest Asian trading partners in 2024 by total trade: China, Japan, South Korea, Taiwan and Vietnam. Its \$295 billion gap with China shrank from a peak of \$418 billion in 2018 but was still the widest of any trading partner. Vietnam recorded the next-widest deficit among Asian nations—a gap that has ballooned after the pandemic and the first round of tariffs on China in 2018-19.

Americas

U.S. balance of trade in goods, 2024
Among top regional trade partners

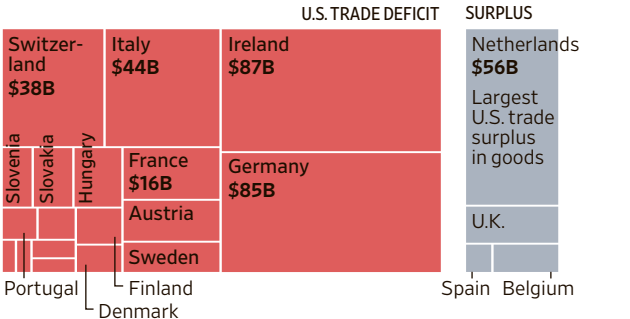


Mexico overtook China in 2023 to become America’s largest supplier of imports, and as commerce between the nations has increased, so too has the U.S. trade deficit with its southern neighbor. The U.S. recorded a \$172 billion goods deficit with Mexico last year, nearly 2½ times as much as in the first year of Trump’s first term.

Canada exported \$63 billion more in goods to the U.S. than it imported in 2024, with shipments of \$98 billion in crude oil and \$35 billion of cars and trucks fueling the gap.

Europe and Central Asia

U.S. balance of trade in goods, 2024
Among top regional trade partners



The U.S. runs trade deficits with most European countries, with exceptions. Exports of oil and natural gas helped the U.S. achieve a \$56 billion trade surplus last year with the Netherlands, a hub for oil and gas distribution; it is the largest surplus among U.S. trading partners. Exports of gold and aircraft to the U.K. helped build a nearly \$12 billion surplus.

But deficits with Ireland, Germany and other European nations tilt America’s overall trade balance with the continent into the red. The U.S. imported more than \$50 billion in pharmaceutical goods from Ireland last year, contributing to an \$87 billion deficit. Imports of \$68 billion in vehicles and machinery from Germany helped create an \$85 billion deficit.

Middle East, Africa and South Asia

U.S. balance of trade in goods, 2024
Among top regional trade partners



Middle Eastern, South Asian and African countries make up a smaller share of U.S. trade, although the deficit with India has roughly doubled since the first year of Trump’s first term.

In 2024, the U.S. purchased about \$21 billion in machinery and electronics from the country, reflecting rising imports as businesses have sought to reduce their reliance on China. Apple, notably,

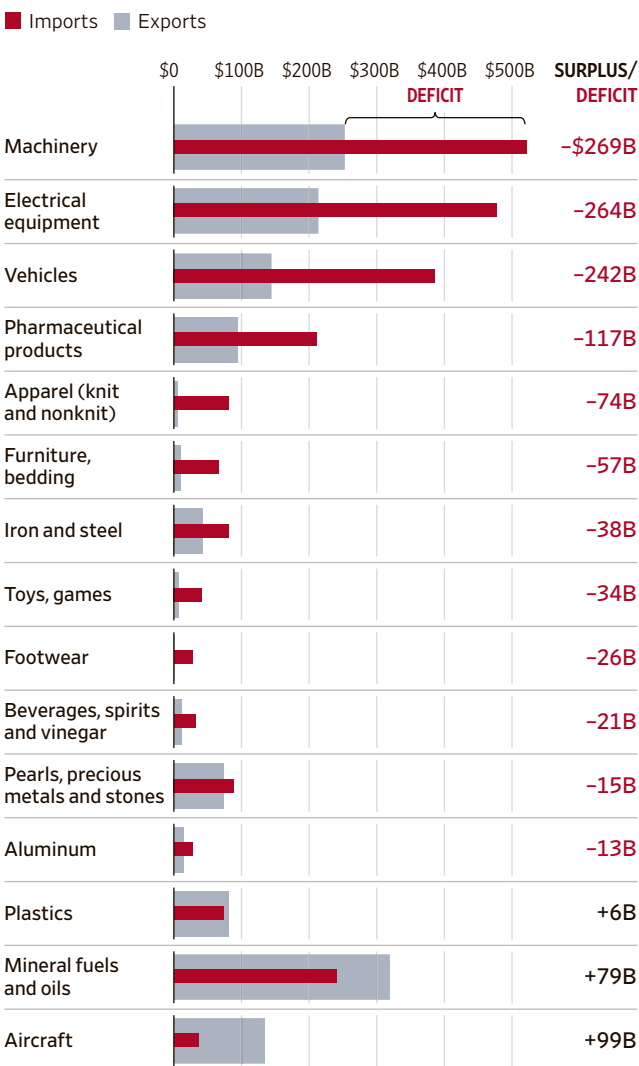
has aimed to increase production of its iPhone there.

It is likely the Trump administration will take a look at India’s import tariffs, which averaged 14.3% in 2022, according to the latest data from the World Bank. The U.S. average for that year was 2.7%. India recently cut tariffs on imports including motorcycles and smartphone components, among other products.

Across all nations, at a product level, the U.S. runs varying levels of trade deficits or surpluses.

The largest deficits in 2024 were in machinery, electrical equipment and electronics, vehicles and pharmaceuticals, according to census data. Primary surpluses included aircraft and mineral fuels and oils.

U.S. trade, by type of good, 2024



Source: U.S. Census Bureau; Note: Regional breakdowns exclude trade partners that had less than \$5 billion in combined U.S. imports and exports in 2024. Regional groupings are based on World Bank classifications, with some groups combined for display purposes. Goods category names are simplified from the two-digit level of the Harmonized Tariff Schedule; aircraft and vehicles includes parts; electrical equipment includes electrical machinery, electronics and parts; furniture and bedding includes light fixtures; toys and games includes sports equipment.



CAPITAL ACCOUNT | By Greg Ip

Budget Cuts Can Trim the Trade Deficit

The trade deficit has been an obsession of Donald Trump throughout his public life.

And yet as president, his policies have often been at odds with narrowing it.

Business-friendly deregulation and tax cuts boost private investment and widen the budget deficit. That pulls in imports and pushes interest rates and the dollar higher, depressing exports. Tariffs, meanwhile, may reduce imports, but also exports, by hurting others’ economies and provoking retaliation.

So is there a policy that can reconcile these otherwise irreconcilable goals? Yes, and Republicans have a golden opportunity to enact it: steep, swift cuts to federal spending. By tamping down demand and inflation, budget cuts would pull down interest rates and the dollar, reducing imports and boosting exports, while preserving the conditions for more private investment.

At its root, a trade deficit results from a country consuming more than it produces. A budget deficit contributes to this imbalance by injecting more demand into the economy via spending than it subtracts via taxes. This linkage is why the two gaps are sometimes called twin deficits.

The link isn’t fixed. Recessions reduce tax revenue and imports, while private investment booms increase them. In either case, the trade and budget deficits move in opposite directions.

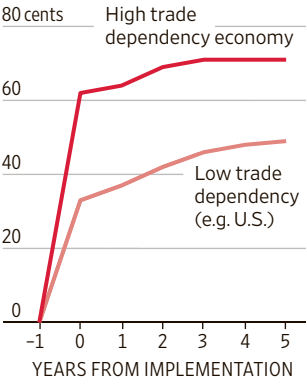
But deliberately shrinking the budget deficit, via fiscal austerity, or expanding it, via fiscal stimulus, usually spills over to trade. A 2021 study of 33 countries from 1978 to 2019 by the International Monetary Fund found that for a big country like the U.S., one dollar of fiscal consolidation subtracted 30 to 50 cents from the current account balance (a broad measure of trade that includes goods, services and investment income).

Last year, the U.S. ran a federal deficit of \$1.8 trillion, or 6.4% of gross domestic product. Treasury Secretary Scott Bessent has proposed reducing that to 3% by the end of Trump’s term. Run that through the IMF’s math, and you knock \$300 billion to \$500 billion off the trade deficit in goods and services, which was more than \$900 billion last year.

Trade deficits aren’t intrinsically bad, but if, like this administration, you disagree, you should address them in the least harmful way. Fiscal austerity does the job with much less collateral damage than tariffs. Inflation goes down instead of up. Trading partners don’t retaliate. There’s no special-interest lobbying or corrosive uncertainty over who gets hit.

Austerity’s main drawback is that it slows growth. Countries that undertook austerity after the 2007-09 financial crisis aggravated high unemployment that central banks couldn’t offset with lower interest rates, already around zero.

Effect of \$1 of fiscal consolidation on the current account balance



Source: International Monetary Fund

The U.S. is in the opposite place. Unemployment is low and inflation above the Federal Reserve 2% target. Ambitious deficit reduction would nudge inflation lower. The Fed could then cut interest rates, offsetting the drag from austerity, and weakening the dollar. Meanwhile, less federal borrowing would lower Treasury bond yields. In this way a smaller deficit “crowds in” private investment and exports.

By contrast, experience and theory show that tariffs don’t reduce the trade deficit. After Trump imposed tariffs on China in his first term, importers shifted sourcing to Mexico and Vietnam while a lower yuan helped Chinese exporters absorb the tariff. The 25% tariffs on Mexico and Canada scheduled to take effect Tuesday have already weakened their currencies and provoked promises of retaliation. All that will sap demand for U.S. exports.

The publicly held federal debt is about to shoot past 100% of GDP. So budget deficits have to come down. Done right, that can also reduce the trade deficit.

While higher taxes could do the job, in practice spending cuts are more effective. In the short run, a dollar reduction in, say, government benefits would reduce consumption and imports more than a dollar increase in taxes because households would respond by dipping into savings to sustain their lifestyle.

In the long run, higher tax rates discourage work and investment, leaving GDP smaller.

This happens to align with the priorities of Republicans, who want to extend 2017 tax cuts while adding new ones. But this creates some formidable math.

Extending the tax cut would leave the budget deficit at 7% of GDP in fiscal 2029, based on Congressional Budget Office and Joint Committee on Taxation estimates. To keep it at 3% would require \$12 trillion of spending cuts over the next decade relative to the status quo, by my calculations. But House Republicans’ budget resolution envisions only \$1.5 trillion to \$2 trillion of spending cuts. (They penciled in additional deficit reduction via a growth dividend from their plans.)

Trump has made the job especially difficult by ruling out any cuts to Social Security or Medicare. Throw in

interest on the debt, and half of spending is off limits. To hit a 3% deficit in 2029 would require cutting 40% from everything else—defense, homeland security, veterans benefits, Medicaid, food stamps, welfare, and countless other programs. Zeroing out Medicaid and food stamps and firing every federal employee won’t be enough.

So either Republicans put Social Security, Medicare and taxes on the table, await a growth miracle, or accept a much less ambitious deficit target.

Another caveat applies to using fiscal austerity to reduce the trade gap. As with tariffs, it doesn’t work if

other countries do the same. Indeed, the U.S. runs a trade gap not just because it consumes so much, but because others consume so little.

That might be changing. The parties likely to form Germany’s next government want to cut taxes and spend more on defense, power generation and infrastructure. China’s leaders are under pressure to enact fiscal stimulus.

So how about this: Germany and China agree to stimulate their economies and import more, and the U.S. agrees to shrink its own budget deficit and not impose more tariffs.

Voilà: a lower trade deficit without the trade war.

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U.S. NEWS

Ex-Gov. Cuomo Enters NYC Race For Mayor

By GINGER ADAMS OTIS
AND VICTORIA ALBERT

Former Gov. Andrew Cuomo, who resigned in disgrace three years ago, announced his return to politics Saturday with a bid to be New York City’s next mayor, joining a crowded primary field that includes embattled incumbent Eric Adams.

The Democrat, 67 years old, launched his comeback effort with a video that acknowledged past errors, without providing details, while outlining how he would tackle housing, crime, and other issues if elected to lead the city. He promised to work with his party’s progressive wing, as well as President Trump.

“Did I make mistakes, some painfully? Definitely, and I believe I learned from them and that I am a better person for it and I hope to show that every day,” he says in the video posted on social media and his campaign website. “But I promise you this, I know what needs to be done and I know how to do it.”

His declaration followed months of speculation that he was preparing to run and had started lining up allies to fundraise for him. Without



Former Gov. Andrew Cuomo

even formally campaigning, Cuomo’s name recognition has helped him top the primary field in at least one poll and collect backers. The District Council of Carpenters and at least one other trade union are expected to be early endorsers.

Cuomo served as the governor of New York from 2011 to 2021 and gained national attention while shepherding the state through the early days of the Covid-19 pandemic. He resigned in August 2021 in the wake of sexual-harassment allegations and an impeachment effort, and was succeeded by the state’s current governor, Kathy Hochul. He has denied wrongdoing.

Within minutes of Cuomo’s campaign announcement, competitors began unpacking his political baggage, including his administration’s handling of Covid-19 in long-term-care facilities.

Mayoral candidate and City Comptroller Brad Lander said Cuomo’s announcement was a “sad attempt to get attention,” and resurfaced the sexual harassment allegations and Covid-19 criticism on X.

Another candidate, former Comptroller Scott Stringer, whose 2021 mayoral campaign was derailed by allegations of sexual misconduct that he has denied, released his own video response to Cuomo. He ran through a list of Cuomo policies as governor that benefited the state over the city, according to Stringer.

Lander and Stringer are two of at least seven candidates Cuomo would have to beat in the June 24 ranked-choice Democratic primary election. The field could also include City Council Speaker Adrienne Adams, whose name has emerged as a potential contender in recent days.

The current mayor is embroiled in a legal battle over corruption charges and hemorrhaging staff, and hasn’t given any indication he will abandon his re-election effort.

On Saturday, Cuomo painted the city as a metropolis in crisis, and cited its “crime problem,” lack of affordable housing, overflowing shelters and aging subway system as issues he would solve.

AI Bots Serve as Wildfire Lookouts

Camera network has detected more than 1,200 blazes, often beating 911 callers

By JIM CARLTON

SAN CLEMENTE, Calif.—Perched high above this seaside community, spotters scan for telltale puffs of smoke in all directions—night and day, without breaks.

Meet the AI bots that now serve as digital fire-lookouts and crucial eyes against one of America’s fastest-growing threats: catastrophic wildfires like those that torched parts of Los Angeles in January.

“Getting eyes on these critical events early on is important so you can respond, because your window of opportunity is very small,” said Falko Kuester, an engineering professor who helps run a natural-hazard monitoring program called ALERTCalifornia.

Based at the University of California, San Diego, where he teaches, the ALERTCalifornia camera network began adding AI bots in 2023 and they now scan more than 1,150 cameras in nearly every fire-prone region statewide.

The bots have detected over 1,200 confirmed fires so far, beating human 911 callers roughly one-third of the time, with particular usefulness at night, officials say.

At 2 a.m. on Dec. 4, for instance, AI-equipped cameras spotted fire in a bone-dry Orange County canyon as nearby residents slept. The system alerted a human-staffed command center at UC San Diego, which verified and notified the Orange County Fire Authority. Engines and helicopters arrived in time to keep the blaze to under a quarter acre. It was the county’s first time AI detected a wildfire that no human had called in, officials said.

“The whole key in firefighting is quick and robust response,” said Brian Fennessy, the agency’s chief. “In whole, adding these cameras has made a hell of a difference.”

The technology arrives as wildfires intensify amid warming temperatures, prolonged droughts and development in vulnerable areas. During the recent L.A. fires, the bots joined human spotters in detecting early blazes, serving as extra eyes.

“People are looking at the wildfire risk and saying, ‘How do I cover it?’” said Sonia Kastner, co-founder and CEO of Pano AI, a San Francisco startup that has sold or leased



Camera feeds are seen at the Jacobs School of Engineering at UC San Diego, where Prof. Falko Kuester stood recently, below.

cameras with its own AI technology across 10 states plus Australia and Canada.

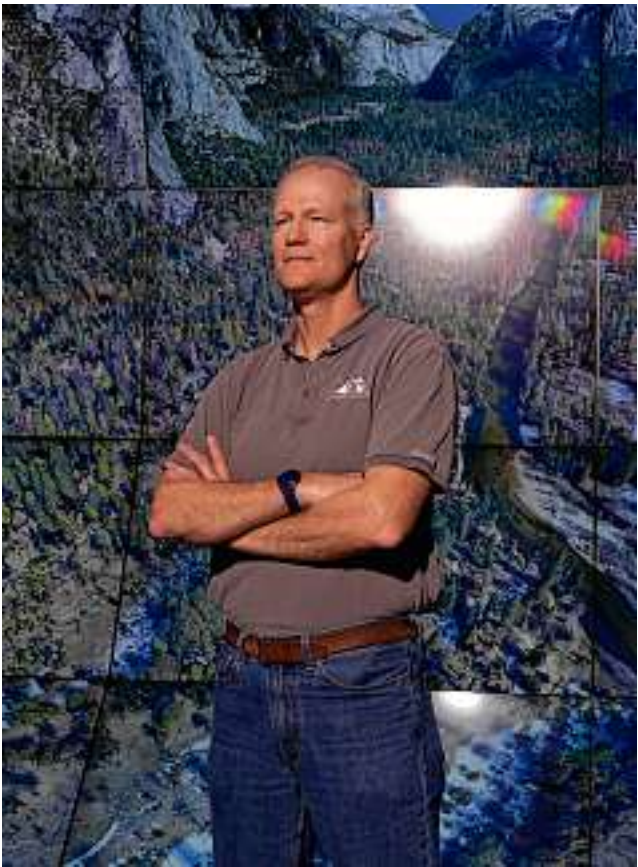
This technology emerged in California after scientists from UC San Diego and elsewhere collaborated to set up mounted-camera networks, which emergency officials could monitor for fires, mudslides and other natural disasters. Funded partly by utilities and the California Department of Forestry and Fire Protection, or Cal Fire, the cameras first appeared after San Diego’s 2003 firestorm, and expanded as wildfire threats grew.

As AI advanced, researchers realized they could train bots to analyze the reams of camera-video footage for anomalies that can signal fire: thicker haze in one area, smoke rising in another.

Cal Fire helped test new AI-trained cameras at a handful of its 21 emergency-command centers in 2023, but soon deployed them to all after the bots began quickly spotting fires—including one near the wine-country town of Sonoma that was rapidly extinguished as a result, said Phillip SeLague, the agency’s staff chief of intelligence.

“AI is not going to put the fire out,” he said, “but the successes are the fires you don’t read about in the newspaper.”

In L.A. County, teams have installed four Pano AI cameras to monitor the upscale Palos Verdes Peninsula, and the cameras have been first to



spot several fires, including one in brush in neighboring Torrance, officials there said.

“They give our residents and the city staff a much better feeling that someone is always watching,” said Mayor David Bradley of Rancho Palos Verdes. His city spends \$140,000 yearly for five-year camera leases.

Bradley said some penin-

sula residents worried about intrusiveness, but Pano AI officials say their software automatically blurs identifying information such as faces and license plates.

Another concern: Early similar technology generated false alerts. But ALERTCalifornia is designed so humans make final decisions on firefighter deployments, Kuester said. When

an AI bot detects smoke, a notification appears on command-center screens and can arrive via text or email.

“There’s always gonna be a person there who says, these are the steps we need to take,” said Kuester. “The AI will never be like, ‘Send three engines.’”

Firefighter unions generally support AI cameras, but worry about other AI uses, like pilotless helicopter drones being developed for water drops. That could endanger human-piloted aircraft that fight fires, said Tim Edwards, president of Cal Fire Local 2881.

“If you get too many aircraft in an area that is not controlled, you have accidents,” Edwards said.

Many of the cameras monitor populated areas where threats to people and property are high. In Colorado, **Xcel Energy** contracted with Pano AI for 21 camera sites in 2023, another 21 in 2024, and plans 93 more this year, mostly in the Rocky Mountains around Denver, said Anne Sherwood, the utility’s area vice president for wildfire mitigation.

Last June, Pano AI cameras spotted smoke after lightning struck in a mountain above suburban Denver. The cameras triangulated exact coordinates, allowing responders to send more than two dozen firefighters while two helicopters began an aerial attack, said Arvind Satyam, Pano AI’s co-founder and chief commercial officer.

Texas Becomes the Low-Cost Darling of Big Tech

By HARRIET TORRY

Texas notched another technology win last week when **Apple** said it is planning a new 250,000-square-foot factory in Houston to make servers for an artificial-intelligence system.

Tech investments are transforming the Texas economy, often via companies from California in search of lower taxes and fewer regulations on land use and labor.

Austin already has Apple’s second-largest concentration of employees outside the company’s Cupertino, Calif., headquarters. **Samsung** has a large and expanding semiconductor presence in the state. Earlier this year, **Meta** moved its trust and safety teams responsible for writing policy and reviewing content from California to Texas and other U.S. locations.

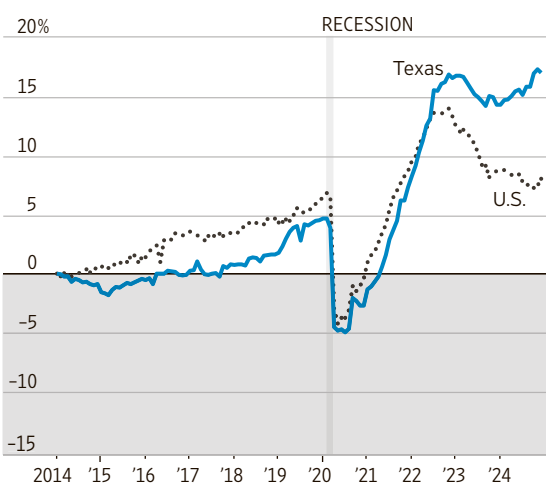
Others have moved their headquarters there, including **Realtor.com**, **Tesla** and **Hewlett Packard**. (News Corp, owner of The Wall Street Journal, also operates Realtor.com.)

“In the end, it’s all about the cost of doing business, and the cost of doing business is just lower in Texas,” said John Diamond, an economist at Rice University in Houston.

Recently enacted reproductive policies in Texas, once slammed by business, haven’t markedly dented the state’s allure. Instead, the state is attracting the kind of tech-bro culture that has permeated the Trump administration, led by Elon Musk.

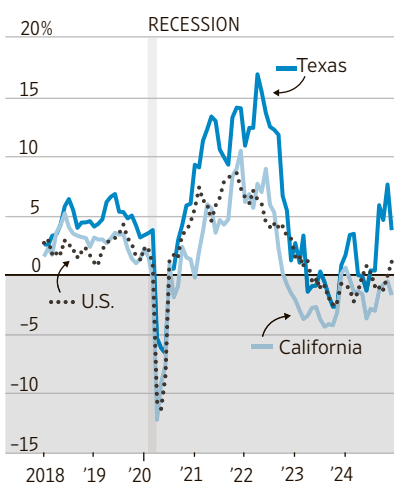
He is developing his own

Payroll growth in information sector since 2014



*Annualized three-month moving average
Note: Seasonally adjusted
Sources: Labor Department (payroll growth); Federal Reserve Bank of Dallas analysis of Labor Department data (high-tech employment)

Employment in high-tech industries, monthly percentage change*



town for employees, Snailbrook, near Austin. Musk-led SpaceX has also bought up houses in the South Texas village of Boca Chica.

Apple said the Houston facility—which the company will develop with longtime business partner Foxconn—will open in 2026. Apple didn’t say how many people would be continuously employed there beyond saying it would create thousands of jobs. Asked for specifics, the company declined to elaborate.

In the decade running through early 2024, jobs in the Texas high-tech sector grew at an average annual rate of 4.7%, compared with overall job growth of 2.1%, according to the Federal Reserve Bank of Dallas.

Having dinner in downtown

Austin “is like being in Silicon Valley circa 2005” because of the young and educated tech workers there, said Joseph Brusuelas, chief economist at consulting firm RSM.

These jobs are also helping Texas diversify its economy, said Timothy Bray, director of the Institute for Urban Policy Research at the University of Texas at Dallas.

Graze Robotics, a small startup that makes robotic landscaping equipment, moved its headquarters to Plano, Texas, from the Los Angeles area last year. The draw included incentives for relocating workers to Texas and building out its research-and-development center, rebates to offset sales tax, proximity to Fortune 500 companies, and lower

costs for wages, Chief Executive Logan Fahey Franz said.

Another perk: the city of Plano’s willingness to let Graze test products on public parks and golf courses.

There were trade-offs: The region has less venture-capital funding for startups compared with places like California and New York. The company, which employs about 20 people, lost some workers who didn’t want to relocate, Fahey Franz said. But the pool of engineering talent in Texas keeps growing, he said.

Compared with California tech hot spots, “it’s gotten to the point where you can recruit, retain, and your cost is, I think we like to say, about 30% cheaper,” Fahey Franz said, because of lower costs

for labor and regulations.

Tapping into the growing talent pool there was a big draw for Abbyy, a business-automation company that moved to Austin from California last year, said PJ Jean, chief product and technology officer there.

Texas does face some headwinds. The pace of tech job growth there has slowed in recent months, though the state continues to outpace the national trend, according to the Dallas Fed. One challenge is that artificial-intelligence data centers aren’t proving to be major employers once construction is finished.

Manufacturing activity in Texas declined in February after a strong January, the Dallas Fed reported. Some computer and electronics manufacturers said uncertainty around potential tariffs by the new Trump administration was causing customers to pull back.

Analysts say one of the nation’s most restrictive abortion bans also gives some companies pause about moving there.

Still, the state remains a big draw for movers from other states, even as net gains slow from pandemic peaks. Texas’ population also skews younger than the national average, and its fertility rate is among the highest in the nation.

Texas is trying to leverage a new tool to get yet more companies to establish at least a foothold there: its own specialized business court. The court started work last year hearing complex commercial litigation, with judges appointed by Gov. Greg Abbott to two-year terms.

U.S. NEWS



Elon Musk stood as President Trump held a Cabinet meeting last week at the White House.

Budget Fight Tees Up Power Struggle

Democrats say Congress has ceded too much power on spending and tariffs

WASHINGTON—President Trump has spent his first weeks undoing much of the handiwork of Congress—freezing spending that lawmakers authorized, idling agencies already funded and bypassing laws regarding immigration and independent agencies.

By Aaron Zitner, Siobhan Hughes and Gavin Bade

A budget fight now brewing in Congress is becoming the first test of whether lawmakers will try to claw back any power.

Opinion is hardening among Democrats that Congress must pass measures to compel Trump to spend money on federal programs as designated by lawmakers—to put guardrails on his unilateral efforts to reshape the federal bureaucracy and reclaim, as they say, their constitutional power of the purse.

Some are insisting that these requirements be written into must-pass legislation needed to fund the government after March 14, raising the prospect that Democrats could withhold the votes that Republican leaders have typically needed to pass such spending bills.

That would set the government on course for its first shutdown since 2019.

“We should absolutely insist on safeguards to assure that funds are spent when they are appropriated” as a condition of passing a spending bill, said Sen. Richard Blumenthal (D., Conn.). Sen. Edward Markey

(D., Mass.) said he couldn’t vote for even a short-term bill to fund the government “in the absence of guarantees” that the president will honor Congress’s funding priorities.

Republicans say there is no way they can agree.

“We’re not going to shackle the president of the United States—can’t do it,” said House Appropriations Committee Chairman Tom Cole (R., Okla.).

The Constitution gives Congress power to levy tariffs, and some lawmakers in both parties say they have gone too far in delegating that authority to the president. Separately, a handful of lawmakers within each party want to scale back laws that give the president enhanced powers during emergencies, which Trump has cited in actions regarding energy production, tariffs and immigration.

Other separation-of-powers battles could be on the horizon, including one over the authority of federal courts as they consider the legality of Trump’s executive actions.

Dan Bongino, Trump’s choice to be deputy director of the FBI, has said the president “should ignore” a court decision with which he disagrees, and Vice President JD Vance wrote recently that “judges aren’t allowed to control the executive’s legitimate power.”

In a Senate confirmation hearing last week, a nominee for a senior Justice Department job suggested there were circumstances in which a president didn’t have to follow federal court orders.

“There is no hard-and-fast rule about whether, in every instance, a public official is bound by a court decision,” said Aaron Reitz, Trump’s nominee to head the Office of Legal Policy. Sen. Josh Hawley (R., Mo.) expanded on Reitz’s

Tariff Authority Gets Close Look

In a separate separation-of-powers issue, some lawmakers believe they have ceded too much authority to the president over the years to levy tariffs, a power that the Constitution assigns to Congress.

Sen. Chuck Grassley (R., Iowa), asked about Trump’s aggressive use of tariffs, said there was political will to restrict presidential trade powers when Grassley was Finance Committee chairman from 2019 to 2021. But Congress missed the opportunity.

“Otherwise, this would have been circumvented,” Grassley said.

Congress should take action to claw back tariff powers, said Sen. Peter Welch (D., Vt.).

“The delegation of authority had as a presumption that it would be used with restraint, and for legitimate national security reasons—not as a negotiating tool or political tool where there is no national security threat,” Welch said.

comment by suggesting that some court decisions, such as a 1944 Supreme Court ruling allowing the internment of Japanese-Americans during World War II, merited opposition.

But Reitz’s comments drew a rebuke from Republican Sen. John Kennedy of Louisiana, who said: “Don’t ever, ever take the position that you’re

not going to follow the order of a federal court—ever.”

Blumenthal, in an interview, said the comments reinforced the challenge lawmakers face in ensuring that Trump adheres to the spending priorities they lay out in appropriations.

“Eventually, a court could tell them that you have to obey the law,” he said. “If they’re now saying, ‘Well, we’ll disobey the court,’ essentially they’re saying that we’re embracing a lawless and autocratic tyranny.”

The White House has said that all of Trump’s actions have been “fully legal and compliant with federal law.”

To many Democrats, the spending issue is existential: Trump and his designated cost-cutter, Elon Musk, have moved to fire thousands of government workers and claimed authority to cut spending on a range of federal functions, rather than wait for Congress to pass budgets and appropriations. Trump and his budget chief believe the president already has considerable discretion to not spend appropriated funds, and that a 1974 law prohibiting the practice is unconstitutional.

If the president can override any deal struck between the two parties in Congress, Democrats say, then the president has essentially usurped the most essential power that the Constitution gives lawmakers—the power over appropriations. They say there is no point in striking agreements that will be ignored.

“I cannot imagine how we begin to have faith in any kind of deal we make with the Republicans when they so quickly acquiesce all congressional authority and power to Elon Musk,” said Rep. Veronica Escobar (D., Texas).

High Prices Stir Anxiety In the GOP

Continued from Page One

Most economic data released so far don’t capture Trump’s time in office. But U.S. consumer confidence saw the biggest monthly decline in four years in February, the Conference Board reported last week. Core consumer-price inflation was 3.3% in January, higher than economists had expected, and a survey by the University of Michigan also showed higher expected inflation in the coming year. As bird flu roils the poultry industry, record egg prices have added to Trump’s economic troubles.

The personal-consumption expenditures price index—the Federal Reserve’s preferred gauge for inflation—had better news for Trump: It rose by 2.5% over the year through January, down from 2.6% in December, according to the Commerce Department.

“I don’t feel like people are blaming him on that yet, but I think that’s a risk you get three, six months down the road,” Georgia Gov. Brian Kemp, a Republican, said in an interview. “It’s a risk for any politician.”

Though Trump repeatedly bashed former President Joe Biden over prices during the campaign, he was at times reluctant to stay laser-focused on the issue.

Trump’s pollster, Tony Fabrizio, and other advisers regularly urged Trump to talk about inflation because they believed it was his best political weapon to win. But Trump was sometimes uninterested in talking points that his advisers provided on the subject, at one point telling aides that it was “boring,” campaign officials said.

In a recent survey, Fabrizio highlighted that cost-of-living issues remain top of mind for voters in 18 of the most competitive congressional districts. The analysis, which surveyed 1,000 registered voters in those districts Feb. 11-13, found respondents favoring Democrats by 5 percentage points and 47% saying they approved of Trump’s job performance.

Presidents have little ability to quickly lower prices, despite Trump’s promises. Prices are influenced by a series of complex factors, from global supply chains to independent decisions made by central banks.

Trump’s barrage of early executive actions have focused largely on immigration and overhauling the federal government. Although they don’t explicitly address prices, Republicans said some of those efforts could lower prices in the long term.

GOP Rep. Don Bacon, whose Nebraska district is hotly contested, said Trump’s efforts to boost energy production would help drive down prices, but not immediately.

“I think it’s too early to say if the president has acted on inflation,” Bacon said, cautioning that “it may take a while for tangible results for inflation to be seen.”

Trump, for his part, has argued to donors that inflation will go down as soon as oil companies drill more. “Inflation was 100% caused by energy,” Trump told donors last year, according to audio of his remarks reviewed by The Wall Street Journal.

Trump’s desire for lower interest rates has triggered public criticism of Federal Reserve Chair Jerome Powell’s handling of inflation. The Fed paused interest-rate cuts in January.

Trump administration officials feel confident they will be able to decrease prices, but don’t have a specific timeline for doing so, a White House official said. The official pointed to Trump’s focus on cutting government spending and his efforts to roll back energy regulations as examples of early actions that could reduce prices. The official said the administration has also targeted certain expensive items such as appliances with regulatory changes.

The president’s plans to implement tariffs could also further boost inflation. Already, the president implemented 10% across-the-board tariffs on Chinese goods, announced 25% tariffs on steel and aluminum, and called for a study of reciprocal tariffs, which would adjust U.S. tariffs to match those of other countries. He has also said he expects to move forward with 25% tariffs on Mexico and Canada in coming days, as well as an additional 10% tariff on Chinese products.

The oil-and-gas industry was able to persuade Trump to reduce proposed tariffs on Canadian energy imports to 10% after they argued higher tariffs would cause higher gas prices, creating bad inflation headlines in his first month in office, people familiar with the conversations said.

The president has said tariffs could cause “some pain” for U.S. consumers. But he has said his administration doesn’t need to study the potential effect of tariffs on prices.

Sen. James Lankford (R., Okla.) partly attributed the drop in consumer confidence to Trump’s hard-charging first month, citing the tariff threats. Lankford said it was too late to speculate whether

the public would have preferred more incremental—or different—actions by the administration. “I think right now it’s the uncertainty of all the changes,” Lankford said.

In a recent opinion column, Sen. Mitch McConnell (R., Ky.) warned that blanket tariffs would make it “more expensive to do business in America, driving up costs for consumers across the board.”

So far, the frustration that GOP lawmakers have seen in their home districts has been focused largely on Elon Musk’s spending cuts and some of Trump’s foreign-policy comments. They haven’t seen as much political pressure on prices yet, GOP strategists said. But that could change by the time they return home for summer recess.

A Gallup poll conducted Feb. 3-16 found Trump’s approval rating on the economy to be lower than at the beginning of his first term and below that of other recent presidents at the same point in their terms.

The survey found Trump’s approval rating on the economy to be 42%—6 percentage points lower than February 2017.

Democrats have also mostly kept the focus on Musk, but in recent weeks, some have turned back to the economy.

“Instead of even working on the economy, they’ve been on an insane bender, settling political scores and fighting a bunch of culture-war nonsense that people wanted to be done with,” said Ohio Democratic Rep. Greg Landsman.

Trump’s plan for stiff tariffs on foreign imports could drive up prices further.

Consulting Bosses Try To Save Their Contracts

By CHIP CUTTER

Executives at some of the biggest U.S. consulting firms are meeting with Trump administration officials to defend their projects ahead of this coming week’s deadline for government agencies to justify major consulting contracts.

In recent days, top executives at professional services firms including Ernst & Young and Guidehouse have met with officials including Josh Gruenbaum, the Federal Acquisition Service commissioner within the General Services Administration, according to people familiar with the discussions. A Booz Allen executive has also been in touch with Gruenbaum, who is a former director at private-equity firm KKR.

The flurry of meetings comes amid a Trump administration review of consultants and government contracts as part of a push to rein in federal spending. The General Services Administration, or GSA, has asked procurement officials at federal agencies to list and justify consulting contracts from 10 companies—including Booz Allen, Accenture, Guidehouse and others—that the agencies intend to keep. The responses are due on Friday.

The GSA has identified that

the 10 highest-paid consulting firms are set to receive more than \$65 billion in total fees across 2025 and future years. That is money that has yet to be spent, and comes from contracts tagged as “consulting services” within the Federal Procurement Data System from the top governmentwide vendors, according to a person familiar with the matter.

In the meetings with consultants, Gruenbaum has emphasized to executives that the government sees value in consulting—particularly in rolling out advanced technology and modernizing government agencies.

What may be frowned upon are contracts providing market research and analysis or supporting work on topics the Trump administration has deemphasized, such as diversity, equity and inclusion issues. Gruenbaum has assured executives that the GSA wasn’t looking to put firms out of business but would be doing a deliberate review of existing contracts, according to the people familiar with the discussions.

Consulting firms are being asked to “defend the spend,” by explaining which of their existing projects they see as mission critical to the government’s goals, and which could be cut.



I spent my life helping other Veterans

but not always myself

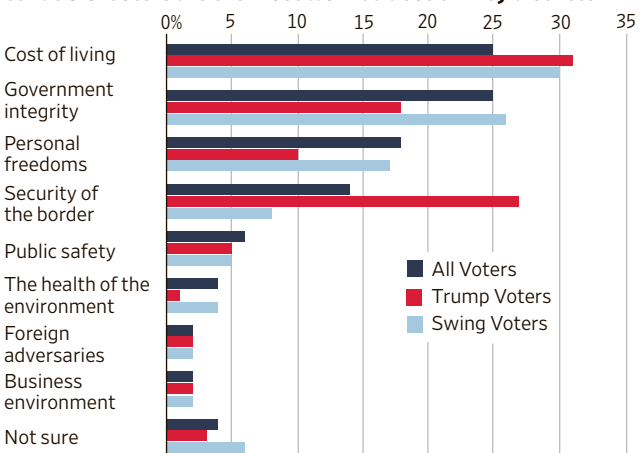
As a Veteran, when someone raises their hand for help, you’re often one of the first ones to respond. But it’s also okay to get help for yourself. Maybe you want or need assistance with employment, stress, finances, mental health or finding the right resources. No matter what it is, you earned it. And there’s no better time than right now to ask for it.

Don’t wait. Reach out.

Find resources at VA.GOV/REACH



What U.S. voters are the most worried about in key districts



Note: The question asked was “Which of the following worries you the most?”. The survey was conducted on 1,000 registered voters across eighteen Congressional Districts rated by the Cook Political Report as Toss-Ups. It was conducted February 11-13, 2025 via a mixed mode of interviewing. The margin of error for the full sample is ±3.1% at the 95% confidence level. Source: Fabrizio Ward

U.S. WATCH

WHITE HOUSE

Staffer Steps Down From Consultant

Katie Miller, a key adviser in the Trump White House, is taking a leave of absence from the private job she simultaneously held at a top Republican communications consulting firm that was paying her to advise its clients, a spokesman for the firm said Friday.

The Wall Street Journal reported last week that Miller, who has been a top adviser to Elon Musk and his Department of Government Efficiency, was also being paid by P2 Public Affairs to advise a range of the company's private clients, including Fortune 100 giants such as Apple.

Two people familiar with Miller's decision said it was unclear whether she would return to the firm, and one of them said Miller told others she was leaving permanently. It was Miller's decision to step away, the people said. She is expected to continue her role in the Trump White House, these people said.

Miller had been able to wear both hats because of her role as a "special government employee," or SGE. The designation allows individuals approved by the White House to hold paying jobs in the private sector while also working for the government, and in most cases to do so without disclosing their clients or finances. The Wall Street Journal reported that at least 13 White House advisers hold that status, including peace negotiator Steve Witkoff.

Miller is married to Stephen Miller, the top domestic policy adviser in the White House, and has deep ties to Health and Human Services Secretary Robert F. Kennedy, whom she advised during his Senate confirmation.

P2's top operatives began working with Musk last year to boost Trump's bid for the presidency, orchestrating the moves of Musk's political group, America PAC. Miller became the main interlocutor between Musk and his team and Trump's campaign, the people said, developing a relationship with Musk in the process.

—Josh Dawsey and C. Ryan Barber

OBITUARY

Johansen Sang For New York Dolls

David Johansen, the wiry, gravelly voiced singer and last surviving member of the glam and protopunk band the New York Dolls, who later performed as his campy, pompadoured alter ego, Buster Poindexter, has died. He was 75.

Johansen died on Friday at his home in New York City, Jeff Kilgour, a family spokesperson told the Associated Press. It was revealed in early 2025 that he had stage 4 cancer and a brain tumor.

The New York Dolls were forerunners of punk, and the band's style—teased hair, women's clothes and lots of makeup—inspired the glam movement that took up residence in heavy metal a decade later in bands like Faster Pussycat and Mötley Crüe.

"When you're an artist, the main thing you want to do is inspire people, so if you succeed in doing that, it's pretty gratifying," Johansen told the Knoxville News-Sentinel in 2011.

Rolling Stone once called the Dolls "the mutant children of the hydrogen age" and Vogue called them the "darlings of downtown style, tarted-up toughs in boas and heels."

The band never found commercial success and was torn by internal strife and drug addictions, breaking up after two albums by the middle of the decade. In 2004, former Smiths frontman and Dolls admirer Morrissey persuaded Johansen and other surviving members to regroup for the Meltdown Festival in England, leading to three more studio albums.

In the '80s, Johansen assumed the persona of Buster Poindexter, a pompadour-styled lounge lizard who had a hit with the kitschy party single "Hot, Hot, Hot" in 1987. He also appeared in such movies as "Candy Mountain," "Let It Ride," "Married to the Mob" and had a memorable turn in the Bill Murray-led hit "Scrooged."

—Associated Press

SPACE

Startup's Lander Reaches the Moon

A private lunar lander carrying a drill, vacuum and other experiments for NASA touched down on the moon Sunday, the latest in a string of companies looking to kick-start business on the moon ahead of astronaut missions.

Firefly Aerospace's Blue Ghost lander descended from lunar orbit on autopilot, aiming for the slopes of an ancient volcanic dome in an impact basin on the moon's north-eastern edge of the near side.

Confirmation of successful touchdown came from the company's Mission Control near Austin, Texas, some 225,000 miles away.

"You all stuck the landing. We're on the moon," Firefly's

Will Coogan, chief engineer for the lander, reported.

An upright and stable landing makes Firefly—a startup founded a decade ago—the first private outfit to put a spacecraft on the moon without crashing or falling over. Even countries have faltered, with only five claiming success: Russia, the U.S., China, India and Japan.

A half hour after landing, Blue Ghost started to send back pictures, the first one a selfie somewhat obscured by the sun's glare. The second shot included the home planet, a blue dot glimmering in the blackness of space.

Two other companies' landers are on Blue Ghost's heels, with the next one expected to join it on the moon this week.

—Associated Press



The shadow of Firefly Aerospace's private lunar lander, Blue Ghost, is seen on the moon's surface on Sunday after touching down carrying a drill, vacuum and other experiments for NASA.

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WORLD NEWS

Zelensky Offers Gratitude, Not an Apology

Trump’s strained affairs with Kyiv leader stretch back to phone call in 2019

By ALAN CULLISON

WASHINGTON—Ukrainian President Volodymyr Zelensky took half steps over the weekend to repair the damage done in an Oval Office blowout, expressing gratitude to the U.S., and President Trump personally, for military aid over the years. But Zelensky offered no apology, a sign of the difficult road ahead for him in Washington.

The public meltdown was sparked by the Ukrainian president’s aggressive pursuit of military aid in an Oval Office meeting. It was also fueled by personal tensions that date back to a phone call in 2019 between the leaders that sparked Trump’s first impeachment.

It is a rift that now threatens to disrupt relations with Kyiv, and open a chasm with Western allies. While European leaders tried to patch up relations with calls to both leaders, a senior White House official said Saturday that it is up to Zelensky to seek amends with the U.S.

So far, he has taken half steps. In a series of tweets on Saturday, Zelensky expressed gratitude to the U.S. and Trump personally for military aid over the years, but he offered no apology for his appearance Friday where he appealed for more aid and argued that Russian President Vladimir Putin couldn’t be trusted.

Secretary of State Marco Rubio faulted Zelensky on Sunday on ABC for disrupting the planned signing by taking “every opportunity to try to Ukraine-splain on every issue.”

Republican Sen. Lindsey Graham posted on X on Saturday that the Ukraine presi-

dent’s behavior was “beyond unacceptable” and that his lectures were “wearing thin.”

John Bolton, who served for a year and a half as Trump’s national-security adviser in his first term, said that Trump’s personal dislike of Zelensky is now having an outsized impact on U.S. foreign policy because “if he likes a foreign leader, we have good relations with that country.”

The Oval Office meeting Friday was meant to precede the signing of a business deal that would bring Trump and Zelensky closer. Kyiv was preparing to cede to Washington rights to develop rare-earth minerals and metals in Ukraine that are vital to the U.S. defense and technology industry.

A senior White House official said the two sides remain stuck on the issue of U.S. security guarantees that Ukraine says are necessary to insure any lasting peace. The Trump White House has been arguing

that the mineral deal would implicitly guarantee Ukraine’s security by attracting billions in U.S. investment that the White House would want to protect. Zelensky remains unconvinced.

The high-finance display of unity descended into an on-camera agony of low blows. Trump and Vice President JD Vance indicted Zelensky’s handling of the war and what they called his failure to show enough gratitude. The signing ceremony was canceled and Zelensky was asked to leave.

John Herbst, who served as U.S. ambassador to Ukraine under George W. Bush, said that Zelensky clearly irritated Trump during the meeting by repeatedly criticizing Putin and pressing Trump for U.S. security guarantees in front of the live television cameras.

Zelensky “could have handled himself better” by bringing those matters up in a private meeting after the Oval

Office meeting, Herbst said. Ukraine has a genuine need for security guarantees, Herbst said, but the meeting Friday was, like other interactions between the leaders, overshadowed by their troubled past relations.

“History is relevant because Trump remembers stuff,” said Herbst. “He remembers slights. He also remembers favors.”

Trump has long harbored suspicions of Ukraine’s political establishment. He has promoted an unsubstantiated theory that the Democratic National Committee was hacked in 2016 not by Russia but by a server located in Ukraine, a theory also spread by Moscow.

Trump’s early dealings with Zelensky, meanwhile, only buttressed his belief the Ukrainian president was also aligned against him personally. After Zelensky was elected president in 2019, Trump began pressing the new Ukrainian leader to de-

clare an investigation into his Democratic rivals there.

In Trump’s first lengthy phone call with Zelensky, he pressed him for an investigation into Hunter Biden, the son of Joe Biden—an expected political rival in the 2020 presidential election. The call led to Trump’s first impeachment, and may have contributed to his defeat in the 2020 election.

The Ukrainian leader kept his distance from Trump after he left the White House, but he made contact again during the U.S. presidential campaign last year and quickly committed a faux pas. Republicans criticized him for appearing with Pennsylvania’s Democratic governor at a factory in the state that made shells for Ukraine.

Zelensky visited Trump in New York at Trump Tower and afterward they sparred gently in a joint appearance on Fox News. But beneath the niceties, Herbst said, there was always underlying tension.

Trademark Defiance Led to Confrontation In the White House

By YAROSLAV TROFIMOV AND JANE LYTUVYENKO

In February 2022, as Russian tanks reached the outskirts of Kyiv, Ukrainian President Volodymyr Zelensky spoke with world leaders, including then-U.S. President Joe Biden.

Ukraine would be overrun in days, they warned, and Zelensky should flee. British Prime Minister Boris Johnson even offered London as the seat of a Ukrainian government in exile. Zelensky politely rejected this counsel, and threatened to fire any aide who suggested he abandon his headquarters. What Ukraine needed was weapons, Zelensky told his foreign counterparts.

“We are here,” he told Ukrainians in a video recorded outside his headquarters, a message released as Russian state TV claimed he had escaped to Poland. “We are defending our independence, our state, and that is how it will be.”

The images from Zelensky’s Friday fight with President Trump and Vice President JD Vance in the Oval Office were no less dramatic. The two presidents spoke over each other, as the Ukrainian leader insisted that his country won’t accept the word of Russian President Vladimir Putin as a guarantee for future peace, even as Vance berated him for being ungrateful and rude.

Ukraine now faces not just a cutoff in vital American military assistance, but a possible U.S. agreement with Moscow that leaves Ukraine isolated as Russia is welcomed back into the global economy.

Many Ukrainians, and the country’s supporters, watched this confrontation aghast—as Moscow rejoiced.

In a way, this confrontation was inevitable given that Trump has essentially embraced Putin’s vision of the conflict, telling Zelensky that he had to take an unfavorable deal. The visit was preceded by a series of humiliations, including Trump’s describing Zelensky as a “dictator” and the U.S.’s voting alongside Russia and North Korea against a United Nations resolution that condemned Moscow for the 2022 invasion.

“It’s obvious that Zelensky will not give up unconditionally to follow Uncle Sam,” said Bartosz Cichocki, who served as Polish ambassador to Kyiv in the first two years of the war. “Ukraine has lost too much blood, and Zelensky has his own election sooner or later.”

Views about Zelensky, and about Ukraine, have diverged on the two sides of the Atlantic as relations between the U.S. and its European allies continue unraveling.

“By refusing to bend in Washington, Volodymyr Zelensky was the honor of Europe. Now, it is upon us Europeans to decide what we want to be. And whether we want to be,” tweeted French Prime Minister François Bayrou, as most other European leaders posted statements of solidarity.

In America, even Republican

leaders who used to be friendly to Ukraine, such as Sen. Lindsey Graham, professed admiration for Trump’s handling of the encounter. “I don’t know if we can ever do business with Zelensky again,” he said.

Opposition Ukrainian lawmaker Oleksandr Honcharenko posted on Telegram that at the meeting with Trump, Zelensky “made a choice for war. It is his common choice with Putin.” But Zelensky’s bitter rival and predecessor as president, Petro Poroshenko, said that the time is not right to criticize the incumbent. “What Ukraine needs now is unity,” he said.

A former comedian who grew up on the gang-infested streets of a decaying industrial city, Zelensky has clashed with Trump before—most notably over the U.S. president’s 2019 request to investigate Hunter Biden, as the price of military aid. Those experiences, people close to him say, have stiffened Zelensky’s resolve.

Disregarding Western advice paid off in 2022. “Everyone assumed at the time that we were doomed, and they were all telling us to flee,” said Oleksiy Reznikov, defense minister at the time.

Far from being all-mighty, the Russian army was defeated around Kyiv in a few weeks. By the end of March, Moscow’s forces were retreating from northern Ukraine, leaving hundreds of torched vehicles behind. Ukrainian counteroffensives later that year regained large areas.

In part, those counteroffensives were enabled by Western military aid that started flowing to Ukraine as Zelensky made the moral—and strategic—case for aiding his country to audiences worldwide.

“Some governments acted the way they did not merely based on their practical considerations, but under enormous pressure from their public opinions,” Ukraine’s then foreign minister, Dmytro Kuleba, said at the time.

That sheen has worn off over time, and support for Ukraine has turned into a political football, with many Republican politicians embracing much of the Russian narrative of the conflict. At the Munich security conference last year, Vance made a point of refusing to meet with Zelensky.

The situation on the battlefield is also much tougher than in late 2022. Russia has been slowly but inexorably advancing for a year and a half. Still, it has only been able to move from just under 18% of Ukraine in mid-2023 to just over 18% today, and Ukrainian commanders say that the battlefield situation is difficult but far from catastrophic.

To Zelensky, the peace deal being considered by Trump—a cease-fire without any American security guarantees—is tantamount to a surrender, considering Putin’s violations of cease-fires in 2015 and 2022. Zelensky’s attempts to point to that history in the Oval Office on Friday triggered the heated exchange.



A farewell ceremony in Kyiv on Sunday for Volodymyr Rakov, a dancer, choreographer, and volunteer soldier killed in the war.

Years of War Leave Ukrainians Weary, But Determined to End It on Just Terms

By IAN LOVETT AND NIKITA NIKOLAIENKO

KYIV—Two years after losing her son in the war against Russia, Yevheniia Pavelko had allowed herself to hope that maybe, just maybe, the U.S. would offer Ukraine a security guarantee that could set the stage for a cease-fire.

But after the diplomatic meltdown during Ukrainian President Volodymyr Zelensky’s visit to the Oval Office on Friday, Pavelko is coming to terms with the cold reality: There is no end to the war in sight, and Ukraine will likely have to keep fighting without its most powerful ally.

“I want an end to this nightmare...but there must also be justice for us,” said Pavelko, a 51-year-old store clerk in Kyiv. “I know my son would never have accepted a peace agreement that was detrimental to Ukraine.”

Three years in, Ukrainians are eager for an end to the conflict—but see no alternative to continuing to fight against Moscow’s invasion, even if the West abandons them.

Civilians are tired of sweeping out broken glass and carrying their children to the basements during air raids. Many soldiers haven’t gotten a break from fighting since the invasion began. On the eastern front, they say they are outnumbered at least 5-to-1.

Yet the depth of the country’s sacrifice has also left most of the population unwilling to consider any cease-fire that resembles capitulation. Though polls show Ukrainians are more willing to cede territory to Moscow than earlier in the war, they say they must



The Oval Office meeting restored Zelensky’s cult-hero status.

get security guarantees from the West in return. The disastrous meeting between Zelensky and President Trump last week hasn’t changed that.

“Zelensky represented our interests there with dignity,” said a 28-year-old junior sergeant fighting in eastern Ukraine. “Trump has severely underestimated Ukrainians if he thinks we will just throw up our hands and surrender.”

Over the weekend, Ukrainians processed the news with characteristic black humor and a spirit of defiance. Bars in Kyiv on Saturday night brimmed with young people celebrating the start of spring. One group toasted to the tornadoes that must surely be coming soon—all other possible disasters having hit already.

Though Zelensky has taken some criticism for his combative response to Trump and Vice President JD Vance, the meeting in the Oval Office has again turned him into a cult hero, as at the start of the war.

Memes depicting Zelensky punching out Trump swept

across Ukrainian social media. Another popular post showed two Ukrainian soldiers standing outside a destroyed building holding a sign reading, “Thank you, JD Vance.”

Some here are holding out hope that the relationship with the U.S. can still be salvaged and aid will keep flowing. Zelensky wrote Saturday on X that the two countries remain strategic partners “despite the tough dialogue.”

“It’s crucial for us to have President Trump’s support,” he wrote. “He wants to end the war, but no one wants peace more than we do. We are the ones living this war in Ukraine.”

However, hopes in Kyiv are generally shifting toward Europe. Leaders from across the continent have already begun meetings about how they can keep Ukraine afloat militarily.

But Western officials and military analysts say there are certain capabilities—particularly missile defense and intelligence—that will be impossible to replace in the short term if the U.S. pulls aid. Within a few months, Kyiv could start running short of essential weaponry.

It is possible that Trump will sell those weapons to European allies, who could provide them to Ukraine. But Fri-

day’s clash has raised the specter that he could cut Ukraine off entirely, and even threaten allies who continue to provide aid.

It isn’t clear what it would look like for Ukraine to keep fighting without Western aid. Already, the country is facing a major shortage of troops.

A platoon commander called the shortage a crisis. “Heroes who defended our state have already died,” said the 35-year-old, who has been fighting since 2022. “All military men are human beings,” he added. “Everyone has a limit.”

Though Ukraine managed to hold the Russians off with little Western help during the first harrowing weeks of the war, much has changed since then. Russia has adjusted its tactics and is advancing in Ukraine’s east, albeit slowly. And while Ukrainian internet channels have lit up with pledges to donate money to the military over the weekend, pledges to join the armed forces were far rarer.

Like so many Ukrainians, Denys Dykyi, a muscular 28-year-old IT worker in Kyiv, defended Zelensky’s performance in Washington, and was adamant that his country wouldn’t surrender.

“We are a nation fighting for our survival, and it’s disappointing to see some democratic leaders act as if power—not justice—determines who deserves support,” Dykyi said.

But he said he wasn’t ready to fight himself. He cited the lack of care for veterans, especially those who are injured, as one of the primary deterrents. He said he would continue to help in other ways, such as donating and paying taxes.

“Of course I’m afraid,” he said. “When you look at how little is given back to those who sacrifice, it’s hard not to feel conflicted.”

Memes of Zelensky punching Trump swept Ukrainian social media.

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- President Zelensky is not a dictator. Putin is. Russia started the war, not Ukraine.
- The mob who stormed the capitol and assaulted our police officers were not motivated by love and patriotism. They were criminals, not political prisoners.
- Key Trump cabinet members had to reaffirm the lie that Donald Trump actually won the 2020 presidential election. For many, that was the only requirement to be nominated.
- The Trump administration for the first time in UN history has aligned itself in votes with Russia, China, North Korea, Nicaragua and Venezuela — historical modern enemies of the United States — over our Western allies in Europe.
- The Trump administration is making the U.S. weaker, sparking unnecessary trade wars with our allies and attacking our military, law enforcement, a free press and the rule of law – undermining institutions including the courts and most of all, Congress.

The Trump administration’s assault is moving with head spinning speed. If we don’t stop them now, we may never have another chance. Our best hope is for a group of Republican Senators to find their courage and their voice, to stand up together NOW in opposition to this takeover of our country.

Senators Mitch McConnell, Susan Collins, Lisa Murkowski, Thom Tillis, Todd Young, John Curtis – we’re looking to you!

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WORLD NEWS

Vance Defends Trump’s Ukraine Strategy

After Zelensky spat, Democrats and some Republicans express frustration

By MERIDITH MCGRAW AND NATALIE ANDREWS

WASHINGTON—Vice President JD Vance mostly sat in silence for 22 minutes as President Trump and Ukrainian President Volodymyr Zelensky took questions from reporters in the Oval Office on Friday. By the time a journalist asked whether Trump was aligned with Russian President Vladimir Putin, Vance had enough. Vance’s resulting interjection, in which he defended Trump’s diplomatic strategy, triggered a tense and remarkable public clash with Zelensky that upended weeks of behind-the-scenes negotiations to end the three-year-old war in Ukraine.

One day after the Oval Office squabble played out on televisions around the country, Vance is being praised by Trump’s conservative allies—and he is being blamed by Democrats for derailing the path to peace.

The incident cemented Vance’s status in the Trump administration as an attack dog and fierce defender of the U.S. president. Since Trump took office nearly six weeks ago, Vance has sparred on social media with progressives, Democrats and on at least one occa-

sion, a fellow conservative. Billionaire Elon Musk has lapped up much of the media’s attention as he makes far-reaching cuts to the federal government. But Vance is quietly carving out an expansive portfolio that ranges from foreign policy and securing a deal to save TikTok to legislative affairs on Capitol Hill. He is at the forefront of an increasingly influential wing of the Republican Party that is skeptical of foreign aid. Those close to Vance have said he sees his role as a fixer. Some of his allies compare him to a Swiss Army knife that can solve myriad problems for the president.

But Vance faces significant political risks as he charts his future, which could potentially include a presidential run of his own. Among them: Can he remain in the good graces of Trump, who sometimes sours on close advisers and who publicly turned on his previous vice president, Mike Pence?

For now, Vance has nurtured a good relationship with Trump. The former Ohio senator and author of the bestselling book “Hillbilly Elegy” also has deep ties to influential conservative figures, including the president’s son Donald Trump Jr.

Democrats and some diplomats roundly criticized Vance and Trump over the exchange, accusing the vice president of ambushing Zelensky and alleging a preplanned effort to sabotage the meeting.



President Trump and Vice President Vance on Friday.

“It seemed to me that it was just, you know, JD Vance saying, ‘Hey, look what I can do, Dad!’ And it doesn’t help the situation. This negotiation should have been done behind closed doors,” Sen. Mark Kelly (D., Ariz.) said.

Former U.S. Ambassador to Russia Michael McFaul, who served during the Obama administration, said it was “inappropriate for the vice president to interrupt and demand a thank-you from a head of state.”

Some Republicans also expressed frustration with Trump and Vance’s handling of the meeting. Rep. Mike Lawler of New York, a Republican in a competitive district, said it was “extremely shortsighted to engage in that type of exchange in front of the U.S. and international press as you work toward an agreement.”

Sen. Lisa Murkowski (R.,

Alaska) said, “I am sick to my stomach as the administration appears to be walking away from our allies and embracing Putin.”

Vance’s advisers rejected the assertion that the Oval Office fight was part of a pre-planned strategy. Trump and Vance, who met before and after the meeting with Zelensky, didn’t plan for the meeting to ignite into conflict in front of reporters, administration officials said. The East Room was set up with the expectation that Trump and Zelensky would hold a televised press conference to celebrate the signing of a minerals deal aimed at moving toward peacemaking with Russia.

Vance, according to his advisers, spoke up at the meeting because he didn’t like the question asked to Trump about being aligned with Pu-

tin, and wanted to back the president up. Vance jumped in to praise Trump for engaging in diplomacy and to criticize “tough” talk from former President Joe Biden, aimed at Putin, that didn’t lead to progress in reaching peace.

Tensions escalated when Zelensky responded by recounting all the times Putin hadn’t kept his word. Vance, a longtime critic of providing U.S. aid to Ukraine, scolded the Ukrainian president for not showing gratitude to Trump.

Trump, according to administration officials, was impressed with Vance’s performance in the meeting. He has told White House staff several times since Friday that Pence, his estranged former vice president, would have never done that, according to an official.

“I was very proud of JD Vance, standing up for our country,” said Sen. Lindsey Graham (R., S.C.). Sen. Mike Lee (R., Utah) called Vance the GOAT, an acronym for greatest of all time. On Friday night and again on Saturday afternoon, the White House circulated a long list of public praise for Trump and Vance from cabinet members and Republicans on Capitol Hill.

A Marine veteran and former U.S. senator from Ohio, Vance, 40 years old, represents a new, younger voice in the Republican Party and is viewed as Trump’s heir apparent.

But Trump made waves when he was asked in a Fox News interview in February if

he sees Vance as his successor. “No, but he’s very capable,” Trump said, adding that there were a lot of “very capable people.”

The role of vice president is historically fraught with difficulty. Trump no longer speaks to Pence. When Joe Biden was president, he gave then-Vice President Kamala Harris the high-profile but difficult tasks of the abortion issue and tackling the “root causes” of migration from Central America.

Like his boss, Vance has drawn attention for his eye-catching public remarks and social-media posts. Last month he made his first foreign trip as vice president and delivered a blistering speech at the Munich Security Conference in which he accused European leaders of censoring free speech and ignoring citizens’ concerns about migration. The free-speech issue came up in an Oval Office meeting on Thursday with British Prime Minister Keir Starmer, and Vance defended his position.

Vance has served as a key liaison for Trump on Capitol Hill. He played a central role in persuading skeptical Republican senators to vote for Trump’s cabinet nominees.

Vance and his family were skiing this weekend at Sugarbush Resort in Vermont, according to a White House official. Demonstrators criticized Vance as he arrived in Vermont. “Support Ukraine, not Putin,” read one of the signs.

Europeans Seek Own Peace Plan

Continued from Page One basis for negotiations with the Kremlin. The key to that is ensuring Ukraine can continue to receive Western military assistance and putting European forces on the ground as part of a security guarantee.

Starmer, who chaired Sunday’s meeting, looked to play down tensions between Europe and Washington and dismissed suggestions that Trump’s criticism of Zelensky cast doubt on the strength of the trans-Atlantic alliance. “I do not accept that the U.S. is an unreliable ally,” he said.

The group of Western allies also discussed taking more responsibility for funding Europe’s defense as the U.S. turns to challenges elsewhere. Mark Rutte, secretary-general of the North Atlantic Treaty Organization, said several nations at the meeting had pledged to spend more on defense.

Zelensky was greeted by cheering crowds in London as he arrived to meet with Starmer. He was also given a private audience with King Charles III.

Zelensky sounded more conciliatory to the U.S., saying Sunday he was “ready” to sign an agreement that would give the U.S. access to critical minerals in Ukraine. That deal was supposed to be ratified at the White House on Friday.

Asked about the White House clash, Starmer said: “Nobody wanted to see what happened last Friday.” Among the countries whose officials attended Sunday’s meeting were Germany, Italy, France,



Leaders meeting in London Sunday included France’s Emmanuel Macron, the U.K.’s Keir Starmer and Ukraine’s Volodymyr Zelensky.

Canada and Turkey.

One of the disagreements in the argument in the Oval Office was Ukraine’s insistence that any peace deal has strong security guarantees from its Western allies to deter Russia from trying to invade Ukraine again. Zelensky’s recounting of how Russian President Vladimir Putin had violated previous cease-fire deals triggered a sharp response from Vice President JD Vance and Trump.

While European allies are working to create tangible guarantees, Trump has shown reluctance for the U.S. playing any kind of military role in securing the peace.

France and the U.K. have for weeks been discussing plans to place a military force

in Ukraine if a stable cease-fire or peace deal is done. Diplomats briefed on the discussions say there is growing consensus on the type of assets and the number of troops that would need to be deployed.

But there is still work to be done on where this force would be deployed and what its mandate would be.

Starmer has said publicly that to deploy forces to Ukraine in a peace agreement, there must be some form of U.S. “backstop” for a European deployment. Diplomats said they are seeking clarity on

how the U.S. would respond if European forces came under attack from Russia.

In addition to forces on the ground, European officials say it is vital that Ukraine is supplied after a peace deal with an array of military hardware for years to come.

“We have to turn Ukraine into a steel porcupine that is indigestible for potential invaders,” European Commission President Ursula von der Leyen said after the London meeting.

Macron told Le Figaro newspaper on Sunday that

Britain and France believed that a good starting point for a cease-fire would be a month-long deal between Russia and Ukraine to stop aerial bombing, naval attacks and strikes on energy infrastructure.

The coming weeks will show whether Europe can back up its rhetoric by stepping up support for Ukraine if Washington walks away.

The U.S. has sent nearly \$70 billion in military aid—dwarfing contributions from any of Kyiv’s other allies—since the start of the war, Zelensky said.

But European nations have been steadily stepping up their support throughout the war. The EU and its member states have given over \$50 billion in military assistance. The

U.K. is giving \$3.8 billion annually.

Meanwhile, Ukraine has vastly expanded its domestic arms industry, producing \$30 billion a year in weaponry, Ukrainian officials said. Last year, the country manufactured 1.5 million drones, which have played an increasingly important role on the front lines, allowing Ukraine to hold off Russian forces with minimal casualties.

Still, some advanced U.S. weapons, such as its air-defense systems and surface-to-surface ballistic missiles, would be impossible for Ukraine to replace in the short-term if Washington cuts off supplies. Europe doesn’t make enough of them.

A number of European countries have come out recently with specific military aid pledges for Ukraine, including Sweden, Denmark, Poland and Spain. Britain and France have already penciled in billions in additional assistance for 2025.

The EU is also working on plans to bolster Europe’s defense industry. Von der Leyen said she would present plans for this to EU leaders at a summit on Thursday.

In Germany, the parties that are on course to form the next government are negotiating over the creation of two funds valued at hundreds of billions of euros to finance future military and infrastructure spending, German officials said, though they cautioned no decision had been made.

The funds wouldn’t be part of the federal budget and, therefore, wouldn’t be subject to Germany’s strict fiscal rules. While the size of the funds remains wide open, one official said they would exceed a similar defense fund of 100 billion euros, the equivalent of \$104 billion, created by the government in 2022.

IRAN Parliament Axes Finance Minister

Iran’s parliament on Sunday impeached the finance minister and voted to remove him from office, as concerns grow over the crashing rial and accusations of mismanagement. Of 273 lawmakers, 182 voted to dismiss Abdolnaser Hemmati, just six months after President Masoud Pezeshkian’s government took office.

Iran’s economy has been severely affected by international sanctions, especially since the U.S. withdrew from the 2015 nuclear deal. That year, the rial was at 32,000 to the dollar, but by the time Pezeshkian took office in July, it had plummeted to 584,000 to the dollar. Recently, exchange shops in Tehran traded 930,000 rials for a dollar.

—Associated Press

IRAQ Cease-Fire Buys Displaced Kurds

Iraqi Kurdish villagers, displaced by years of fighting between Turkish forces and Kurdish militants in northern Iraq, are finally allowing themselves to hope they will soon be able to go home.

Their hopes were raised after the Kurdistan Workers’ Party, or PKK, on Saturday declared a cease-fire in the 40-year insurgency against the Turkish government, answering a call to disarm by the group’s leader.

Turkish forces have repeatedly launched offensives over the past years, pummeling PKK fighters in Iraq’s northern semiautonomous Kurdish region and setting up bases. Scores of villages have been emptied of residents.

—Associated Press

UGANDA Ebola Outbreak Claims 4-Year-Old

A 4-year-old child became the second person to die in the current outbreak of Ebola in Uganda, the World Health Organization said Saturday—a setback for health officials who had hoped for a quick end. Since the first victim, a nurse, died Jan. 30, eight patients who had been contacts of that man had been successfully treated.

The source is still being investigated. Tracing contacts is key to stemming the spread; there are no approved vaccines for the Sudan strain of Ebola infecting people in Uganda. The country’s last outbreak, discovered in September 2022, killed at least 55 people before it was declared over in January 2023.

—Associated Press

WORLDWATCH



BUSHY: The Busho parade, held Sunday in Mohacs, Hungary, is a centuries-old Carnival event.

WORLD NEWS

Oct. 7 Marked Familiar Failure in Spying

By DOV LIEBER

TEL AVIV—Well before Hamas launched its Oct. 7, 2023, attacks, Israel’s military had plenty of evidence that something was brewing. Israel had been in possession of a secret Hamas plan for a mass invasion for more than a year. Soldiers on the border of Gaza had observed Hamas practicing raids on Israeli military bases and civilian communities for weeks. And the country’s security chiefs had been warning that months of contentious internal debate and protests over political issues had left Israel vulnerable. The night before the attack, the Shin Bet, Israel’s domestic intelligence agency, learned that dozens to hundreds of Hamas members had activated mobile-phone service on Israel’s networks, a strong signal they planned to be in Is-

rael soon. Israel’s spies picked up signals that some of Hamas’s leadership had gone underground and that groups of Hamas commandos had begun gathering in spots around the Gaza Strip. Israel’s vaunted intelligence services debated what it all meant until deep in the night and decided to reassess in the morning. Around dawn, Hamas attacked essentially as outlined in the plan captured a year earlier, leaving roughly 1,200 dead and 250 taken as hostages to Gaza. Israel detailed its failings in a report past this week. Along with the discrete mistakes was a big-picture intelligence blunder of a type that has repeated itself regularly throughout history. Scholars call them “strategic intelligence failures”—an inability to see the forest for the trees. They are easy to spot in hindsight but stubbornly hard

to guard against as they are unfolding. Intelligence involves taking pieces of information and forming theories, which can be hard to shake. Evidence that contradicts the prevailing assessment often gets dismissed. “If good intelligence tells you what you think won’t happen, you just won’t use it,” said John Ferris, a history professor at the University of Calgary who studies intelligence and its failings. In the case of the Oct. 7 attacks, Israel was under the impression that Hamas was angling for economic concessions by stirring up tension on the border. No senior official thought the U.S.-designated terrorist group, significantly

weaker than Israel’s military, wanted a full-scale war. Almost exactly 50 years earlier, Israel had made a similar catastrophic blunder. Egypt and Syria were mobilizing forces on its border and declared their intention to win back territory Israel took from them six years earlier. Israel had received numerous warnings that war was imminent. Yet, right up until just before war broke out, on Oct. 6, 1973, Israel thought its enemies were bluffing. No way, thought Israeli intelligence at the time, did its neighbors want war again so soon after a crushing defeat in 1967. Three decades earlier, the U.S. made an even bigger er-

ror in judgment. Before the Japanese attack on the U.S. Pacific Fleet in Pearl Harbor on Dec. 7, 1941, Washington had clear signs it was coming. The day before the attack, U.S. intelligence decrypted Japanese messages that indicated they were through with peace talks they had been conducting with the U.S. Weeks earlier, the Japanese fleet had disappeared into the Pacific Ocean. The U.S. Army and Navy sounded warnings of possible hostilities. Yet, said Ferris, the U.S. top brass didn’t imagine Japan was capable of or interested in war with America. Even a final opportunity to prepare—when radar picked up 183 aircraft 137 miles off the Hawaiian coast about an hour before they struck—was mishandled. After the war, Gen. Sherman Miles, the assistant chief of staff, summed up the failure: “We had a yardstick. We

had no reason to doubt our yardstick’s approximate accuracy. Yet it was wholly false.” About six months earlier, the Soviet Union had made its own blunder. Soviet intelligence had given Joseph Stalin clear evidence that Nazi Germany, purportedly an ally, was preparing a massive invasion. But historians say Stalin failed to mobilize his army. Ferris said Oct. 7 was among the most egregious strategic intelligence failures because of how absolutely Israel was taken by surprise. Israeli military officials said they mistakenly believed their intelligence apparatus was so good that they knew what would happen. “We were addicted to the precise intel information,” said one of the officers who presented the findings of the Oct. 7 investigation to reporters. “The addiction is thinking you know everything.”

Israel Halts Aid Flows Into Gaza

Continued from Page One and in light of Hamas’s refusal to accept the Witkoff framework for the continuation of the talks, to which Israel has agreed, Prime Minister Benjamin Netanyahu has decided that, as of this morning, the entry of all goods and supplies to the Gaza Strip will be halted,” Netanyahu’s office said. The Israeli leader accused Hamas of stealing aid and using it to fuel its fight. The decision to end the flow of humanitarian aid comes as Muslims are celebrating the holy month of Ramadan, during which people traditionally gather to break their fast together in evening festivities. More than 25,000 truckloads

containing food, fuel, medical supplies and some temporary shelters have entered Gaza since the current cease-fire took effect, Israel said. A spokesperson for Netanyahu said no trucks had been allowed to enter Gaza as of Sunday morning. Israel also threatened “additional consequences” if Hamas continued to hold hostages. “Netanyahu’s decision to halt humanitarian aid is a cheap act of extortion, a war crime, and a blatant violation of the agreement,” Hamas said on Sunday. The Trump administration on Sunday said it would back Israel’s next steps. “Israel has negotiated in good faith since the beginning of this administration to ensure the release of hostages held captive by Hamas terrorists,” National Security Council spokesman Brian Hughes said. Israel and Hamas were able to agree to a temporary truce in January in which some Israeli hostages were freed in exchange for the release of

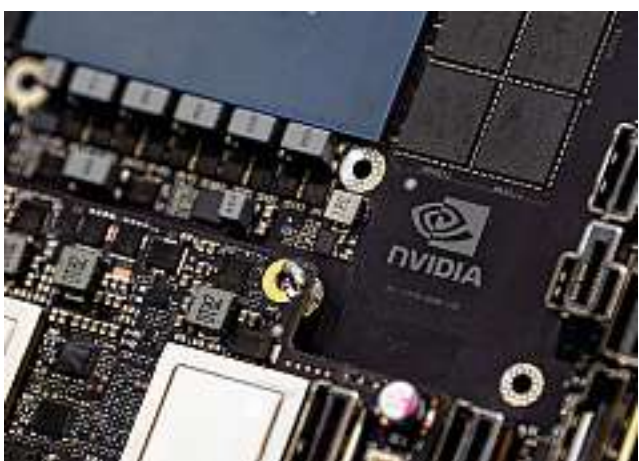


People in Gaza City on Sunday had a meal to break the fast on the second day of Ramadan.

raids, and, if Hamas doesn’t relent, Israel is planning a second mass ground invasion of the enclave, said Amir Avivi, a former senior military official who heads a security-oriented think tank in Israel. With Israel no longer facing a second front with Lebanon as it did through much of the war, Israel will have enough available troops to take full control of Gaza, Avivi added. Of the hostages taken on Oct. 7, 2023, Israel says there are 58 remaining in Gaza, most of them Israeli. That total includes many Israel has concluded are dead. As it juggles cease-fire talks with Hamas, Israel’s government threatened to intervene militarily in Syria after clashes broke out Saturday night between security forces belonging to the new government and members of the Druze minority in an area south of Damascus. Netanyahu demanded last week that Syria’s new government keep its border with Israel demilitarized.

Nvidia AI Chips Sent To China

Continued from Page One servers from a customer in Shanghai in January. The client deposited around \$3 million into an escrow account for the order, according to transaction records and a contract seen by The Wall Street Journal, and Luo said he planned to ship the servers by mid-March. Chinese resellers including Luo said they used entities registered outside of China to purchase Nvidia servers from companies in places such as Malaysia, Vietnam and Taiwan. These companies, which include data-center operators and authorized Nvidia customers, buy the servers for their own use and resell a portion to China, they said. Nvidia said it would investigate every report of possible diversion and take appropriate action. It said customers for sophisticated AI equipment want services and support, “none of which anonymous traders claiming to possess Blackwell systems can provide.” Nvidia started shipping Blackwell machines in December. In the quarter ended January, the processors racked up \$11 billion in sales, which accounted for around 30% of the Silicon Valley company’s total revenue. Distributors said a Blackwell server containing eight AI processors could retail for more than \$600,000 in China, commanding a premium over global pricing. While Blackwell chips are now Nvidia’s top-of-the-line products, most models in its older Hopper family of AI processors also remain covered by U.S. export controls. Traders said the H200 chip in the Hopper series constituted the bulk of orders from Chinese customers. A server with eight H200s typically sells for around \$250,000, a modest premium over the global price, traders said. Some sellers said they were



U.S. export controls bar Chinese buyers from acquiring high-end AI chips such as Nvidia’s Blackwell line.

able to deliver dozens of servers immediately or up to hundreds in around a month. One merchant posted on social media videos of unopened boxes of H200 servers lying on pallets in a warehouse in China, and another vendor said it had hundreds of servers in stock. The Journal couldn’t independently verify the existence of their inventory. Since December, at least two Chinese universities in Shenzhen and Wuhan have taken delivery of six AI servers with restricted Hopper chips, according to official procurement contracts. The complete picture is unknown because details are stripped from many other procurement documents involving high-end AI chips. The Biden administration released several orders over the past two years aimed at preventing China from procuring the most-advanced chips. It also blocked China’s access to advanced semiconductor equipment in the name of national security. Nvidia and device makers have beefed up their know-your-customer policies and are conducting more-frequent and stricter site checks with the aim of ensuring that the equipment isn’t being resold to China, people in the industry said. Authorities in places such as Singapore and Taiwan have stepped up scrutiny, and underground trading has become more difficult, especially for bigger orders, distributors and buyers said. Some companies worried about the risks of underground channels have stopped

such purchases and sought other workarounds. Luo—the Shenzhen vendor—and other distributors said some resellers printed the unique serial numbers of the resold devices onto older equipment, and put forth the older machines for the inspections. In its last days in office, the Biden administration imposed some of its strongest measures, introducing country caps on AI chip purchases globally. One goal was to prevent countries from acting as transshipment points for large numbers of chips destined for China. The measures are set to take effect this year, but the Trump administration hasn’t made clear whether it will maintain them. After the initial Biden controls took effect in late 2022, a cottage industry of middlemen sprang up, sometimes bringing small quantities of chips into China through human couriers. That business has now matured into a more-sophisticated network that can handle the paperwork, foreign payments and logistics of moving bulky servers and rack modules with the latest chips across national borders. Rather than being sold individually, chips are now more often sold as part of complete systems manufactured by device makers such as Dell Technologies and Super Micro Computer. Dell and Super Micro said they complied with export controls and would act if wrongful behavior is discovered.

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FROM PAGE ONE



Top, welding teacher Quincy Millerjohn at Middleton High School in Middleton, Wis.; a student working. Right, shop teacher Staci Sievert in Seymour, Wis. Below, Andres Mendoza Alcala, a Middleton High School senior and aspiring carpenter.

Schools
Revive
Shop Class

Continued from Page One
school's shop classes, for years tucked away in a back corridor, are now on display. Fishbowl-style glass walls show off the new manufacturing lab, equipped with computer-controlled machine tools and robotic arms.

Interest in the classes is high. About a quarter of the school's 2,300 students signed up for at least one of the courses in construction, manufacturing and woodworking at Middleton High, one of Wisconsin's highest-rated campuses for academics.

"We want kids going to college to feel these courses fit on their transcripts along with AP and honors," said Quincy Millerjohn, a former English teacher who is a welding instructor at the school. He shows his students local union pay scales for ironworkers, steamfitters and boilermakers, careers that can pay anywhere from \$41 to \$52 an hour.

"Kids can see these aren't knuckle-dragging jobs," Millerjohn said.

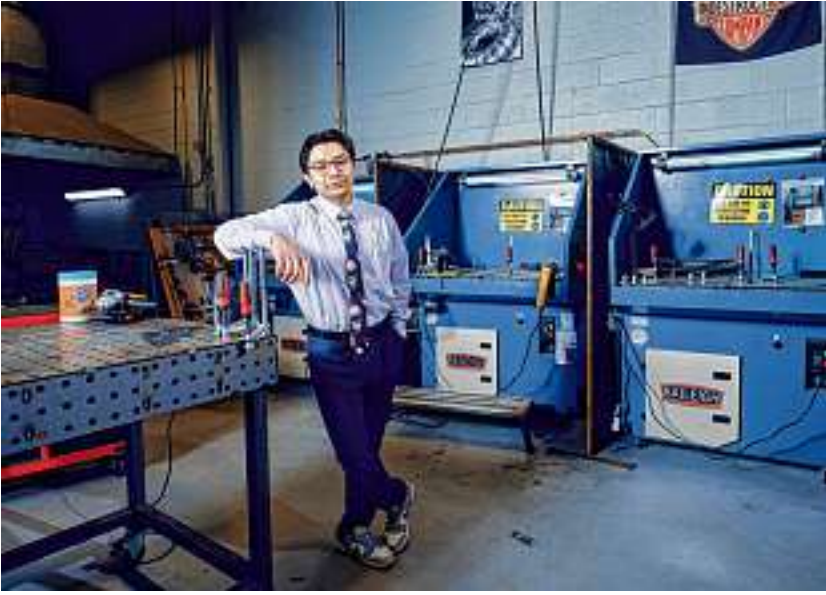
In Wisconsin, 32,000 high-school students took classes in architecture and construction during the 2022-2023 school year, a 10% increase over the prior year, state data show; 36,000 enrolled in manufacturing courses, a 13% increase over the same period.

"There's a paradigm shift happening," said Jake Mihm, an education consultant in the Wisconsin Department of Public Instruction. "They're high-skill, high-wage jobs that are attractive to people because they're hands-on, and heads-on."

Renewed interest among local governments, school districts, businesses and voters has triggered the investment in shop classes, which for decades have lost enrollment, pushed aside by demand for college-prep courses. Ohio and other states offer schools financial incentives for classes that lead to industry certifications in such high-demand jobs as pharmaceutical technician and pipe fitter.

At Middleton High, wood shop teacher Justin Zander added classes to accommodate the 175 students who enroll each semester, up 75 from four years ago. He said he still had to turn away students.

Zander, who has taught shop classes for three decades, said students and parents better understand that blue-collar



work can pay well. "People are more accepting now," he said.

'Good choice'

American high schools began jettisoning shop class following the 1983 publication of "A Nation at Risk," a federal report that urged high schools to raise academic standards.

The 2002 No Child Left Behind Act emphasized standardized test results to measure student achievement. Many schools, under pressure to show academic improvement, spent less on art and music classes, as well as cut back on auto repair and other shop courses.

For decades, shop programs were dogged by allegations that schools shunted students from low-income families into blue-collar careers, while well-off students headed to college.

If there is a stigma to taking shop classes, Andres Mendoza Alcala, a Middleton High senior, isn't seeing it. "I haven't met a single person that looks down on someone else, just because they're doing the trades instead of college," the 18-year-old aspiring carpenter said. "They just say it's a good choice. These are secure jobs." As white-collar hiring slows, more younger workers are finding blue-collar careers. The share of workers ages 20 to 24 in blue-collar jobs was 18% last May, two points higher than it was at the start of 2019, according to an analysis by payroll provider ADP. Enrollment in vocational-focused, two-year community colleges jumped 14% in fall 2024 compared with a year earlier. Enrollment at public four-year colleges rose 3% during that period.

Brandon Ross at PBK, an architecture firm based in Houston, sees the boom firsthand. School construction projects tied to vocational education account for around 10% of the firm's work, he

said, a figure that has doubled in the past five years.

PBK is designing a \$140 million career and technical-education center for students in the Spring Branch Independent School District, which serves the Houston area. There will be an auto-repair shop, which hasn't been available at district schools for years, as well as courses in fields as varied as healthcare, digital animation, filmmaking, culinary arts, cosmetology and computer networking.

"Not everybody wants to go to college, and some people don't want to go to college right away," said Jennifer Blaine, the district superintendent. Enrollment in vocational classes is up 9% over the past four years, she said. The project, supported by a voter-approved bond issue, will accommodate 2,200 students each semester when completed.

About 150 students at Sutherlin High School in Sutherlin, Ore., take Josh Gary's woodworking class, a number equal to nearly half the student body. When Gary took over the shop class in 2014, he had 30 students and little equipment. He bought used tools on Craigslist with his own money and raised funds selling picnic tables he made with students.

The wood shop now features laser cutters and computer-assisted routers that enable high-level detail work. Last year, Sutherlin High opened a \$750,000 metal shop. A \$375,000 state grant paid for new tools, and \$50,000 from Harbor Freight Tools for Schools, a program launched by the tool-retailer's founder, bought a pickup truck for use by the classes.

Gary likes to joke that he is a shop teacher who never took shop. When he was in high school during the late 1990s, he said, his father wouldn't let him enroll. He went to college and law school but decided to

teach. "The trades are just more valued these days," said Gary, noting that class valedictorians have taken his classes. "Electricians and plumbers make great money, and some of our higher-end students see that."

Test drive

Roughly half of college graduates end up in jobs where degrees aren't needed, according to a 2024 analysis of more than 10 million résumés by labor analytics firm Burning Glass Institute and the nonprofit Strada Education Foundation.



Breana Brackett

Yet many high schools aren't equipped to help students who want to skip college. One hurdle is cost. Vocational education is generally more expensive than math or English classes. Shop teachers at Middleton High spend around \$20,000 a year on wood, steel, aluminum and other materials. Updating equipment for manufacturing, woodworking and metalworking cost the district \$600,000.

Recruiting shop teachers is tough, given the generous wages paid for skilled trade work. For 22 years, Staci

Sievert taught social studies at Seymour Community High School in Seymour, Wis. After the school went through three shop teachers in four years, Sievert told the principal she would learn to weld, work with wood and teach the classes herself. She became a shop teacher in 2017. "I just felt like we were shortchanging our kids, our community and our families if we weren't raising the bar in tech ed," Sievert said.

For some students, shop classes are a steppingstone, not a replacement for higher education. While Breana Brackett was an honors student at Highland High School in Bakersfield, Calif., she took a construction class at the district's Regional Occupational Center. She is now at California State University, Chico, working toward a degree in construction management.

The course she took in high school, Brackett said, "helped me be sure this is what I wanted to do before I spent money to go to college."

Kern High School District, which encompasses Bakersfield, spent \$100 million from a voter-approved bond measure and state grants to build a new vocational center in 2020 and expand its Regional Occupational Center. The two campuses are open to high-school juniors and seniors to take classes, some for college credit. Roughly, 70% of the students who take courses there continue their education after high school, mostly at community college or trade schools, said Natasha Hughes, who recruits students for the district programs.

A teenager can make \$20 an hour as a welder's helper after graduating from high school with technical-education classes, Hughes said. Another year of welding instruction at a community college can boost pay to \$60,000 a year for pipeline jobs in Bakersfield-area oil fields.

Even with the expansion of the district's vocational classes, student demand outpaces available seats. Last school year, 6,200 students applied for 2,500 spots at the two vocational campuses. The wait-list for auto shop is 300 students, said Fernando Castro, one of the instructors.

Tom Moser, service manager at Jim Burke Ford Lincoln, said the Bakersfield car dealership employs around two dozen graduates from the school district's Regional Occupational Center.

Experienced employees have been hard to find. "You'll post a job and not get a qualified applicant in months," Moser said. The dealership decided it was better to train workers who graduated from high-school shop classes. Workers who start at \$19 an hour can work their way up to six-figure incomes in four years, he said. "You can pretty much write your own ticket once you've acquired the skills," Moser said.

Some students taking the district's vocational courses learn they aren't cut out for hands-on work. A number of students who sign up for Chad Wright's early morning construction courses quit every year, he said. Some aren't happy about having to rise as early as 5:30 a.m. to catch the bus for class. Others are surprised by how much endurance the course requires.

"Once they get in here and realize it's three hours of actual standing up doing some work," Wright said, "some of them get a little glassy-eyed and wonder what they signed up for." Yet, it is best to learn early about the rigors of the construction trades, he said, especially when early mornings are the best time to work during the hot summers.

"I'm not trying to run anybody off," Wright said. "But at the same time, I want them to understand what the real world has waiting."

'Garage
Mahals'
Are Big

Continued from Page One

When a regular garage just isn't big enough to stash all their cars, boats, snowmobiles, RVs or even quilting gear and golf simulators, some people turn to luxury storage spaces where they can be close to their toys with all the comforts of home.

Call them car barns, barndominiums, toy sheds, garage mahals or shouses (for shop houses), they are a big hit in the Land of 10,000 Lakes.

"Whatever the weather, it's a way for somebody to enjoy their passion," said Bruno Si-

likowski, who developed Chanhassen AutoPlex and the even larger AutoMotorPlex Medina about 20 miles north. He also partnered with a new complex near Indianapolis and is in talks to help start projects in Texas, Florida, New Jersey and New York.

But sometimes one homeowner's dream garage is another's backyard nightmare, sparking lawsuits, zoning battles and moratoria on mammoth man caves.

In Victoria, Minn., on Lake Minnetonka near the Twin Cities, dozens of neighbors signed a petition to reverse city approval for a plan for a five-bedroom house with a 6,000-square-foot garage—big enough to hold at least 20 cars and maybe a pickleball court. "It's giant," said Chris Keppel, 60, a semiretired real-estate agent, at a planning commission meeting in Decem-

ber. "I can't describe it any other way than it looks like having a Tires Plus in my backyard."

The crux of the debate is whether the garage is free-standing, which would limit its size under city rules, or attached—by means of a covered walkway.

The planning commission rejected the appeal. Efforts to contact Cole Mecray, owner of a home in Florida listed as the mailing address for an LLC that owns the Victoria property, were unsuccessful. Mecray is co-founder of Hexclad Cookware.

"I know that the neighbors are not happy about it, and I sympathize with them, but you can't arbitrarily deny something because somebody doesn't like it," said Victoria Mayor Deb McMillan.

Another high-profile dispute in the Twin Cities area involves

a yearslong legal battle over a waterfront home in Wayzata that includes what a judge called a "garage mahal," a more than 1,600-square-foot detached structure large enough to hold a tour-bus-style RV and other vehicles.

"It's a big deal," the judge said in a 2022 hearing. "It's not like the little squatty garage I have at the edge of my property where I park my Honda."

The neighbors, who must pass the garage every day via their shared driveway, sued, alleging the project violated city codes and environmental regulations.

Bill Skolnick, attorney for the homeowners, defends the project, including the main house, which has an attached garage for cars, and the separate garage for the RV.

"It's a subterranean garage; all you see is this door, and by the way, it's a beautiful door,"

Skolnick said. "My people spent \$18 million; they haven't built a shack."

The plaintiffs lost their battle against the now-finished project but are considering an appeal, said their attorney, Jack Perry.

In Crosslake, a forested vacation mecca 2-1/2 hours north of the Twin Cities, the city council has twice put a moratorium on new storage—often in simple metal buildings—combating an image that has led some to dub the community Tin City.

After neighbors got upset about a large storage shed in 2014, the city imposed a moratorium and then passed rules limiting unattached storage buildings in residential areas to 1,200 square feet. But that opened up a loophole: include some living space inside, and you have a shouse, for shed or shop house, which can be much

larger, said Brad Nelson, a retired former owner of a local marina, who was on the council at the time.

Last year, Crosslake imposed a moratorium on personal storage in commercial areas after a developer cut down a swath of pine trees on the main road into town. "Once the trees started falling down, that's when the issue really started," said Jackson Purfeerst, 24, the city's mayor.

Meantime, Nelson and others tout the expansion of the tax base from the storage boom, which includes his new 4,200-square-foot building.

It's jammed with boats, an RV, sports cars, motorcycles, a taxidermy Kodiak bear and his father's Model-A. One section, designed with input from his wife, includes a full kitchen, flat-screen TV, and stone fireplace. "My man cave got a little touch of she shed," he said.

Disabilities Spark A Conflict

Does the growing number of workers who identify as disabled help or harm accessibility?



ON THE CLOCK
CALLUM BORCHERS

Among those of us with disabilities there is a simmering debate: Does the growing number of people who identify as disabled help or harm workplace accessibility?

One in four American adults is disabled, according to a broad definition used by the Centers for Disease Control and Prevention. It includes anyone who reports difficulty concentrating, making decisions or venturing out alone because of a physical, mental or emotional condition.

Whether depression belongs under the disability umbrella alongside paralysis might seem to be semantics. But a lot more people now contend they are entitled to “reasonable accommodations” in the workplace under the Americans With Disabilities Act.

From 2021 to 2024, as companies called employees back to offices from the pandemic, there was a 51% increase in complaints to the Equal Employment Opportunity Commission from people seeking accommodations, many of them remote-work requests based on mental-health diagnoses.

It’s an eyebrow-raising shift for Justina Plowden, Ms. Wheelchair Louisiana 2024. Navigating public transit in her area is a challenge, even after she successfully advocated for more ramps, sidewalks and elevators during her year wearing the crown. Driving triggers memories of the car accident that partially paralyzed her 14 years ago, when she was a college student with a new baby.

Yet Plowden, 37 years old, plans to report to a court clerk’s office five days a week starting in March to fulfill a work requirement for her long-awaited bachelor’s degree. She will graduate this spring and begin law school in the fall. Clearing so many obstacles to work in person, she wonders about others’ remote accommodations.

“I’m not saying depression and anxiety aren’t serious, but I deal with things that affect my physi-

cal health,” she says. “Sometimes it feels unfair.”

This is the delicate situation millions of people with disabilities find themselves in. “Thou shalt not minimize another’s condition” is practically etched on a stone tablet in our community. As more people join, some say there is strength in numbers and believe it is unproductive to argue over whose condition is severe or visible enough for the “disability” la-



Clockwise from top: Justina Plowden was Ms. Wheelchair Louisiana 2024, Keely Cat-Wells is chief executive of the hiring platform Making Space and communications professional Ryan Honick is pictured with service dog Pico.

bel. All workers benefit when people advocate for their needs, the theory goes.

But as in any group, bad-faith actors exist. The surge in workplace accommodation demands could produce a boy-who-cried-wolf effect, Plowden fears. She worries about companies growing wary of employees with disabilities and renegeing on the work opportunities they expanded in recent years.

“When someone says, ‘Hey, I’m going to take legal action,’ they may not realize that can hurt the cause of getting accommodations,” says Plowden. “That’s what’s frustrating.”

Gray areas

In 2014 my rowing partner and I were U.S. champions in a category



hoisted it out of the water and over his head, and carried it off unaided. I confess to wondering: *How disabled is this guy, really?*

That thought wasn’t fair—every competitor went through a medical evaluation to determine eligibility. But people with disabilities aren’t immune to envy and other character flaws. (See: Pistorius, Oscar.) Though we seldom say so out loud, there is a human tendency to sniff each other for signs of milking an undue advantage.

Three-time track-and-field Paralympian Vincent Martin, who is blind, recalls athletes whispering about competitors they suspected of embellishing disabilities. Now a senior accessibility engineer at a bank in Georgia, he says the same thing happens when people receive accommodations in the workplace.

In gray areas, “it really depends on how good the person is and how important they are,” says Martin, 60.

Invisible disabilities

Giving people with disabilities a seat at the table is her life’s work, but if Keely Cat-Wells takes a handicapped seat on a public bus she gets the stink-eye from fellow passengers.

“People are very quick to judge when they see what they think is a nondisabled person using disabled resources,” she says.

Cat-Wells, 29, is chief executive of Making Space, a hiring platform for people with disabilities. She founded the company after selling her previous venture, C Talent, which helped actors with disabili-

ties land roles at the likes of Disney and Netflix. She became an advocate after a serious illness in her teens left her with chronic pain and post-traumatic stress disorder.

She walks with a cane on days when pain impairs her mobility. Otherwise she doesn’t look disabled.

But Cat-Wells contends notions of what a disability “looks” like are often outdated and narrow.

“Many disabled people have invisible disabilities or conditions that fluctuate,” she says. “That doesn’t make our need for accessibility and accommodations any less valid; it simply makes it more misunderstood.”

Policing accommodations seems more common after millions of Americans got a taste of remote work and liked it. Hardly anyone begrudges a blind co-worker for getting a screen reader on a laptop. Who else would want it? But a colleague who receives a return-to-office exemption may attract jealous scrutiny.

People who question or covet someone’s work-from-home accommodation should remember that remote workers are more susceptible to layoffs and less likely to be promoted, says Ryan Honick, a strategic communications professional in Washington, D.C. He has cerebral palsy and worked a hybrid schedule prepandemic. Now he’s fully remote because his commute to a new office is longer and more challenging after the death of his service dog, Pico, who used to open doors for his wheelchair.

Honick, 39, gives the benefit of the doubt to people whose disabilities are less obvious than his own. “Pitting disabilities against each other is dangerous, and it’s not for me or an employer to say what one person needs over another,” he says. “If an employee tells you they need an accommodation, believe them.”

Keep Your Digital Life Safe From Hackers

By **ROBERT McMILLAN**

If you read our profile of former Disney employee Matthew Van Andel, whose life was destroyed following a single download, you might be wondering: How can I prevent this from happening to me?

The bad news is that anyone who uses the internet can be hacked.

That is because in the game of hacking, the bad guys can fail as many times as they like. You’re in trouble if you slip up once.

But before you trade in your computer for a Royal De Luxe, there is some good news, too.

There are a few things you can do to make it harder for the hackers if they do slide into your digital life.

The key point

Van Andel had hundreds of usernames and passwords stored in a password manager, which can improve personal security as it eliminates the need to track passwords for dozens of online accounts.

The problem was that he didn’t have two-factor authentication for

the password manager itself.

Two-factor authentication is a way of using something more than a password—a code generated by an app on your phone or sent via text message, for example—to lock up your accounts.

Not having two-factor authentication can make your life easier, but if you’re paranoid, make sure that it’s turned on.

The background

One of the really shocking things about Van Andel’s story is the fact that after the hacker got a foothold on his

personal computer, he dumped the contents of Van Andel’s password manager online.

That made the attack worse, as it allowed anyone who could see his logins and passwords to break into various accounts.

Many people might not realize that a lot of passwords they use frequently already are available online, stolen in data breaches.

Password managers or some operating systems can flag when your passwords are exposed online and help create unique passwords that can then be stored.



Most important

Think twice when a website offers to remember you.

Hackers have recently ramped up the theft of what are called session cookies, according to the FBI. These are files that are stored by your browser and save you the annoyance of logging in every time you need to read a Gmail or check up on Facebook.

▲ **A hacker’s email to former Disney employee Matthew Van Andel.**

Often they are good for a fixed period, like a week or a month. But once a hacker gets on your computer, they can use them to gain access to websites that require two-factor authentication.

A session cookie gets created

whenever users click “remember me” while logging into a website. The FBI’s Daniel Polk says that users should be very careful about

using them on sensitive websites. “Think twice before clicking ‘remember me’ on that check box,” he said.

Final caution

The antivirus software that comes with Windows, called Microsoft Defender, is an excellent product, but it can’t protect you from everything. It didn’t discover that an AI plug-in from GitHub that had positive reviews and seemed to work was actually malicious software (it was a Trojan Horse).

Van Andel tried out another product, Bitdefender, and it found the Trojan Horse immediately. If you’re concerned, downloading some free antivirus software for a quick scan and a second opinion isn’t a bad idea; you just don’t want to be running two products all the time. And if you’re uncertain about the safety of a plug-in or some free software, ask yourself whether it’s worth the risk.

PERSONAL JOURNAL.



Academy Awards host Conan O'Brien had fun satirizing 'Deadpool & Wolverine,' 'Dune: Part Two' and other 2024 movies on Sunday on the stage of Los Angeles's Dolby Theatre.

Oscars Show Love for 'Anora' and L.A.

Indie drama wins five awards, including best picture and actress, on a night that celebrates the fire-ravaged city

"Anora" was the runaway success of the night, with five total awards, including best picture. Star Mikey Madison won for best actress, and director Sean Baker hit the stage four times, including best director, best original screenplay and best film editing.

By John Jurgensen, Ellen Gamerman and Ashley Wong

The independent film's sweep capped an Oscars race filled with controversies and debates about moviemaking, and the night marked a celebration of Los Angeles after wildfires ravaged the city

in January. A montage of films set in L.A., from "The Big Lebowski" to "Mulholland Drive" to "La La Land," opened the show as a love letter to the center of American filmmaking. Then "Wicked" co-stars Ariana Grande and Cynthia Erivo launched into a series of performances from "The Wizard of Oz," "The Wiz" and "Wicked" that had everyone in the audience on their feet. Conan O'Brien debuted on the Oscars stage with his signature self-deprecation, jabs about Netflix price increases and the 3½-hour run time of "The Brutalist." "I didn't want it to end—and luckily it didn't," O'Brien said.

Adrien Brody won best actor for "The Brutalist," playing a Hungarian war refugee and architect who struggles with xenophobia, drug abuse and an imperious patron to build a massive structure with hidden significance. Brody won the same award 22 years ago for his role in another saga about a Jewish artist in the shadow of World War II, Roman Polanski's "The Pianist." The latest win marks a triumphant comeback for Brody, whose acting career wobbled in the years following his first Oscar. "It is a chance to begin again," Brody said of the award. "Anora," a genre-bending film

that was equal parts comedy, drama, road trip and love story, scored an undeniable victory with its five awards. Mikey Madison scored an upset win over Demi Moore ("The Substance") for her portrayal of Ani, a sex worker in a community filled with Russian immigrants in Brooklyn, N.Y. "I grew up in Los Angeles, but Hollywood always felt so far away from me, so to be here standing in this room today is really incredible," said Madison, 25. Zoe Saldana won the Oscar for supporting actress for her performance as a lawyer who helps with the gender transition of a trans-

gender drug lord in the musical drama "Emilia Pérez." She thanked French director Jacques Audiard, Netflix and "my husband, with that beautiful hair." (The camera panned to a man with a golden mane.) She said she is the first American of Dominican origin to win an Oscar. Kieran Culkin notched the night's first award for best supporting actor for his performance in "A Real Pain," the first Oscar win for the former child actor and "Succession" star, who crackled with unpredictable energy in Jesse Eisenberg's film about two cousins exploring their proud but painful family history in Poland.



Mikey Madison was best actress for 'Anora.'



Cynthia Erivo and Ariana Grande performed the opening act.



Adrien Brody won a second best actor prize for 'The Brutalist.'

There's No Need to Fret Over EU Travel Authorization Yet

By Allison Pohle

The United Kingdom has already unveiled its travel authorization system. European countries have also said they will require travelers to register in advance of their trips. Many people are wondering when the application will go live. Short answer: The launch date is still TBD. The European Commission, which is the EU's executive arm, said in February that both the entry-exit system and travel authorization programs aren't due to start until later in 2025. Remember, there is a difference between these two protocols. The entry-exit system will come first. That doesn't require any advance action on your part.

But, once you arrive at the border of any of the 29 European countries using the system, you will have your face and fingerprints scanned and logged in a new digital-registration system. These countries are the 29 in the Schengen area, such as Italy, Greece and Spain. This isn't optional. If you refuse to have fingerprints scanned or a photo taken, you will be denied entry into the country. This registration will happen every time travelers cross external borders and will be in lieu of stamping passports. The European Commission has said this step will happen first and will be in place for a few months before ETIAS, the travel authorization, launches. ETIAS stands for the European Travel Information and Authorisation System.

Registration will happen every time travelers cross external borders.



This requirement is for travelers who don't need a visa, meaning many U.S. vacationers headed to the 30 European countries that will require it (the 29 Schengen countries plus Cyprus). The authorization isn't a visa. When you apply, you will need to provide your passport information,

address, occupation, past criminal convictions and information about prior travel to conflict zones. Heathrow travel If you are only connecting at Heathrow and won't go through border control, you don't need the U.K. travel authorization.

European countries have said they will require travelers to register in advance. In January, the U.K. government announced a temporary exemption for passengers who transit airside, following feedback from the aviation industry. It said the exemption mainly covers Heathrow and Manchester airports as they are the only UK airports that offer transit facilities Southwest on search Southwest flights will now appear in search results on Expedia Group sites. These brands include Expedia, Travelocity, Hotwire, Orbitz and CheapTickets. Previously, the airline didn't list its inventory on online travel search sites. These travel tips first appeared in the WSJ Travel newsletter. Get more at wsj.com/newsletters.

ARTS IN REVIEW

ART REVIEW

Masculine Works by a French Master

An expansive show at the Getty shows how the Impressionist Gustave Caillebotte recorded his male subjects

By Karen Wilkin

Los Angeles
On Sept. 19, 2011, the front page of the Boston Globe featured a painting of a nude man, seen from behind, towel-drying. The paper stressed that the Boston Museum of Fine Arts was deaccessioning works to acquire the “Impressionist masterpiece,” noting its importance and rarity. “Every great museum in the world would want this picture,” the MFA’s director said. The painting? “Man at His Bath,” 1884, by Gustave Caillebotte (1848-1894), the wealthy artist, yachtsman, boat designer, soldier, philatelist and horticulturalist, who, his other pursuits notwithstanding, was a dedicated painter who exhibited with his friends, the Impressionists, and collected their work. Since Caillebotte didn’t need to support himself through sales, he had no dealers to promote his efforts, so until fairly recently, he remained little known. But he was a significant member of the Impressionist circle, a daring, accomplished painter with a gift for composing with subtle geometry. After his early death, he left his once controversial, now treasured collection to the French state.

“Man at His Bath” is among many high points of “Gustave Caillebotte: Painting Men,” now at the J. Paul Getty Museum. Organized by Scott Allan of the Getty, Gloria Groom of the Art Institute of Chicago (where it will be seen next) and Paul Perrin of the Musée d’Orsay (where a version of the show was presented last year), the illuminating, exhilarating exhibition is a joint project of the three institutions. It assembles about 90 paintings and drawings from international public and private collections, some rarely seen, plus family photographs. The thematic installation includes suavely painted chronicles of family and friends, acutely observed records of modern life, and fiercely stroked celebrations of boating and brilliant light. The result is revelatory of Caillebotte the artist, the society he lived in and the challenges he issued to it.

“Impressionism” conjures up images of women: chic *parisiennes*, elegant theater patrons, exhausted laundresses, ballet dancers and nudes at their toilette. Caillebotte shows us his own male-dominated world. One of four brothers, he attended all-male schools, served in the army and, like many of his friends, was a lifelong bachelor. Many of his paintings, like “Man at His Bath,” reverse conventional expectations: Here we see a sturdy male body turned away from us, rather than a complaisant female displayed for the delectation of male viewers. Caillebotte painted not dancers but laborers, such as the three hardworking men, stripped to the waist, in the cool light and tipped space of “Floor Scrapers” (1875), their muscular arms emphasized by the converging lines of the floorboards and scatterings of wood shavings. (Preparatory drawings and a small study let us see how Caillebotte tightened and sharpened the final composition, turning the third figure and putting the main ones closer to the bottom.)

Paintings of men paddling skiffs, swimming or rowing, in a



Clockwise from top: Caillebotte’s ‘Floor Scrapers’ (1875); ‘Angling’ (1878); and ‘Boating Party’ (c. 1877-78). The painter singularly captured the society he lived in and the men who passed through it.

section devoted to boating and leisure, contrast athletic bodies with dappled green foliage and flickering water. We are thrust into the boat with the robust oarsman in the confrontational “Boating Party” (c. 1877-78) in a kind of reversal of “Floor Scrapers”: outdoors instead of in, leisure instead of work, pulling instead of pushing, with the fully clothed protagonist (why in a top hat?) facing us instead of bending forward. Yet both can be seen as images of modern masculinity, an attribute then apparently much considered, in the wake of France’s humiliating defeat in the Franco-Prussian War.

Signs of urban modernity in Paris, such as the massive steel girders of the Pont de l’Europe, the bridge over the railroad tracks near the Gare St-Lazare, along with the new buildings and broad streets of the recently transformed city, provoked several paintings. In some, men, backs turned, gaze out of windows and

lean over balconies to contemplate vertiginous spaces. The expanse of wet cobblestones in “Paris Street, Rainy Day” (1877) is as much the subject as the smartly clad pedestrians, with their umbrellas. Those wide boulevards were themselves emblems of modernity, replacing old buildings and narrow streets.

Caillebotte’s portraits of his male friends, mainly members of his own class, are formally at the opposite extreme of works like “Floor Scrapers” or “Paris Street, Rainy Day.” Devoid of expansive space, intimate to the point of being slightly uncomfortable, they place us knee to knee with the sitters. The most ambitious is the group portrait “The Bezique

Game” (c. 1881) with five men in a loose pyramid of black clothing around a green-topped table, intent on playing or watching; another, barely visible, leans back on a sofa that we recognize from other works.

The exhibition ends in a crescendo with light-filled paintings of boating and sailboats. Perhaps the most remarkable is “A Boat Race,” with its vertical ochre masts, sharp slices of white sails and thickly painted zigzag reflec-

tions, but the entire group attests to Caillebotte’s constant experimentation with new spatial concepts and audacious cropping. And there’s an excellent catalog.

A caveat for those finding coded allusions to Caillebotte’s sexuality in his paintings of men; nothing is known. Any assumptions must be tempered by his having a close lifelong female companion and by his largest work, a reclining female nude, which he never exhibited.

Gustave Caillebotte: Painting Men
J. Paul Getty Museum, through May 25

Ms. Wilkin is an independent critic and curator.



CLOCKWISE FROM TOP: MUSEE D'ORSAY; BRIDGEMAN IMAGES; CAROLINE COVER; ART RESOURCE, NY; MUSEE D'ORSAY

SPORTS

The Sixers’ Process Takes a Big Hit

Joel Embiid will miss the rest of the season with an injury and the Philadelphia 76ers’ future looks as bleak as the past

By ROBERT O’CONNELL

It’s been more than a decade since the Philadelphia 76ers embarked on one of the strangest team-building odysseys in the history of professional sports.

Nicknamed “The Process,” the plan called for the Sixers to lose...and lose, and then lose some more. The idea was that all those regular-season losses would mean higher draft picks, which would eventually mean a franchise player for Philadelphia to call its own.

After years of futility—and changes in front-office regimes—the plan seemed to have paid dividends. Joel Embiid, the star center drafted in 2014, became one of the NBA’s best players. He led the Sixers to multiple postseason berths and won the 2023 MVP award.

But Embiid has been as fragile as he’s been dominant, missing stretches of time and hobbling through games with an assortment of injuries. And Friday afternoon, the Sixers announced that Embiid—who had appeared in just 19 of the Sixers’ 58 games this season—would miss the remainder of the year due to ongoing issues with a left knee injury.

“The team and specialists will continue working with Joel to ensure the best path forward for his long-term health and performance,” the 76ers said in a statement.

The reality is likely more grim. Embiid has dealt with a long list of lower-body ailments over the years, and 7-footers with long injury histories tend not to become healthier in their 30s.

In all likelihood, the Sixers have already seen the best of Embiid, meaning that Friday’s news could signal the beginning of the end of a tumultuous era in Philadelphia—and one that leaves the franchise exactly where it was when it launched the Process all those years ago.

It isn’t just that Embiid, who will turn 31 this month, will end



MATT SLOCUM/AP

The Sixers said Joel Embiid would miss the remainder of the year due to ongoing issues with a left knee injury.

up playing just 58 of a possible 164 games over the last two seasons—continuing a trend that has seen him miss 45% of Philadelphia’s games since the night he was drafted. It’s that those missed games are now costlier than ever.

Only five months ago, 76ers president of basketball operations Daryl Morey made Embiid one of the wealthiest athletes in the

world by signing him to a September contract extension that will pay him an eye-popping \$193 million over three seasons. In 2028-29 alone, if he picks up a player option, he will make nearly \$70 million. And if there’s anything worse in the NBA than having a terrible team, it’s being locked into expensive players when you’re not winning.

When healthy, Embiid has demonstrated his abilities as a next-generation center who can throw down dunks and hoist 3-pointers. Over the summer, he won a gold medal with Team USA, seemingly ready to make another charge at an elusive NBA championship.

The problem for the Sixers is that Embiid’s spectacular talent and spotty health record com-

bined to leave them in a tough spot. On the court, he was a true grade-A superstar—the most precious commodity in the NBA, and exactly the sort of player the franchise had endured a dismal chapter to attain. But paying him the salary that kept him in Philadelphia meant that, if anything went wrong, the Sixers had a chance to end up right back down in the NBA’s cellar.

Teams often award players massive contracts knowing that the last years of those deals may be overpays; the expectation is to get the most out of the best years, on the front end, before paying a premium as the talent tails off. But from the very beginning of this season, something was amiss with Embiid. In October, Morey told ESPN that his star player wouldn’t play “back to backs,” the league’s term for two games in two nights.

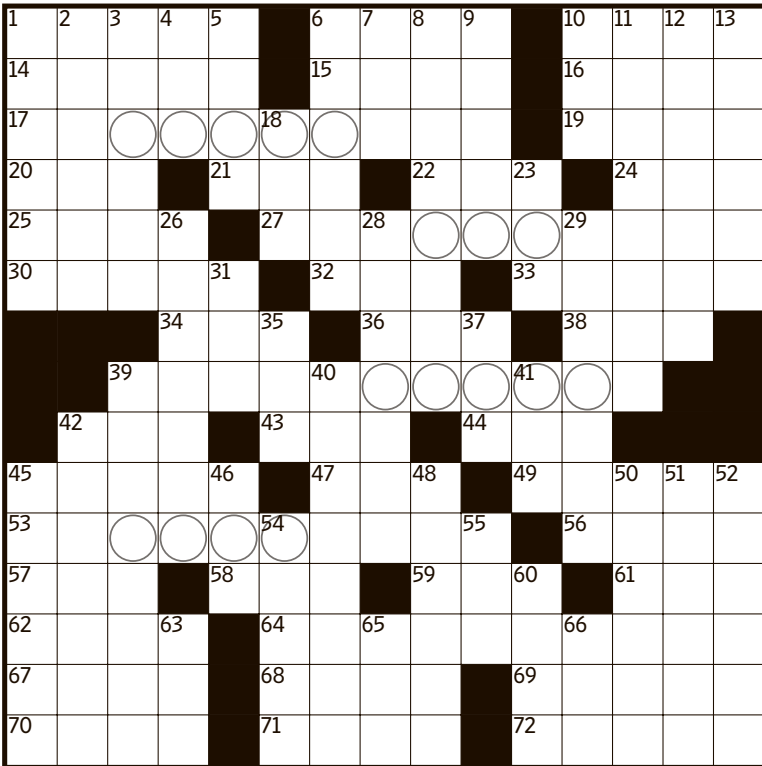
The season began with Embiid and Paul George, the 9-time All-Star signed to ride shotgun to Embiid on the championship chase, missing the team’s opening stretch of games. The league fined the team for its reporting of Embiid’s health issues.

And when Embiid finally did return to action, he was hardly the dominant force who had scored 70 points in a single game last season. He struggled through games as the Sixers, now 20-38, sank in the standings. A week ago, Embiid missed nine of 13 shots as Philadelphia fell to the lowly Brooklyn Nets. It would be his last game of the season.

Embiid is so synonymous with the plan that brought him to Philadelphia that he’s used “The Process” as his own nickname. The hope was always that there would be a happy ending, that one of the most infamous teambuilding ploys in sports history would turn out to be worth all the suffering.

Now, as the franchise prepares for another potentially harrowing stretch, it can take solace in one thing: At least it’s had plenty of practice.

The WSJ Daily Crossword | Edited by Mike Shenk



- 28 Colonist
- 29 Devoid of comforts
- 31 Neither partner
- 35 High spirits
- 37 Pointer’s pronoun
- 39 Oddly-named horse-drawn vehicles
- 40 Squid on trattoria menus
- 41 The Trojans’ sch.
- 42 Milan opera house
- 45 Pawn for the Olympic gods
- 46 Betray sorrow
- 48 Heavily built
- 50 Basketball legend Julius
- 51 Afternoon nap
- 52 Connecting cord
- 54 Sulky puller
- 55 Affirmative in “Fargo”
- 60 Lose brightness
- 63 Prize for the winning hand
- 65 Kamala’s 2024 running mate
- 66 Passing craze

HOOKED | By Mike Shenk

- Across**

 - 1 Long-tailed parrot
 - 6 Workplaces for chemists
 - 10 Items on an airport carousel
 - 14 Conductor Seiji
 - 15 Debt voucher
 - 16 Not busy
 - 17 Law student’s struggle, informally
 - 19 Nanny on a farm
 - 20 Building wing
 - 21 Singer Lipa
 - 22 Bring to a close
 - 24 Six-legged worker
 - 25 Poor grades
 - 27 The Hustle or the Robot, e.g.
 - 30 Glossy fabric
 - 32 Got together
 - 33 Radio dial
 - 34 Perp pursuer
 - 36 Slinky or sock monkey, e.g.
- 38 Bro’s sibling
 - 39 Beeline, say
 - 42 “u r 2 funny!”
 - 43 Buddy
 - 44 Press into service
 - 45 Tricky activity?
 - 47 Jazz bandleader Elgart
 - 49 Colgate rival
 - 53 Annual event for movie fans
 - 56 City of northwest Pennsylvania
 - 57 Onetime owner of NBC
 - 58 Veggie on Thanksgiving menus
 - 59 Clumsy fellow
 - 61 Hound healer
 - 62 Coverage during a rain delay?
 - 64 Have success angling, and what this puzzle’s theme answers do
- Down**

 - 1 Scooters’ cousins
 - 2 Flowering shrub
 - 3 Smooth-coated pill
 - 4 Reverent wonder
 - 5 Division of a city or hospital
 - 6 Bar mitzvah toast
 - 7 Exclamation of insight
 - 8 Line through the middle of a circle
 - 9 Dictation pro
 - 10 Significant
- 11 “Oklahoma!” character who sings “I Cain’t Say No”
 - 12 Little ganders?
 - 13 Volleyball position
 - 18 Mouthful for Bossy
 - 23 Pesticide banned since 1972
 - 26 Italian island, to natives
 - 67 Member of the choir
 - 68 Composer Satie
 - 69 “Inferno” author
 - 70 Ultimate
 - 71 Covered with frost
 - 72 Painter Degas

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

There Is New Thinking On Concussions in Sports

By LOUISE RADNOFSKY

Thirty years ago, Dr. John Leddy was treating athletes at the University of Buffalo when he became frustrated with the conventional wisdom around concussions.

The prevailing view back then was that concussed athletes should do very little activity until their symptoms had passed. But Leddy had found a couple of problems with that approach.

For one, many symptoms such as headaches can show up for reasons that have nothing to do with concussions—meaning that doctors were keeping people out of action for longer than necessary. Also, and just as seriously, the athletes were completely miserable.

“They have a reaction of depression to sitting around and doing nothing which magnifies everything else,” Leddy said.

It didn’t make a lot of sense to him or his colleague Dr. Barry Willer, a brain injury expert, and so they developed a different tack to get their patients back on the field as quickly and safely as possible.

“If people can be rehabilitated to return to exercise after a heart attack, why not take the same approach to the brain and find out how much exercise someone could do before their brain symptoms of concussion went up more than mildly?” Leddy said.

In the past 2½ years, Leddy’s hypothesis has become a global consensus: mild to moderate aerobic activity starting soon after a concussion isn’t just OK. It actually boosts recovery.

“Strong evidence exists regarding the benefits of physical activity and aerobic exercise treatment as early interventions,” concluded the 6th International Conference on Concussion in Sport, held in Amsterdam in October 2022. “The best available evidence shows that recommending strict rest until the



NICK WASS/AP

Capitals goalie Charlie Lindgren, left, suffered a head injury after a collision with the Canadiens’ Nick Suzuki on Jan. 10.

complete resolution of concussion-related symptoms is not beneficial.”

In other words, Leddy says, “You give them a dose of exercise as medicine.”

Still, that message hasn’t really trickled through to athletes at large. Plenty of teenagers and weekend warriors continue to receive the old advice that they should do nothing at all. The result is that many high school soccer players, for instance, sit out to their detriment. Clinical data suggests that the effects on girls is particularly negative.

“I always tell my patients that gone are the days where we do cocooning, where you put a patient in a dark room for two weeks and say, ‘Okay, come out when you’re better,’” said Alexander Kheradi, a doctor in the MedStar Georgetown University Hospital Departments of Emergency and Sports Medicine and a team physician for the Washington Capitals.

Kheradi said he came across an article by Leddy in 2019, and has run with it ever since. He advises laying off only for the first 24 to 48 hours after the concussion.

The idea is for patients to then get on a stationary bike, elliptical or treadmill. Those

workouts present little risk of a second concussion, and using equipment means less jostling of the recovering brain. The goal is for patients to get their heart rate up to 50% of the maximum age-predicted rate.

What isn’t recommended are anaerobic exercise, such as lifting weights, or the activity that led to the concussion in the first place. Doctors say a patient should be completely recovered before returning to competition. The difference with this approach is that the layoff doesn’t have to cost the athletes conditioning.

While Leddy was able to prove with clinical trials that “the Buffalo Protocol,” as it is known, could be safe and effective, it isn’t exactly clear how it works. But Kheradi believes that the combination of increased blood flow to the brain, the quicker return to a routine, and generally being happier have tangible benefits.

“If we can give them something to kind of hold on to, I think, I think it goes a long way,” he said. “The worst thing you can do in concussion management is have the patient just tread water.”

OPINION

Is Civility Possible Again?



INSIDE VIEW
By Andy Kessler

The hits keep coming from Donald Trump: “Governor Justin Trudeau of the Great State of Canada.” To Ukrainian President Volodymyr Zelenskyy: “I don’t think you’d be a tough guy without the United States.” “CLINKERS.” “Ratings Challenged NBC and MSDNC.”

On cue, there are calls from the media for civility. Now? We have a long history to overcome. Mark Twain, a 29-year-old San Francisco-based opinion columnist for a Nevada newspaper in 1865, was spewing venom, saying of the police, “Wax figures, besides being far more economical, would be about as useful.” Pianist and comedian Oscar Levant in 1940 said of his morning routine, “First I brush my teeth and then I sharpen my tongue.” Same.

Incivility became a favored tactic for activists. In 1971 Saul Alinsky wrote “Rules for Radicals,” which became the bible for the Obama and Biden administrations. Rule 5: “Ridicule is man’s most potent weapon.” Rule 13: “Pick the target, freeze it, personalize it, and polarize it.” Rude, but effective.

I doubt Mr. Trump read the book, but he was self-taught on “The Apprentice” and has gotten sharper at it.

It’s infectious. Comically, by the early 2000s, many Americans got their “news” from Jon Stewart’s “The Daily Show” on, yes, Comedy Central.

I’m OK with divisions and disagreements. They’re healthy, and it’s where great ideas emerge from. But civility is often lacking. Why? NBC producer Don Ohlmeyer, when asked about the problems with sports, replied, “The answer to all your questions is money.” Now it seems, the answer to all your questions about the loss of civility (which we probably never had) is social media.

Not so fast. The crumbling mainstream media is no shining light on the hill, having lost a lot of credibility over the past five years. Think Russian collusion, Covid lockdowns and identity-politics cheerleading. Throw in loss of civility. Last month CNN’s Anderson Cooper told former New Hampshire Gov. Chris Sununu “Don’t be a d—.” Mr. Cooper later apologized.

In 2017 the Washington Post cited Godwin’s Law: “As an online discussion continues, the probability of a reference or comparison to Hitler or Nazis approaches 1.” In 2016 the Post’s website ran this headline: “Don’t compare Donald Trump to Adolf Hitler. It belittles Hitler.”

It’s getting worse. A case in point is ABC’s “The View,” which as far as I can tell is a gaggle of Greek mythology’s human-tormenting screeching

harpies with a TV show—yes, that’s very uncivil of me to say. Last October, co-host Joy Behar said of Mr. Trump’s comments on immigrants, “It’s the same language that Hitler used.” On Mr. Trump, she followed up with, “If people still follow this fascist pig, then I don’t know what else to say.” If only.

Television is a shallow medium. The running joke is that TV is 75 inches wide and barely an inch deep. Many podcasts, if you have

The trick isn’t to fight fire with fire. Instead, you ought to fight clever with cleverer.

time to sit through hours of babbling, are much the same. I’m convinced that writers have a secret superpower over live formats: We have a backspace key. (You’ll never see the first draft of what I really think about “The View.”)

Like sports, opinions are increasingly a meritocracy and democratized across many platforms. X. Substack. TikTok. New voices emerge. Some ruder than others, but they are still being heard. Get used to it.

As for social networks, I’ve labeled X a cesspool of snark many times, which is why I enjoy it. It’s a meritocracy for clever folks with too much time on their hands.

I’ve also been on the receiving end of hate—it comes with the territory, I suppose. A column against wealth taxes brought hundreds of guillotine tweets. When I wrote about the homeless, I often get physical threats. And I can’t even repeat the vile responses received when I wrote about diversity demands or anything involving identity politics. Neither side, it seems, can abide by civil discourse.

To push back against on-line bombast, don’t fight fire with fire, like complaining about tweeters in pajamas living in their parents’ basement. Instead fight clever with cleverer. If Mr. Trump says you’re “as dumb as a rock,” hit back with a “Breaking Bad” reference, “They’re minerals!” I think you’d gain his respect.

Is it over? Is society so depraved that life will never be civil again? In January, this paper quoted Jacob Mchangama, founder of Justitia, blaming cancel culture on “our species’ hardwired tendencies toward tribalistic behavior and the self-righteous urge to punish outgroups who transgress taboos.”

Your taboo is my ballyhoo. Tribalism and self-righteousness are hard to combat, but not impossible. It has to start early and locally, in our education system and within our families and communities, to instill a sense of civility. Maybe someday.

Write to kessler@wsj.com.

BOOKSHELF | By Melanie Kirkpatrick

A Game Of Subversion

Propaganda Girls

By Lisa Rogak

St. Martin’s, 240 pages, \$29

When my mother was asked why she joined the Navy during World War II, she would reply: “We were at war. I had to do something.” Mother was one of 100,000 women who enlisted in the Waves—Women Accepted for Volunteer Emergency Service—established for the purpose of replacing male workers, who were thereby freed to fight. Decades later, women who served their country in manifold ways during World War II would become the subjects of numerous novels and histories.

Lisa Rogak’s “Propaganda Girls” chronicles the stories of four women who worked for the Office of Strategic Services (OSS), predecessor of today’s CIA. Ms. Rogak is the author of many books, including biographies of Rachel Maddow, Jon Stewart and Stephen King.

One of the missions of the OSS was to create, produce and disseminate propaganda that would demoralize enemy soldiers and civilians. The women of “Propaganda Girls” worked in Morale Operations, the department that produced leaflets, posters, radio broadcasts and other media that “appeared to come from *within* the enemy country, either from a resistance movement or from disgruntled soldiers and civilians,” Ms. Rogak writes.

The objective was to make the enemy decide that Hitler and Hirohito weren’t worth fighting for anymore—to cause soldiers to surrender and civilians to despair or even resist.

Verisimilitude required that a fake newspaper, say, be printed on paper from the targeted country and that radio scripts include local slang and references to local institutions or happenings. “If there were any doubts,” the author notes, “Allied soldiers could be at risk.”

William “Wild Bill” Donovan, who in 1942 founded the OSS, liked “quirky” people, the author reports, and the four operatives of “Propaganda Girls” had personal backgrounds that were unusual for women in the 1940s. Betty MacDonald was a Japanese-speaking society reporter for the Honolulu Star-Bulletin. Barbara “Zuzka” Lauwers grew up in Czechoslovakia, spoke five languages and was a private in the U.S. Army. Jane Smith-Hutton, the wife of a naval attaché at the U.S. embassy in Tokyo, spoke Japanese and had delved deeply into Japanese culture. Marlene Dietrich, a German-American, was the big-name movie star known for her sultry persona.

The work the women produced for the OSS ranged from the sublime to the ridiculous. In the latter category was toilet paper featuring the image of Adolf Hitler, which OSS agents delivered surreptitiously to German latrines. The TP was the brainchild of Lauwers and her co-worker Saul Steinberg, who would later win fame for his New Yorker cartoons.

Smith-Hutton came up with the idea of creating a fake version of Japan’s pocket-size code of military conduct. While the real manual ordered soldiers to fight to the death, Smith-Hutton’s version informed them that surrender was an honorable act.

Drawing on a propaganda campaign that had been successful against German troops, MacDonald designed a program to plant worries in Japanese soldiers’ minds about whether their wives and girlfriends back home were being faithful to them. MacDonald produced radio scripts and newspaper articles describing a fictional program—supposedly introduced by the Japanese government—ordering women, single or married, to get pregnant “by any means possible” so as to honor the emperor by increasing the population.

Goebbels tried to recruit Marlene Dietrich to star in German films. Instead she worked with U.S. intelligence to undermine Hitler’s regime.

Dietrich’s work for the OSS exploited her fame in her homeland, where she was so popular that Joseph Goebbels, the Nazis’ chief propagandist, had tried to recruit her to star in German films. Instead she signed up to entertain the Allied troops in the European theater. In 1944 Donovan enlisted her for the top-secret Project Muzak, which delivered broadcast news and entertainment to German soldiers and civilians.

Dietrich’s role was to sing, in German, popular songs whose lyrics had been changed—often by Dietrich herself—to discourage and dishearten German listeners. The new lyrics of the formerly upbeat “Taking a Chance on Love” told of lovers who “will never meet again” and referred to “a cross on a grave.” Another song, equally depressing, was sung from the point of view of a soldier who knows he will lose his girlfriend and his life.

Ms. Rogak’s prose is serviceable but far from sparkling. Her narrative sometimes reads like a series of bullet points that have been strung together. But not always. The first chapter, which recounts, from MacDonald’s perspective, the Japanese bombing of Pearl Harbor, makes that familiar story fresh again. The day had begun as “just another Sunday morning on Oahu,” Ms. Rogak writes, describing MacDonald’s incredulity that Honolulu was under attack. “Had she imagined the explosions? Maybe it was a drill after all.”

Also gripping is the author’s account of Smith-Hutton’s imprisonment, for 6½ months, in the American embassy in Tokyo. Reminiscent of Scarlett O’Hara in “Gone With the Wind,” Smith-Hutton repurposed the embassy curtains into winter clothing. She and the other internees would not be released until June 1942, when a Swiss diplomat arranged for their freedom in exchange for Japanese citizens held in the U.S.

Each of the four women in “Propaganda Girls” had her own reasons for joining the OSS. MacDonald was sick of writing for the women’s pages and longed for professional challenges. Lauwers craved adventure. Smith-Hutton hated the Japanese war machine that had held her captive and was defiling the culture she admired. Dietrich reviled the Nazis.

But they all shared a deep patriotism and a desire to serve their country. In words nearly identical to those of my mother, Dietrich said it well: “I couldn’t do much, but I had to do *something*.”

Ms. Kirkpatrick, a senior fellow at the Hudson Institute, is a former deputy editor of the Journal’s editorial page.



AMERICAS
By Mary Anastasia O’Grady

Why did Argentine President Javier Milei put a federal judge with a weak résumé and a reputation for assisting corrupt politicians on the country’s Supreme Court last week? Even the president’s supporters are having a hard time explaining a move that goes against Argentina’s pressing need for the rule of law.

Mr. Milei’s nomination of Judge Ariel Lijo to the high court last year met a barrage of objections from legal scholars. I described some of those objections in a May Americas column, “Milei’s Supreme Court Misstep.” They included a complaint against Judge Lijo filed by the Buenos Aires City Bar Association and two nongovernmental organizations after an audit by Argentina’s Council of Magistrates of excessive delays of corruption investigations.

The Senate didn’t take up the nomination, but Mr. Milei stuck with his pick. Earlier this month, in an extraordinary session, the Lijo nomination failed to make it out of a Senate committee. Shortly thereafter, with the Senate in recess, the president used an executive decree to designate Judge Lijo and Manuel García-Mansilla, a well-respected law professor, to fill two empty Supreme Court seats.

The Buenos Aires City Bar

Association called the recess appointment of Judge Lijo “particularly reprehensible” and a “sad day” for Argentina. In reference to the Senate’s refusal to confirm the nomination, the association said: “The overwhelming rejection of Lijo has no precedents; his notorious lack of qualifications for such a high office, both technically and morally, was made evident over the course of a year.” Judge Lijo denies any impropriety.

Opposition to the nomination from the Argentine right and institutionalists is strong. Many who support the Milei agenda begged the president to choose a candidate who could be confirmed by the Senate. Mr. Milei’s decision to plow ahead suggests that Judge Lijo is somehow important to his reforms. Yet it also contradicts his commitment to cleaning out the crooked political elite that has done so much damage to Argentina as a destination for capital.

Through the end of January, Mr. Milei’s approval rating hovered in the mid 40% range. That’s below the 56% of the vote he won in October 2023. But it’s higher than his most recent predecessors enjoyed at the same time in their administrations.

Mr. Milei’s political capital has been largely preserved because he has delivered on the most immediate voter expectations. While annualized inflation is expected to finish the year around 25%, that’s down sharply from 211% in 2023. Spending cuts, deregulation and greater optimism

generated by his pro-market rhetoric have led the economy out of recession. The nation may pay later for an overvalued peso, but for now the strong currency is giving the middle class the opportunity to travel abroad.

The Milei brand also has international cachet. He wowed the crowd at the Conservative Political Action Conference near Washington

First he endorsed a meme coin that spiked and collapsed. Now a shady judge.

last month when he presented an outside chain saw to Elon Musk onstage. The head of President Trump’s Department of Government Efficiency declared it “the chain saw for bureaucracy!” The trip included a brief meeting with Mr. Trump, who now seems to tell Mr. Milei what to do in global matters. The Argentine once backed Ukraine against Russia, but his government abstained last month when it had a chance to denounce Vladimir Putin’s invasion at the United Nations.

Mr. Milei’s self-confidence may have increased when he dodged a Senate investigation for his role in the boom and bust of a meme coin called \$Libra. On the evening of Feb. 14 he endorsed viralibertadproject.com, which, he wrote on X, aimed to raise money by launching the coin. His X

post included the identification number necessary to buy \$Libra.

According to TRM Labs, a website that monitors and investigates fraud and financial crime in the crypto space, “\$LIBRA market capitalization reached about \$4.5 billion. “However, within three hours of the initial post by President Milei,” its “value plunged by about 89 percent.” Around 12:30 a.m. on Feb. 15, Mr. Milei unendorsed \$Libra on X: “I was not aware of the details of the project and after having become aware of it I decided not to continue spreading the word (that is why I have deleted the tweet).”

The rout had all the hallmarks of a scam in which developers provoke a buying frenzy and then cash out before an unsuspecting public figures out it’s been had. A criminal investigation is under way. Nevertheless, by the time the president returned to Argentina from the U.S. on Feb. 23, a Senate investigation of “cryptogate” had been blocked by one vote.

Judge Lijo must resign as a federal judge before he can move to the high court. His recess appointment will end next year without Senate confirmation, which seems unlikely. So he’s trying to get an unprecedented leave of absence. More rule bending.

The Senate is back in session this week and can still revoke the Lijo designation. But the question remains: Why is his appointment so crucial to Mr. Milei’s government?

Write to O’Grady@wsj.com.

The Night I Left Gene Hackman Alone

By Bob Greene

At a table near the back of a Chicago steakhouse years ago, Gene Hackman was having an early dinner with a friend. There was something I wanted to walk over and say to him, but then I thought: Nah. He deserves his privacy, and what I wanted to thank him for he’d undoubtedly heard 1,000 times before.

It was this: The beauty of his work in the 1986 film “Hoosiers,” in which he portrayed the coach of a high school basketball team in a tiny Indiana town, is something that first filled hearts throughout the Midwest and went on to do the same for people around the world. It still does.

The power of Hackman’s performance was that he became, in a secular sense, the patron saint of last chances—a coach with a shattered past

who in 1951 drives into the town knowing that within its borders lies his sole opportunity to salvage his life. There are many of us who know every line from that film, and every square foot of that town, and understand its lesson that a shot at glory and redemption can reside in the most unlikely and overlooked places.

I wanted to thank him for ‘Hoosiers.’ I’m glad I didn’t.

There are others in the town facing their own last chances: the alcoholic father of a member of the basketball team; the schoolteacher who has returned to help her ailing mother and wonders where her life will lead; the players on the team, whose longtime coach has died and

left them with a void; the town itself, not even big enough to appear on most maps of Indiana.

But it is Hackman who brings transcendence to the tale. For all the much-quoted lines in Angelo Pizzo’s impeccable screenplay, Hackman’s delivery of one in particular has little to do with sports. He has asked the alcoholic father—played by Dennis Hopper—to become his assistant coach. With one catch: that he get sober. “You can’t drink in front of these boys.”

Hopper’s character angrily resists: “I don’t have to hear that from you.”

Hackman quietly explains his reason for the requirement: “You’re embarrassing your son.”

It’s the way he says those four words—in a soft tone, with a gentle undercurrent of deep compassion—that illuminates Hackman’s genius as an actor. The words aren’t

spoken as an assault on the father’s dignity, or as an ugly taunt. They are meant to inspire, to show the dad how much rides on his willingness to change. Hackman turns those words into a herald of hope.

A performance, if it’s fine enough, can make an actor live forever. I’ve never regretted not intruding that evening when he was immersed in conversation with his friend, and now that he is gone, to quote another of his lines from the movie, “We’re way past big-speech time.”

In becoming Coach Norman Dale, he enriched the lives of people he would never meet. Near the end of the film he said to his players: “I love you guys.” I hope he knew that, for millions of us, the feeling was mutual.

Mr. Greene’s books include “Chevrolet Summers, Dairy Queen Nights.”

OPINION

REVIEW & OUTLOOK

Trump’s Old World Order

With his first weeks back in office, and especially after Friday’s Oval Office brawling with Ukraine’s president, it’s clear President Trump has designs for a new world order. Perhaps he could share this vision with the country when he addresses Congress on Tuesday.

The conventional view of Mr. Trump is that he’s above all transactional. He wants deals, at home and abroad, that he can sell as great successes. But the way his second term is unfolding, this may undersell his ambition. Mr. Trump’s strategy seems to be moving toward that of Tucker Carlson and JD Vance, who view America as in decline and no longer able to lead or defend the West.

* * * It seems clear that Mr. Trump wants to wash his hands of Ukraine. “You’re either going to make a deal, or we’re out,” Mr. Trump ordered Volodymyr Zelensky on Friday. This will embolden Vladimir Putin to insist on even harsher terms for a cease-fire deal. Mr. Trump seems mainly concerned with rehabilitating Mr. Putin in world councils, such as the G-7. He wants an early summit with the Russian, though Mr. Putin has made no concessions on Ukraine or anything else.

While he solicits Moscow, Mr. Trump is hammering traditional U.S. friends. He plans 25% tariffs on Canada and Mexico, in violation of his own USMCA trade deal, and his defense secretary has threatened to invade Mexico to pursue drug cartels. He wants to hit Western Europe with heavy tariffs on its autos, and slap reciprocal tariffs on the rest of the trading world.

These tariffs are harsher than those he has put on China. He is clearly courting Xi Jinping, the Communist Party boss, calling him a great leader and talking about a new mutual understanding. He has shown no similar interest in defending Taiwan, and he has said in the past that China can easily dominate the island democracy in a conflict. Watching Mr. Trump and Ukraine, the leaders of Taiwan and Japan should be deeply worried.

Meanwhile in the Americas, Mr. Trump has demanded control over the Panama Canal, which the U.S. ceded by treaty in 1999. And he wants Denmark to sell Greenland to the U.S. These moves taken together hint at a worldview that has long been the goal of American isolationists: Let China dominate the Pacific, Russia dominate Europe, and the U.S. the Americas. The Middle East would presumably remain a region of contention, a least until Mr. Trump does a nuclear deal with Iran.

Tariffs and the Slowing Economy

President Trump says tariffs will usher in a new era of American prosperity, but the U.S. economy isn’t sharing the anticipatory enthusiasm. A variety of indicators in recent weeks show a slowdown in first-quarter growth, which suggests this is an especially bad time to add new taxes and economic uncertainty.

Initial claims for unemployment benefits jumped 22,000 last week, while consumer spending slowed sharply in January. The housing market remains in mediocre shape. A surge of imports in January, as businesses try to get ahead of tariffs, suggests how companies are trying to hedge against border taxes.

All of this has moved the Atlanta Federal Reserve’s GDPNow growth estimate for the first quarter to -1.5%. That scorecard is volatile and changes as new real-time data arrive, but Wall

All of this would amount to an epochal return to the world of great power competition and balance of power that prevailed before World War II. It’s less a brave new world than a reversion to a dangerous old one.

Mr. Trump hasn’t articulated this, but some of the intellectuals surrounding him have. Elbridge Colby, nominated for the chief strategy post at the Pentagon, has argued that the U.S. must leave Europe and the Middle East to their own devices to focus on the Asia-Pacific. But Mr. Colby has also said that South Korea might have to fend for itself, and he said in a letter to us last year that “Taiwan isn’t itself of existential importance to America.”

Mr. Vance is the most vigorous promoter of the abandon Ukraine strategy, arguing that the war with Russia is little more than an ethnic dispute. Ross Douthat, the New York Times columnist who has become Mr. Vance’s Boswell, says the Vice President and President are merely “stripping away foreign policy illusions.” He says they believe America is “overstretched” and needs to “recalibrate and retrench.”

* * * Yet that isn’t what either leader is saying openly. Mr. Trump says he is making America great again, not retreating from the defense of freedom. He says he wants “peace,” but is it peace with honor, or the peace of the grave for Ukraine and accommodation to Chinese domination in the Pacific? And why isn’t he increasing defense spending?

If Messrs. Trump and Vance really are “stripping away” illusions, why not have the courage to say what those illusions are? Perhaps it’s because such retreat might not be as popular as vague promises of peace. And perhaps because American retreat might not be as peaceful as they think.

If Russia drives peace on its terms in Ukraine, look for Russia to invade elsewhere in the future and other stronger states to grab territory from their neighbors. Look for America’s allies to seek new trading and security relationships that don’t rely on the U.S. and might conflict with U.S. interests. Japan will have little choice but to become a nuclear power to deter China, and there will be others.

As Charles Krauthammer famously said, decline is a choice. Mr. Trump has an obligation to tell Americans what new order he thinks he is building. Then we can have a debate about his intentions and its consequences. Tuesday night would be a good moment to make his ambitions clear.

Street forecasters have also been reducing their growth estimates.

This isn’t cause for panic, but it is for tariff caution. Mr. Trump is promising to impose his 25% levies on Mexico and Canada this week, which will send auto and other North American supply chains into chaos. China gets hit with another

10% border tax, with European cars up next, followed by reciprocal tariffs on most of the world.

A tariff is a tax, and taxes impose costs that reduce economic activity. They also add uncertainty about where and how businesses should invest, as CEOs try to figure out where the tariffs will strike, on which goods, and for how long. Will there be exceptions?

If growth continues to slow, Mr. Trump can’t say he wasn’t warned.

Does he want deals with Russia and China to carve up the planet? He should tell Americans.

LETTERS TO THE EDITOR

Enlist Vets in the Battle to Boost Recruitment

In arguing for the need to reframe military service as “the ultimate test of strength, courage, and leadership” (“Bring Warriors Back to the U.S. Military,” op-ed, Feb. 25), Mike Gallagher offers sound advice for revitalizing recruitment. It comes at a critical time for the U.S. military and America’s role in the world.

Last year only 41% of U.S. adults said they are “extremely proud” to be American, near a record low. Generation Z has grown up in a world defined by economic uncertainty, polarized politics and global discord. These experiences have shaken their confidence in institutions and America. For most young people today, perceptions of military service have been shaped more by events like the disastrous Afghanistan withdrawal than jubilant World War II victory parades.

But there is an opportunity to reverse this trend. The U.S. military’s messaging must relentlessly focus on an America that wins. There are promising indications this message will resonate. The post-election AP VoteCast survey showed a 14-point margin for President Trump—whose mantra has been, “Are you tired of winning yet?”—among men ages 18 to 29, a core component of the recruiting pool. On this score, America’s vet-

erans must once again step up to do their duty. Through their own stories of service and sacrifice, our vets have an opportunity to help the next generation recognize the value of military service, take pride in our nation and have confidence that, yes, America is determined to win again.

JEREMY HUNT
Veterans on Duty
Washington

As a 27-year military veteran, I wholeheartedly agree with Mr. Gallagher’s call to re-energize the warrior ethos in the military. He accurately recognizes that veteran families are a valuable resource for a new generation of recruits. Yet I offer a word of caution. Mr. Gallagher urges the thinning of defense civilian ranks to make room for new uniformed members. Many of the “civilians” are military veterans charged with honing the lethality of our force. In schools and training commands, experienced veteran instructors provide the foundation for tomorrow’s warfighters. In reducing our federal workforce, a keen eye is needed to avoid also reducing our warrior heritage.

RONALD SHAW JR., USN (RET.)
Eads, Tenn.

The DIY Economy Needs Instruction Manuals

The sad underside of “The You-Do Economy” (Inside View, Feb. 24) that Andy Kessler describes is that many people are being left behind, not having the tools “to do.”

An example is “you do” planning for retirement. As most companies have gone to 401(k) programs in place of pensions, employees must make investment decisions that will significantly affect how much money they will have in retirement. The difference between an all-stock or mixed stock and bond portfolio can result in tens of thousands of dollars. The same with early withdrawals and re-investing versus not reinvesting dividends. The same skills are important for understanding loans, mortgages, credit-card debt and managing a checking account.

Very few public elementary or high schools teach financial literacy, being overwhelmed with trying to get through their existing curriculum. Students of first-generation parents rarely learn it at home. As a result many of them fail out of college because they’ve misspent their financial aid. There’s a reason most off-campus restaurants accept school cafeteria cards.

Society is forcing “you do” responsibilities without the requisite support, further widening the gulf between haves and have-nots. It’s one thing to figure out how to pump your own gas; it’s an entirely different thing for how to figure out your retirement planning.

JOSEPH P. PETITO
Bethesda, Md.

Putting Business Ethics on the Back Burner

Regarding “President Backs Off Enforcing Corporate Bribery Law” (Page One, Feb. 11). My partners, Carlyle Hall and John Phillips, and I represented shareholders who sued Northrop Corp. for illegally contributing \$150,000 to Richard Nixon’s campaign, much of which went to cover up the Watergate break-in. As the litigation unfolded, we learned that Northrop had laundered the money through a Swiss agent whom it had long used to launder domestic and foreign bribes and payoffs. The ensuing worldwide scandal implicated and ultimately toppled princes, prime ministers and generals.

The scheme triggered extensive Senate hearings in which Northrop and other American companies contended that forbidding such corrupt practices would greatly disadvantage American businesses in competing against their foreign counterparts, which could continue to bribe potential customers. Congress nonetheless

enacted the 1977 Foreign Corrupt Practices Act. Ever since, the Securities and Exchange Commission and the Justice Department have vigorously enforced it, providing American companies with a potent sales point: The quality of our goods and services is supported by the integrity of our business practices and the reliability of our books and records. No bribes or kickbacks are hidden in the dark corners of our accounting ledgers.

Now comes Donald Trump, who has ordered a pause in prosecuting FCPA violations by American companies. By pausing the law’s demand for ethical business conduct, Mr. Trump embraces a race to the bottom. American businesses will pay the price.

BRENT RUSHFORTH
Potomac, Md.

Trump Is No Bobby Fischer

In his Feb. 25 column “Trump’s Russia Policy Isn’t All That New” (Global View), Walter Russell Mead suggests that President Trump’s foreign policy is consistent with many of his predecessors’ and European counterparts’, but acknowledges the risk he is taking. The efforts will likely end as they always have: “Mr. Putin may well pocket all the concessions Washington offers him and then double down on both his alliance with China and his aggression with Ukraine.” Some MAGA supporters suggest that Mr. Trump is playing 3-D chess that we simply don’t understand. If he is successful, it’s more likely akin to the old saying: “Even a blind squirrel can find a nut every now and again.”

RON MOORE
Knoxville, Tenn.

J&J’s New Talc Tort Trial

If at first you don’t succeed with a bankruptcy attempt, try, try again. That’s the strategy Johnson & Johnson is using as it tries to get out from under claims blaming its baby powder for medical problems. The case shows again how the tort system is an unjust legal mess.

The scene is playing out in U.S. bankruptcy court in the Southern District of Texas, where J&J subsidiary Red River Talc is seeking approval for a “prepackaged” bankruptcy agreement. Under the deal, the company would provide a trust to cover the claims of some 93,000 plaintiffs who say baby powder is responsible for their ovarian or other gynecological cancer.

The majority of the claimants like the idea. Of the 93,000 who voted on the plan, 83% voted to accept the agreement, which would give each claimant an average recovery of between \$75,000 and \$150,000 to settle any alleged injury. The plan provides that the company would create a trust and fund it over the next 25 years with more than \$9 billion.

The payout is so big that even most of the trial lawyers are on board. Allen Smith, the plaintiff attorney who brought the first talc case against J&J, said in court the agreement is fair compensation for claimants. A few, including the Beasley Allen Law Firm, have objected to the settlement, preferring to wait for jackpot jury verdicts. They don’t want to be limited to only one new yacht.

This is the third attempt by J&J to resolve claims through the bankruptcy courts. The com-

pany first filed for a subsidiary bankruptcy in 2021 and tried to restructure itself into two companies, giving one of them, known as LTL, the talc liabilities and having it declare bankruptcy. The other company would have continued as the “new” J&J.

That plan was approved by a bankruptcy court in New Jersey. But it was rejected by the

Third Circuit Court of Appeals, on grounds that the agreement was too generously funded. According to the court, the funding showed LTL was not in enough financial distress to qualify for bankruptcy. LTL tried to meet the Third Circuit requirements with a new funding agreement that was reduced in size and capped, but no dice. This time Red River “prepackaged” the agreement with the claimants to create more transparency on how the claims would be distributed and administered over time.

The travesty is that the payout offer is on the table at all. J&J has won 16 of the 17 ovarian cancer claims it has defended at trial or on appeal because the facts are on its side. But the company can’t beat the plaintiff math. J&J has already spent hundreds of millions of dollars on talc litigation. With potential claims stretching decades into the future, what are the options?

The current trial is J&J’s first test of using a prepackaged bankruptcy to resolve the talc claims. If it is successful, it could chart a new way for companies to pay current and future claimants. If the point of the bankruptcy code is to resolve problems fairly and pragmatically, the court’s answer should be yes.

Tariff uncertainty and business caution are hitting growth.

Johnson & Johnson tries again to settle with the plaintiffs bar.

Pepper ... And Salt

THE WALL STREET JOURNAL



“Cats are cynical.
Dogs are innately hopeful.”

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OPINION

How to Protect NATO From Trump

By John Bolton

Last week’s Trump-Vance-Zelensky train wreck proved that the North Atlantic Treaty Organization is on increasingly shaky ground. Starting with Donald Trump’s Feb. 12 phone call with Vladimir Putin about the Ukraine war, things got worse when Mr. Trump called Volodymyr Zelensky a “dictator” and the war’s instigator. Vice President JD Vance’s neocon-like complaints that Western Europeans were insufficiently democratic, without comparable analysis of Russia, eased Mr. Putin away from diplomatic purdah. Defense Secretary Pete

Responsible advisers and GOP lawmakers should redirect his focus to other targets, especially the EU.

Hegseth’s plan to consider massive cuts in defense spending foreshadows even worse consequences. The Oval Office grudge match finished the picture, and all now points to trashing history’s most successful politico-military alliance. Mr. Trump hasn’t formally withdrawn from NATO, but he is so gravely weakening it that leaving would simply be the final insult.

NATO isn’t America’s only alliance in jeopardy. In his first term, Mr. Trump’s assault on NATO arrived alongside his criticism of other

allies, albeit not as publicly as today. The Five Eyes intelligence-sharing network, the Australia-U.K.-U.S. consortium to build nuclear-powered submarines for Australia, and the export-control rules designed to keep rogue states from acquiring weapons of mass destruction—are all at risk. Even bilateral ties with Japan and South Korea are in question. Taiwan should be very worried.

Israel may escape for now, but Israelis should recall Martin Niemöller’s poem, which concludes: “Then they came for me—and there was no one left to speak for me.”

Two complementary political counterattacks are needed—to save Ukraine from Russia and to salvage NATO. Although the evidence is tenuous, there may still be enough alliance supporters among Mr. Trump’s advisers to change course. If so, they must advise the president on what he should be doing, not just responding “yes, sir” to his ill-informed statements.

I’ve been through this myself, as have others, and can attest it will be unpleasant for those showing loyalty to our country and its Constitution. But at some point, principles must rise above job security and ambition. Resignation becomes the only honorable course. Each adviser will have to make his own decision. But they need to start making them.

House and Senate Republicans must also stand up against dismantling our alliances and gutting the defense budget. Some lawmakers are asserting themselves on Ukraine and NATO, and more must follow. They will find allies among Democrats, and



Defense ministers meet at NATO headquarters in Brussels, Feb. 13.

OLIVIER HOSLEY/SHUTTERSTOCK

together they could constitute majorities in both chambers. Vocal congressional support for bolstering our alliances and substantially increasing defense spending is important in its own right—and for the reassurance it will give like-minded Trump administration officials. There is no argument more powerful to Mr. Trump than his own political well-being.

Alliance supporters should also persuade Mr. Trump to focus on his well-known disdain for the European Union, thereby easing the assault on NATO. Mr. Trump’s distaste for the EU reflects European weakness and inadequate defense spending, as well as his criticism of trade terms negotiated by previous U.S. administrations. Some of that dissatisfaction is justified but not enough to dismantle broader American security interests.

Here, Europeans must reject EU dogmatism, especially espoused by France, which insisted, even before the EU’s creation, on Europe’s separateness from America. Long reflected in calls for a “European pillar” within NATO, this groupthink has corroded the alliance’s cohesion. Ironically, and potentially fatally, if France’s EU ideology prevails and the EU tries to substitute itself for NATO, that would provide support for Mr. Trump’s view that America should withdraw. Not all of Europe suffers from this kind of thinking. Much of Donald Rumsfeld’s “new Europe” in the east and some “old Europeans,” like the U.K. and Nordic NATO members, have always emphasized Atlanticism. It is “old Europeans” such as France and Germany that are the main problem.

Europe’s first reaction to Mr.

Trump’s fusillade, predictably led by French President Emmanuel Macron, was to assume Washington was irretrievably departing. Instead, to protect the West’s overall security and shared concerns about rising global threats, NATO advocates on both sides of the Atlantic must resist the misimpression that Mr. Trump’s position is enduring. Whether Europeans can stand alone against the China-Russia axis, the real overarching menace, is doubtful. Europeans should prize being part of the West more highly than being part of the EU, and act on that basis. Unfortunately, incoming German Chancellor Friedrich Merz moved immediately in the wrong direction, saying he would seek “independence” from the U.S. Saying that “the free world needs a new leader,” as EU official Kaja Kallas did, also doesn’t help.

Mr. Trump never appreciated Winston Churchill’s insight that “there is only one thing worse than fighting with allies, and that is fighting without them.” Accordingly, advancing U.S. national-security interests under Mr. Trump, and saving our admittedly imperfect alliances, requires enduring before prevailing. One answer is to outlast him, distract him and find him other targets. But the most important course is to tell the truth to the American people, starting now.

Mr. Bolton served as White House national security adviser, 2018-19, and ambassador to the U.N., 2005-06. He is author of “The Room Where It Happened: A White House Memoir.”

Gavin Newsom Tips His Hat to the ‘MAGA Movement’



LIFE
SCIENCE
By Allysia
Finley

California’s Democratic leaders have experienced two major shocks to their system in recent months—Donald Trump’s election and the Los Angeles wildfires. The former has exposed their detachment from reality and the latter their incompetence.

Enter Gov. Gavin Newsom, who claims to be a changed politician. Last week he announced that he’ll host a podcast in which he will interview leaders from the “MAGA movement” to “understand what the motivations are, the legitimacy of those motivations, and just really understand where people are coming from.”

Then he unveiled a “California Jobs First Economic Blueprint” in Los Angeles, in which he promised to use the wildfires to change how the government does business. “The inability of the state of California to get out of its own way,” he said, is driving many of its problems including “homelessness, housing, the issue of our competitiveness, our tax base, all of it.” He added: “We are now getting out of our own way as it relates to this recovery, and this

mindset, it must be maintained moving forward.”

Yes, Los Angeles’s wildfires would be a terrible crisis to waste. But waste is what California’s leaders do best, whether it be taxpayer dollars, human capital or water.

In 2010 I wrote a piece likening California to actress Lindsay Lohan, who squandered her talent as she spiraled from one personal crisis to another. Ms. Lohan has since gotten her act together. California hasn’t.

Despite Mr. Newsom’s lip service to reform, he’s unwilling to spend the political capital to rehabilitate government. He waived the state’s burdensome environmental laws to rebuild expensive homes destroyed in the Pacific Palisades, but he won’t bulldoze these same regulatory impediments to build new homes across the state.

While campaigning for governor in 2017, Lt. Gov. Newsom promised to build 3.5 million new housing units by 2025. He won the 2018 election but has fallen 2.8 million short of that goal. His glossy economic blueprint document resembles a Chinese Communist Party five-year plan, filled with puffery about the state’s economic success and promises to steer investment to “strategic sectors” including green energy and film.

Democrats in Sacramento lavish

tax breaks on their rich Hollywood friends so they don’t leave for other states. Meantime, they crush middle-class entrepreneurs who run fast-food franchises with a sector-specific \$20-an-hour minimum wage, making Big Macs and Chalupas less affordable for those working-class Californians who haven’t yet fled the state.

But he has an awful record in California to live down if he wants to get elected president in 2028.

Since 2020 about 1.4 million Californians have left for other states. Many are middle-class folks who can’t find jobs that cover the high cost of living. California’s 5.5% jobless rate is higher than Puerto Rico’s. In the Los Angeles metro area before the wildfires, it was 6%. When government crushes job creators with high taxes and excessive regulation, what do you expect?

Mr. Newsom’s “jobs first” plan touts his work to make California more affordable, including expansions of a state-administered program for paid family and sick leave funded by

a 1.2% payroll tax, food stamps and “transitional kindergarten” for 4-year olds. This is similar to the national Democratic Party’s agenda: Expand entitlements by taxing everyone more.

Meanwhile, only 29% of California fourth-graders rate proficient or better in reading. California taxpayers are spending \$50 billion more on K-12 education than they did 15 years ago, but student test scores haven’t improved.

Mr. Newsom fiddled as teachers unions kept schools shut down during Covid. After the recent fires, he boasted of bringing “back some sense of normalcy for our youth by eliminating barriers to getting them back learning in school,” including by waiving state regulations to let students displaced by the fires enroll in others outside of their district.

How about doing the same to address the state’s learning emergency? Alas. Allowing more school choice for poor kids would anger teachers’ unions, whose support Mr. Newsom wants to run for president in 2028.

Mr. Newsom alluded to California’s problem of a narrowing tax base, which it owes to its highly progressive income tax. Its top rate is 13.3% on those earning more than \$1 million (which rises to 14.5% on payroll

income). In 2021 households making more than \$10 million paid a quarter of state income-tax revenue. Those earning more than \$1 million paid half.

The result is a boom-bust revenue cycle. State coffers swell when the stock market is doing well and investors collect capital gains. But revenues plunge during market corrections, and Democrats in Sacramento are left grasping for more money to pay promises they made to their public union donors. So they raise taxes even more, often by stealth.

Mr. Newsom and the Legislature could moderate these swings by cutting taxes on the wealthy. They don’t because that would mean less money for them to buy votes to compensate for their mismanagement. They kill jobs, then give unemployed workers generous handouts: food stamps for oil jobs.

Mr. Newsom should hope Mr. Trump’s presidency is an economic success. A downturn could precipitate a budget emergency that would further tarnish the governor’s record and diminish his White House prospects. Alternatively, he could bolster his chances by telling his friends in the climate lobby, government unions and the Legislature to get out of Californians’ way.

Trump Is Right About One Thing: Eliminate the Debt Ceiling

By Alan S. Blinder

Mark March 15 on your calendars. That’s the day the lights are scheduled to go out in parts of the U.S. government unless Congress manages to pass a budget resolution for fiscal 2025—or, more likely, passes another continuing resolution.

Yes, we’re talking about fiscal 2025, even though it’s almost halfway over. The usual partisan battles over budget priorities began last year while Joe Biden was president. Democrats held a slim majority in the Senate, and Republicans held a slim majority in the House. The two parties couldn’t agree on a budget and passed a continuing resolution in September, keeping the government open until Dec. 20. A continuing resolution essentially says: “Let’s keep spending at the same levels as last year and come back to it later.”

The November election told Americans that Republicans would keep the House and flip the Senate and White House in January. No surprise that Dec. 20 came and went

without a budget agreement. Instead, Congress passed another continuing resolution, this one lasting until March 14. The federal government is sort of operating under this continuing resolution right now. I say “sort of” because President Trump and Elon Musk are trying to shred major components of government spending by the week.

With one party in charge of Congress and the White House, finding agreement on a budget resolution should be easy, right? Wrong. Even though the House and Senate are politically aligned with the White House, the chambers are on two different legislative tracks.

On Feb. 25 the House passed by 217-215 the outlines of “one big, beautiful bill” that includes virtually every major priority of the Trump agenda. Details to come later. Who knows what Speaker Mike Johnson told the small group of Republican moderates who deplore the idea of cutting programs like Medicaid—which the bill may require—but voted “yes” anyway.

The Senate, by contrast, is trying

to pass two separate budget bills on the belief that doing so will be easier legislatively. The first passed by a 52-48 vote in the wee hours of Feb. 21. But the biggest items, including extending Mr. Trump’s 2017 tax cuts and slashing Medicaid, were left for future debate.

So we now have House and Senate Republicans sitting on different

Exceeding it could do irrevocable damage to the U.S. credit rating, interest rates and the dollar.

budget resolutions, which will have to be reconciled. Meanwhile, Messrs. Trump and Musk are trying to fire federal employees and cut spending without congressional approval, provoking resistance from the courts. Will all this get sorted out by mid-March? I doubt it. I’d bet on either another continuing resolution or a government shutdown.

Shutdowns, while foolish, aren’t catastrophes. They don’t apply to essential services, and they’re normally brief because the party that precipitates the shutdown quickly realizes it’s inflicting political damage on itself.

But will that be true this time? Messrs. Trump and Musk don’t seem to care about public opinion. Support for Mr. Musk’s cuts to federal programs—some of which may be illegal—is declining, and Mr. Trump can’t run for re-election anyway. Congressional Republicans seem far from united on their approach to big-ticket items like Medicaid, and Democrats are unlikely to help craft a compromise. So a shutdown that begins on March 15 could last a while.

A lengthy shutdown would take a toll on economic growth. Federal government purchases constitute about 6.5% of gross domestic product. When federal employees don’t get paychecks, consumer spending decreases and businesses suffer. Even a recession is possible, though unlikely.

There are at least two further complexities. One was mentioned

earlier: Mr. Musk’s musketeers are running around blasting holes in the spending approved by the current continuing resolution. All of these cuts violate regular order, many may be unlawful under the Impoundment Control Act of 1974, and some are already being litigated.

The second complication emerged last year when President-elect Trump announced he wants Congress to abolish the national debt ceiling—not raise it. Readers of these pages know that I rarely agree with Mr. Trump, but on this one he’s right.

Imagine that the U.S. actually crashes into the debt ceiling one day, leaving the federal government legally barred from borrowing more money. The budget would have to be balanced immediately. The budget deficit in fiscal 2024 was more than \$1.8 trillion, or 6.4% of GDP. Quickly going from 6.4% of GDP to zero would create a remarkably large fiscal shock, almost certainly sending the economy into a recession.

Hitting the debt ceiling would also do possibly irrevocable damage to the federal government’s credit rating—with deleterious effects on interest rates and the dollar. The debt-ceiling crisis in 2011 led Standard & Poor’s to downgrade America’s long-term credit rating for the first time in history. Should a real catastrophe occur, the most credit-worthy country on earth could become a deadbeat nation.

Nothing remotely close to this has happened—yet. But why take such chances amid polarized budget negotiations, a rising national debt and the looming possibility of a government shutdown? Mr. Trump’s proposal is correct: Congress should eliminate the debt ceiling.

Mr. Blinder is a professor of economics and public affairs at Princeton. He served as vice chairman of the Federal Reserve, 1994-96.

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Notable & Quotable: Streets

From “Why Aren’t We in the Streets?” by the New Yorker’s Susan Glasser, Feb. 27:

Making my way around Washington this week, the city showed no signs of the Trumpian tumult. . . . There were no major protests in the quiescent capital, unless one counts the lawsuits against Musk’s “Department of Government Efficiency” that have been piling up in federal court, or the small crowd that gathered on Thursday outside of U.S.A.I.D.’s now shuttered headquarters with hand-lettered thank-you signs for the thousands of workers who were

given fifteen minutes to clean out their desks. These acts were a far cry from the popular uprisings that presumably would have convulsed Paris or any other European city if the President of the republic suddenly and unilaterally reoriented the nation’s geopolitical strategy, turned on its major trading partners, and allowed the world’s richest man to cut hundreds of thousands of federal workers and billions of dollars in government services.

Instead, the opposition was receiving this counsel from James Carville in the [New York] Times: “Roll over and play dead.” (His actual words.)

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for our factories and sites ⁽⁴⁾
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+6.7%

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COMMUNITIES
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from our brands' social
engagement programs
in 2024

EARNINGS
PER SHARE ⁽³⁾
€12.66
+4.8%

TOP EMPLOYER
in the Top 10
favorite companies
for business students ⁽⁵⁾

1. Beauty's Top 100, WWD, April 2024.
2. Like-for-like: based on a comparable structure and identical exchange rates.
3. Diluted earnings per share, excluding non-recurring items, after non-controlling interests.
4. Operated sites, excluding safety and security installations.
5. Universum global ranking.

BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

Monday, March 3, 2025 | **B1**

Last Week: **S&P** 5954.50 ▼ 0.97% **S&P FIN** ▲ 2.80% **S&P IT** ▼ 4.01% **DJTRANS** ▼ 0.30% **WSJ \$IDX** ▲ 0.95% **2-YR. TREAS.** yield 3.993% **NIKKEI** 37155.50 ▼ 4.18% **See more at [WSJ.com/Markets](#)**

Tariff Threats Flip Stock Fortunes

Investors ditch popular trades on risky segments for areas seen as havens

By **KRYSTAL HUR**

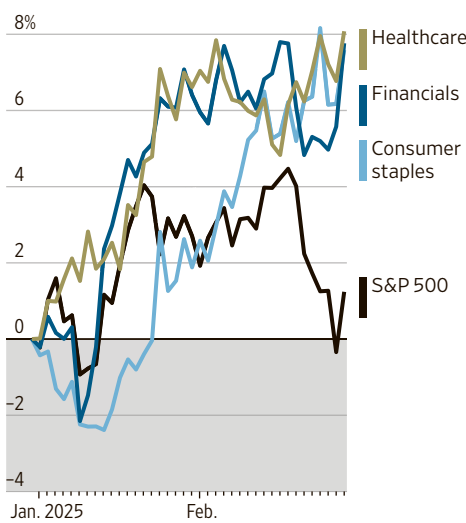
President Trump's tariffs on top U.S. trading partners are set to take effect in coming days. Investors have been trying to pinpoint the potential winners and losers for weeks.

They are ditching risky corners of the stock market for areas perceived as more insulated from Trump's trade salvos. The S&P 500's consumer staples, healthcare and real-estate sectors, which are traditionally considered defensive, are up more than 5% this year and among the market's best performers.

The financials segment, which largely conducts business domestically, has risen 7.8%. All are outperforming the benchmark index, which has added 1.2%.

Meanwhile, some of Wall Street's most-popular trades

Index and sector performance, this year



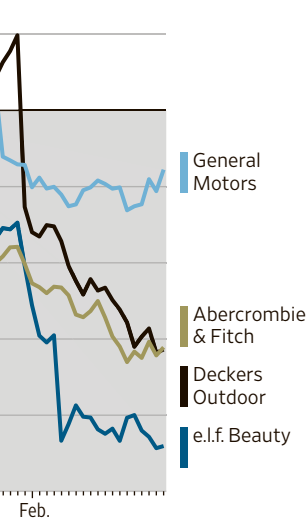
Source: FactSet

have lost their shimmer. AI darling **Nvidia**'s stock tumbled 8.5% Thursday despite another solid quarterly report, though it gained some of that back on Friday. The Roundhill Magnificent Seven exchange-traded fund suffered a correction last week, a drop of more than 10% from its December high.

MicroStrategy, the bitcoin-

buying machine whose popularity exploded following the election, has slumped 12% in 2025. And bitcoin was trading around \$84,000 as of 4 p.m. ET Friday, down from around \$105,000 on Inauguration Day. Markets were jolted last week after Trump said tariffs on goods from Canada and Mexico, along with an addi-

Share-price performance, this year



tional 10% tariff on Chinese goods, would take effect Tuesday. He recently announced 25% levies on steel and aluminum and floated 25% tariffs on goods from the European Union.

Trump said he is also considering hefty tariffs on cars, semiconductors and pharmaceutical products.

Analysts fret that Trump's

militant trade policies could push inflation higher and test the economy's strength. Just the uncertainty surrounding tariffs, regardless of their implementation, could continue rattling markets, they say. Lofty valuations and signs of froth are adding to worries that the market is vulnerable to a pullback.

"We've all got to keep our heads on a swivel," said Joseph Amato, president at Neuberger Berman. "Things are coming fast and furious."

Some money managers say they have already shuffled their holdings to brace for tariffs. David Waddell, chief executive of investment firm Waddell & Associates, says his firm added exposure to industrials and materials earlier this year, betting that the tariffs could lead companies to build manufacturing facilities in the U.S.

American companies, which in recent years were already under pressure to move their supply chains to the U.S., have stepped up their plans since Trump's victory. **Apple** said

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Bitcoin Surges On Plans For Crypto Reserve

By **VICKY GE HUANG**

Crypto prices surged Sunday after President Trump said he would move forward on a U.S. crypto strategic reserve that will include bitcoin and ether as well as three smaller and riskier tokens.

"A U.S. Crypto Reserve will elevate this critical industry after years of corrupt attacks by the Biden Administration," said Trump in a Sunday post on his social-media platform Truth Social. "I will make sure the U.S. is the Crypto Capital of the World."

Trump said the crypto strategic reserve will also include solana, Ripple-linked XRP and cardano. Unlike bitcoin, which is the largest and oldest cryptocurrency, these tokens were created more recently and often by a small team, making them more susceptible to wild price swings and other risks.

It remains unclear how such a reserve would be created or whether it could bring any benefit to the country.

As of Sunday afternoon, bitcoin rose 9% from 24 hours earlier to around \$93,000, while ether jumped 11% to \$2,500. Solana surged 20% to \$169. XRP advanced about 30% to \$2.80, while cardano soared nearly 60% to \$1.02.

The rally helps stem a recent market slide. After trading around \$109,000 on Inauguration Day, bitcoin fell below \$80,000 last week amid a broad shift away from risk assets, including tech stocks and cryptocurrencies. A huge heist at crypto exchange Bybit a little over a week ago also hurt sentiment.

Trump first brought up the idea of a "strategic national

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BlackRock Turns Back On Climate Initiatives

By **JACK PITCHER**

When **BlackRock** joined a United Nations- sponsored climate coalition in March 2021, sustainability groups were thrilled.

Having the world's largest investment firm on board instantly lent credibility to the Net Zero Asset Managers, an initiative committed to support the goal of net-zero greenhouse gas emissions by 2050. Dozens of major investment managers followed BlackRock's lead.

"BlackRock is proud to put its name behind this initiative," Chief Executive Larry Fink said at the time.

Nearly four years later, Fink was distancing himself. NZAM got a phone call on Jan. 9: BlackRock was out. Within days, the coalition was teetering.

BlackRock's departure from the coalition and its reversal last on several diversity, equity and inclusion policies are the latest examples of the company's retreat from advocating for issues related to environmental, social and corporate-governance factors.

It has been gradually walking back its ESG initiatives for years after conservatives criticized the movement as being "woke" and legal risks grew. BlackRock's recent actions show the reversal is almost complete, though the fallout might not be. The company has been able to maintain strong results throughout, reporting record inflows last year.

Crucially, BlackRock has re-

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Mixue features ice cream and drinks priced at 6 Chinese yuan, about 83 cents. That resonates in China, which is grappling with an economic slump.

Chinese Chain Is Bigger Than McDonald's

By **STU WOO**

SINGAPORE—It sells ice cream and sugary drinks for under \$1. Its mascot looks like the love child of Frosty the Snowman and the Michelin Man. And its stores relentlessly blare a jingle set to the tune of "Oh! Susanna."

This recipe helped Mixue Ice Cream and Tea become the world's biggest food-and-beverage chain by number of locations, topping McDonald's and Starbucks.

Pronounced ME-schway, the Chinese company is found across Asia and Australia. It ended last year with 45,000

stores, according to research firm Technomic, after more than doubling its locations in three years.

The company raised more than \$400 million in an initial public offering of its shares in Hong Kong on Monday. The shares rose nearly 30% in early trading, giving Mixue a valuation of more than \$10 billion.

It isn't done expanding. Mixue said in its IPO filing that it planned to keep growing—while acknowledging the risk that its existing stores could be cannibalized by new ones.

Mixue features ice cream and drinks priced at 6 Chinese yuan, about 83 cents. That res-

onates in China, which is grappling with an economic slump. Spending is down because of a broken housing market and other issues.

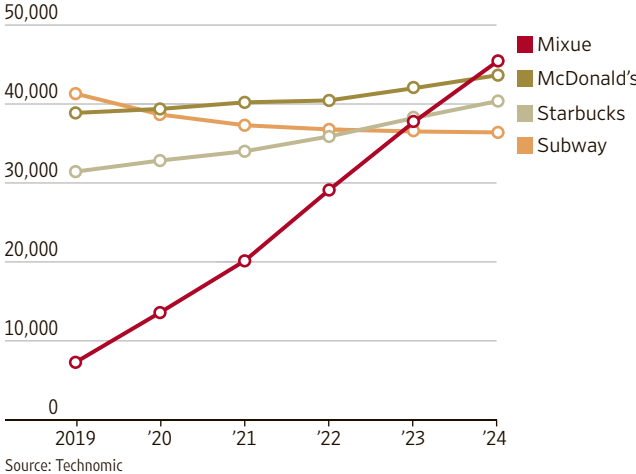
"People are chasing more cost-efficient products," said Ernan Cui, a Beijing-based analyst for research firm Gavekal Dragonomics. She said Mixue is popular in smaller cities, where the company has focused its expansion.

Mixue was founded in 1997 by Zhang Hongchao, who opened a store selling shaved ice in Henan, a Chinese heartland province.

Its blistering expansion can

Please turn to page B2

Number of stores, worldwide



Source: Technomic

Hedge-Fund Executive Makes a Comeback

By **GREGORY ZUCKERMAN**

Nicholas Maounis oversaw one of the biggest hedge-fund fiascos in history. Nearly two decades later, he is leading one of the fastest-growing funds.

In 2006, Maounis was caught by surprise by an energy-trading catastrophe at Amaranth Advisors, which he ran at the time. The firm's collapse cost investors over \$6 billion in a matter of days.

Today, Maounis is managing \$11.8 billion at **Verition Fund Management**. The fund, which has spent years overcoming investor concerns, has

grown from just around \$1 billion in 2019. Maounis helps oversee Verition's investments and risk management, much as he did at Amaranth.

Maounis's comeback is a testament to an enduring phenomenon. Wall Street traders regularly get second or third chances, even after enormous and embarrassing losses. Those who blow up in spectacular fashion often attract the most cash for their next endeavors, a true head-scratcher.

Part of the explanation: Investors figure someone who has blown it once has likely

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LOGISTICS

U.S. lags far behind China and other rivals in building container ships. **B3**

HEARD ON THE STREET

AI-fueled rally in power stocks shifts to gas from nuclear. **B10**

Private-Equity Stars Are Longtime Friends

By **LAUREN THOMAS**

They share an office with one big desk and one telephone. They often eat three meals a day together, and take all their meetings as a pair.

Matt Perelman and Alex Sloane's relationship is an unusual one on Wall Street, where executives are better known for undercutting rivals to consolidate power. Their lifelong friendship helped build a private-equity firm that is drawing high-profile investors and a portfolio of regional restaurants that recently surpassed \$1 billion in annual sales.

"It's probably not the most efficient way to do things, but it's worked for this long," said Perelman, 38 years old, about how he does just about everything with Sloane, 37.

Garnett Station Partners, which the duo started in their 20s, invests in everything from funeral homes to gyms and carwashes. Whatever the business may be, the two apply the same strategy they honed buying up restaurants: finding promising local concepts and scaling them.

The New York-based firm recently closed its fifth fund, netting about \$1.2 billion in

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BUSINESS & FINANCE

Tariff Plan
Flips Stock
Fortunes

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last week that it will open a server-manufacturing site in Houston and double its Advanced Manufacturing Fund, which invests in U.S. manufacturing projects, to \$10 billion. Drugmaker **Eli Lilly** said it would invest \$27 billion toward building four new manufacturing plants in the U.S.

Apple shares are down 3.4% this year, while Eli Lilly has climbed 19%.

“The Trump administration is basically enacting an industrial policy for the United States,” said Waddell. “Trump does have the levers and the tools to get it done.”

Trade-sensitive stocks across sectors have been hit hard. **General Motors** and **Ford Motor** shares have fallen 7.8% and 3.5%, respectively, this year. Shares of **e.l.f. Beauty**, which produces the bulk of its items in China, have tumbled 44%. Retail stocks including Abercrombie & Fitch, Deckers Outdoor, Five Below and Calvin Klein owner PVH also have suffered double-digit percentage declines.

Bearishness among individual investors, measured by the percentage who expect stock prices to fall over the next six months, reached 60.6% for the week ended Wednesday, according to the latest American Association of Individual Investors survey. That level is the highest since September 2022, shortly before that year’s bear market bottomed.

Some companies also are taking a more somber outlook. U.S. grain merchant Archer Daniels Midland said last

month that uncertainty surrounding trade policy could hurt profits this year. U.K. spirits maker **Diageo** scrapped its midterm sales outlook.

Meanwhile, economists worry that rising import costs could make inflation worse. Minutes from the Fed’s January meeting revealed that members believe tariffs could derail the central bank’s progress on taming prices. Data out Friday showed inflation moved closer to the Fed’s 2% target.

Crit Thomas, global market strategist at Touchstone Investments, says the firm reduced its exposure to international stocks the day after Trump’s victory, expecting that tariffs would hit foreign countries harder than they would the U.S. The firm more recently dialed down exposure to small-cap stocks, which tend to be more sensitive to changes in interest rates.

“Tariffs were a significant portion of Trump’s campaign, so it’s hard for me to see him really backing down,” Thomas said. “If they go through as being stated, I think that is going to create significant market volatility.”

Some investors say they are staying put for now, betting Trump’s trade-war threats are negotiating tools rather than actual trade policies. They also expect other parts of Trump’s agenda, including spending cuts and deregulation, to boost economic growth and help offset pain from his trade policies.

Investors also say strong corporate earnings growth, historically one of the biggest drivers of stock gains, should help keep the rally going. Companies in the S&P 500 have reported an 18% jump in fourth-quarter earnings this reporting season, according to FactSet. For 2025, analysts expect profits to climb about 12%.

Chinese
Chain Tops
McDonald’s

Continued from page B1

be explained by the simplicity of its bright red stores, often stalls wedged next to phone-repair kiosks or dumpling shops.

The menu is short and very sweet. It includes the signature ice-cream cone, variations on bubble tea and a lemonade that made Mixue China’s biggest purchaser of lemons.

It helps that Mixue charges below-average franchising fees. It generates most of its revenue by selling supplies to franchisees. Low prices alone don’t explain how Mixue embedded itself in Chinese pop culture. Credit the Snow King—and the jingle.

A roly-poly mascot, Snow King has become a national icon on par with Ronald



A giant snowman depicts Snow King, in front of Wanda Plaza in Harbin, China.

McDonald and Colonel Sanders. Just as ubiquitous is Mixue’s theme song, which plays in stores. The lyrics to the English version: “I love you. You love me. Mixue Ice Cream and Tea.”

Mixue said in its IPO filing that it intended to become

more global but didn’t mention plans to enter the U.S. Roughly 90% of its stores are in China, with the rest in 10 other Asian countries and Australia.

On a recent afternoon in Singapore, a Mixue store drew in Julian Eymann, an American

who visits the country often. He skipped the rival shop across the street. “This ice cream is better than McDonald’s,” Eymann said. But he had one complaint: “The song’s gotta go. It’s got to torture the employees.”

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01-IB25-1722CH1715

‘Last Breath’ Makes Its Debut at No. 2



The based-on-a-true-story film earned \$7.8 million.

Estimated Box-Office Figures, Through Sunday

Film	Distributor	Sales, In Millions		
		Weekend*	Cumulative	% Change
1. Captain America: Brave New World	Disney	\$15.0	\$163.7	-47
2. Last Breath	Focus Features	\$7.8	\$7.8	—
3. The Monkey	Neon Rated	\$6.4	\$24.6	-55
4. Paddington in Peru	Sony	\$4.5	\$31.4	-31
5. Dog Man	Universal	\$4.2	\$84.1	-28

*Friday, Saturday and Sunday in North American theaters

Source: Comscore

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BUSINESS NEWS

Shell Explores Sale of Chemicals Assets

Operations in U.S. and Europe could be divested as company sharpens its focus

Shell is exploring a potential sale of its chemicals assets in Europe and the U.S., according to people familiar with the matter, part of a continuing

By Ben Dummett, Lauren Thomas and Collin Eaton

drive to refocus the company's business on its most-profitable operations. The oil-and-gas company is working with bankers at Mor-

gan Stanley on a strategic review of its chemicals operations, the people said. The process is in the early stages and Shell has yet to commit to any final decisions, they added. Among the assets included in the review is Shell's Deer Park facility in Texas. The site produces a range of chemicals such as light and heavy olefins, which can be used to make pharmaceuticals, detergents, adhesives and wire coating. The operation is located adjacent to a refinery, in which Shell previously sold its stake. Shell also has chemical facilities in Pennsylvania and Louisiana in the U.S. In Europe, it has plants in the U.K., Germany and the Netherlands.

Potential bidders for the assets could range from private-equity firms to Middle Eastern buyers wanting to expand into the West. Since Chief Executive Wael Sawan took the helm of Shell at the start of 2023, the company has worked to focus more on its most-profitable operations. To that end, the company has rolled back some of its green-energy targets and pledged to pump more oil and gas. Shell's chemicals business has been seen as lagging behind for years. It is capital-heavy and subject to cyclical ups and downs, resulting in losses in recent years that have weighed on the com-

pany's overall performance. Anemic natural-gas prices and rising capacity in chemical manufacturing have caused the petrochemical market to languish recently. The company already has signaled its willingness to shed lower-margin chemicals operations. Last year, it struck a deal to sell its chemicals park in Singapore to a joint venture that includes **Glencore**, the mining company, and **Chandra Asri**, an Indonesia-based chemicals producer, after a strategic review of the business. Investors are expecting further details on Shell's next steps at an investor day scheduled for later this month.



CEO Wael Sawan has prioritized Shell's most-profitable units.



The U.S. has just two shipyards making commercial vessels. The Trump administration proposed port fees on China-made ships.

U.S. Lags Far Behind Rivals Like China In Building Oceangoing Containerships

By INTI PACHECO AND COSTAS PARIS

Asian shipyards churn out hundreds of big boxships and oil tankers a year. The U.S. is lucky if it can finish more than one each year. It has been that way for decades. Few major American shipyards remain and they now mostly build or repair vessels for the U.S. Navy. Those that do produce new commercial ships mostly make small vessels for U.S. companies operating on domestic routes, not the giant containerships and ocean vessels that underpin global trade.

The Trump administration has floated a proposal that would seek to reverse the trend by imposing port fees on Chinese-built ships and requiring some U.S. exports to move on U.S.-built ships. The idea faces both labor and financial challenges.

American shipyards employed more than one million people during World War II, but in the decades that followed the U.S. ceded much of the market to other countries. The number of welders, engineers and other people building boats and ships hasn't reached 200,000 since the early 1980s, though the numbers have ticked up in recent years thanks to military contracts.

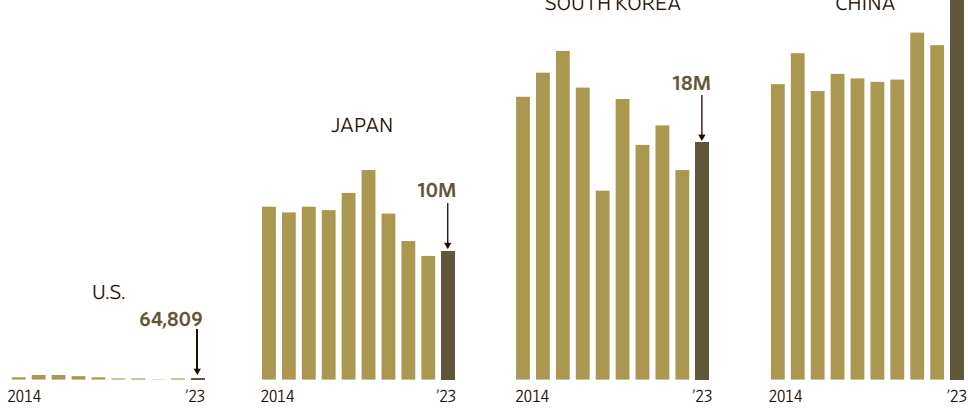
In the 1970s, U.S. yards were building about 5% of the world's tonnage, equating to about two dozen new ships a year. But the number of ships coming out of these yards has slowed to a trickle.

The U.S. accounted for about 0.1% of the world's tonnage in 2023. The few U.S.-made commercial ships now come from just two shipyards: one in Philadelphia and another in San Diego.

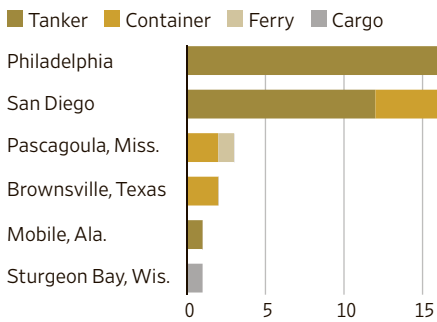
China now dominates the shipbuilding industry, accounting for more than half of world tonnage in 2023 and 74% of orders for new ships last year.

The biggest shipping lines, such as **MSC**, **Maersk** and **CMA CGM**, now rely on hun-

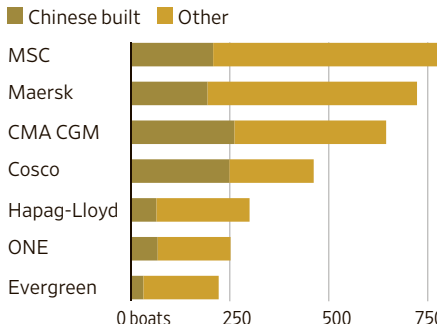
Shipbuilding tonnage, select countries



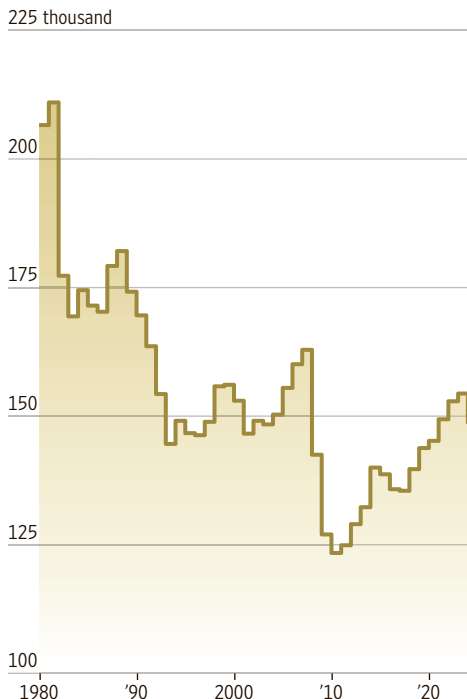
U.S. commercial ships produced, 2010-2023



Shipping fleet origins



U.S. shipbuilding workers*



*2024 data is preliminary
Sources: United Nations Trade & Development (shipbuilding tonnage); U.S. Maritime Administration (ships produced); Clarksons (origins); Bureau of Labor Statistics (workers)

dreds of Chinese-built ships to move goods around the world. They would face new fees to enter U.S. ports under the Trump proposal. The U.S. shipyards aren't competitive with foreign rivals in terms of the size of ships they produce, how long they take to build or how much they cost. Take a look at a pair of recent boxship orders placed

with the same company: **Hanwha**, a South Korean conglomerate that acquired the Philly Shipyard last year and operates shipyards in South Korea. In September, the Philly Shipyard secured an order from **Matson Navigation**, a U.S. operator, for three small boxships, capable of holding the equivalent of 3,600 20-foot shipping containers. The cost per ship was \$355 mil-

lion. A similar ship at a Chinese yard would cost around \$55 million, according to shipowners. Around the same time, Maersk ordered six much larger boxships—capable of holding the equivalent of 16,000 20-foot containers—from Hanwha's South Korean operations. The average price for these ships was about \$200 million.

Mondelez Plans Fluorescent-Glow Sour Patch Kids

By MEGAN GRAHAM

Mondelez is giving its Sour Patch Kids candy a glow-up. A version of the brand will contain a flavorless turmeric-extract "confetti" so it gives off a fluorescent glow under a black light. Another of the cookie-and-candy giant's brands, Swedish Fish, likewise will introduce a new product that glows. Mondelez plans to begin selling the products in the U.S. online and in stores this month. Sour Patch Kids marketing executives said the idea of glowing products came from observing how much Gen Z consumers love glow-in-the-dark elements in other settings, including online videos of DJ sets.

"We really try and focus to deliver on that cool factor for Gen Z and for the brand, that 18-to-22 year-old demo, as a key area for where we want our communication to first land," said John Vasington, a brand manager for Sour Patch Kids. "That's an area of culture where we see the trends being set, and we want to be a part of that."

To that end, the brand previously collaborated with streetwear label Kith on a merchandise line that included a baseball cap adorned with chenille Sour Patch Kids. Candy sales growth has struggled in recent years because inflation strained consumer spending on discretionary purchases, according to research firm IBISWorld. Consumers also are turning to healthier options, such as products promoted as lower-sugar or all-natural.

U.S. revenue of the candy production industry, however, is expected to deliver a compound annual growth rate of 0.8% over the next five years, reaching \$11.6 billion in 2029, IBISWorld predicts.

Retail sales of Sour Patch Kids have grown at an average annual rate of 11.8% over the past three years, according to Mondelez.

Innovation by candy mak-

ers can produce big dividends: Nerds Gummy Clusters have recently turned into a monster hit for Ferrara Candy, fueled in part by a flood of consumer videos on TikTok. Glowing Sour Patch Kids, which are strawberry-and-watermelon flavored, may be positioned to benefit from a similar social-media boost. Candy in general is a mainstay of social media, where influencers and users are making "candy salads" with varieties of treats or taste-testing candy from viral stores like BonBon.

The TikTok account for Sour Patch Kids has grown to 2.4 million followers on the back of irreverent posts. In case anyone wonders whether making candy glow is a dubious addition to its health profile, the package of the black light Sour Patch Kids explains their unusual properties come from turmeric.

"That's why we have the communication on the packaging, and it's important that we make it clear to consumers that it's the turmeric extract," said Lauryn McDonough, senior director of candy at Mondelez. "That's something very straightforward and easy to understand in terms of what the ingredient is."

For consumers who don't have black lights handy, Mondelez has worked with social-media platform Snapchat to create a filter showing how the product would look under a black light. The filter is expected to launch this month. "Since we're not necessarily in the business of commercializing black lights, that was a major contributing factor to the Snapchat lens: wanting to find that alternative way that consumers can get to experience the product without needing to make an additional purchase," Vasington said.

"We certainly hope that there will be environments where black lights are plentiful, and folks can get to experience the candy in those settings, but we want to make sure they have alternate options as well," Vasington added.



Sales are slated to begin in the U.S. this month.

BUSINESS & FINANCE

Celebrities Make The Most of Breakups

Personalities take to brand-sponsored posts poking fun at their public splits

By MEGAN GRAHAM

After an unexpected breakup with the boyfriend she won over on ABC’s “The Bachelor” dating show, Rachael Kirkconnell didn’t get mad. She got a brand deal. “Even though I don’t have to worry about picking out the perfect dinner spot anymore, life can still get messy,” Kirkconnell says in an Instagram video sponsored by **Georgia-Pacific** paper-towel brand Brawny. “But now, I have someone I can always depend on,” she adds, as the brand’s mascot enters the frame. The “perfect dinner spot” line referred to a story Kirkconnell told podcaster Alex Cooper following the breakup, about a tense exchange with then-boyfriend Matt James after she picked an undesirable restaurant as they vacationed in Japan. They broke up the next day. The line might have gone over the heads of con-

sumers who don’t know Kirkconnell and James, but it landed with her fans. Sponsored breakups are becoming a staple for marketers as they target heavy users of social media. After the public split between stars of Bravo TV show “Vanderpump Rules,” brands rallied behind its scorned star, Ariana Madix. Battery maker **Duracell** paid Madix to say in an ad that she buys her own batteries, a nod to her ex-boyfriend’s claim that she didn’t regularly buy household supplies. And when Carl Radke of Bravo’s “Summer House” did an ad for Goldfish Crackers, castmate and ex-fiancee Lindsay Hubbard appeared in a clapback ad for Cheez-It Snap’d crackers, indirectly poking fun at Radke and his teeth. Cheez-It engineered the partnership after seeing Hubbard eat its product on the show, according to Diane Sayler, senior director of full-funnel marketing for salty snacks at packaged-food giant **Kellanova**. Hubbard’s paid post generated voluminous likes and replies from fans. “As a marketer, when you have

comments like we had here, and you are spurring the kind of conversation that we saw... you know you’ve hit something there,” Sayler said. “It’s not just comments in this situation,” she added. “We saw a significant increase in engagement from millennial women.” Brands also sought out Tareasa Johnson, who goes by ReesaTeesa on TikTok and rose to internet fame after sharing her story over dozens of lengthy videos on TikTok in a series titled “Who TF Did I Marry.” Brands including **Hilton** and **Delta** said they would give Johnson free hotel stays and flights, while **Hyundai** said it gave her a yearlong loan of a 2024 Hyundai Palisade Calligraphy. She showed off the car in a TikTok video that now has nearly 400,000 likes. For fans of influencers and celebrities, seeing them cashing in on a bad situation can feel like a win. “It’s just like when a breakup happens and all you want is a girls night with all your girlfriends to come over and drink wine and chill out,” said Kate Stewart, an assistant professor of communications



Reality-TV personality Rachael Kirkconnell in a Brawny paper-towels ad after her breakup.

at Jacksonville State University who focuses on areas such as public relations and influencers. “It’s that same idea, but since you already have a national audience, this is how a greater group of people can be doing that with you.” Though brands often shy away from controversy, getting involved in breakups can seem genuine to fans—even messy in a way onlookers enjoy, according to Stewart. “I think the reason they work is because they’re petty,” she said. But brands have to support the “right” person in the breakup. “You have to be on the right side of history,”

Stewart said, and marketers “need to make sure that they’ve done enough community engagement, social listening—they need to make sure that they’re informed about what actually happens.” Brawny executives felt the “cleaning up a mess” analogy fit with Kirkconnell’s situation. “Brands that are relevant today and that really win big, they are able to authentically insert themselves into social conversations, add a little value, add fun and levity, but also in a way that’s very authentic to the brand,” said Amanda Earley, brand director at Brawny. A representative for Kirk-

connell said she declined an interview request. Francis Dominic, a content creator whose posts typically center on lifestyle, theme parks and travel, did a paid post with Google Pixel in November after being ghosted by a romantic flame—asking Google Gemini questions such as “What are some fun things to do as a single person during the holidays?” and “What are the best ways to get over someone after a breakup?” Dominic drew inspiration from Taylor Swift, who has turned her own heartbreak into hit songs. “I was like, ‘If she can capitalize on her breakups, why can’t I?’”

Startups Are Offering AI Agents To Automate Tasks in Healthcare

By BRIAN GORMLEY

They have names like Grace, Max and Tom and some entrepreneurs say they are the future of healthcare. They are artificial-intelligence agents: bots that execute tasks end to end. Already, AI agents can automate the ordering of groceries and filing of expense reports, and now venture-backed companies are designing them for healthcare tasks such as enrolling participants in clinical trials, ensuring proper care after hospitalization and helping doctors quickly learn medical histories when seeing patients for the first time. AI companies aim to reduce physician burnout through agents that complete administrative tasks and help them provide better care as their caseload grows. As more startups enter the field, some observers say hype is outpacing published data supporting the efficacy of AI agents in healthcare, and that some startups use the term agentic AI as a marketing gimmick. “It’s going to take some time to filter out the fakes and frauds before the cream rises to the top,” said Steve Mika, commercial lead, data and AI solutions, for consulting firm OmniData, recently acquired by Fresche Solutions. The more AI agents do, the more administrators, physicians and patients must trust them. Several entrepreneurs said they build in guardrails to stop agents from straying beyond their intended function, keep humans in the loop and plan to publish research in peer-reviewed journals.

Real-life examples

Agentic AI has gained prominence over the past two years as large language models have grown increasingly powerful. More-conventional automation required humans to set up highly specific rules, said Kulveer Taggar, an entrepreneur and investor in technology startups. “What’s different now is these LLMs can understand context a lot better,” he added. “They can do the decision-making themselves, and they can be a lot more flexible.” As a result, agents can handle jobs such as conversing with patients in human-sounding voices as they schedule appointments, answer questions and book transportation to the doctor’s office—capabilities some companies are using to help healthcare providers reduce clinicians’ workload and contend with shortages of doctors and nurses. San Francisco-based **Grove AI**, which recently raised seed



Infinitus Systems uses agents to automate calls for healthcare providers, insurers and others.

financing, has created Grace, an AI agent to help researchers conduct clinical trials. The agent—so named because Grove wants trials to be operated with grace—can do things like calling patients to pre-screen them for studies and arrange transportation to clinical sites. Grace identifies itself as a digital assistant when contacting patients, said co-founder and Chief Executive Tran Le. Clinical researchers field many patient inquiries, but finding people who qualify for studies is often difficult because trials have strict inclusion criteria, said co-founder and Chief Technology Officer Sohit Gatiganti, adding that Grove customizes agents for clients. For those working with older patients, for example, it can make Grace speak slower and repeat things more often, he said, adding that Grove tests agents by intentionally trying to throw them off to ensure Grace does only what clients want. “She is there to fit the exact needs of customers,” Gatiganti said. Similarly, San Francisco-based **Infinitus Systems** uses agents to automate calls for healthcare providers, health insurers and drugmakers and says it builds in safeguards, working with clients to restrict what agents can say and enabling them to escalate calls to humans. “As agentic AI continues to be developed and adopted, we believe the customer should have control over what these agents can and cannot do,” co-founder and CEO Ankit Jain said.

AI software can be subject to Food and Drug Administration regulation depending on what it does, said Erin Whaley, a partner with law firm Troutman Pepper Locke. The more autonomous it is intended to be and the higher the risk it poses, the more likely it is to be regulated, she added. Venture-backed companies applying agentic AI to patient care said their products don’t require FDA authorization because they are support tools that inform physicians but leave the final judgment to them. Eli Ben-Joseph, co-founder and CEO of New York startup **Regard**, had his sights set on medical school as an undergraduate at the Massachusetts Institute of Technology, but changed his mind after shadowing doctors and seeing that many were

unhappy. Administrative work and the need to do more in less time sapped much of their enjoyment, he said. Regard uses AI to scan electronic-medical records and recommend diagnoses, including those that might have been missed because a doctor was pressed for time, he said.

Displaying data

When suggesting a diagnosis, the system displays data used to reach that conclusion, Ben-Joseph said. Regard tracks diagnoses it recommends, compares them with the decisions physicians make and plans to publish research about the accuracy of the system later this year, he said. Regard also has developed

Max, an AI agent that would be assigned to patients in a medical system and stay with them to serve as their advocate—quickly updating new physicians on their medical history to enable more-efficient care, Ben-Joseph said. Regard expects to fully roll out Max in June. “Max is like the med student that never gets tired and knows everything about the patient,” Ben-Joseph said.

Embracing AI

St. Louis-based **Lumeris**, founded in 2012, has built a \$3 billion business as a provider of Medicare Advantage plans and using technology to help health systems operate under value-based care arrangements. Through agentic AI, it seeks to expand by serving primary-care practices nationwide. Tom—an agent named for the late Lumeris co-founder Dr. Tom Doerr—is an extension of the care team and can perform about 100 actions, such as automating calls to patients after a hospital discharge, according to the company. Patients typically should visit their primary-care doctor within seven days of discharge to ensure they are adhering to their treatment plan and reduce the risk of readmission, said Dr. David Carmouche, executive vice president and chief clinical transformation officer of Lumeris. Today, with the shortage of primary-care doctors, that often doesn’t happen and patients fall through the cracks, he said. “There aren’t enough primary-care hours to deliver the services that are needed for all of the patients,” said Jean-Claude Saghbini, chief technology officer and president of technology services for Lumeris.

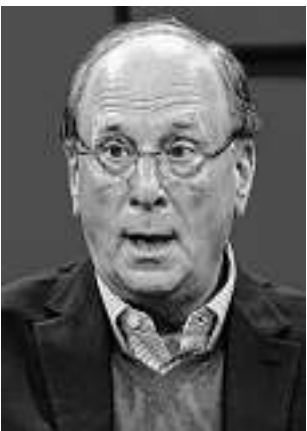
BlackRock Retreats On Climate

Continued from page B1

mained out of the crosshairs of President Trump, who has a personal relationship with Fink. Trump has publicly commended Fink for managing his money well in the past, and Fink and other BlackRock executives still have the Trump team’s ear on economic issues, according to people familiar with the matter. Fink, one of the loudest voices on Wall Street, had spoken out about the risks of climate change for the better part of a decade. Few think he was being disingenuous when he warned that “climate risk is investment risk” in 2020. But his \$11.6 trillion firm, which was eager to discuss how it could lead on environmental and social issues just a few years ago, has largely abandoned such rhetoric after a series of congressional inquiries and red-state lawsuits. “This is hardball politics at its best, or worst, however you want to think about it,” said Mindy Lubber, CEO of sustainability nonprofit Ceres and one of the leaders of NZAM. The campaign against ESG began in earnest in 2022, with coordinated efforts backed by oil-and-gas lobbyists and Leonard Leo, a longtime leader of the Federalist Society. Anti-ESG groups made BlackRock, and Fink, the poster child for what they call “woke capitalism.”

“This woke capitalism thing, two years ago, nobody had heard the term,” said Lubber. “I still can’t really tell you what it means, but it’s been very effective. One would be foolish not to say that.” Red states have passed dozens of anti-ESG laws. More than a dozen state attorneys general have targeted BlackRock over its ESG practices, and the Republican-led House of Representatives has subjected large asset managers to hearings and subpoenas. BlackRock’s recent withdrawal from the climate coalition came one day before a deadline for it to respond to the latest House probe. It demanded information from more than 60 U.S.-based asset managers regarding their involvement in NZAM, which the House Judiciary Committee calls a “woke ESG cartel.” BlackRock and many legal observers say the claims on which the state laws and lawsuits are centered are baseless. The company settled an ESG suit with the state of Tennessee in January without admitting wrongdoing or paying any money. Regardless of the claims’ merit, the anti-ESG movement has won major concessions as BlackRock works to distance

itself from controversy. Its membership in climate groups was often cited as evidence in state lawsuits. The company’s PR efforts and public statements have changed markedly as well. Executives now rarely mention ESG issues, a favorite talking point just a few years ago. Recent communications have focused on BlackRock’s role as the largest steward of Americans’ retirement assets and how it can play a role in helping people save and spend their nest eggs. BlackRock’s ESG fund launches have ground to a halt. It hasn’t launched an ESG exchange-traded fund in the U.S. since the first quarter of 2024, after launching 30 over the previous five years, according to Morningstar. The company took further steps to distance it from the movement last week, removing all mentions of DEI—which was previously declared a corporate priority—from its latest annual report. On Friday, BlackRock told employees it was ending aspirational workforce representation goals and would no lon-



BlackRock CEO Larry Fink

ger require managers to interview a diverse slate of candidates for open positions, according to an internal memo viewed by The Wall Street Journal. “Significant changes to the U.S. legal and policy environment” related to DEI prompted the changes, the memo said. Meanwhile, BlackRock disclosed that it had renegotiated and removed sustainability-linked pricing metrics from a \$4.4 billion credit facility it struck in 2021. It ended provisions that linked lending costs to whether it met targets for women in senior leadership and Black and Latino employees in the workforce. The credit facility had been oft-mentioned by political enemies accusing the asset manager of being woke. When it comes to proxy voting on behalf of its fund investors, BlackRock supported 4% of environmental and social shareholder resolutions in 2024, down from 40% in 2021, according to responsible investment charity ShareAction. BlackRock’s business still posted a banner year, and executives appear to have concluded that sticking the company’s neck out on controversy isn’t worth it.

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CLOSED-END FUNDS

Listed are the 300 largest closed-end funds as measured by assets. Closed-end funds sell a limited number of shares and invest the proceeds in securities. Unlike open-end funds, closed-ends generally do not buy their shares back from investors who wish to cash in their holdings. Instead, fund shares trade on a stock exchange. NA signifies that the information is not available or not applicable. NS signifies funds not in existence for the entire period. 12 month yield is computed by dividing income dividends paid (during the previous 12 months for periods ending at month-end or during the previous 52 weeks for periods ending at any time other than month-end) by the latest month-end market price adjusted for capital gains distributions. Depending on the fund category, either 12-month yield or total return is listed.

Source: LSEG

Friday, February 28, 2025

Fund (SYM)	NAV	Prem	52 wk	Ti
	Close	/Disc	Ret	Ret
General Equity Funds				
Adams Diversified Eq Inc AXD	22.59	20.10	-11.0	19.9
BlackRock En Lvg Cap Cr CI	21.29	20.28	-4.7	10.0
Central Strcs CET	56.56	46.91	-17.1	29.5
CohenStrcsCEOppFnd EVT	12.19	12.35	+1.3	19.3
EVTxAdvDivlncm FOV	NA	23.96	NA	14.0
GabelliDivlncTrl GDV	NA	24.81	NA	12.7
Gabelli Equity Tr GAB	NA	5.57	NA	17.3
GeneralAmer GAM	59.86	50.89	-15.0	23.3
JHancockTaxAdvDiv HTD	25.39	23.50	-7.4	32.3
Liberty All-Star Equity USA	6.99	6.93	-0.9	12.5
Liberty All-Star Growth ASG	5.70	5.24	-8.1	4.4
Royce Micro-Cap Tr RMT	10.47	9.29	-11.3	6.5
Royce Value Trust RVT	16.53	15.24	-7.8	12.2
Source Capital SOR	44.52	42.50	-4.5	15.0
Special Opportunities SPE	17.05	15.27	-10.4	35.0
Sprott Focus Trust FUND	8.51	7.45	-12.5	3.1
SRH Total Return STEW	22.04	16.93	-23.2	18.5
Tri-Continental TY	36.26	32.06	-11.6	19.1
Specialized Equity Funds				
abrdn Glb Prem Prop AWP	3.95	4.00	+1.3	19.9
abrdn Global Infra Inc AXI	19.52	17.99	-7.8	17.7
Adams Natural Resources PEO	25.08	22.33	-11.0	7.0
ASA Gold & Prec Met Ltd ASA	27.68	24.41	-11.8	76.0
BlackRock Energy & Res BGR	14.11	13.30	-5.7	14.0
BlackRock Eq Enrh Div BDJ	9.35	8.94	-4.4	20.2
BlackRock Enrh Glbl Div BOE	12.37	11.28	-8.8	18.2
BlackRock Enrh Intl Div BGV	6.14	5.66	-7.8	14.2
BlackRock ESG Cap Altt BCAT	17.37	16.64	-4.2	15.7
BlackRock Hlth Sci BHE	16.26	15.87	-2.4	8.3
BlackRock Hlth Sciences BME	43.24	40.33	-6.7	1.5
BlackRock Res & Comm BCR	9.91	9.02	-9.0	15.1
BlackRock SciTech BST	21.86	19.99	-8.6	18.4
BlackRock SciTech Trust BST	38.24	36.47	-4.6	6.2
BlackRock US Int'l & Pwr BUJ	22.38	22.64	+1.2	15.4
CLEARBRIDGEINVS MDP	NA	49.37	NA	41.3
ChnStrngIn UTS	24.30	24.65	+1.4	19.7
Cohen&SteersQualinc ROI	13.46	13.26	-1.5	19.1
Cohen&SteersRealEst RLTY	16.60	15.91	-4.2	22.5
Cohen&Steers TotRet RFT	12.01	12.40	+3.2	13.2
Cohen&SteersREITPrefnc RNP	21.76	22.36	+2.8	16.9
Columbia Sel Pm Tech Gr STK	30.59	30.71	+0.4	5.4
DNP Select Income DNP	39.23	39.58	+3.8	18.8
Duff&PhelpsInfra Inc FDI	NA	11.91	NA	41.8
EtnVncEqtyLnc Inc EOI	NA	20.17	NA	20.2
EtnVncEqtyLnc Inc EOS	NA	23.14	NA	23.4
EVRSkMnDvsEqInc ETJ	NA	8.95	NA	16.6

New to the Market

Public and Private Borrowing

Treasuries

Monday, March 3

Auction of 13 and 26 week bills;

announced on February 27; settles on March 6

Tuesday, March 4

Auction of 6 week bill;

announced on February 27; settles on March 6

IPO Scorecard

Performance of IPOs, most-recent listed first

Company	SYMBOL	Friday's	% Chg	Offer	1st-day
IPO date/	Offer price	close(\$)	price	close	close
Fifth Era Acquisition I FIERA	Feb. 28/\$10.00	10.02	0.2	...	...
Live Oak Acquisition V LOKV	Feb. 28/\$10.00	10.02	0.2	...	...
NewHold Investment III NHICU	Feb. 28/\$10.00	10.02	0.2	...	...
Luda Technology LZ	Feb. 27/\$4.00	4.06	1.5	1.5	...
LUD Technology LZMH	Feb. 27/\$4.00	5.65	41.3	13.0	...
Rlthm Acquisition RACUT	Feb. 27/\$10.00	10.03	0.3	-0.2	...
Webus Intl WETO	Feb. 27/\$4.00	3.76	-6.0	4.4	...
Basel Med Grp BMGL	Feb. 25/\$4.00	4.17	4.3	0.8	...
Wellgistics Health WGRX	Feb. 21/\$4.50	2.70	-40.0	-29.1	...
Anbio Biotechnology NNNN	Feb. 19/\$5.00	6.69	33.8	15.9	...

Sources: Dow Jones Market Data; FactSet

Insider-Trading Spotlight

Trading by 'insiders' of a corporation, such as a company's CEO, vice president or director, potentially conveys new information about the prospects of a company. Insiders are required to report large trades to the SEC within two business days. Here's a look at the biggest individual trades by insiders, based on data received by LSEG Data and Analytics on February 28, and year-to-date stock performance of the company
KEY: B: beneficial owner of more than 10% of a security class. **CB:** chairman. **CEO:** chief executive officer. **CFO:** chief financial officer. **CO:** chief operating officer. **D:** director. **DO:** director and beneficial owner. **GC:** general counsel. **H:** officer, director and beneficial owner. **I:** indirect transaction filed through a trust, insider spouse, minor child or other. **O:** officer. **OD:** officer and director. **P:** president. **UT:** unknown. **VP:** vice president. Excludes pure options transactions

Biggest weekly individual trades

Based on reports filed with regulators this past week

Date(s)	Company	Symbol	Insider	Title	No. of shrs in trans (000s)	Price range (\$)	\$ Value (000s)	Close (\$)	Ytd (%)
Buyers									
Feb. 24	Amkor Technology	AMKR	S. Kim	DO	870	21.85	19,000	21.10	-17.9
Feb. 24			J. Kim	BI	870	21.85	19,000		
Feb. 24			M. Cote	DO	870	21.85	19,000		
Feb. 20	CompoSecure	CMPO	J. Cote	DO	233	16.57	3,882	13.34	4.9
Feb. 20			T. Knott	DO	233	16.57	3,882		
Feb. 24	MSCI	MSCI	H. Fernandez	CEO	5	569.86-575.66	3,045	590.51	-1.6
Feb. 27	Akamai Technologies	AKAM	F. Leighton	CEO	38	79.56-80.01	2,998	80.68	-15.7
Feb. 26	ProfFrac Holding	ACDM	M. Wilks	ODI	289	6.93	2,001	7.19	-7.3
Feb. 24-25	PdF Solutions	PDFS	J. Kibarian	CEO	50	22.11-22.80	1,129	22.52	-16.8
Feb. 20	Charles River Laboratories International	CRL	J. Foster	CEO	6	165.01	1,002	165.31	-10.4
Feb. 19	Allegion	ALLE	G. Sengstack	DI	8	125.24	1,002	128.71	-1.5
Feb. 24-25	Zebra Technologies	ZBRA	P. Gustafsson	D	3	309.77-311.00	1,000	315.05	-18.4
Feb. 21	Sonoco Products	SON	R. Coker	CEO	20	46.48	930	47.82	-2.1
Feb. 26	Ryman Hospitality Properties	RHP	C. Reed	OD	8	97.54	803	98.89	-5.2
Feb. 25	Skyworks Solutions	SWKS	P. Brace	CEO	10	66.13	661	66.66	-24.8
Feb. 21	Wolverine World Wide	WWWV	D. Price	DI	35	15.30	536	14.79	-33.4
Feb. 20	Mitek Systems	MTX	E. West	CEO	55	9.21	506	9.37	-15.8
Feb. 21	10x Genomics	ITKG	A. Mateo	D	40	11.14	446	10.69	-25.6
Sellers									
Feb. 24	Waystar Holding	WAY	P. Moskowitz	DO	5,653	38.60	218,194	43.47	18.4
Feb. 27	Tempus AI	TEM	E. Lefkofsky	CEO	1,436	58.75	190,364	56.18	66.4
Feb. 21-24	Dutch Bros	BROS	T. Boersma	HI	1,340	72.68-82.55	109,576	79.16	51.1
Feb. 25-26			T. Boersma	HI	855	72.68-82.55	63,800		
Feb. 20-21	Palantir Technologies	PLTR	S. Cohen	P	675	96.43-108.28	69,269	84.92	12.3
Feb. 20-21			S. Karp	CEO	435	96.43-108.28	43,253		
Feb. 20			S. Sankar	CT	375	96.40-107.29	38,426		
Feb. 20-24			S. Sankar	CT	211	96.27-108.28	21,420		
Feb. 21-24	Texas Instruments	TXN	R. Templeton	CB	194	201.06-204.86	39,324	195.99	4.5
Feb. 25-26			R. Templeton	CB	194	196.59-201.86	38,645		
Feb. 18-19	Antero Resources	AR	W. Keenan	DI	900	39.76-40.57	36,348	36.70	4.7
Feb. 19	Astera Labs	ALAB	S. Gajendra	P	351	87.83-92.35	31,391	74.35	-43.9
Feb. 19			J. Mohan	CEO	351	87.83-92.35	31,391		
Feb. 25	Airbnb	ABNB	J. Gebbia	DO	214	140.75-145.03	30,412	138.87	5.7
Feb. 25	DraftKings	DKNG	J. Roberts	CEO	667	42.21-43.91	28,281	43.86	17.9
Feb. 21			T. Kalish	OD	598	45.90-48.49	27,646		
Feb. 24			P. Liberman	CEO	567	44.61-48.07	25,481		
Feb. 18	Reddit	RDDT	S. Huffman	CEO	124*	184.65-196.58	23,354	161.78	-1.0

* Half the transactions were indirect **Two day transaction

P: Pink Sheets

Insider Buying and selling by sector

Based on actual transaction dates in reports received this past week

Sector	Buying	Selling	Sector	Buying	Selling
Basic Industries	1,400,931	33,510,166	Finance	3,820,115	115,515,370
Capital Goods	1,445,758	96,387,306	Health care	4,418,991	145,356,515
Consumer durables	547,491	16,846,554	Public Utilities	221,364	11,626,711
Consumer non-durables	1,477,304	83,959,725	Technology	8,242,166	612,544,963
Consumer services	8,725,250	300,623,092	Transportation	0	7,967,809
Energy	4,338,607	74,645,876			

Sources: LSEG Data and Analytics; Dow Jones Market Data

Fund (SYM)	NAV	Prem	52 wk	Ti
	Close	/Disc	Ret	Ret
Prem 12 Mo				
BR MunYield Qlty MQY	12.91	12.07	-6.5	5.8
BR MunYld Qlty MQT	11.38	10.37	-8.9	5.8
BR MunYld Qlty MYI	12.29	11.29	-8.1	5.9
BNY Mellon Mun Bd Infra DMB	12.12	10.85	-10.5	3.4
BNY Mellon Mun Income DMF	7.66	7.18	-6.3	2.9
BNY Mellon Strat Mun Bond DSM	6.74	6.03	-10.5	3.7
BNY Mellon Strat Mun LEO	7.06	6.31	-10.6	3.7
DWS Mun Inc KTF	9.95	9.71	-2.4	7.0
EV MunI Bd EIM	NA	10.30	NA	5.7
EV MunI Inc EVN	NA	10.75	NA	5.7
EV Natl Munl Opp EOT	NA	17.25	NA	4.7
InvAdv MulnTrl VKI	9.58	9.01	-5.9	6.6
Invesco Munl Opp OIA	6.43	6.20	-3.6	5.6
Invesco Munl Opp VMO	10.70	9.93	-7.2	6.6
Invesco MuTr VKO	10.74	10.02	-6.6	6.6
InvescoQual Inc IQI	10.79	10.08	-6.6	6.7
InvTrlnvGrMun VGM	11.06	10.25	-7.3	6.6
InvescoVal Inc INB	13.18	12.49	-5.2	6.7
NeubrgBrm NBH	NA	10.73	NA	5.4
Nuveen AMT-Fr MuVal NWJ	15.21	13.98	-8.1	3.8
Nuveen AMT-Fr MuVal NEA	12.29	11.60	-5.6	6.8
Nuveen AMT-Fr Mu Ctl NSV	13.57	12.91	-4.9	6.7
Nuveen AMT-Fr Mu Ctl NDMO	11.08	10.54	-4.9	7.1
Nuveen Mu Cdt Opns NMCO	11.87	11.24	-5.3	6.7
Nuveen Credit Income NZ	13.40	12.68	-5.4	6.8
NuveenHilncOpp NMZ	NA	11.26	NA	6.3
Nuveen Munl Val NVJ	9.33	8.90	-4.6	4.1
Nuveen Quality Mun Inc NAD	12.76	11.96	-6.3	6.8
Nuveen Sel Trf NFV	14.53	14.70	+1.2	4.0
NYU Macqy Dtl Munl Opp MMO	NA	15.61	NA	4.6
PIMCO MultiInc PMF	9.27	9.32	+0.5	5.5
PIMCO MultiIncl PML	8.63	8.60	-0.3	5.6
Pimco Munl III PMX	7.96	7.53	-5.4	5.9
PioneerHilncAdv MAV	9.21	8.69	-5.6	4.5
PioneerHilncAdv MI	11.91	12.12	-1.8	4.9
PioneerHilncAdv ML	10.07	9.49	-5.8	4.3
Putnam Mgd Inc PMH	6.87	6.31	-8.2	4.5
Putnam Mgd Inc PMO	11.55	10.76	-6.8	3.9
RiverNorth Flx Mu Incl RFMZ	15.31	14.13	-7.7	7.4
RiverNorth Mgd Dtl Munl RMM	NA	15.15	NA	7.3
Western Asset Mgd Munl MMU	NA	10.52	NA	6.1

InvescoMuniOp	OIA	6.43	6.20	-3.6	5.6
InvescoMuOppTr	VMO	10.70	9.93	-7.2	5.6
InvescoMuTr	VKQ	10.74	10.07	-6.2	6.6
InvescoVal	Tramo	10.79	10.08	-6.6	6.7
InvTrlnvGrMun	VGM	11.06	10.25	-7.3	6.6
InvValMulnHnc	IGM	13.18	12.49	-5.2	6.6
NeubergBtR	NBH	NA	10.73	NA	5.4
NuveenAMT-FrVa3	NW	15.21	13.98	-8.1	6.8
NuveenAMT-FrCityMun	NMA	12.29	11.60	-5.6	6.8
NuveenAMT-FrMuCl	NGV	13.57	12.91	-4.9	6.8
NuveenMuMuniOp	NDMO	10.88	10.54	-3.1	6.7
NuveenMuCrntOps	NDNO	11.87	11.42	-4.7	6.7
NuvMuniCreditInc	NZF	13.40	12.68	-5.4	6.7
NuvMuniHlncOp	NMX	NA	11.26	NA	6.3
NuveenMuniVal	NVU	9.33	8.90	-4.6	6.1
NuveenQualityMuniHnc	NAD	12.76	11.96	-6.3	6.1
NuveenSTF Muni	NXP	14.53	14.70	+1.2	4.0
NYLMsdayDT Op	NMD	NA	15.61	NA	4.0
PIMCOMunHlnc	PMF	9.27	9.32	+0.5	5.3
PIMCOMunHlnc	PMH	8.63	8.60	-0.3	5.4
PimcoMuniIll	PMX	7.96	7.53	-5.4	5.3
PimcoHlncAdp	MAV	9.21	8.69	-5.6	4.1
PionnHlncCapty	MIO	12.91	12.62	-2.1	4.9
PimcoMunHlnc	PMH	10.07	9.49	-5.8	4.3
PutnamMgdMun	MMI	6.87	6.31	-8.2	4.3
PutnamMuMuniOp	PMO	11.55	10.76	-6.8	3.9
RiverNorthFbM Inc	RFMZ	15.31	14.13	-7.7	7.4
RiverNorthMgdMun	MMU	NA	15.15	NA	7.3
WesternAsset Dur	RMN	NA	15.02	NA	6.1

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New to the Market

Public Offerings of Stock

IPOs in the U.S. Market

Initial public offerings of stock expected this week; might include some offerings, U.S. and foreign, open to institutional investors only via the Rule 144a market; deal amounts are for the U.S. market only

Expected pricing date	Filed	Issuer/business	Symbol/ primary exchange	Shares (mil.)	Pricing Range(\$) Low/High	Bookrunner(s)
3/5	2/10	Kestra Medical Technologies Electromedical and Electrotherapeutic Apparatus Manufacturing	KMTS Nq	10.0	14.00/ 16.00	BofA Securities, Goldman Sachs, Piper Sandler

Lockup Expirations

Below, companies whose officers and other insiders will become eligible to sell shares in their newly public companies for the first time. Such sales can move the stock's price.

Lockup expiration	Issue date		Symbol	Offer price(\$)	Offer amt (\$ mil.)	Through Friday (%)	Lockup provision
March 3	Sept. 5, '24	Pheton Holdings	PTHL	4.00	9.0	-50.8	180 days
March 4	Sept. 5, '24	Powell Max	PMAX	4.00	6.1	-87.3	180 days
	Dec. 5, '24	Linkers Industries	LNKS	4.00	8.7	-82.3	90 days
March 8	Sept. 10, '24	Trident Digital Tech Holdings	TDTH	5.00	9.0	-88.4	180 days
	Sept. 10, '24	XCHG	XCH	6.20	21.5	-82.6	180 days

Sources: LSEG Data and Analytics; Dow Jones Market Data

A Week in the Life of the DJIA

A look at how the Dow Jones Industrial Average component stocks did in the past week and how much each moved the index. The DJIA gained 412.89 points, or 0.95%, on the week. A \$1 change in the price of any DJIA stock = 6.15-point change in the average. To date, a \$1,000 investment on Dec. 31 in each current DJIA stock component would have returned \$31,391, or a gain of 4.64%, on the \$30,000 investment, including reinvested dividends.

The Week's Action			Pct. Stock price change		Point change	Company	Symbol	Close	\$1,000 Invested (year-end '24)	Change
					in average				\$1,000	
7.69	18.46	113.47	Travelers		TRV	\$258.49			\$1,073	
6.99	10.14	62.33	3M		MMM	155.12			1,208	
5.14	17.70	108.80	Sherwin-Williams		SHW	362.27			1,066	
4.73	5.14	31.59	Walt Disney		DIS	113.80			1,022	
4.07	14.18	87.16	Visa		V	362.71			1,150	
4.04	3.83	23.54	Walmart		WMT	98.61			1,091	
3.83	2.93	18.01	NIKE		NKE	79.43			1,050	
3.07	2.75	16.90	Merck & Co		MRK	92.25			927	
2.93	11.30	69.46	Home Depot		HD	396.60			1,020	
2.12	3.61	22.19	Procter & Gamble		PG	173.84			1,043	
1.88	5.56	34.18	American Express		AXP	300.96			1,016	
1.83	8.54	52.49	UnitedHealth Group		UNH	474.96			939	
1.68	2.72	16.72	Johnson & Johnson		JNJ	165.02			1,150	
1.67	5.05	31.04	Amgen		AMGN	308.06			1,192	
1.15	3.91	24.03	Caterpillar		CAT	343.95			952	
1.15	3.52	21.64	McDonald's		MCD	308.33			1,064	
1.08	1.70	10.45	Chevron		CVX	158.62			1,107	
0.80	0.34	2.09	Verizon		VZ	43.10			1,097	
0.45	0.95	5.84	Honeywell		HON	212.89			947	
0.20	0.13	0.80	Cisco		CSCO	64.11			1,090	
0.16	0.41	2.52	JPMorgan Chase		JPM	264.65			1,110	
-0.20	-0.14	-0.86	Coca-Cola		KO	71.21			1,144	
-0.53	-3.31	-20.35	Goldman Sachs		GS	622.29			1,092	
-1.42	-2.52	-15.49	Boeing		BA	174.63			987	
-1.51	-3.71	-22.80	Apple		AAPL	241.84			967	
-1.99	-4.30	-26.43	Amazon.com		AMZN	212.28			968	
-2.75	-11.22	-68.97	Microsoft		MSFT	396.99			944	
-3.46	-9.04	-55.57	IBM		IBM	252.44			1,156	
-3.86	-11.95	-73.46	Salesforce		CRM	297.85			891	
-7.07	-9.51	-58.46	NVIDIA		NVDA	124.92			930	

*Based on Composite price. DJIA is calculated on primary-market price. Source: Dow Jones Market Data; FactSet.

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Country/currency		Fri		USD vs.	Country/currency		Fri		USD vs.
		in US\$	per US\$	(%)			in US\$	per US\$	(%)
Americas					Thailand baht				
Argentina peso	.00091063	7860	3.2			.02920	34.250	-0.2	
Brazil real	.1699	5.8865	-4.8		Vietnam dong	.00003913	25555	0.3	
Canada dollar	.6913	1.4466	0.6		Europe				
Chile peso	.001040	961.40	-3.3		Czech Rep. koruna	.04139	24.162	-0.8	
Colombia peso	.000241	4157.30	-5.6		Denmark krone	.1391	7.1870	-0.2	
Ecuador US dollar	1	1	unch		Euro area euro	1.0378	.9636	-0.2	
Mexico peso	.0487	20.5494	-1.3		Hungary forint	.002578	387.83	-2.4	
Uruguay peso	.02358	42.4150	-2.9		Iceland krona	.007132	140.22	0.9	
Asia-Pacific					Norway krone	.0888	11.2566	-1.1	
Australi dollar	.6208	1.6108	-0.3		Poland zloty	.2473	4.0431	-2.2	
China yuan	.1373	7.2838	-0.2		Sweden krona	.0928	10.7709	-2.7	
Hong Kong dollar	.1286	7.7790	0.1		Switzerland franc	1.1074	.9030	-0.5	
India rupee	.01143	87.472	2.2		Turkey lira	.0274	36.5334	-3.3	
Indonesia rupiah	.0000605	16531	1.6		Ukraine hryvnia	.0241	41.5500	-1.2	
Japan yen	.006639	150.62	-4.2		UK pound	1.2579	.7950	-0.5	
Kazakhstan tenge	.002007	498.32	-5.1		Middle East/Africa				
Macau pataca	.1247	8.0170	0.2		Bahrain dinar	2.6532	.3769	-0.1	
Malaysia ringgit	.2241	4.4625	-0.2		Egypt pound	.0197	50.6462	-0.4	
New Zealand dollar	.00091063	7860	3.2		Israel shekel	.2778	3.5995	-1.1	
Pakistan rupee	.00357	279.750	0.5		Kuwait dinar	3.2374	.3069	0.2	
Philippines peso	.0173	57.962	-0.2		Oman rial	2.5974	.3850	...	
Singapore dollar	.7401	1.3512	-1.0		Qatar rial	.2747	3.641	-0.1	
South Korea won	.0006841	1461.80	-1.1		Saudi Arabia riyal	.2666	3.7507	-0.2	
Sri Lanka rupee	.0033888	295.09	0.7		South Africa rand	.0535	18.6904	-1.0	
Taiwan dollar	.03038	32.920	0.4						

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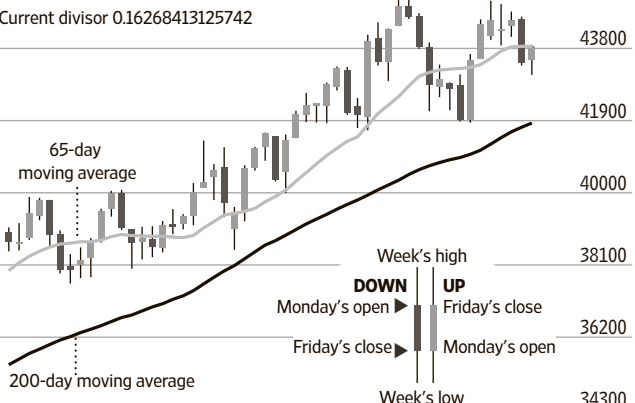
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NOTICE OF SALE

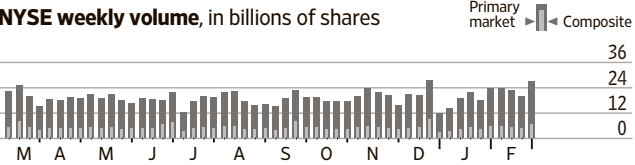
IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE	
CRYSTALLEX INTERNATIONAL CORPORATION,	:
Plaintiff,	:
v. BOLIVARIAN REPUBLIC OF VENEZUELA,	:
Defendant.	:
NOTICE OF SALE, BIDDING PROCEDURES, AND SALE HEARING	
PLEASE TAKE NOTICE OF THE FOLLOWING:	
On January 14, 2021, the United States District Court for the District of Delaware (the "Court") issued an opinion and corresponding order setting forth certain contours for the sale of the shares of PDV Holding, Inc. ("PDVH") and such shares, the "PDVH Shares" owned by Petroleros de Venezuela, S.A. ("PDVSA") in connection with the above-captioned proceeding. PDVH is the sole shareholder and direct parent of CITGO Holding, Inc., which in turn is the sole shareholder and direct parent of CITGO Petroleum Corporation. In furtherance of the Court's order, the Court appointed Robert B. Pincus as special master (the "Special Master") on April 13, 2021 to assist the Court with the sale of the PDVH Shares. The Special Master is advised by Weil, Gotshal & Manges LLP as transaction counsel, and Evercore Group LLC, as investment banker.	
On October 11, 2024, the Court entered an order (Docket No. 481) (the "Sale Procedures Order") that (i) approved bidding procedures, substantially in the form attached to the Sale Procedures Order as Exhibit I (the "Bidding Procedures"); (ii) authorized and approved the Notice Procedures for the Sale Hearing; and (iii) granted related relief.	
On December 31, 2024, the Court entered an order (Docket No. 1517) (the "Scheduling Order") that set a revised timeline and procedures for the sale of the PDVH Shares, including (i) setting forth the procedures for approval of (a) Bidder Protections that will be made available to any Stalking Horse approved by the Court, (b) material terms of a Stock Purchase Agreement and subsequent, a long-form Stock Purchase Agreement, and (c) Evaluation Criteria for Stalking Horse Bids, Base Bids, and Successful Bids; (ii) setting forth procedures for amendments to the Sale Procedures Order and Bidding Procedures; (iii) setting deadlines for the submission of bids, the Special Master's recommendations, and objections thereof; (iv) scheduling a Sale Hearing; and (v) granting related relief.	
On January 27, 2025, the Court entered an order (Docket	
No. 1554) which adopted certain bidder protections and material terms to be included in the Stock Purchase Agreement.	
Assets to be Sold: PDVH Shares	
Interested parties may submit bids for the purchase and sale of some or all of the PDVH Shares in accordance with the terms and conditions set forth in the Bidding Procedures as may be amended pursuant to the Scheduling Order. To avoid any ambiguity, parties may submit bids for less than 100% of the PDVH Shares so long as such bid satisfies the Attached Judgments.	
Important Dates and Deadlines	
• March 7, 2025. Deadline for bidders to submit Stalking Horse Bids.	
• March 14, 2025. Deadline for the Special Master to file selection of Stalking Horse Bid or Base Bid with the Court.	
• Topping Period. A 30-day Topping Period will begin after the Special Master's selection of the Stalking Horse Bid or Base Bid, or earlier if no objections are filed.	
• May 16, 2025. Deadline for the Special Master to submit his Final Recommendation.	
• July 22, 23, and 24, 2025. Sale Hearing to be held in Wilmington, Delaware on all or some of these dates.	
Additional Information	
Any party interested in submitting a bid should contact the Special Master's investment banker, Evercore at Project-Horizon@evercore.com, as soon as possible.	
The modified Sale Procedures Order, modified Bidding Procedures, including Bidder Protections and Evaluation Criteria, and a Stock Purchase Agreement will be made available as soon as they are finalized and may be requested free of charge by email to the Special Master's counsel, Weil, Gotshal & Manges LLP at Project.Horizon@weil.com.	
FAILURE TO ABIDE BY THE BIDDING PROCEDURES, THE SALE PROCEDURES ORDER, THE SCHEDULING ORDER, OR ANY OTHER ORDER OF THE COURT MAY RESULT IN THE REJECTION OF YOUR BID.	
Dated: March 3, 2025	
1 Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Sale Procedures Order, the Bidding Procedures, and the Scheduling Order (each, as defined herein), as applicable. Any summary of the Sale Procedures Order, the Bidding Procedures, or the Scheduling Order contained herein is qualified in its entirety by the actual terms and conditions thereof. To the extent that there is any conflict between any such summary and such actual terms and conditions, the actual terms and conditions shall control.	

Dow Jones Industrial Average

43840.91 ▲412.89, or 0.95% last week
Trailing P/E ratio 26.27 27.20
P/E estimate * 19.92 18.74
High, low, open and close for each of the past 52 weeks
Dividend yield 1.84 1.87
All-time high 45014.04, 12/04/24



Bars measure the point change from Monday's open



*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; *Based on Nasdaq-100 Index

Major U.S. Stock-Market Indexes

	High	Low	Latest Week Close	Net chg	% chg	Low	52-Week Close (●)	High	% chg YTD	% chg 3-yr. ann.
Dow Jones										
Industrial Average	43884.19	43100.87	43840.91	412.89	0.95	37735.11		45014.04	12.2	3.0
Transportation Avg	16127.07	15737.69	15986.49	-47.87	-0.30	14781.56		17754.38	1.0	0.6
Utility Average	1026.17	989.95	1005.45	-17.28	-1.69	833.04		1079.88	20.7	2.3
Total Stock Market	59502.94	57811.86	58939.00	-615.77	-1.03	49376.46		61024.05	15.0	0.9
Barron's 400	1263.48	1230.49	1249.96	-7.34	-0.58	1092.05		1356.99	10.7	-0.2
Nasdaq Stock Market										
Nasdaq Composite	19644.23	18372.99	18847.28	-676.73	-3.47	15282.01		20173.89	15.8	-2.4
Nasdaq-100	21727.58	20407.45	20884.41	-729.67	-3.38	17037.65		22175.6	14.1	-0.6
S&P										
500 Index	6043.65	5837.66	5954.50	-58.63	-0.97	4967.23		6144.15	15.9	1.2
MidCap 400	3133.72	3051.43	3095.15	-6.75	-0.22	2825.94		3390.26	6.3	-0.8
SmallCap 600	1389.99	1344.34	1363.73	-14.91	-1.08	1241.62		1544.66	4.0	-3.2
Other Indexes										
Russell 2000	2202.06	2126.08	2163.07	-32.28	-1.47	1942.96		2442.03	4.2	-3.0
NYSE Composite	20080.90	19730.95	20028.19	146.65	0.74	17388.09		20272.04	13.0	4.9
Value Line	613.93	595.68	603.82	-7.12	-1.17	568.94		656.04	0.9	-1.167
NYSE Arca Biotech	6206.27	5989.92	6071.25	-85.51	-1.39	4861.76		6318.63	14.3	5.7
NYSE Arca Pharma	1038.75	1005.56	1036.31	29.92	2.97	912.71		1140.17	1.7	10.9
KBW Bank	135.43	130.43	135.33	1.25	0.93	96.38		140.59	40.4	6.2
PHLX\$ Gold/Silver	161.54	150.84	155.32	-3.25	-2.05	108.65		175.74	43.0	13.2
PHLX\$ Oil Service	71.62	67.52	68.65	-2.093	-2.96	68.65		95.25	-16.4	-5.4
PHLX\$ Semiconductor	5167.44	4634.95	4766.75	-369.84	-7.20	4306.87		5904.54	-3.3	-4.3
Cboe Volatility	22.40	17.31	19.63	1.42	7.80	11.86		38.57	49.7	13.1

\$ Nasdaq PHLX

FINANCE & MARKETS

KPMG to Launch Law Firm in Arizona

Big Four accounting firm will be first to have practice in U.S. after court approval

By MARK MAURER

KPMG has begun to set up a law firm in the U.S. after a court decision made it the first Big Four accounting firm eligible to practice law in the country.

The Arizona Supreme Court on Thursday granted the accounting giant final approval to obtain a license to create its own firm, KPMG Law. The move allows KPMG to greatly expand its legal offerings, for

example, into services such as drafting and updating contracts and reconciling legal materials in merger-and-acquisition deals. At present, KPMG and other accounting firms offer limited legal services, such as advising clients on operations and technology for their legal teams.

KPMG has previously said its Arizona-licensed lawyers would be able to do certain legal work for clients across the country once it received the court's approval. Thursday's clearance is expected to give the firm a leg up on its Big Four rivals through an expanded revenue stream as well as create new competition for law firms.

"By combining cutting-edge artificial intelligence and advanced technology solutions with legal services, we are proud to be a first mover with this capability and to offer the most holistic range of tech-enabled services in the marketplace for our clients' evolving needs," Rema Serafi, vice chair for U.S. tax at KPMG, said.

In 2021, Arizona established a program to widen the public's access to legal services, primarily to address a shortage of lawyers available to assist on family law, immigration and other issues. In most states, law firms can only be owned by lawyers; but in Arizona, the supreme court lifted that restriction in 2020.

In January, the Arizona committee that oversees the so-called Alternative Business Structure program unanimously approved KPMG's request for a law license. But later that month, the state's top court paused KPMG's bid and sought more details on its application.

Legal services can only be provided outside of Arizona if those services comply with that state and the other jurisdiction's requirements for practicing law, said David Rizzo, the compliance lawyer for KPMG's U.S. law firm. "Arizona's licensure does not override an outside regulator's authority," he said.

KPMG already practices law

in roughly 80 countries, including the U.K. and Australia. Those businesses have grown in part through acquisitions of small and midsize law firms. The U.S. represents the biggest law market in the world. KPMG said it serves more than 100 clients in Arizona across its service lines.

Under the court order, however, the firm won't be allowed to provide U.S. legal services to audit clients anywhere in the world to prevent conflicts of interest. The requirement is aimed at addressing perceived and actual conflicts of interest between clients and their counsel and aligns with existing auditor-independence rules, a court spokesman said.

"There is danger for conflicts of interest absolutely, but is that danger of a magnitude different than what we see in conflicts of interest within the legal industry? Probably not," said David Wilkins, director of the Center on the Legal Profession at Harvard Law School.

KPMG isn't the first accounting firm to receive Arizona court approval for the license.

Aprio, a private-equity-backed, Atlanta-based firm, last month said it would partner with Radix Law to create a firm in Arizona after being approved last May.

—Erin Mulvaney contributed to this article.

Friends And Private Equity Stars

Continued from page B1

just four months and pushing the firm's total assets under management to over \$3.5 billion. That is even as a growing list of firms have struggled to raise capital.

"They've established themselves as the next generation of moneymakers," said Marc Lasry, founder of private-equity shop Avenue Capital Group. Lasry, a mentor to the pair, said he rarely invests outside of his own firm but has put money into Garnett Station.

Other investors who have served as mentors include Oaktree Capital Management co-founder Howard Marks, Continental Grain Chairman and Chief Executive Paul Fribourg and 3G Capital Co-Managing Partner Daniel Schwartz.

Perelman and Sloane have known each other since they were toddlers, having grown up three blocks from each

other on New York's Upper East Side. They still live there today with their respective families (their wives are also best friends). The two see each other as brothers, sibling squabbles and all.

In 2023, they said they argued for weeks over whether to sell a collision-repair shop business. Perelman, who tends to be more skeptical and pessimistic, was pushing for a sale and prevailed, netting hundreds of millions of dollars for investors.

Sloane, the more reliably upbeat of the two, said their dynamic is what helps them spot both the potential and risks in deals.

It is why they still take all their work trips together.

"It may be an unusual style, but it works," said Royce Yudkoff, co-founder of Abry Partners, a private-equity firm based in Boston. (Yudkoff met the pair in 2014 while he was teaching a course at the Harvard Business School and later invested in their firm.)

Garnett Station's portfolio companies include a pet-services franchiser, a vacation-rental property manager and a business that offers disaster recovery help. But restaurants are where it all started.



Matt Perelman, standing, and Alex Sloane, founders of Garnett Station Partners.

"We love investing in businesses that do really well in their core market," said Perelman. "What works in Ohio doesn't necessarily work in Arizona." The firm's Primanti Bros, for instance, has a cult following in Pittsburgh for its massive sandwiches stuffed with french fries.

In 2013, Perelman and Sloane were in business

school at Harvard when they tried to strike their first deal, for a handful of Kentucky Fried Chicken locations. They were in their 20s at the time and rejected for lacking franchise experience. Perelman later gifted the original business plan in a leatherbound book for Sloane.

The following year, the duo spent the summer in North

Carolina, doing diligence on nearly two dozen distressed Burger King restaurants. It was enough for them to clinch their first deal.

That Burger King portfolio eventually grew to more than 220 locations across the Southeast before it was sold in a stock deal in 2019 to Carrols Restaurant Group, the Whopper maker's biggest U.S.

franchisee. (Burger King parent Restaurant Brands International bought Carrols for \$1 billion last year.)

Garnett Station launched **Authentic Restaurant Brands** in 2021. The restaurant holding company's acquisitions have included a New Jersey and Pennsylvania sports-bar chain (PJ Whelihan's), a Latin-inspired chain in Houston (Mambo Seafood) and the Pollo Tropical restaurant business.

The company's latest purchase was Tavern in the Square, a sports-bar chain in the Boston area known for its fried pickle chips.

Sloane said other private-equity firms avoid starting out with smaller businesses because building the infrastructure for expansion can be challenging. "But once you do that, there will be a lot more buyers for that business than there were when you first found it," he said.

The duo expect to sell Authentic Restaurant Brands within the next 12 to 18 months. A deal could fetch anywhere between \$1.5 billion and \$2 billion, going off of recent industry deal multiples. (They say they plan to do more restaurant deals in the future.)

Comeback For Fund Executive

Continued from page B1

learned important lessons. Some investors also feel that a manager who makes a huge mistake could just as easily hit it big next time.

"Every successful trader has a near-death experience," says Peter Borish, a veteran hedge-fund investor who runs Computer Trading Corp., an investing and consulting firm. "Successful ones bounce back, enhance their risk management and potentially thrive."

John Meriwether, who helped found Long-Term Capital Management, launched not one but two funds after the hedge fund collapsed in 1998, almost taking the financial world down with it. More recently, Adam Neumann, the

executive who co-founded and led WeWork until the company ousted him in the wake of a failed initial public offering, has raised \$350 million for a new firm.

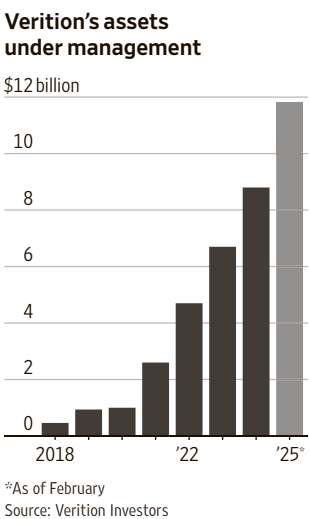
It likely helps Maounis that there are investors who are well aware of what happened at Amaranth, yet didn't experience the fund's demise.

"Verition's performance has been great, they have differentiated strategies, and some investors feel it makes sense to give money to someone who has learned an important lesson," says Clinton Huff, a senior investment officer at Texas Tech University System, a Verition investor. "Fortunately, we weren't investors in Amaranth, though."

Maounis declined to comment.

Amaranth's fall

Amaranth's collapse was one of the most dramatic in modern history. Maounis, a veteran convertible-bond trader, built Amaranth into a



\$9 billion, Connecticut-based investing power. Its executives boasted of world-class risk-management systems while backing various investing strategies.

The problems came in 2006 from a successful energy trader in Calgary, Brian Hunter, who was then 32 years old. One of Hunter's trades, aimed at exploiting the

differences in price between natural-gas contracts, went awry. The fund suffered \$6.4 billion of losses in a single week, and Amaranth lost over 60% that September. The firm recorded gains earlier in 2006, so investors lost about half their money.

Amaranth clients who kept their money in the fund for its entire existence didn't lose money, thanks to earlier gains, a person close to Maounis says.

Hunter couldn't be reached for comment.

Verition's rise

Maounis began plotting his comeback even as the Amaranth saga was playing out, according to someone who spoke to him at the time.

Two years later, in 2008, Maounis launched Verition with about \$185 million. He hired Josh Goldstein, who had worked for Maounis's family office, as his No. 2. Maounis told potential clients that Amaranth's problems resulted

from an unforeseen move in near-term natural-gas futures prices compared with longer-term prices, according to a person close to the matter. He based his new firm in Amaranth's former headquarters in Greenwich, Conn.

For years, investors were wary, and Verition's assets were relatively stable and small. In early 2020, as the pandemic began, Verition made money while rivals suffered, and the money began to flow to the fund.

Last year, Verition rose 12%, investors say. That is better than the 9.75% return of the HFRI Fund Weighted Composite Index, a proxy for the global hedge-fund industry, though below the 15% earned by Vanguard's 60-40 mutual fund, which invests in stocks and bonds. This year, Verition is up 2.2% through Feb. 27, beating the S&P 500 index.

Verition has scored average annual returns of about 12.9% since launching, according to an investor, topping the broad market. Its "risk-adjusted re-

turns," or its gains relative to the risk the fund takes, are strong, and they have little correlation to other investments, says Huff, the Texas Tech University System senior investment officer.

It helps that Verition is in the hottest sector in the hedge-fund world. It is a "multimanager" firm, backing 140 trading teams, each managing a small percentage of the firm's overall assets while betting on various markets, including such niches as Canadian convertible bonds. Other multimanager firms, including Steven Cohen's Point72 and Israel Englander's Millennium Management, have soared in size.

Clients note that Verition has a different strategy compared with Amaranth. It also has close to three times the number of risk managers as Amaranth, and it imposes various limits on its portfolio managers, suggesting that Maounis has learned lessons from the Amaranth episode, they say.

THE TICKER | MARKET EVENTS COMING THIS WEEK

Monday	
Construction spending	
Dec., previous	up 0.5%
Jan., expected	up 0.1%
ISM mfg. index	
Jan., previous	50.9
Feb., expected	50.6
Earnings expected	
Estimate/Year Ago	
AST SpaceMobile	(0.19)/(0.35)
Emergent BioSolutions	(0.43)/(0.77)
Gitlab	0.23/0.15
Okta	0.74/0.63
Tuesday	
Earnings expected	
Estimate/Year Ago	
AutoZone	29.05/28.89
Best Buy	2.40/2.72
Box	0.41/0.42
Credo Technology Group	0.18/0.04
CrowdStrike Holdings	0.86/0.95
Ross Stores	1.66/1.82
Wednesday	
EIA status report	
Previous change in stocks in millions of barrels	

Crude-oil stocks	down 2.3
Gasoline stocks	up 0.4
Distillates	up 3.9
Factory orders	
Dec., previous	
	down 0.9%
Jan., expected	up 1.6%
Mort. bankers indexes	
Purch., previous	up 0.0%
Refinan., prev.	down 4.0%
Earnings expected	
Estimate/Year Ago	
Brown-Forman	0.46/0.60
Campbells	0.72/0.80
Marvell Technology	0.59/0.46
MongoDB	0.66/0.86
Veeva Systems	1.58/1.38
Zscaler	0.69/0.76
Thursday	
Initial jobless claims	
Previous	242,000
Expected	243,000
Unit labor costs	

Costco Wholesale is expected to post per-share earnings of \$4.08 on Thursday.	
3rd qtr., prev	up 3.0%
4th qtr. prel. exp.	up 3.0%
Productivity	
3rd qtr., prev	up 1.2%
4th qtr. prel. exp.	up 1.2%
Freddie Mac mortgage survey	
Previous weekly averages	
30-year fixed	6.76%
15-year fixed	5.94%
Int'l trade deficit in billions	down 261
Dec., previous	\$98.43
Jan., expected	\$100.0
Wholesale inventories	
Dec., previous	down 0.5%
Jan., expected	up 0.3%
EIA report: natural-gas	
Previous change in stocks in billions of cubic feet	

Earnings expected	
Estimate/Year Ago	
Broadcom	1.51/1.10
Cooper	0.91/0.85
Costco Wholesale	4.08/3.71
HashiCorp	0.07/0.05
Hewlett Packard Enterprise	0.50/0.48
Kroger	1.11/1.34
Nonfarm payrolls	
Jan., previous	143,000
Feb., expected	160,000
Unemployment rate	
Jan., previous	4.0%
Feb., expected	4.0%
Consumer Credit	
Dec., previous	
	up \$40.8 bil.
Jan., expected	up \$12.0 bil.

* FactSet Estimates earnings-per-share estimates don't include extraordinary items (Losses in parentheses) ♦ Adjusted for stock split

Note: Forecasts are from Dow Jones weekly survey of economists

Bitcoin Surges on Trump Plans

Continued from page B1

bitcoin stockpile" during his keynote speech at the annual Bitcoin Conference in July. Since then, the idea has generated excitement in crypto circles, where investors and entrepreneurs are clamoring for government policies that help legitimize bitcoin, which in turn could boost its value.

A onetime bitcoin skeptic, Trump embraced crypto last year and made a series of big promises to the industry. Since returning to the White House, he has created a working group on digital-asset markets and pardoned Ross Ulbricht, the founder of Silk Road, an online drug bazaar

that used bitcoin as its payment method.

Investors and analysts have said that one way to build the reserve is for Uncle Sam to hold on to its huge stash of bitcoin seized from cybercriminals and darknet markets. The U.S. government holds more than 180,000 bitcoin worth about \$18 billion based on current market prices, according to data compiled by crypto firm 21.co. Historically, the government has sold seized bitcoin to reimburse victims of cybercrime and cover agency expenses.

The government has also seized other tokens, but the sum isn't tracked as closely by researchers.

Trump is expected to host and speak at the first-ever White House Crypto Summit on Friday. The summit will be chaired by Trump's AI and crypto czar David Sacks and attended by industry chief executives, founders and investors.

\$18B

Current market value of the more than 180,000 bitcoin the U.S. government holds

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FINANCIAL ANALYSIS & COMMENTARY

Power Stocks’ AI Fever Shifts to Gas

Nuclear companies have been the main beneficiaries of a rally, but regulatory uncertainty could widen its scope

When the excitement around artificial intelligence started spreading to power stocks, the rally was concentrated on those with a big portfolio of nuclear power plants, such as **Constellation Energy** and **Vistra**. This could now be changing.

Thanks to regulatory scrutiny in key markets of deals between nuclear plants and data centers, most of which effectively draw power away from the rest of the grid, investor favor may shift to others: companies that can quickly build new gas-fired power plants and vertically integrated utilities.

Shares of **NRG Energy**, which doesn't own any nuclear capacity, had lagged behind the surge seen by nuclear-owning peers Vistra, Constellation Energy and **Talen Energy** over the past two years. But last Wednesday, its shares jumped 11% after it made two big announcements.

One was an agreement with gas-turbine manufacturer **GE Vernova** and contractor **Kiewit** to construct more than 5 gigawatts worth of new gas-fired power plants, which would be enough to power millions of homes. Separately, the company said it is in talks with two data-center developers to supply power, primarily from new natural-gas-fired plants. Even after a broad selloff among power stocks on Thursday, its shares are outperforming Vistra and Constellation so far this year.

Vistra shares fell 12% on Thursday after it failed to disclose any new contracts in its earnings call. Chief Executive Jim Burke said on the call that “there are a number of questions to be answered” from regulators before Vistra can finalize certain contracts with data center customers. The company expects more regulatory clarity by midyear. Constellation disclosed quarterly results last month without announcing new contracts. Constellation and Vistra operate the largest and second-largest nuclear-power fleets, respectively, that operate in competitive power markets.

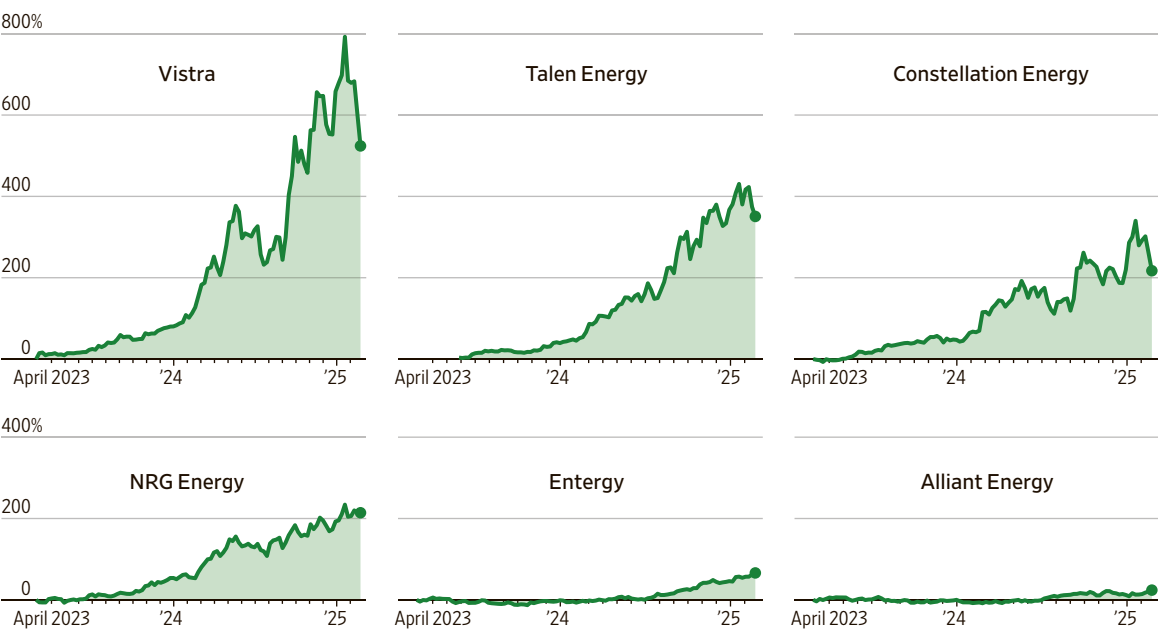
There are many reasons why funneling energy from existing nuclear power makes sense for data centers. It is quicker than building a power plant from scratch and provides round-the-clock clean power. Because these sites have plenty of land, it is possible to colocate data centers and possibly dodge transmission fees. The sites also have ready access to cooling water. These are also the most lucrative contracts for power plant owners, who get to charge higher power prices for an existing asset.



IMAGO/ZUMA PRESS

Shares of NRG Energy soared last Wednesday after it struck an agreement with gas-turbine maker GE Vernova.

Share-price performance over the past two years



Source: FactSet

But these deals are facing skepticism from regulators in the largest competitive power markets, which are already seeing surging power prices. Late last year, the Federal Energy Regulatory Commission blocked part of Talen Energy's plan to sell power from its existing nuclear power plant directly to **Amazon.com**'s data center in Pennsylvania. Trump-nominated FERC Chair Mark Christie said an agreement of that type

could have “huge ramifications for both grid reliability and consumer costs.” The regulators last month voted to launch a review of issues associated with such arrangements in PJM Interconnection, a market that includes Pennsylvania.

Meanwhile, Texas' state Senate introduced a bill a few weeks ago that, if passed, would add transmission costs for large power customers and create guardrails to make sure they don't threaten grid

reliability.

None of this spells complete doom for nuclear power plants looking to sign deals. Depending on how regulation shakes out, it could just mean such customers have to pay more transmission fees. The bigger risk is that the regulatory process drags out. FERC's Christie has said the commission would act quickly, but given the sensitivity around grid stability and power prices, there

could be legal challenges to their decision.

Time is of the essence for data center customers; they may prefer to ink contracts that involve less regulatory uncertainty. “It's not just the money, it's really the time,” notes Stephen Byrd, equity analyst at Morgan Stanley. His team's analysis shows that there is going to be some 42 gigawatts worth of shortfall between data-center demand for power and actual grid capacity through 2028 in the U.S.

Easier contracts to strike could include ones for new natural gas-fired power plants, such as those NRG announced. Next to existing nuclear power, new natural-gas-fired power is the best bet for AI because it runs around the clock and can be built much faster than nuclear power. Technology companies might find it easier to put net-zero ambitions on the back burner under the current administration.

NRG said long-term contracts on those new gas-fired power projects could range from \$70 to \$90 per megawatt-hour, similar to industry analysts' estimate of what Talen Energy's nuclear power plant would get from its lucrative contract with Amazon. There is enough potential profit here that even **Exxon Mobil** and **Chevron**, oil majors with higher return hurdles, plan to build new natural-gas-fired power plants for data centers. Because there is a limited supply of gas turbines, investors will want to keep an eye on companies that have secured slot agreements.

Vistra, for its part, said it has gas turbines booked for delivery in 2026 and 2027.

More data-center customers could also look to work with vertically integrated utilities rather than power producers in competitive markets. Going this route may not come with the same level of speed or long-term fixed price certainty, but it could be simpler because it only involves dealing with one entity, according to Rodney Rebello, co-portfolio manager of Virtus Reaves Utilities ETF. Shares of utilities announcing data-center deals have rallied: **Entergy**, which operates across several Southern states, is up about 74% over the past 12 months, while **Alliant Energy**, which serves Iowa and Wisconsin, has gained 36%.

As tech companies broaden the pool of prospective contracts, the AI power rally should spread across more stocks, not just a few highfliers.

—Jinjo Lee

Rocket Sees ‘Green Shoots’ in Frozen Housing Market

Springtime may be just around the corner for home buyers, according to mortgage giant **Rocket Cos.**

Shares of the Detroit-based lender rose more than 9% on Friday following the company's earnings report late Thursday.

Rocket gave a revenue forecast range for the first quarter of 2025 with a midpoint that was a tad below what Wall Street was anticipating, according to estimates compiled by Visible Alpha. However, executives also told analysts on Thursday's earnings call they

were seeing signs in the market of better times ahead.

“You're seeing more homes selling at or below list. You're seeing [home] equity at an all-time high...You're seeing new listings increase,” Chief Executive Varun Krishna said. He noted that January's jump in listings was the biggest in three years.

Rocket Chief Financial Officer Brian Brown added that the percentage of prospective home-buyers who had been fully underwritten—meaning they were approved to borrow, and just needed to find a

place to buy—was growing as a percentage of Rocket's overall buyer pipeline. “So some really nice green shoots leading into March,” he said.

It is no wonder investors are seizing on this optimism. Housing remains in a deep winter slump, with the National Association of Realtors' pending home

January's jump in listings was the biggest in three years, the CEO said.

sales index hitting a record low in January. Last year's sales were the lowest in almost three decades.

Homeowners might not be too thrilled to hear about those below-listing sales. But sellers' capitulation would be good news for the transactions business.

Rocket shares had, surprisingly, been falling last week prior to Friday. That was despite the sharp drop in 10-year Treasury yields,

which typically heralds falling mortgage rates and, in turn, more home-buying activity. While many homeowners on the cusp of selling might have mortgage rates that are still far below today's prevailing rates, it is still encouraging that rates hit another 2025 low last week in Freddie Mac's national average for 30-year fixed rate mortgages, at 6.76%.

More thawing in sellers' willingness to take what is offered could be what the market really wants to see.

—Telis Demos

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