

What's News

Business & Finance

Navient said it would cancel \$1.7 billion in private student debt for about 66,000 borrowers to resolve claims that it engaged in deceptive lending practices. **A3**

◆ **Biden will nominate** Sarah Bloom Raskin, a former top Treasury Department official, to serve as the Fed's top banking regulator, the White House said. **A2**

◆ **Lael Brainard, appearing** at her confirmation hearing to be the Fed's No. 2 official, said efforts to reduce inflation are the central bank's "most important task." **A2**

◆ **Producer prices** closed out 2021 near the highest level in over a decade, though December showed a slight cooling of producer inflation. **A2**

◆ **Major U.S. stock indexes** fell, dragged down by tech shares, with the Nasdaq, S&P 500 and Dow losing 2.5%, 1.4% and 0.5%, respectively. **B9**

◆ **Delta Air Lines** said it expects to shake off the impact of Omicron, which knocked the company's operation off course and damped revenue at the end of the year. **B1**

◆ **Microsoft's board** said it would review the company's sexual-harassment and gender-discrimination policies and unveil a summary of the results of past investigations. **B1**

◆ **Shares of TPG** rose 15% in their stock-market debut, notching a valuation of roughly \$10.4 billion for the private-equity firm. **B9**

◆ **TSMC** said it would increase its investment to boost production capacity by up to 47% this year amid the global chip crunch. **B4**

World-Wide

◆ **The Supreme Court** blocked the Biden administration's Covid-19 vaccine-or-testing rules for large private employers, but allowed a vaccine mandate for more than 10 million healthcare workers whose facilities participate in Medicare and Medicaid. **A1, A5**

◆ **Russia's deputy** foreign minister said talks with the U.S. over the security situation in Ukraine had stalled and suggested Moscow could dispatch a military deployment to Venezuela and Cuba. **A1**

◆ **Russian-led troops** deployed in Kazakhstan to help tamp down antigovernment violence have completed their mission and are preparing to withdraw, Moscow said. **A16**

◆ **Eleven people** including Stewart Rhodes, the leader of the right-wing militia group the Oath Keepers, were indicted on charges of seditious conspiracy, marking an escalation of the Justice Department's investigation into the attack on the U.S. Capitol. **A3**

◆ **The House panel** investigating the assault on the Capitol issued subpoenas to Alphabet, Meta Platforms, Reddit and Twitter. **A3**

◆ **Biden expressed** doubts that Democrats would pass their elections legislation, bowing to political realities that left party leaders shy of a path forward in the Senate. **A4**

◆ **The president** said he is directing his administration to procure 500 million additional at-home rapid Covid-19 tests, doubling the number the U.S. plans to send to Americans free of charge. **A5**

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Court Blocks Biden Vaccine Rule

Justices halt federal mandate for big private employers, but allow health-worker edict

By BRENT KENDALL AND JESS BRAVIN

WASHINGTON—The Supreme Court blocked the Biden administration's Covid-19 vaccine-or-testing rules for large private employers, upending the government's most aggressive effort to combat the pandemic via the workplace.

The high court, however, gave the administration on Thursday more latitude in the healthcare industry, allowing it to impose a vaccine mandate for more than 10 million healthcare workers whose facilities participate in Medicare and Medicaid, a holding that leaves one part of the president's Covid-19 playbook in place.

The private-employer requirements, for businesses with 100 or more employees, would have applied to an estimated 84 million workers. The court's conservative majority, in an unsigned opinion, said

the Biden administration likely didn't have the unilateral power to impose a mandate that employers ensure workers were vaccinated or tested every week for Covid-19. Three liberal justices dissented.

President Biden in a statement said the high court's decision to allow the healthcare vaccine mandate "will save lives," but he expressed disappointment that the court blocked "common-sense life-saving requirements for employees at large businesses that were grounded squarely in both science and the law."

Mr. Biden, a Democrat, also said Thursday that he is directing his administration to procure an additional 500 million at-home rapid Covid-19 tests to send to people free of charge, bringing the total to one billion following calls from public-health officials to expand testing amid a surge in cases.

The court's decision on the requirements for large employers was a relief for some businesses, especially those that have said imposing a mandate would make it harder for them to compete for and keep workers. Other businesses already

have adopted mandates for their workers on their own or because of local rules, for example in New York City.

The Occupational Safety and Health Administration issued the private-employer rules in November. Several parts of the regulations, including a requirement for mask-wearing in the workplace by unvaccinated people, were set to take effect this

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◆ **Businesses applaud** ruling, even as some plan own mandate... **A5**

◆ **Omicron appears** to have peaked in U.K. **A7**

As President Visits Hill, Sinema Says Filibuster Should Stand



VOTES: President Biden expressed doubts Democrats would pass their elections legislation after Sen. Kyrsten Sinema (D, Ariz.) reiterated that she wouldn't support rules changes that would ease the bill's path around Republican opposition. **A4**



Russia Threatens To Deploy Troops Near U.S.

Moscow weighs sending its military to Cuba, Venezuela as Ukraine talks stall

Russia's deputy foreign minister said talks with the U.S. over the security situation in Ukraine had stalled and suggested that Moscow could dispatch a military deployment

By Ann M. Simmons, Courtney McBride and Laurence Norman

ment to Venezuela and Cuba, as the Kremlin seeks to pressure Washington to meet its demands to halt Western military activity that Russia claims pose a threat.

Deputy Foreign Minister Sergei Ryabkov said Thursday that Moscow couldn't exclude dispatching "military infrastructure" to Venezuela or Cuba if tensions with Washington—which have soared in recent weeks over a huge buildup of Russian troops on Ukraine's border—continue to rise.

"I don't want to confirm anything, I will not rule out anything....Depends on the actions of our American colleagues," Mr. Ryabkov told privately owned Russian-language television network RTVi in an interview in Moscow. Mr. Ryabkov said he saw no immediate grounds for fresh talks with the U.S., after several rounds of negotiations this week yielded little progress in defusing the crisis in Ukraine.

In Washington later, White House national security adviser Jake Sullivan said U.S. and European officials would confer in the coming days, but that no dates have been set for further

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◆ **Russia says** it is ending mission in Kazakhstan..... **A16**

INSIDE



COLLIN COUNTY SHERIFF'S OFFICE/AP

U.S. NEWS

Founder of the Oath Keepers militia group charged with sedition in attack on Capitol. **A3**

MANSION

Quirky collections are moving from storage rooms into living spaces. **M1**

One of Dirtiest Oil Patches Is Pumping More Than Ever

Local producers have replaced multinationals in Canada's oil sands

By VIPAL MONGA

TORONTO—Major oil companies, under pressure from investors and environmentalists, are fleeing Canada's oil sands, the fourth-largest oil reserve in the world and by some measures one of the most environmentally unfriendly. Investment in existing projects has stalled, and banks are refusing to fund new ones.

Nevertheless, oil production there is expected to continue for at least two more decades. Local companies have stepped in to keep working the existing mines and wells. Last year, the oil sands were on track to deliver more oil than ever.

Governments and financial institutions are pushing to wean the world from fossil fuels to address climate change. But demand for

energy remains robust. So long as existing oil fields—no matter their carbon footprint—remain profitable, they are likely to remain in production long after big-name multinational companies walk away.

There are still roughly 170 billion barrels of thick, tar-like bitumen under boreal forests in the Canadian province of Alberta, the largest amount outside of Saudi Arabia, Venezuela and Iran. Domestic companies such as Canadian Natural Resources Ltd., Suncor Energy Inc., Cenovus Energy Inc. and Imperial Oil Ltd, an affiliate of Exxon Mobil Corp., extracted more crude from those fields in last year's third quarter than the same period a year earlier.

Politicians and others pushing for a rapid transition to cleaner energy sources face a

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Private-Lending Boom Lures Money Managers

By MATT WIRZ

One of Brigade Capital Management's best trades of 2021 was making about one million loans to U.S. shoppers.

The investment firm made double-digit returns funding more than \$500 million of "buy now, pay later" and other consumer loans used for purchases on digital marketplaces like Amazon.com Inc., people familiar with the trade said.

Brigade's foray into consumer finance is part of a boom in private credit—lending by money managers rather than banks—spreading across the globe. Funds that make such loans now control about \$1.2 trillion, nearly twice the capital they had five years ago, according to analytics company Preqin.

In the past, many made loans for private-equity firms taking over midsize businesses. Now they are using their cash piles to expand into

markets once dominated by Wall Street banks such as consumer finance, mortgages and asset-based lending. Pension systems, insurers and endowments are shunting billions of dollars into the high-yielding funds because returns from conventional fixed income have been anemic for years.

"We think this market dwarfs the alternatives market," Apollo Global Management Inc. Chief Executive Officer Marc Rowan said at the firm's investor day in October. The figure could be as great as \$40 trillion, he said. Apollo manages about \$340 billion of credit investments, much of them private.

Some see risk where Mr. Rowan spies opportunity.

Private lending is opaque, lightly regulated, susceptible to conflicts of interest and concentrated among a small number of large fund managers, according to Moody's

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'It Was Like, "We Can Do This Now"'

* * * Many who recover from Omicron live it up a little

By JULIA CARPENTER AND ALEX JANIN

The latest Covid-19 surge and the emergence of the Omicron variant left thousands with unexpected symptoms at the worst time. Multitudes had to cancel holiday plans and time with families.

One isolation period later, many of those who recovered are confident they have emerged with greater protection, judging from what they hear from some medical professionals.

And they have emerged with a newfound desire to live it up.

Vanessa Marquette, 32, and

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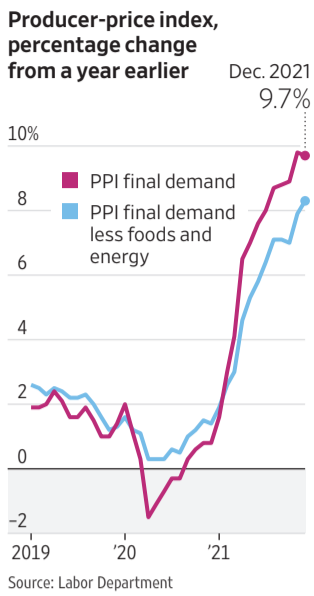
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U.S. NEWS

Producer Prices Cool Off a Bit



Data suggest letup in supply-chain pressure but continued high consumer inflation

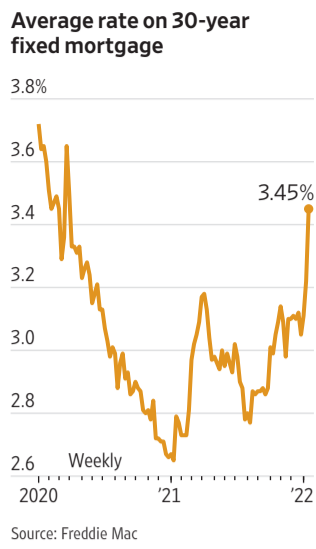
By GWYNN GUILFORD

Prices that suppliers are charging businesses and other customers closed out 2021 near the highest level in over a decade, though December showed a slight cooling of producer inflation. The Labor Department said Thursday that its producer-price index rose 0.2% in December from November, the slowest pace since November 2020 and down sharply from a revised 1.0% the prior month—a possible sign of easing infla-

tionary pressures in the U.S. supply chain. However, prices remain much higher than they were a year ago, climbing 9.7% on a 12-month basis, down just slightly from November's revised 9.8% rise, the fastest since records began in 2010. The producer-price numbers, which generally reflect supply conditions in the economy, suggest that uncomfortably high consumer inflation will persist in 2022, though the pace of price gains might begin to slow or gradually reverse. The consumer-price index hit a 39-year high of 7% in December, the Labor Department said Wednesday. Mahir Rasheed, U.S. economist at Oxford Economics, said

that though the slowdown in producer-price inflation was encouraging, he expects inflation to remain high throughout the U.S. supply chain in early 2022. He added that the effects of the Omicron variant could push them up further. "Persistent supply disruptions will pin producer prices near record levels in the near term, especially given a rapidly spreading Omicron variant that will fan inflation pressures," he said. The numbers add to the evidence that the Federal Reserve will begin raising rates in March, Mr. Rasheed said. Much of the producer-price index's deceleration came from a drop in energy prices, which declined 3.3% last

month, as well as a slighter decrease in food prices. What are known as core prices, which exclude volatile food and energy components, rose 0.5% from the month before, down from a revised 0.9% in November. On a 12-month basis, core prices leapt 8.3%, the fastest pace on record. Core-goods prices rose 0.5% from November, slower than the pace for much of the last year, though still much higher than the 0.1% average growth in the decade before the pandemic. Economists and the Federal Reserve expect inflation to ease this year as supply bottlenecks clear and demand normalizes but say it is hard to estimate how fast that might happen.



Mortgage Rates Hit Highest Since 2020

By ORLA MCCAFFREY

Mortgage rates have hit their highest level since March 2020, the month the coronavirus pandemic took hold in the U.S. and roiled markets. The average rate for a 30-year fixed-rate loan was 3.45% for the week ended Thursday, according to mortgage finance giant Freddie Mac, up from 3.22% a week ago. Expectations that the Federal Reserve will raise interest rates multiple times this year are driving up mortgage rates, which are closely tied to the 10-year U.S. Treasury note. Rates have now risen for three straight weeks. A year ago, the rate on America's most popular home loan was 2.79%, just above its record low of 2.65%. Still, rates remain near historic lows. Higher borrowing costs, combined with high home prices, could push some would-be buyers out of the market. The median price for existing homes rose 13.9% in November from a year earlier to \$353,900, according to the National Association of Realtors. "Given the fast pace of home price growth, [higher rates] will likely dampen demand in the near future," Sam Khater, chief economist at Freddie Mac, said. Mortgage payments are already less affordable relative to income than at any time since 2008, according to the Federal Reserve Bank of Atlanta. In early 2021, Americans needed about 29% of their income to cover a mortgage payment on a median-priced home, the Atlanta Fed estimated. That rose to 33% by October.

Biden to Name Raskin for Fed Banking Post

President Biden will nominate Sarah Bloom Raskin, a former top Treasury Department official, to serve as the Federal Reserve's top banking regulator, the White House said. If confirmed by the Senate, By Nick Timiraos, Andrew Ackerman And Ken Thomas

had only three Black board members, all of them men. The most recent was former Fed Vice Chairman Roger Ferguson, who left the board in 2006. Ms. Raskin's nomination is likely to hearten progressive Democrats, some of whom opposed Mr. Biden's nomination of Mr. Powell, a Republican first chosen for the top job by Mr. Trump. They have called for the Fed to take a tougher stance in regulating big banks and a bolder approach in addressing financial risks posed by climate change. In a New York Times opinion article in May 2020, Ms. Raskin criticized broad-based emergency-lending backstops enacted by the Treasury and Fed to assist businesses during the pandemic because she believed they should have taken steps to prevent lending to oil-and-gas concerns. "The decisions the Fed makes on our behalf should build toward a stronger economy with more jobs in innovative industries—not prop up and enrich dying ones," she wrote. Sen. Patrick Toomey (R., Pa.) cited Ms. Raskin's article as troubling during a confirmation hearing Thursday for Ms. Brainard. Ms. Raskin "explicitly advocated that the Fed allocate capital by denying it to this disfavored sector," Mr. Toomey said. With a closely divided Senate, Mr. Biden needs either universal support of Democrats to confirm his nominees or support from some Republicans. —Paul Kiernan contributed to this article.



Lael Brainard, at her confirmation hearing for Fed's No. 2 post, said reducing inflation is the priority.

Brainard Pledges To Fight Inflation

Federal Reserve governor Lael Brainard, the White House nominee to serve as the central bank's No. 2 official, told Congress that efforts to reduce inflation are the central bank's "most important task." Ms. Brainard, who joined the Fed in 2014, was a forceful advocate last year for ensuring that the central bank didn't prematurely curtail stimulus as part of a focus on spurring a robust labor-market recovery. Her comments Thursday at a confirmation hearing before the Senate Banking Committee are the latest sign of how the central bank has firmly pivoted toward fighting inflation. Fed of-

icials have signaled in recent days that they could raise interest rates at their meeting in mid-March. Ms. Brainard added to those expectations on Thursday, pointing to how the central bank was in the process of ending an asset-buying stimulus program no later than March. The Fed's rate-setting committee "has projected several hikes over the course of the year. We will be in a position to do that as soon as asset purchases are terminated," said Ms. Brainard. "And we will simply have to see what the data requires over the course of the year." Ms. Brainard called attention to a swift decline in unemployment. "But inflation is too high, and working people around the country are concerned about

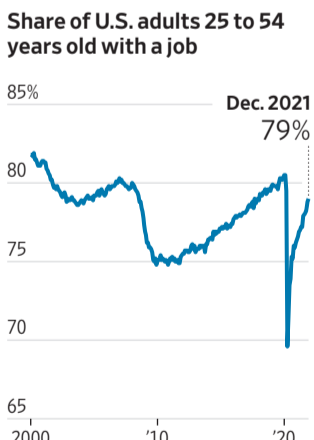
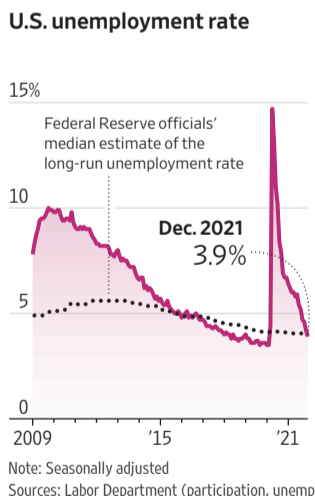
how far their paychecks will go," she said. "Our monetary policy is focused on getting inflation back down to 2% while sustaining a recovery that includes everyone." Brisk demand for goods and shortages of intermediate goods such as semiconductors have pushed 12-month inflation to its highest readings in decades. Core consumer prices, which exclude volatile food and energy categories, were up 4.7% in November from a year earlier, according to the Fed's preferred gauge, well above the Fed's 2% target. Ms. Brainard said bottlenecks and other supply-related issues were contributing to much higher prices for certain goods, such as energy and food. —Nick Timiraos

At Full Employment, Risks Emerge

By JOSH MITCHELL

For workers, it is great news: The U.S. labor market is nearing, or may already be at, its ideal state of "full employment." But for the economy as a whole, it risks introducing a new source of upward pressure on inflation. Full employment refers to a labor market in which just about anyone who wants a job can get one, without wages and prices rising out of control. It is the ideal of a healthy, steadily growing economy. In theory, once employment passes that level, wage pressures start to build which employers may pass along in prices. While economists don't agree on a single definition of full employment, some see signs the U.S. is getting there or may have already passed it: plummeting unemployment and accelerating wage growth. The Federal Reserve under Chairman Jerome Powell has resisted precisely defining full employment, sometimes called maximum employment. One guidepost comes from its projections of where the unemployment rate will settle in the long run. In December, most officials thought that was around 4%. By that measure, the U.S. is already there. In December, the unemployment rate fell to 3.9%, down from 6.7% a year earlier, the Labor Department said last week. Economists surveyed by The Wall Street Journal expect it to reach 3.5% at the end of this year. Meanwhile, employers added just 199,000 jobs last month, less than half the average monthly gain for all of

Is the U.S. at full employment? The unemployment rate has slipped under the Fed's long-run estimate of 4%, yet the share of prime-age workers remains below pre-pandemic levels.



2021. Hourly wages rose 4.7% in December from a year earlier, far higher than the 2.9% gain in 2019. Workers are quitting at the highest rate on record, often for higher pay. On the surface, that suggests there simply aren't many workers left to hire and that the recovery has run its course. With inflation at a near-40-year high of 7% in December, conditions seem to meet the textbook definition of full employment. Sung Won Sohn, a professor of finance and economics at Loyola Marymount University, said the U.S. is above full employment. He points to anecdotal evidence that higher wages are contributing to higher inflation, even if they aren't the main driver right now. Dr. Sohn says that for most workers, consumer prices rose faster than their wages over the past year, and that

they are now pressuring—or will soon pressure—their employers to raise their pay to keep up with inflation. In turn, businesses will raise prices to maintain profit margins. Dr. Sohn predicts wages will rise between 5% and 6% this year, faster than his 2022 projection for inflation of between 3% and 4%. "The wage price spiral has begun," Dr. Sohn said. "Once it starts, it just doesn't die down on its own." Higher wages are good for workers only if they aren't eaten up by inflation. In theory, if wages grow faster than workers' productivity, either prices must go up or profit margins must narrow. The American Bankers Association said this week it expects wages to grow between 4.5% to 5% this year, and that businesses will respond by investing in technology. Such investments typically improve

productivity, allowing companies to reduce costs by making more with less. The group believes that inflation will cool to 3% this year as supply-chain bottlenecks ease. The debate over whether full employment has been achieved hinges largely on the size of the labor force, which was 1.4% smaller, or 2.9 million people fewer, in December than before the pandemic. Are those people gone for good, or will some come off the sidelines and apply for jobs? Through August, roughly 2.4 million workers retired early because of the pandemic, according to the Federal Reserve Bank of St. Louis. Most are unlikely to return. Dr. Sohn thinks some workers have opted to stay home and raise their children while their spouses work. "Their attitudes are totally different about employment," Dr. Sohn said. "They are really not in a hurry to come back to work." Others think the labor market has more room to run. Some economists point out that the U.S. still has roughly 3.6 million fewer jobs than just before the pandemic. They say the unemployment rate is artificially low because of the depleted pool of job hunters which they attribute to Covid-19, a shortage of child care and virus-related school closures that are keeping workers on the sidelines. In coming months as vaccination or immunity reduce illness or fear of it and household savings are depleted, workers will return to the labor force, these economists say. —Nick Timiraos contributed to this article.

CORRECTIONS & AMPLIFICATIONS

Chinese Foreign Minister Wang Yi said China was willing to offer law enforcement and security support to Kazakhstan. A World News article Tuesday about Russian President Vladimir Putin defending the decision to send troops to Kazakhstan incorrectly said that China had offered special-operations forces. Also, in some editions a Page One What's News summary incorrectly said China had offered special forces.

Diana R. H. Winters, deputy director of the Resnick Center for Food Law and Policy at the

University of California, Los Angeles School of Law, shared a 1940s advertisement for French dressing on social media. In some editions Thursday, a Page One article about French dressing incorrectly said the ad was from the 1950s.

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U.S. NEWS

Oath Keepers Head Gets Seditious Charge

BY SADIE GURMAN
AND BYRON TAU

WASHINGTON—Eleven people including Stewart Rhodes, the leader and founder of the right-wing militia group the Oath Keepers, have been indicted on charges of seditious conspiracy, marking an escalation of the Justice Department's investigation into the attack on the U.S. Capitol on Jan. 6 last year.

An indictment unsealed Thursday accused Mr. Rhodes, 56 years old, of organizing an armed plot to storm the Capitol and stop the certification of President Biden's election victory.

The case marks the first time the Justice Department has filed charges of seditious related to the attack and comes days after Attorney General Merrick Garland promised that prosecutors would charge anyone responsible for the Capitol riot "at any level," not just those who breached the building. Mr. Rhodes didn't enter the building that day, but prosecutors said he directed his followers there, setting in motion the violence.

His lawyer, Jonathon Moseley, said he was on the phone with Mr. Rhodes on Thursday afternoon when agents showed up at his client's home in Granbury, Texas.

Prosecutors described the 10 other people as affiliated with the Oath Keepers. Count-

ing the latest indictment, more than three dozen members or affiliates of the Oath Keepers and another far-right group, the Proud Boys, have been arrested in connection with the attack on the Capitol. The Justice Department has charged more than 725 people to date in the attack, in which supporters of former President Donald Trump overwhelmed police officers and flooded the building.

The Oath Keepers, created by Mr. Rhodes in 2009, at-

The country's seditious laws date to the early days of the Civil War.

tracted many members with military or law-enforcement backgrounds as the group gained attention from its involvement in Western ranchers' and miners' confrontations with federal agencies over land use. The group's credo is that members' loyalty is to the U.S. Constitution, not any local or federal leader. Mr. Rhodes said in 2013 he wanted to see a "restoration of the militia in this country."

The seditious-conspiracy charges against Mr. Rhodes and the 10 others are distinct from the conspiracy charges

levied against dozens of other defendants in the Jan. 6 investigation. Seditious conspiracy is a rarely used statute with a much stiffer penalty directed against those who conspire to use force to overthrow the government, impede its laws or seize its property.

A conviction isn't contingent on the conspiracy being successful and carries a maximum sentence of 20 years in prison, though defendants rarely receive that. Mr. Rhodes is also charged with numerous other counts related to obstruction of an official proceeding, which could factor into any sentencing decision if he is found guilty.

Prosecutors say Mr. Rhodes and other members of the Oath Keepers used encrypted communications apps to coordinate a series of actions leading up to their actions on Jan. 6, including organizing into teams and amassing weapons in the Washington area.

Once protesters had breached the Capitol perimeter, prosecutors say, members of the Oath Keepers marched into the Capitol as a team in "stack formation," a single-file military tactic. The group then split up, with half of the Oath Keepers headed for the U.S. Senate chamber while the other half set out for the House of Representatives on the other end of the Capitol building, according to the indictment.



Stewart Rhodes, front, leaving a rally held by then-President Donald Trump in Minneapolis in 2019.

Prosecutors allege the group headed for the House was searching for Speaker Nancy Pelosi, who had been evacuated from the chamber by her security detail when the breach began. The Oath Keepers who tried to breach the Senate side were repelled by law enforcement, the indictment says.

A further group of Oath Keepers that prosecutors called "Stack Two" breached the Capitol roughly 45 minutes later, they said, and tangled with police trying to guard the Capitol Rotunda in the center of the building. Police used chemical spray to maintain order, prosecutors say.

The Oath Keepers allegedly also had an armed "Quick Reaction Force" stationed at a Comfort Inn in Arlington, Va., and other locations just outside the capital. They were prepared to ferry weapons

into Washington in support of Oath Keepers operations, prosecutors say.

Mr. Rhodes had been under investigation for his role in the riot since at least late April, when FBI agents surrounded him in unmarked vehicles in Lubbock, Texas, seized his iPhone and served him a search warrant.

U.S. seditious laws, dating to the early days of the Civil War when President Lincoln and Congress sought to punish armed resistance to the Union, have been used sparingly and not always successfully over the past 160 years. In 2010, the Justice Department leveled the charge against members of a Michigan-based militia group accused of plotting to kill a local police officer as part of a plan to spark an uprising against federal law enforcement. A federal judge in 2012 dis-

missed the seditious charge, citing a lack of evidence.

The indictment doesn't charge Mr. Rhodes—a graduate of Yale Law School who briefly practiced law in Montana—with directly participating in the actions the Oath Keepers took in the Capitol. But it details how he created numerous forums on encrypted communications apps like Signal to coordinate plans with other members of the group almost immediately after the November 2020 election, purchased weapons and other supplies to bring to Washington, and helped plan and coordinate Oath Keeper activities on the day of the attack.

"We aren't getting through this without a civil war. Too late for that. Prepare your mind, body, spirit," Mr. Rhodes wrote to fellow Oath Keepers on Nov. 5, 2020, according to the indictment

Jan. 6 Panel Subpoenas Social-Media Companies

BY ALEXA CORSE

The House select committee investigating the Jan. 6, 2021, attack on the U.S. Capitol issued subpoenas to four social-media companies as part of its investigation into the riot and its causes.

The committee issued subpoenas to Google parent company Alphabet Inc., Meta Platforms Inc., Reddit Inc. and Twitter Inc., after receiving that the committee called inadequate responses to its prior requests for information. The committee is demanding records related to the spread

of misinformation, efforts to overturn the 2020 election, domestic violent extremism and foreign influence in the 2020 election.

"Two key questions for the Select Committee are how the spread of misinformation and violent extremism contributed to the violent attack on our democracy, and what steps—if any—social-media companies took to prevent their platforms from being breeding grounds for radicalizing people to violence," the committee's chairman, Rep. Bennie Thompson (D., Miss.), said. "It's disappointing that after

months of engagement, we still do not have the documents and information necessary to answer those basic questions."

The committee said it has been investigating the role of social-media platforms in efforts to overturn the 2020 election results and what the companies might have known about the spread of extremism in the lead-up to Jan. 6, 2021.

Mr. Thompson said in a letter to Alphabet that its YouTube platform was used for communications related to the Jan. 6 attack and to spread misinformation about the election. In a

letter to Meta, Mr. Thompson cited public reports that the company's platforms, which include Facebook, were used to spread messages of violence and for efforts to mobilize people to challenge the election results.

A Reddit spokesperson said the company had received the subpoena and would continue to work with the committee on its requests.

"We've been actively cooperating with the Select Committee since they started their investigation, responding substantively to their requests for documents, and are committed to working with Congress

through this process," Alphabet said in a statement.

Meta spokesman Andy Stone said that "Meta has produced documents to the committee on a schedule committee staff requested—and we will continue to do so."

Twitter declined to comment.

The committee's latest round of subpoenas comes a day after it asked House Republican leader Kevin McCarthy of California to voluntarily provide information about his conversations with then-President Donald Trump before, during and after the riot. Mr.

McCarthy rejected the request, saying that it was politically motivated.

The panel is led by Mr. Thompson and Vice Chairwoman Liz Cheney (R., Wyo.). The investigation is looking into the causes and security failures of the attack on the Capitol, when supporters of Mr. Trump stormed the building and temporarily disrupted the certification of Democrat Joe Biden's presidential election win.

The panel has demanded records from a number of social-media companies over the past several months.

Earth Logs Sixth-Hottest Year on Record

BY NIDHI SUBBARAMAN

Earth experienced one of its hottest years on record in 2021, with new reports released Thursday by two federal agencies showing that the global average surface temperature last year reached its sixth-highest level since reliable temperature record-keeping began in 1880.

The average temperature across land and sea surfaces in 2021 was 0.84 degree Celsius (1.51 degrees Fahrenheit) above the average for the 20th century, according to a report issued by the National Oceanic and Atmospheric Administration.

Last year marked the 45th consecutive year during which global surface temperatures were above average, according to the report.

A separate analysis from the National Aeronautics and Space Administration said 2021 tied with 2018 for the sixth-warmest year and was hotter than all other years except 2015, 2016, 2017, 2019 and 2020. The years 2020 and 2016 share the temperature record.

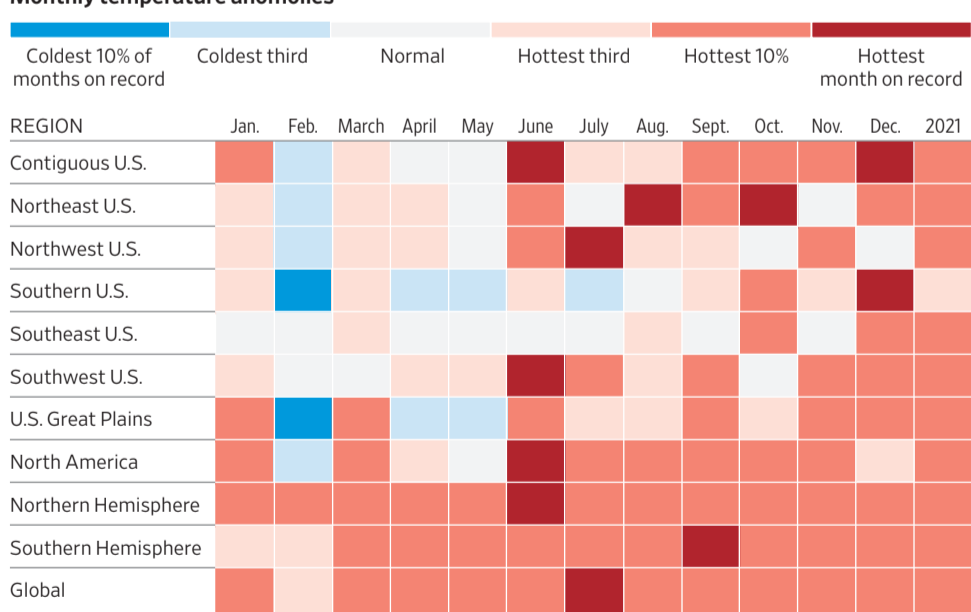
Last year the U.S. recorded its hottest summer since 1936, according to the report. Parts of North America, including the U.S. Pacific Northwest and Canada, experienced record-setting temperatures during a heat wave that hit in June.

"The long-term trends are very clear," said Gavin Schmidt, director of the NASA Goddard Institute for Space Studies and the scientist who led the team that prepared the agency's report. "The last eight years have been the eight warmest."

The reports align broadly with other recent global temperature reports.

Last year was the sixth hottest on record globally and the fourth hottest for the U.S.* Many parts of the world hit an all-time high average monthly temperature at some point during 2021.

Monthly temperature anomalies



*For the contiguous 48 states. Source: NOAA National Centers for Environmental Information, Climate at a Glance: Global Rankings

A report released Jan. 10 by the European Union's Copernicus Climate Change Service ranked 2021 as the fifth-warmest year on record. Another climate research organization, the independent nonprofit Berkeley Earth, said 2021 tied with 2018 and 2015 as the sixth-warmest year on record in its annual analysis published Thursday.

Roughly 8% of the planet's surface, home to 1.8 billion people, experienced the highest average temperatures ever recorded in those regions, according to the Berkeley Earth report.

"Even if it is not the most extraordinary where you are, there are going to be people who are pushing up against unprecedented conditions," said Dr. Robert Rohde, a Berkeley Earth scientist who

worked on the report.

Global temperature data is collected by tens of thousands of thermometers mounted on weather stations, ocean buoys and ships, Dr. Schmidt said. NASA and NOAA are among a handful of organizations that collate this data annually to estimate global temperatures.

"You don't expect a perfect increase exactly from year to year," said Russell Vose, chief of the analysis and synthesis branch at NOAA's National Centers for Environmental Information and one of the scientists who prepared the agency's report. "It's going to bounce around a little bit. That's why climate science tends to look at longer periods of time, decades and centuries, and that's when the real trends tend to emerge."

The long-term trend of rising global temperature is being driven by emissions of greenhouse gases, Dr. Schmidt said in reference to carbon dioxide and other heat-trapping gases in the atmosphere. Many studies have shown that greenhouse gases released into the air by the burning of fossil fuels are the primary driver of climate change.

The 2021 global average temperature was 1.04 degrees Celsius (1.87 degrees Fahrenheit) above the average recorded between 1880 and 1900, according to the NOAA report.

Scientists often use this period as a benchmark that represents global temperatures before the Industrial Revolution and the widespread burning of fossil fuels.

Student Debt Erased As Part of Settlement

BY GABRIEL T. RUBIN
AND DOUGLAS BELKIN

A former unit of student loan giant Sallie Mae said it would cancel \$1.7 billion in private student debt for about 66,000 borrowers to resolve claims that it engaged in deceptive lending practices.

Navient Corp., a student loan servicer that split off from Sallie Mae in 2014, agreed to the sum in a settlement with 40 state attorneys general. The loans are private loans, so the losses will be covered by Navient's investors rather than the federal government.

Nearly all the canceled loans originated at Sallie Mae from 2002 to 2010, at a time when student debt soared, on its way to becoming the second-highest form of household credit after mortgages. Sallie Mae was at the forefront of that boom, both as the biggest originator of private loans as well as the biggest lender under a federal program that guaranteed student loans.

The loans primarily went to borrowers with poor credit, and who attended schools with shaky records, including many for-profit schools, according to a website run by the settlement administrator. All of the loans forgiven in the agreement were in default.

"For too long, Navient contributed to the national student debt crisis by deceptively trapping thousands of students into more debt," said New York Attorney General Letitia James.

As part of the agreement, Navient continued to deny the claims that the company has harmed any borrowers. "The company's decision to resolve

these matters, which were based on unfounded claims, allows us to avoid the additional burden, expense, time and distraction to prevail in court," said Mark Heleen, Navient's chief legal officer.

Navient has faced numerous lawsuits in recent years that alleged the company engaged in unfair and deceptive conduct against borrowers, including steering those with federal loans toward plans that would allow them to stop making payments but in which interest continued to accrue, rather than toward plans in which monthly payments are tied to borrowers' income.

Last March, a Seattle-area judge ruled that the company had broken a consumer protection law in a case brought by Washington's attorney general.

Lindsey Clark hopes the settlement will apply to her. Mrs. Clark, 32 years old, who works in Washington, D.C., accrued about \$100,000 in student loans while earning an undergraduate degree from Yale University and a master's degree from Columbia University, where she studied international affairs. Her debt has since ballooned to \$206,000 after she placed her loans in forbearance, limiting her monthly payments while they racked up interest.

When she heard about the settlement, she was elated. "I thought, great, they are finally being brought to justice," she said.

The agreements resolve all six outstanding state lawsuits against Navient, the company said. As part of the settlement, the company will make a one-time payment of approximately \$145 million to the states.

U.S. NEWS

Outlook Dims for Elections Bill's Passage

President expresses doubts as key senator again voices opposition to filibuster changes

By SIOBHAN HUGHES

WASHINGTON—President Biden expressed doubts that Democrats would pass their elections legislation, bowing to political realities that left party leaders shy of any path forward in the Senate, just two days after he cited a grave threat to democracy in imploring lawmakers to approve the measure. “The honest-to-God answer is I don’t know if we can get this done,” Mr. Biden told reporters Thursday after a closed-door lunch with the Senate Democratic caucus. He said he still had hope for what the party had dubbed its top priority but added, “One thing for certain: Like every other major civil rights bill that came along, if we miss the first time, we can come back and try the second time.”

Mr. Biden’s downbeat assessment put a fine point on the challenges facing Democrats, who are united around a sweeping measure to set new federal standards for voting but divided over whether to change the Senate’s rules to muscle through the bill. In the 50-50 Senate, Democrats lack the votes to clear a 60-vote procedural hurdle and could be guaranteed to pass their bill only if they lowered to a simple majority the threshold for passing legislation.

Shortly before Mr. Biden’s scheduled lunch with Democrats, Sen. Kyrsten Sinema (D., Ariz.) took to the Senate floor to reiterate that she wouldn’t support rules changes that get rid of the Senate’s 60-vote threshold. Changing filibuster rules would require the support of all Democrats. Sen. Joe Manchin (D., W.Va.) later reiterated his own opposition to eliminating the filibuster. Democrats had pinned their chances on changing the senators’ minds,



Senate Minority Leader Mitch McConnell (R., Ky.) has criticized efforts to weaken the filibuster.

but the statements extinguished those slim hopes.

“While I continue to support these bills, I will not support separate actions that worsen the underlying disease of division infecting our country,” Ms. Sinema said. She cited the split in the Senate, and Democrats’ narrow majority in the House as voters ask both parties to “work together and get stuff done for America.”

Democrats are pushing to pass changes to elections law nationwide, which they say are needed to protect voter access to the polls but Republicans criticize as a politically motivated federal overreach into matters best left to states.

White House spokeswoman Jen Psaki said that during the lunch, Mr. Biden was focused on speaking directly to the caucus and not on Ms. Sinema’s comments. A person familiar with the matter said the White House had been notified of her floor speech in

advance.

Mr. Biden hosted Mr. Manchin and Ms. Sinema at the White House late Thursday, and they had a candid and respectful exchange of views, an official said.

Some Democrats aired frustrations with the holdout senators. At the lunch, Mr. Biden didn’t call out Ms. Sinema or Mr. Manchin by name, Sen. Tammy Duckworth (D., Ill.) said. But, she added, “Let’s be real, we’ve all been addressing these points to them for the last however many conferences we’ve had.”

Rep. Ruben Gallego (D., Ariz.), whom some activists want to challenge Ms. Sinema in a primary in 2024, singled her out in a floor speech. “We won’t shrink from protecting our democracy,” he said. “It’s past time for the U.S. Senate and Sen. Sinema to do the same.”

Senate Minority Leader Mitch McConnell (R., Ky.), who has criticized efforts to weaken

the filibuster, called Ms. Sinema’s remarks important. “She has, with a conspicuous act of political courage, saved the Senate as an institution,” he said.

Democrats have long pushed the measures, which include

‘The honest-to-God answer is I don’t know if we can get this done,’ Mr. Biden said.

making Election Day a national holiday and expansive new mail-in voting requirements, but a string of voting measures passed in GOP-controlled state legislatures have given them a new drive to act. Republicans call the Democratic measures an effort to grab power from the states and unfairly malign requirements such as voter ID

King Family to Lead Voting-Rights March

The family of Martin Luther King Jr. will lead a march in Washington, D.C., on Monday, calling on lawmakers to pass new federal standards for elections even after those efforts took a big setback on Thursday.

The leaders of the march, set to take place on Martin Luther King Jr. Day, are urging people to call on Congress to enact changes to elections law nationwide, rather than honoring Dr. King with celebrations on the federal holiday that marks his birthday.

They also said they want to see the Senate change filibuster rules to allow Democrats to enact the legislation with a simple majority rather than with a 60-vote threshold. That goal now seems unlikely after Sen. Kyrsten Sinema (D., Ariz.) said Thursday she

wouldn’t support making a rule change. Without her vote, Democrats lack the votes to make any adjustments to the filibuster.

“History will remember Sen. Sinema unkindly,” said Martin Luther King III, chairman of the Drum Major Institute, a nonprofit founded by Dr. King.

Ms. Sinema said she continues to support the elections bills. “But I will not support separate actions that worsen the underlying disease of division infecting our country,” she said.

Despite the setback, the King family, along with other civil-rights leaders and voting-rights advocates, will continue with their plans for the weekend.

The mobilizations led by the King family will begin in Arizona on Saturday, to mark Dr. King’s actual birth date. The King family then plans to lead the march across the Frederick Douglass Memorial Bridge in Washington on Monday.

—Joseph De Avila

designed to strengthen election integrity.

The current package headed to the Senate combines “The Freedom to Vote Act” with a separate measure named after the late civil-rights leader Rep. John Lewis of Georgia.

Since the start of the year, Mr. Biden has bet much of his political capital on voting rights, which advisers see as a critical issue for the Democratic base, despite doubts about its prospects. Mr. Biden’s meeting Thursday with Senate Democrats was seen as a last-ditch, personal attempt to try to win over holdouts.

The appeal followed on a fiery speech Tuesday in which he compared opponents of the voting overhaul to segregationists and traitors, drawing praise from activists skeptical of his commitment to the issue but outrage from Republicans who said the rhetoric was inappropriate.

Senate Majority Leader

Chuck Schumer (D., N.Y.) had set a deadline of Jan. 17, which coincides with the holiday honoring Martin Luther King Jr., to pass the Democrats’ voting bills. Late Thursday, Mr. Schumer changed that plan, saying Democrats would wait to begin debate on the measure until Tuesday.

If Republicans again block the legislation, he said Senate Democrats would move ahead with potential changes to the Senate filibuster rule, which requires 60 votes to advance most legislation.

On Thursday, the Democratic-led House passed a new elections bill to send to the Senate, with a vote expected in coming days. The new bill, which passed 220-203, wraps together two bills that previously passed the House but were blocked last year by Republicans in the Senate.

—Eliza Collins and Alex Leary contributed to this article.

Funds Tap Into Private Lending

Continued from Page One
vestors Service. That poses risks to the financial system. “The economy is increasingly exposed to the governance and risk management of these asset managers,” the ratings firm said in a recent report.

Money dedicated to private debt should hit \$2.69 trillion by the end of 2026, according to research by Preqin, making it the fastest-growing industry the firm measures. Many of the funds also borrow money from banks to make more loans, boosting lending capacity.

The flood of cash has reached some unexpected places. Yield-hungry investors like pension funds—expecting low future returns on traditional stocks and bonds after the pandemic run-up—are paying money managers to hopscotch the globe looking for borrowers that traditionally relied on banks, venturing into everything from aircraft leasing to sports franchises.

Shopping for loans

New York-based Brigade manages about \$30 billion, mostly investing in junk-rated corporate debt since its founding in 2006. Much of its recent growth, though, came from funds that buy public securitizations: bonds backed by bundles of mortgage, corporate and consumer loans.

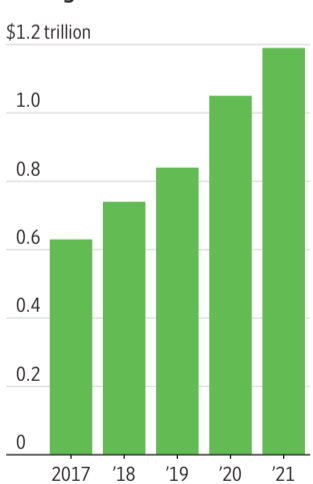
The firm had been purchasing bonds backed by online shopping loans for several years when it approached digital finance service Affirm about buying loans privately in bulk. Affirm started supplying Brigade with the high-yielding debt in early 2021.

The loans averaged \$500 to \$700 each, for purchases from brands such as Apple Inc. and Priceline.com by borrowers with FICO scores around 700, the people familiar with the trades said. Interest rates on the loans are much higher than those of the bonds Affirm sells in the public market and Brigade boosts returns by using borrowed money for some



Ares Management recently lent money to Rugby Australia, which, over a year into the global pandemic, was looking for cash.

Private debt assets under management



Note: 2021 figure as of June
Source: Preqin

of the purchases, the people said. Overall returns well exceeded 20% last year, one of the people said.

Brigade grew comfortable with the trade because it has researched the performance of Affirm loans bundled into bonds for years and because most of the loans come due in about six months, the people said. Consumer loan-backed bonds paid off handsomely in 2020 when borrowers used government stimulus payments to pad savings and repay debt.

Cash for Kardashian

Entrepreneur Vlad Coric landed celebrity Khloé Kardashian as a spokeswoman for his company’s new migraine drug Nurtec in 2020—he just had to find the money to pay her. Selling more shares in Biohaven Pharmaceuticals Holding

Co. to finance Ms. Kardashian’s fee and other expenses would have hurt its stock and banks wouldn’t lend to the startup at affordable rates, he said.

“At that point we had used all our resources getting the drug approved,” Mr. Coric said. “The level of spend on our direct-to-consumer marketing and social media is very high, and you have to be able to do that.”

Biohaven’s biggest competitor in migraine treatment is AbbVie Inc., which has a market capitalization roughly 29 times that of Biohaven.

Kishen Mehta, a healthcare stock investor and adviser to Mr. Coric, introduced him to Sixth Street Partners, a San Francisco-based \$60 billion alternative asset manager with a growing private debt business. The firm’s healthcare team lent Biohaven \$500 million in 2020—a small part to pay Ms. Kardashian’s fee—and an additional \$250 million in September as its battle with AbbVie heated up.

The loans charge a roughly 10% interest rate but they bought Biohaven the time to boost sales and to complete an alliance this month with pharmaceutical giant Pfizer Inc.

Ready for takeoff

The Delta Air Lines Inc.’s Airbus A220 operating between Dallas and Minneapolis this week is one of 324 aircraft Castlflake LP currently invests in through loans and leases with global airlines. The 109-passenger jet has played a bit part in Delta’s fight to weather the pandemic. Minneapolis-based Castle-

lake bought the plane from Delta during the travel-industry panic of 2020 in a deal that allows Delta to keep the jet in exchange for regular lease payments, much like a loan. The firm, which also buys mortgages and consumer loans, has been financing planes for 16 years but its aircraft lending grew a lot in recent years as banks pared back.

“The banks pulled in their horns and stopped lending,” said Castlflake Chief Investment Officer Evan Carruthers. Castlflake has invested about \$7 billion in aircraft deals since the start of the pandemic, one-third of its \$21 billion of assets under management, he said.

Castlflake clients like the investments because they ensure long-term income streams—aircraft leases can last as long as 25 years—and they pay around 10%, after accounting for the use of borrowed money to boost returns, Mr. Carruthers said.

Scoring down under

Ares Management Corp. is one of the biggest private-debt investment firms in the world and it is growing at breakneck speed. The company raised about \$36 billion for direct lending funds in the 12 months ended Sept. 30, bringing total assets under management in the strategy to \$126 billion.

Ares invests the money in real estate, corporate loans, infrastructure projects and other niche markets, like sports franchises.

“We’ve been investing in sports credit for a long time but we’ve become more organized in the last two to three years and having a dedicated effort drives scale,” said Jim Miller, co-head of U.S. direct lending at Ares.

The firm recently lent hundreds of millions of dollars to the San Diego Padres, the Ottawa Senators, a mixed martial arts league and, in May, to Rugby Australia. Over a year into the global pandemic, Australia’s national rugby organization had cut staff and expenses to the bone and was looking for cash.

Management was looking to sell a stake to private-equity investors but it needed something “fast and flexible,” Chairman Hamish McLennan said. “What Ares provided us was time to get our house in order.”

Journal Critic Grew From Roots In Small Town

By JAMES R. HAGERTY

Terry Teachout, a prolific New York-based biographer and essayist who wrote exuberantly about drama for The Wall Street Journal, died early Thursday at a friend’s home in Smithtown, N.Y. He was 65.

His companion, Cheril Mulligan, said a cause of death hadn’t yet been determined.

Mr. Teachout had written drama reviews for The Journal regularly since 2003.

“He could never be pigeonholed,” said Eric Gibson, editor of the Journal’s Arts in Review pages. “Terry was never predictable.”

He was known for his biographies of Louis Armstrong, Duke Ellington, George Balanchine and H.L. Mencken. He also wrote plays and librettos.

Born Feb. 6, 1956, he grew up in Sikeston, Mo. His father was a hardware salesman, and his mother was a receptionist and secretary. Mr. Teachout evoked his childhood in a 1991 memoir, “City Limits: Memories of a Small-Town Boy.”

Sikeston, he wrote, was “still a place where people salute the flag and don’t ask for receipts, where everybody knows who your parents were and what they did for a living. It is narrow and kind and decent and good, and I am blessed to have been raised in its shabby, forgiving bosom.”

As a teenager, he had the role of the fiddler in a local production of “Fiddler on the Roof,” and played in a country band called Sour Mash.

In 1979, he graduated from William Jewell College in Liberty, Mo., where he studied journalism and music. He then worked as a bank teller in Kansas City, Mo., and wrote reviews for the Kansas



Terry Teachout

City Star, while finding gigs as a jazz bassist and striving to establish himself as a writer. Unsatisfied with his progress there, he moved to New York in the 1980s.

He obtained an editing internship at Harper’s magazine and later wrote editorials for the New York Daily News. He also worked as a contributor of essays and criticism for a variety of publications, including the National Review, while establishing himself as a biographer.

His wife, Hilary Dyson Teachout, died in 2020 after a double-lung transplant. He is survived by a brother, David Teachout.

In an October blog post, he announced that he had fallen in love with Ms. Mulligan and described her as “a theater-and-film buff.”

On Twitter, he described himself as a “critic, biographer, playwright, director, unabashed Steely Dan fan, ardent philosemite.”

Though he led a sophisticated life of culture in New York, Mr. Teachout retained some of his small-town earnestness.

“I still wear plaid shirts and think in Central Standard Time,” he wrote in his memoir. “I still eat tuna casserole with potato chips on top and worry about whether the farmers back home will get enough rain this year.”

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U.S. NEWS

Biden Says U.S. to Buy 500 Million More Tests

By Andrew Restuccia
and Brianna Abbott

WASHINGTON—President Biden said he is directing his administration to procure 500 million additional at-home rapid Covid-19 tests, doubling the number the U.S. plans to send to Americans free of charge, following calls from public-health officials to expand testing amid a surge in cases.

“That means a billion tests in total to meet future demand,” Mr. Biden said at the White House on Thursday. He added that he intends next week to detail a plan to provide free masks to Americans.

The president said last month that the U.S. would procure an initial batch of 500 million tests to distribute free. He is doubling that number amid what public-health officials say is a growing need for more accessible testing as a result of the Omicron variant.

The Biden administration has completed contracts for 380 million of the first tranche of 500 million tests, White House press secretary Jen Psaki said. The administration will award contracts for the

second batch of 500 million tests after the first order is secured, she said.

The tests will be mailed to people who request them through a website and phone hotline starting in the coming weeks. Mr. Biden said the website would be rolled out next week, but he didn’t provide a date when the public would begin receiving the tests. White House officials have said they plan to start shipping tests this month, but they haven’t offered a detailed timeline or said how many tests people can request.

Mr. Biden has come under criticism from public-health officials, Republicans and some members of his own party for not doing more to distribute tests to the public amid a record number of Covid-19 cases and hospitalizations.

In some cities, lines for free testing have stretched for several blocks, and pharmacies have struggled to keep rapid tests on the shelves. Some families are still spending hundreds of dollars on testing, despite state and federal efforts to provide free tests. Other people are forgoing

testing because they say tests are too hard to find.

Meanwhile, companies have had varying degrees of success in securing tests for workers.

The U.S. has an estimated production capacity of 260 million rapid-antigen tests this month, according to a Jan. 12 report from researchers at Arizona State University and Health Catalysts Group, a consulting firm. They anticipated monthly production capacity would increase to 355 million tests in February and 526 million tests in March.

The administration’s latest test-purchase plans could push U.S. output higher again, said Mara Aspinall, co-founder of the Biomedical Diagnostics program at Arizona State University, who tracks the Covid testing market.

“I’m imagining some of the manufacturers are finding ways to increase production, given the potential of these large pre-purchase contracts,” said Ms. Aspinall, who is also a board member of rapid-test maker OraSure Technologies Inc.

Some rapid-testing advocates said the rollout must be accompanied with better communication from the adminis-



Free at-home Covid-19 test kits were distributed Wednesday at a public library in Gaithersburg, Md.

tration on how to get the tests, and best practices for when and how to use them.

“There hasn’t been a big push for a communication campaign. These tests need to be used strategically,” said Sara Citrenbaum, co-director of the volunteer advocacy group Rapid Tests.

During Thursday’s speech, the president also detailed plans to deploy military medical teams to hospitals in six states.

The teams will deploy to the Cleveland Clinic in Ohio, Coney Island Hospital in New York, Rhode Island Hospital,

Henry Ford Hospital in Michigan, University of New Mexico Hospital, and University Hospital in New Jersey, according to the White House.

Additional military medical teams will be deployed to other states in the coming weeks as needed, the White House said.

During a December speech, Mr. Biden said 1,000 military personnel would be sent to hospitals in the coming months, but he didn’t announce which hospitals would receive the extra help.

Mr. Biden again encouraged Americans to get vaccinated

and boosted, saying the Omicron surge is hitting the unvaccinated hardest.

“Both vaccinated and unvaccinated people are testing positive, but what happens after that couldn’t be more different,” he said, adding that unvaccinated individuals who contract the virus are 17 times more likely to be hospitalized than those who are vaccinated.

Mr. Biden also called on social media and media companies to monitor misinformation on their platforms regarding vaccines.

—Tarini Parti
contributed to this article.

Justices Block Rule On Vaccine

Continued from Page One

week, though the testing requirements weren’t scheduled to be enforced until next month. The majority’s unsigned opinion said the vaccinate-or-test rule appeared to well exceed the authority Congress granted OSHA when it established the agency in 1970.

“The Act empowers the Secretary [of labor] to set workplace safety standards, not broad public health measures,” the court said. But while Covid-19 is transmitted in the workplace, it also spreads “at home, in schools, during sporting events, and everywhere else that people gather. That kind of universal risk is no different from the day-to-day dangers that all face from crime, air pollution, or any number of communicable diseases,” the court said, and like those other hazards is beyond OSHA’s power to address.

The court added that the agency retains power to act in workplaces especially susceptible to the contagion, such as those with “particularly crowded or cramped environments” or where researchers deal with infectious agents.

In a joint opinion, dissenting Justices Stephen Breyer, Sonia Sotomayor and Elena Kagan said the pandemic was precisely the kind of emergency Congress intended OSHA to mitigate.

“If OSHA’s Standard is far-reaching—applying to many millions of American workers—it no more than reflects the



The health-worker edict doesn’t include a testing alternative.

scope of the crisis,” they wrote. The virus spreads most easily “in the shared indoor spaces that are the hallmark of American working life,” they wrote. “The proof is all around us: Since the disease’s onset, most Americans have seen their workplaces transformed.”

The dissenters called it perverse to prevent OSHA from addressing a workplace hazard simply because the danger also exists off the job.

In allowing the vaccine mandate for healthcare workers, conservatives Chief Justice John Roberts and Justice Brett Kavanaugh joined the three liberals to form a 5-4 majority, allowing that requirement to take effect nationwide.

That mandate, which doesn’t include a testing alternative, was issued by the Centers for Medicare and Medicaid Services, which said facilities that accept money from those programs must comply. Because of conflicting lower court rulings, the mandate had been in effect in only half of the states.

The high court, again in an unsigned opinion, said the secretary of health and human services held broad authority to

ensure that the healthcare providers who care for Medicare and Medicaid patients protect their patients’ health and safety.

“COVID-19 is a highly contagious, dangerous, and—especially for Medicare and Medicaid patients—deadly disease,” the majority wrote, noting healthcare workers and public-health organizations supported the mandate.

The court upheld a vaccine mandate for more than 10 million healthcare workers.

“Indeed, their support suggests that a vaccination requirement under these circumstances is a straightforward and predictable example of the health and safety regulations that Congress has authorized the Secretary to impose,” the court said.

Justices Clarence Thomas, Samuel Alito, Neil Gorsuch and Amy Coney Barrett dissented. Justice Thomas, writing for that bloc, said the Biden adminis-

tration hadn’t made a strong showing that the “hodgepodge of provisions” it relied upon gave it legal support for a national vaccine requirement.

In a second dissent, Justice Alito said that even if the administration had the power to require vaccinations for healthcare workers, this mandate had legal problems because the government didn’t seek public comment before putting “more than 10 million healthcare workers to the choice of their jobs or an irreversible medical treatment.”

“Employers are responsible for the safety of their workers on the job,” Labor Secretary Marty Walsh said. “OSHA will be evaluating all options to ensure workers are protected from this deadly virus.”

The court’s actions come as Covid-19 has been spreading at record rates in the U.S. Republican-led states and business groups sued to block the federal requirements, arguing the Biden administration was engaged in unlawful overreach that wasn’t rendered permissible by the public-health crisis.

“Today’s ruling protects our individual rights and states’ rights to pursue the solutions that work best for their citizens,” said Ohio Attorney General Dave Yost, who led a coalition of Republican-leaning states that challenged the OSHA rule.

Karen Harned, head of the litigation arm of the National Association of Independent Business, an advocacy group that brought the companion case, said: “As small businesses try to recover after almost two years of significant business disruptions, the last thing they need is a mandate that would cause more business challenges.”

—Andrew Restuccia
contributed to this article.

Businesses Applaud Ruling, Even as Some Plan Own Mandates

By Chip Cutter

The Supreme Court’s rejection of the Biden administration’s vaccine mandate for large private companies elicited a range of reactions from the business community, where some applauded the defeat of an order they saw as overreaching while others pledged to move ahead with their own requirements.

“We were ready, but we’re glad we didn’t have to implement it,” said Guy T. Williams, chief executive of **Gulf Coast Bank & Trust Co.**, a Louisiana-based bank that employs 750 people. Mr. Williams said he worried his organization could lose some employees if they didn’t want to comply. He also said he didn’t understand why the mandate applied only to companies with more than 100 employees. “I thought that disparate treatment was a challenge,” he said.

To prepare for the mandate, Gulf Coast Bank had established systems so its employees could upload proof of a vaccine or test and had regularly communicated with employees about the rules. The company has hosted on-site vaccination clinics, and Mr. Williams has personally urged employees to get the shot. “We’re still going to say get it,” he said of the vaccine, “but it’s not going to be mandatory.”

The original mandate divided corporate leaders. Some executives said they welcomed the directive because it gave them

some cover to put vaccination requirements in place even if some employees objected.

Deloitte U.S. has required vaccinations for U.S. employees to access the professional services firm’s offices and its training campus. CEO Joe Ucuzoglu said he didn’t expect the Supreme Court’s decision to change the company’s policies.

“We’ve set a policy that makes sense for our organization and that has served us incredibly well, and we have no intention of altering it,” he said.

A number of companies put their plans to mandate vaccines on pause after the Biden administration’s requirement was challenged. **General Electric Co.** and **Union Pacific Corp.** were among those that suspended vaccine requirements for workers.

Others, including **Southwest Airlines Co.** and **Raytheon Technologies Corp.**, said at the time that they would keep plans to mandate vaccines in place. New York City implemented a mandate for private employers that went into effect in late December.

The National Retail Federation, which had argued against the legality of the mandate, called Thursday’s decision a “significant victory for employers,” while noting that it still supports vaccines in helping to overcome the pandemic.

The Business Roundtable, another trade group, said it respected the court’s decision, but “efforts to promote vaccination will not abate.”



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U.S. NEWS

Ailment Hits U.S. Diplomats In Geneva, Paris

By VIVIAN SALAMA

WASHINGTON—Officials serving at U.S. diplomatic missions in Geneva and Paris are suspected to have been afflicted with the mysterious neurological ailment known as Havana Syndrome and at least one was evacuated to the U.S. for treatment, people familiar with the incidents said.

Suspected attacks on U.S. officials serving in the two European cities were reported internally last summer to officials at those posts and eventually to the State Department in Washington. The diplomats joined as many as 200 others who came down with suspected Havana Syndrome while stationed in China, South America, and elsewhere in Europe.

At least three Americans serving at the consulate in Geneva were suspected to have been afflicted by the syndrome, which the Biden administration has dubbed an “anomalous health incident.” At least one of those officials was medevaced from Switzerland to the U.S. for treatment. The mission’s leadership later informed staff about the incidents during a town hall meeting. In Paris, senior embassy officials informed diplomats via email about a suspected case, the officials said.

“Due to privacy concerns and for security reasons, we do not discuss specifics or embassy operations,” State Department spokesman Ned Price said. “We take each report we receive extremely seriously and are working to ensure that affected employees get the care and support they need.”

In November, Secretary of State Antony Blinken said the administration was “intently focused” on getting to the bottom of these incidents, which,

he said, had inflicted profound physical and physiological harm since they were first reported by diplomats serving at the U.S. Embassy in Havana more than five years ago.

Symptoms include headaches, dizziness, cognitive difficulties, tinnitus, vertigo and trouble with vision, hearing and balance. Many officials have suffered symptoms years after reporting an incident, while some have been diagnosed with traumatic brain injuries.

The Geneva and Paris cases are the latest in Europe, where cases have also been reported in Austria, Serbia and Germany. The Wall Street Journal also reported nearly half a dozen recent cases at the massive American Embassy complex in Bogotá, Colombia. Officials caution that a precise count of victims is difficult to determine because each case must be medically verified and some individuals’ symptoms end up having other explanations.

In the years since the first symptoms emerged, the U.S. government has yet to determine who is behind the attacks and what mechanism or mechanisms are being used.

Jonathan Moore, a career diplomat, was named the new head of the State Department’s Health Incident Response task force in November. Margaret Uyehara, a career foreign-service officer with three decades of experience, now serves as a senior care coordinator for those affected by the mysterious incidents.

In early October, President Biden signed the bipartisan HAVANA Act—or Helping American Victims Afflicted by Neurological Attacks Act—into law, which commits the U.S. government to boosting medical support for officials who have been affected.

U.S. WATCH



GRIEF: Victims of an apartment-building fire that killed 17 people were mourned at a memorial in New York City’s Bronx borough.

CALIFORNIA

Governor Rejects Parole for RFK Killer

Gov. Gavin Newsom rejected a parole recommendation for Sirhan B. Sirhan, who was convicted of assassinating Robert F. Kennedy.

Sirhan, 77 years old, was serving a life sentence for the 1968 killing but was granted parole in August 2021 by a two-person panel of parole commissioners.

Mr. Newsom said Thursday that Sirhan has been unable to “address the deficiencies” that led him to kill Mr. Kennedy. “Mr. Sirhan lacks the insight that would prevent him from making the same types of dangerous decisions he made in the past,” the governor said. Sirhan’s attorney, Angela Berry, couldn’t be immediately reached for comment.

Last year’s parole ruling divided members of Mr. Kennedy’s family, with two of his children speaking in favor of the decision and six denouncing it. In a state-

ment Thursday, the six siblings who opposed parole and their mother, Ethel Kennedy, said they were grateful to Mr. Newsom for his decision and believe Sirhan remains a threat.

“The political passions that motivated this inmate’s act still simmer today, and his refusal to admit truth makes it impossible to conclude that he has overcome the evil that boiled over 53 years ago,” they said.

—Talal Ansari

WISCONSIN

More Charges Filed In Parade Rampage

The man accused of killing six people and injuring dozens of others by driving through the route of a Christmas parade in Waukesha, Wis., last year was charged Wednesday with more than 71 additional charges, including reckless endangerment and hit and run resulting in death.

Darrell E. Brooks, a 39-year-old

Milwaukee resident, was charged in November with six counts of first-degree intentional homicide after he allegedly drove a red SUV onto the sealed-off parade route on Nov. 21, according to a complaint filed in Waukesha County Circuit Court. The office of the Wisconsin Public Defender, which arranged for Mr. Brooks’s defense, declined to comment.

Mr. Brooks struck people from at least eight different groups marching in the parade over about five blocks and some spectators, according to the amended criminal complaint filed Wednesday. “All of the victims who were killed and most of the people that were injured were walking right down the middle of the road in plain view,” the complaint said.

Police said in the complaint that the car was in working order, according to an inspection after the attack and that at no time did Mr. Brooks try to stop to check on the welfare of any of the people who were injured.

—Joe Barrett

ST. LOUIS

Homicides Fall 25%, Defying U.S. Trend

In a year when many U.S. cities saw a substantial increase in killings, St. Louis bucked the trend in 2021—a dose of good news for a city that for decades has had among the worst homicide rates in the nation.

The number of killings in St. Louis dropped 25% to 196 in 2021 compared with 263 in 2020. It marks a return to pre-Covid-19 levels; St. Louis police recorded 194 killings in 2019 and 186 in 2018. On Thursday, Mayor Tishaura Jones, Public Safety Director Dan Isom and others credited a focus on preventing violence before it happens.

The success in St. Louis came in a year when several cities hit all-time highs for homicides, a list that includes Philadelphia, Indianapolis, Columbus, Ohio, and Milwaukee.

—Associated Press

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WORLD NEWS

Omicron Appears to Have Peaked in U.K.

Data offer encouraging signs that variant's impact—and pandemic itself—may be waning

By Jason Douglas

LONDON—The U.K. appears to have passed the peak of the latest wave of Covid-19 caused by Omicron, a promising sign that the highly transmissible variant's impact may be brief, if intense, and fueling optimism that the pandemic may be waning.

Scientists say British data offer encouraging signs for countries behind the U.K. in the Omicron wave—such as the U.S.—that the variant is echoing the pattern it followed in South Africa, where cases rose rapidly over the course of just over a month, before falling back. The wave of Omicron infections in the U.S. is expected to peak over the weeks ahead, Centers for Disease Control and Prevention Director Rochelle Walensky said Wednesday.

The seven-day average of new daily cases of Covid-19 in the U.K. has been falling for more than a week and on Tuesday dropped below the 14-day average for the first time since November, according to a Wall Street Journal analysis of official data. Both are signs that caseloads are diminishing.

The rate of increase in the number of new Covid-19 hospitalizations has also slowed and in England—and especially London, which experienced the Omicron wave sooner than other regions—new hospital admissions with



Doctors credit the reduction in Covid-19 severity in the U.K. to widespread vaccination. Above, a woman gets a shot in London.

activity rate registered 8.8% on Jan. 11, according to the University of Oxford's Our World in Data project. That is roughly twice the rate it was before Omicron was detected but is lower than the 11% rate recorded on Jan. 4.

Hospital admissions in England have also started to fall after rising rapidly as the Omicron wave got under way late last year. Reported deaths with Covid-19 are climbing, though they tend to lag behind cases and hospital admissions.

In contrast to the U.S., where hospitalizations have reached a record, the impact of Omicron on hospitals in the U.K. has been smaller than in previous bursts of infection. Hospital admissions in January last year in England reached 34,000, with more than 3,800 admissions a day.

Daily admissions in England currently are around 2,000 and there were 16,716 people in English hospitals with Covid-19 on Thursday. The number of people severely ill in the hospital has been markedly lower with Omicron.

Doctors credit the reduction in severity to widespread vaccination and a booster campaign that has meant more than 91% of people aged 50 and older had a third dose by Jan. 6. Analysis by public-health officials and scientists in the U.K. and South Africa suggests the variant is also associated with milder disease in general, perhaps because it appears to be less adept at penetrating deep into the lungs than earlier variants.

—Joanna Sugden contributed to this article.

Covid-19 are falling. The first cases of Omicron were detected in the U.K. on Nov. 27.

Scientists caution, however, that caseloads and hospital admissions may yet reverse course as social mixing increases with the end of the holiday season and the start of the new school term.

Up to now, the British experience has further bolstered the conviction that Omicron is milder than previous versions of the virus—at least in places

like the U.K., where vaccination rates among older and more vulnerable people are very high.

The trends are generating optimism that the worst of Omicron—and possibly the whole pandemic—is receding. Prime Minister Boris Johnson has signaled he isn't likely to maintain limited public-health restrictions, such as working from home, that were put in place to contain Omicron beyond Jan. 26, when they are due to expire.

“At least in my hospital, we

think the peak of inpatient admissions with Covid may be in the next week or so,” said Tom Wingfield, an infectious-diseases physician treating patients in Liverpool, England. He said that in his district he is expecting more admissions as case rates are rising in older, more vulnerable groups, but said that nationally, “we seem to be turning a corner now.”

“We're all tired, but I'm much more positive about 2022, at least in the U.K.,” Dr.

Wingfield said.

The seven-day average of daily reported cases in the U.K. fell to 138,268 Thursday, falling below the 14-day average daily caseload for the third day in a row, a sign the epidemic is in retreat. The last time the 14-day average was higher than the seven-day average was Nov. 12.

The share of tests that return a positive result—another gauge of whether an outbreak is growing or declining—has also reversed course. The posi-

Johnson's Allies Try to Calm Furor

LONDON—Members of British Prime Minister Boris Johnson's cabinet urged Conservative lawmakers, disgruntled about the prime minister's at-

By Max Colchester, Isabel Coles and Jason Douglas

tendance of a party during lockdown, to wait for an official probe to conclude before deciding whether to oust their leader.

The allegations of rule-breaking in 2020 leave Mr. Johnson, a famed political Houdini, facing one of his toughest acts to date. Even if he does hold on to office, the 57-year-old will find himself increasingly vulnerable to emboldened factions in his party looking to dictate policy as economic headwinds mount.

“The view is he is damaged beyond repair, but better to let him take the hit from upcoming local election results and the economy and get a new

leader in later,” said Mujtaba Rahman, managing director at consulting firm Eurasia Group. “But it is not easy to replace a sitting prime minister.”

The process of getting rid of a Conservative leader requires a large rebellion. Conservative Party rules stipulate that 54 lawmakers must write letters to a committee to trigger a no-confidence vote. More than half the party must then vote to oust their leader. This process can take place only once a year.

On Wednesday, Mr. Johnson appeared before Parliament, shoulders hunched, to say he was sorry for spending 25 minutes at a drinks party in the Downing Street garden in May 2020. At the time, the nation was in lockdown and Britons were allowed to meet with only one other person outdoors. Mr. Johnson explained that he thought the “bring your own booze” gathering was a work event.

Four lawmakers from his party publicly demanded he

quit, but none of his cabinet members have resigned over the matter. Other lawmakers said they are awaiting a report into the events by senior civil servant Sue Gray.

Throughout the evening Wednesday, caveated messages of support dripped out from Mr. Johnson's inner circle. U.K. Chancellor of the Exchequer Rishi Sunak, viewed as Mr. Johnson's most likely successor, waited until 9 p.m. on Wednesday before declaring his continued support. “The PM was right to apologise and I support his request for patience while Sue Gray carries out her enquiry,” Mr. Sunak wrote on Twitter.

The ruling Conservative Party has continued to crater in the polls, falling 10 points behind the opposition Labour Party, according to pollster YouGov. On Thursday, the prime minister appeared to hunker down. Mr. Johnson canceled a planned trip, saying a member of his family tested

positive for Covid-19.

It is unclear whether a probe into a drinks party will prove to be the unexpected denouement to Mr. Johnson's time in office. The terms of reference for the investigation don't make clear whether Ms. Gray will adjudicate on whether Mr. Johnson broke the rules or simply provide a factual account of several alleged parties that took place in Downing Street during various lockdowns between May 2020 and December 2021.

Unless the police launch an investigation, it will be left to Conservative lawmakers to determine whether Mr. Johnson is guilty and should be ousted, said Catherine Haddon, a senior fellow at the Institute for Government, a British think tank.

If he loses his job it would mark an astonishing rise and fall for a political leader who has been in office only since July 2019 and oversaw the Conservative's biggest electoral victory since 1987.

Syrian Guilty of Civil-War Crimes



BERLIN—A senior Syrian officer was convicted of crimes against humanity by a German court, the highest-ranking official to be found guilty for the government's actions during the country's civil war in a decision that could pave the way for similar prosecutions.

A former commander in a secret service-run prison in Damascus, Col. Anwar Raslan was sentenced in the city of Koblenz to life imprisonment for his roles in crimes committed by President Bashar al-Assad's regime.

The charges included 27 counts of murder, as well as the torture and rape of prisoners at the al-Khatib detention center of the Syrian intelligence service between 2011 and 2012.

Germany's universal-jurisdiction laws allow its courts to prosecute crimes against humanity committed outside its borders. Like hundreds of thousands of Syrians, Mr. Raslan, 58 years old, lived in Germany as a refugee. Several other similar cases against Assad officials and insurgents are being heard in German courts.

—Bojan Pancevski




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WORLD NEWS

Russia Keeps Europe in Energy Bind

By JOE WALLACE
AND GEORGI KANTCHEV

Europe's growing dependence on Russian gas and oil is limiting the continent's room to maneuver in the mounting U.S.-Russia crisis over security in the region and making it highly vulnerable in the event of an escalation.

Officials from the U.S., Russia and Europe met Thursday in Vienna at the Organization for Security and Cooperation in Europe to discuss the tensions. This week, the U.S. and Russia failed to narrow differ-

ences over Moscow's deployment of more than 100,000 troops along the border with Ukraine, a major thoroughfare for gas consumed in Western Europe, and Moscow's demands for changes to Europe's security architecture. Russia has denied preparing to invade its western neighbor.

Highlighting the central role energy is playing in the standoff, the Senate voted Thursday to defeat a bill sponsored by Sen. Ted Cruz (R., Texas) that would have imposed sanctions on Nord Stream 2 AG, the company behind a pipeline built to

deliver Russian natural gas to Germany. The vote was 55 in favor, with 44 against. Sixty votes were needed to pass the bill.

Western officials accuse the Kremlin of withholding extra supplies in recent months to force European regulators to approve the pipeline—a charge the Kremlin denies. U.S. lawmakers and Ukraine say the pipeline would make Europe even more dependent on Moscow.

Such dependence means European governments aren't willing to consider sanctions on Russian energy exports—the

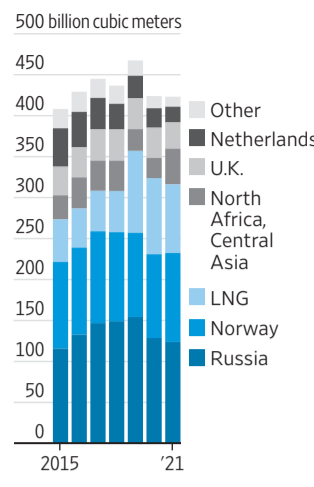
backbone of the Russian economy—as a deterrent against an invasion of Ukraine, a senior European official involved in talks on how to respond to the crisis at the border said.

They also are nervous about Moscow retaliating by slashing gas exports to Europe, a concern that has grown more acute in recent days as energy prices have started shooting up again, the official said. Despite intense lobbying from the U.S., Germany has yet to say whether it would permanently block Nord Stream 2 if Russia invades its neighbor.

Russia's saber-rattling on the Ukraine border and its failure to increase—and its occasional throttling of—gas deliveries to Europe have helped to send energy prices rocketing there.

"Governments in the region could find themselves on the horns of a dilemma if sanctions are applied and then Russia, even for the short term, cuts off all gas flows to Europe," said Richard Morningstar, founding chairman of the Atlantic Council's Global Energy Center and ambassador to the European Union under President Bill Clinton.

Sources of natural-gas supply in Europe*



*Excludes Turkey
Source: S&P Global Platts

Moscow Weighs Troop Move

Continued from Page One
discussions with Russia.

"I'm not going to respond to bluster in the public commentary that wasn't raised in the discussions" earlier this week, Mr. Sullivan said of Mr. Ryabkov's remarks about a potential deployment in Latin America, referring to talks Monday between U.S. and Russian officials in Geneva.

"If Russia were to move in that direction, we would deal with it decisively," he said.

The remarks from the senior U.S. and Russian officials follow several rounds of talks this week between the West and Russia over the military buildup on the border with Ukraine. Moscow has sent more than 100,000, claiming troops are on a military exercise. That triggered fears in Ukraine and the West that President Vladimir Putin of Russia intends to invade Ukraine or is generating a crisis to exact security concessions from the North Atlantic Treaty Organization.

Russia is demanding a halt to NATO's expansion, notably into Ukraine; curtailment of



Russia is asking for a halt to NATO's expansion, among other demands. A Ukrainian soldier this week.

the alliance's ties with Ukraine and parts of the former Soviet Union; and restrictions on military deployments on the territory of the alliance's Eastern European members.

Western officials have rejected those demands, saying countries are free to associate with any countries they choose.

On Thursday, the Organization for Security and Cooperation in Europe, a 57-country grouping that helped to foster peace during the Cold War since its founding in the 1970s, discussed the Ukraine situation.

The talks followed a U.S.-Russia meeting in Geneva on Monday and a NATO-Russia gathering

in Brussels on Wednesday.

The OSCE is the only security-focused forum in which the key players in the current crisis—Russia, Ukraine, the U.S. and the Europeans—all have a seat at the table. That allows Washington to bring Ukraine in on discussions about it. The U.S. has promised not to make decisions on Ukraine's security without Kyiv's presence.

Russia's representative to the OSCE, Alexander Lukashевич, said that this week's discussions had been "really disappointing," with the U.S., NATO and other OSCE countries not providing the "very substantial, in-depth" re-

sponse to Russia's proposals that Moscow had expected.

Russia's foreign minister, Sergei Lavrov, said Thursday that Moscow was expecting the U.S. and NATO to respond in writing to the Russian security proposals soon. "We still hope that the promises made in Geneva and Brussels will be kept; this is the promise to put U.S. and NATO proposals on paper," he said.

The three rounds of talks failed to resolve the crisis, and with prospects for further talks uncertain, Mr. Sullivan reiterated that the U.S. and its European allies had offered Russia two paths forward: further diplomacy or confrontation.

The Biden administration is prepared to discuss limits on intermediate-range missiles in Europe, as well as reciprocal restrictions on the scope of military exercises on the continent, U.S. officials have said. But if Russia sends troops across the Ukrainian border, Western officials are eyeing significant financial punishments and targeted technology sanctions, according to people familiar with the matter.

"The United States and our European allies and partners are prepared for multiple different eventualities," Mr. Sullivan said Thursday. Those are "serious and substantive" talks at the negotiating table or a "clear, effective, forceful" response to Russian aggression.

While Russia has insisted it has no plans to invade Ukraine, Mr. Sullivan said "the threat of military invasion is high," and that the U.S. held no illusions about the potential for conflict.

Asked to define the de-escalation that U.S. officials are seeking, Mr. Sullivan said that "it would involve them reducing the number of forces that they have deployed in aggressive postures toward Ukraine." Mr. Sullivan warned that the movement of the Russian military across the border into Ukrainian territory would trigger a U.S. and international response.

The national security adviser said that in the next 24 hours, the administration would provide additional de-

tails on Russia's purported efforts to establish a pretext for an invasion of Ukraine.

"We saw this playbook in 2014," Mr. Sullivan said, referring to Russia's annexation of the Crimean Peninsula and fomenting of a separatist conflict in eastern Ukraine. "They are preparing this playbook again."

Mr. Ryabkov's warnings about a possible military deployment to Cuba and Venezuela reflected Moscow's longtime influence in those two countries, where authoritarian regimes have long been close to Russia.

The deputy foreign minister's comments were seen as a threat by Venezuela's opposition movement, which failed in recent years to oust the president, Nicolás Maduro, partly because of Russia's assistance.

In a speech, the opposition leader Juan Guaidó, whom the U.S. considers Venezuela's rightful president, said the Russians have no right to deploy in Venezuela "because it's a sovereign country that should decide over its land, its actions and its defense."

The Cuban government hasn't commented on Russia's potential commitment of troops to the island. Requests for comment sent to the Cuban mission in Washington and to Cuba's Foreign Ministry weren't answered.

—Anna Hirtenstein,
Juan Forero
and José de Córdoba
contributed to this article.

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I asked what kind of family Amina wanted. She said, 'A family like yours.' That's when I knew I had to adopt her.

Denise, adopted 17-year-old Amina



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FROM PAGE ONE

‘We Can Do This Now’

Continued from Page One
her husband spent 10 days quarantined over Christmas after she began feeling symptoms, and they missed their family holiday reunion in Florida. She tested positive during those days, but the isolation period ended just in time for the couple—both fully vaccinated and boosted, she said—to catch the fireworks show at Disney World’s Magic Kingdom Park on New Year’s Eve.

“We had had Covid,” she said, “and didn’t have to worry as much about contracting it.”

Packed among unmasked park-goers—Disney World’s website says face coverings are optional outdoors—Ms.

Marquette was happy she’d had Covid. They wore masks in crowded areas, like when watching the fireworks. But in the 80-degree heat, the couple went maskless in less crowded areas, something they wouldn’t have done last year.

“It was just a relief to know we had it because we were pretty much guaranteed to get it there,” said Ms. Marquette, who co-runs an Instagram account focused on post-Covid travel and inspiration. She now plans to travel to Cancún, Mexico, for a February wedding.

That post-Covid feeling of security isn’t unfounded, said Edward Walsh, professor of medicine at the University of Rochester Medical Center and head of infectious diseases at Rochester General Hospital. Those who safely recover, he said, are better positioned to fight new infections.

A lot can vary from person to person, he said. “I would tell somebody, ‘Well, you’ve been vaccinated and you had

Omicron and you did well, so you’re probably in even better shape to resist not just Omicron but any new variant,’” he said. “But we can’t guarantee it, of course, because we don’t know what will come along.”

New laboratory results suggest Omicron will result in milder illness.

Still, the emotional roller coaster after exposure, testing and isolation—and two years of uncertainty—can make even the smallest joy a thrill: a museum date, a drink at the bar, a night out with friends.

For Alyssa Horowitz, a 27-year-old marketing account executive in New York City who said she is fully vaccinated and boosted, that joy is going to the movies.

Ms. Horowitz avoided theaters for two years. She is a huge Marvel fan, and missing new releases stung during the pandemic’s darkest days.

After suffering a mild case of Omicron over the holiday season, she finally feels safe with

her plans to see “Spider-Man: No Way Home” in full silver-screen glory.

“The popcorn is better, the soda is better—everything is better,” Ms. Horowitz said. “There’s something about leaving your house and taking the time, as opposed to laying on the couch and saying, ‘What can I stream right now?’”

The Centers for Disease Control and Prevention last week updated its guidance, recommending 10 days’ isolation for those with symptoms and five days for those who remain asymptomatic or whose symptoms are resolving if they wear masks for the next five days.

Dr. Wafaa El-Sadr, professor of epidemiology and medicine at Columbia University’s Mailman School of Public Health, said vaccination and boosters will continue to ensure that those who test positive will resist severe illness and hospitalization, but that protection wanes over time. “People should be cautious,” she said, “about having this sense of ‘I’m now clear forever.’”

Emile Panerio, a 30-year-old bartender and musician, said he and his girlfriend celebrated New Year’s Eve with a quiet restaurant dinner and low-key night on the town after testing positive and going under quarantine.

“Both of us were so ready to get out of the house and do something,” said Mr. Panerio, who said he is fully vaccinated and boosted and had previously tested positive for Omicron. “Whether or not we were consciously feeling more invincible, I don’t know. It was like, ‘We can do this now.’”

Lisa Gruber, who works in public relations in Midtown Manhattan, said her 10-day quarantine consisted of sleeping, bingeing television series and missing her best friend.

As soon as her quarantine ended Jan. 6, she went dinosaur-gazing with her friend and her friend’s 5-year-old son at the Museum of Natural History—all masked—followed by a meal at a Thai restaurant. She is fully vaccinated and has had her booster, she said.

“It was so exciting to be with people,” said Ms. Gruber, 38, “not sitting at my coffee table—to just hang out with the people you love.”

Ms. Horowitz said she’s planning to pursue something else the pandemic put on hold: romance. “I feel like in the next few months I’ll feel better about going on first dates with people I might have met online,” she said. She might even meet someone of her own post-Covid status: “My chances are pretty high.”



The Athabasca oil sands project near Fort McMurray, in Alberta, Canada. There are still roughly 170 billion barrels of thick, tar-like bitumen under the boreal forests in the province.

Oil Patch Pumping More

Continued from Page One
conundrum. Despite intensifying efforts to transition the global economy away from fossil fuels, alternative energy sources currently come nowhere near meeting present demand. That means companies will continue to pump oil even from carbon-intensive sources.

“We will continue to see growth,” said Alex Pourbaix, chief executive of Calgary-based Cenovus, which doubled its dividend last year. Cenovus increased third-quarter oil sands production by almost 50,000 barrels a day.

Mr. Pourbaix said the worldwide push for renewable energy wouldn’t reduce oil’s importance as a cheap energy source anytime soon. “There’s no technology at all of scale that can replace what oil can do,” he said. “That’s just reality.”

The benchmark West Texas Intermediate oil price in the U.S., which fell to record lows in the spring of 2020, rose above \$70 a barrel in June for the first time since 2018.

The sharp rise in prices has prompted even world leaders committed to reducing emissions to call for more production. President Biden asked the Organization of the Petroleum Exporting Countries last year to boost production, after gasoline prices climbed, and in November he released oil from the U.S.’s strategic reserve in a bid to tame gas costs. He also supported the construction of a replacement for Line 3, a pipeline operated by Calgary-based Enbridge Inc. that brings crude from the oil sands to the U.S.

Canadian Prime Minister Justin Trudeau is spending more than \$12.5 billion to expand the Trans Mountain pipeline, which carries crude from the oil sands to Canada’s west coast. The expansion, when it is finished sometime in 2023, will triple Trans Mountain’s capacity to almost 900,000 barrels a day, giving companies such as Cenovus and Suncor greater access to growing markets in Asia.

Mr. Trudeau has said that money from Canada’s oil in-

dustry will fund its transition to greener energy.

The production increases in Canada’s oil sands are happening despite a yearslong flight of capital from the area. The region, once one of the energy world’s hottest investment destinations, has become a dead zone for foreign investment.

Selling out

Since 2017, major oil companies such as Royal Dutch Shell PLC, ConocoPhillips and Total SA have announced plans to sell their Canadian assets or have sold them. The reasons cited include greenhouse-gas emissions and unattractive returns. Chevron Corp. Chief Executive Michael Wirth said he was open to selling a stake in the region because it wasn’t a strategic asset for the company.

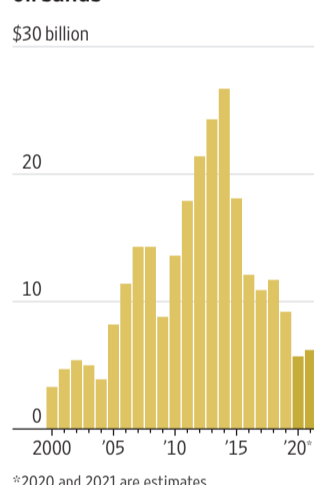
Some investment funds managed by BlackRock Inc. and Norway’s sovereign-wealth fund have cut oil sands investments from their portfolios. Last year, the Caisse de dépôt et placement du Québec, one of Canada’s largest pension funds, announced it will sell all its holdings of oil company stocks, including its interests in Canadian companies, by the end of 2022.

“The philosophy behind this is to avoid contributing to additional oil supply,” said Charles Emond, chief executive of the fund, in September. The Caisse manages more than \$300 billion in assets for public employees in the province of Quebec, about 1% of which is invested in the stock of oil producers. “This is a leadership decision in the face of the climate crisis.”

As international energy companies have moved out of the oil sands, though, smaller independent and private investors have come in, and some have moved to increase production.

Adam Waterous, chief executive of the Waterous Energy Fund, a Calgary-based private-equity firm, said the firm has bought three oil sands projects in Alberta over the past two years. Together, the projects produce between 50,000 and 60,000 barrels per day, a number he said could increase to 100,000 barrels a day within the next five years. As a private investor, he said, his company has more freedom to increase production, while investing in technologies to reduce carbon emissions, be-

Capital spending in Canada’s oil sands



*2020 and 2021 are estimates

cause it doesn’t have to answer to public shareholders.

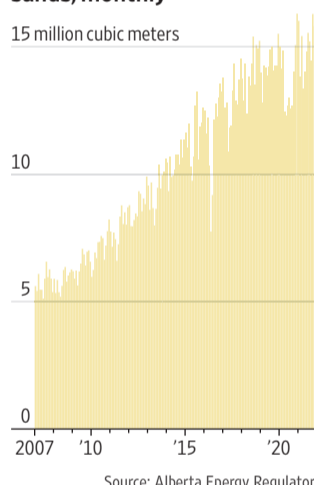
Canada’s petroleum industry accounts for roughly 5% of the nation’s economic output. For all but two of the years since 2008, oil has been Canada’s top trade export.

An 88,000-square-mile area in northeast Alberta, the oil sands boomed between 2000 and 2014. Global companies, lured to the region by high oil prices and plentiful supply, raced to Alberta to build extraction megaprojects with names like Sunrise, Peace River and Surmont.

During the boom years, investment in the oil sands totaled \$183 billion. Capital spending rose steadily, from \$3.3 billion at the beginning of the century to \$26.4 billion at its peak in 2014, according to the Alberta Energy Regulator, the provincial department that regulates Alberta’s energy industry.

Alberta’s crude is buried un-

Production in Canada’s oil sands, monthly



Source: Alberta Energy Regulator

der quartz sand and is difficult to extract. Producers either claw the oil-infused sand out of the ground using excavators that look like dinosaurs, or pump the crude out of wells by injecting steam deep into the earth to liquefy it.

Environmental cost

The oil requires a lot of energy to extract and visibly scars the landscape. The mining process creates a slurry of quartz sand, water and toxic chemicals, which is kept in huge reservoirs called tailings ponds that are so big they can be seen from outer space. At the oil wells, thick plumes of steam billow overhead from the millions of gallons of water heated by natural-gas facilities.

According to research firm Rystad Energy, oil sands production in Alberta generates roughly 160 pounds of carbon per barrel, a higher greenhouse-gas emission than any

other oil in the world. The firm described the level as “staggering.” U.S. shale oil producers, by comparison, generate an average of 26 pounds per barrel.

Environmentalists began to target the region around 2002, when officials in Alberta first quantified the size of its reserves. “They are arguably the most visible human scars on the planet,” said Bill McKibben, a prominent environmentalist and co-founder of 350.org, a group dedicated to stopping the use of fossil fuels world-wide.

Groups such as 350.org, Rainforest Action Network and Sierra Club organized protests in Washington, disrupted pipeline construction projects and pressured banks and financial institutions to pull funding for oil sand projects.

A drop in the price of oil in 2014, coupled with pressure from shareholders of energy company to reduce emissions, affected investment. In 2020, capital spending on oil sands projects hit a 16-year low, totaling \$5.8 billion, according to the Alberta Energy Regulator. Such capital investment has declined every year since it peaked in 2014. It was forecast to have risen slightly in 2021, but remain lower than it was in 2019.

In 2017, when Shell announced the sale of several oil sands assets for \$7.25 billion, Chief Executive Ben van Beurden said that the company wanted to boost returns. The announcement came at the same time the company said it was linking director bonuses to greenhouse-gas emission reductions.

Almost 60 financial institutions, including Deutsche Bank, HSBC Holdings PLC and insurance company Hartford Financial Services Group Inc., have curbed their oil sands investments. In July, Japan Petroleum Exploration Co., Japan’s state-backed oil-and-gas company known as Japex, which first leased land in Alberta in 1978, announced it sold its stake in the Hangingstone oil sands project at a loss of \$800 million.

Employment in Canada’s oil-and-gas industry declined by 17% between 2014 and 2019, from 226,500 to 188,760 in 2019, according to Petroleum Labour Market Information, a division of the Energy Safety Canada, an organization that works with companies and workers to set industry safety standards. The nonprofit estimated that Covid-19-related layoffs accelerated the downward trend, and that the industry shed another 20,000 jobs in 2020.

The toll is visible in Calgary, the corporate hub of Canada’s energy industry. Downtown Calgary had a commercial-real-estate vacancy rate of 33% in the third quarter of 2021, the highest in North America, according to CBRE Group, a commercial-real-estate services firm. Houston’s vacancy rate, by comparison, was 24%.

Eventually, the lack of investment will cause production to dwindle as oil from some projects is depleted, analysts say. Some projects could start to deplete by the middle of the next decade, according to Kevin Birn, an analyst with IHS Markit.

Some mines are being modified as the original reserves run low. The North Mine at the Syncrude project, which is operated by Suncor, is expected to be depleted by the middle of this decade, but an extension of the mine is being built that will keep it producing for another 14 years.

Newer projects, though, are likely to produce far into the future. Fort Hills, an open pit truck and shovel mine run by Suncor, completed in 2018, can produce almost 200,000 barrels of oil a day. It can run for the next 50 years, based on current plans.

In October, producers extracted more than 3.84 million barrels a day from Alberta, a record, according to the Alberta Energy Regulator. Between January and October, production totaled 1.09 billion barrels, also a record.



A processing plant at Cenovus Energy’s Christina Lake oil sands project in northern Alberta.

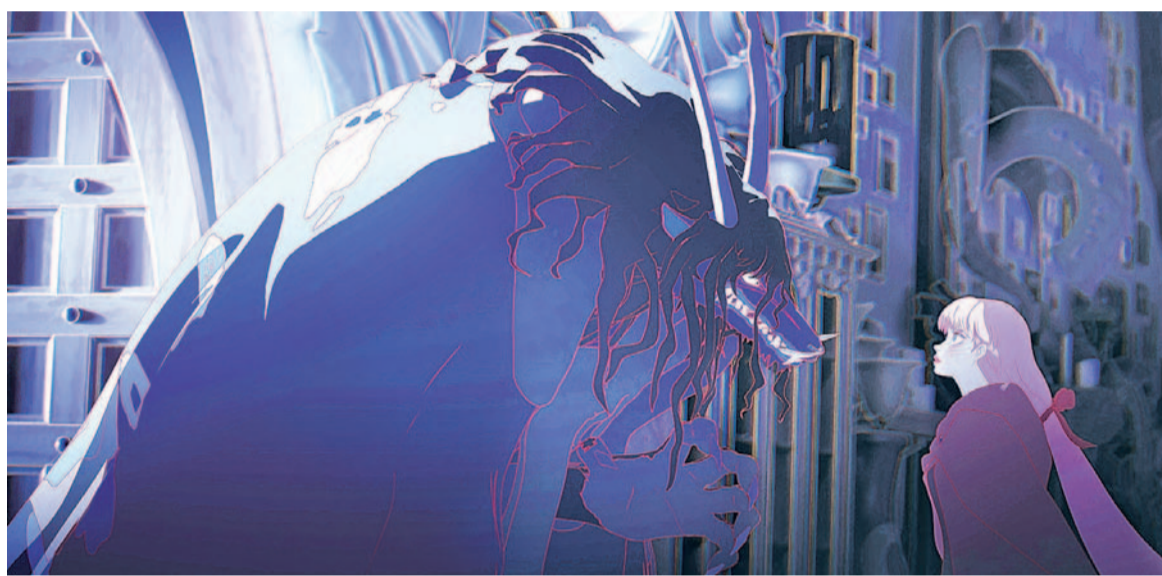
ARTS IN REVIEW



Scenes from Mamoru Hosoda's latest animated feature

FILM REVIEW | JOE MORGENSTERN

‘Belle’: Reality’s Beautiful Bite



When stardom hits in “Belle,” it does so with otherworldly force—a teenage singer’s debut concert draws a crowd of approximately 200 million. The venue really is otherworldly, though, a virtual-reality site called U, and the newly minted diva is an avatar named Belle, the glittering cyberspace projection of an unhappy high-schooler, Suzu, who lives her real-world life in a small rural town in Japan. This ambitious anime feature by Mamoru Hosoda juxtaposes the two worlds as Suzu makes her way through a troubled adolescence, and the story includes an elaborate riff on “Beauty and the Beast.” There’s too much plot for the film to manage, but its heart, and sumptuous art, are so firmly in the right place that its appeal comes through sweet and clear. (A GKIDS production, “Belle” is playing in theaters in a subtitled version, which I saw for review, and also in a dubbed version, which

might be more accessible for young audiences.)

In Mr. Hosoda’s previous feature, the 2018 Oscar-nominated “Mirai,” the 4-year-old hero, Kun, is lonely because his baby sister has taken his place at the center of his family. Suzu’s sadness has deeper roots; she’s been inconsolable since her mother died years ago. Kun’s loneliness grows until he comes upon a magic garden where he encounters visitors from his family’s past and future alike. Suzu’s refuge is more contemporary, evoking the sort of meta-universe alternatives to mere reality that Google, Apple, Oculus and who-knows-whatulus may be cooking up for our online future.

Visionary renderings of cyberspace have become a staple of sci-fi films, from the trashy but shrewdly prophetic “Johnny Mnemonic” in 1995 unto “The Matrix” in all its iterations. (Keanu Reeves was the star in both cases.) Suzu’s avatar is a bright-faced, freckle-cheeked and princess-begowned newcomer to a global stage that’s as thrilling as it is ephemeral, and

who’s to begrudge Suzu the pleasure? Suddenly she’s part of a new community—five billion users who don’t think they’re being used, occupants of a zillion-points-of-light universe filled with shimmering cities, fanciful creatures and flittering artifacts. (“I’m an AI,” a little white apparition chirps. “I

A teenager in rural Japan finds online fame through a virtual concert.

know everything.”) But the online world of U—as in Another You—isn’t paradise. Suzu’s concert is crashed by a monstrous dragon, simply called the Dragon, who could be readily and correctly mistaken for the Beast opposite Suzu’s Beauty. She doesn’t make that connection. Still, Suzu sees that the Dragon is in pain, and she feels it deeply.

The clash of elements and themes can be unsettling, even in a movie about feelings that are unsettled in the extreme. The fate of the symbolic Dragon, pursued to his castle by self-righteous cybervigilantes, is suddenly upstaged by Suzu’s literal-minded determination to find the human soul mate behind the suffering avatar. Her quest then becomes a detective story, with a succession of arbitrary twists and turns, that leads her to an upscale residential neighborhood in Tokyo. There, in a sequence seemingly plugged in from another film, she quickly locates and uncovers a startling, if clumsily staged, case of child abuse.

But “Belle” has the courage of its clumsiness, which may be the price of several eloquent moments that pop up abruptly, almost out of nowhere. In one of them a battered kid repeats the word “help” scornfully, and more times than you can count, by way of denouncing adults who talk a good game about being helpful but do nothing in the end. And part of the film’s

impact comes from the contrast between its two visual modes. Suzu’s life at home and in school is rendered in the gentle, even nostalgic style of what appears to be hand-drawn animation, while the explosive, computer-generated cyberspace images bespeak the state of many young people’s online lives.

The paradox, of course, in the film as in what passes for reality, is that the potential perils of the online experience—the fragmentation, randomness and easy-access anonymity—are what makes it so seductive to young minds. In that context, it’s all the more dramatic when Suzu, via Belle, reveals her true identity to her legions of idolatrous followers. Mr. Hosoda’s film won’t wean its own followers from their phones, tablets and screens, and isn’t meant to. What it may manage to do, without a lot of preaching, is remind them of the power of authenticity. It isn’t Belle’s costumes, bling or celebrity that people find enchanting. It’s Suzu herself, singing her own unadorned song.

TELEVISION REVIEW | JOHN ANDERSON

‘Sex Appeal’: Unappealing Comedy

Sweetly idiotic would be a kind way of describing “Sex Appeal,” yet another adult-oriented comedy about eroticized teens that parents would probably prefer their children not be watching. There seems little danger of that.

Anyone older than 9 will be baffled by the premise, which doesn’t promise farce, exactly, but is certainly farcical. High-school senior Avery Hansen-White (Mika Abdalla), who walks the corridors like a runaway model, “rules the school.” She has an off-the-usual-charts GPA, has gotten early acceptance and a “full ride” at MIT and is the previous year’s winner of “Stemcon,” a national competition for overachieving kids in the fields of science, technology, engineering and math.

This year’s assignment: Create an app that solves a problem in your personal life. “Maybe you should start by having one,” suggests Larson (Jake Short), her oldest friend, whose single romantic overture some time earlier was countered by Avery punching him in the privates. It’s something she continues to do, figuratively, throughout the film.

At last year’s Stemcon, Avery



began “dating” her co-winner, Casper (Mason Versaw), though their relationship has thus far been limited to FaceTime encounters. This year, Casper makes clear, he expects things to progress, which gives the virginal Avery fits. And an idea: She’ll design an app for Stemcon called Sex Ap-

peal that will instruct the user in how to have good sex. A subject about which she knows absolutely nothing.

“Nothing” in this case means zilch, zero, nada. It’s startling that “Sex Appeal” was written by one woman (Tate Hanyok) and directed by another (Talia Osteen), because



Mika Abdalla as Avery, left, and Jake Short as Larson, above, in Hulu’s new comedy

what it implies about an accomplished girl like Avery is that in order to be academically gifted she has to be socially stunted, emotionally arrested or, possibly, neurologically impaired. The fact that she has three moms (played by Fortune Feimster, Rebecca Henderson and Margaret Cho, whose Ma Deb is an artist whose work “would make Georgia O’Keeffe blush”) is seen as an argument as to why Avery is so clueless about male mechanics, urges and anatomy. But she hasn’t been in a convent. She’s a teenager. In an Amer-

ican high school. She makes no sense at all. And the “appeal” she makes to Larson—that he help her rehearse, so to speak, for her rendezvous with Casper—makes her not just clueless but cruel.

Comparisons between this film and the series “Sex Education” are inevitable—the American production feels like a response to the U.K. hit—but they also seem necessary. “Sex Education,” for all its copious coupling, treats sex as a part of life; it can be funny, yes, but it’s not science-fiction. In “Sex Appeal,” this whole area of human existence is treated as something that could have been avoided by Avery entirely if not for Casper, and thus a nuisance, a choice and, ultimately, something dirty. The most “experienced” student in the story, Danica (a tartly memorable Paris Jackson), is like an escapee from a Bohemian biker gang. The movie caters to a pre-adolescent sense of humor, while pretending to be sexually enlightened.

The cast is likable, particularly the talented Mr. Short, though Ms. Abdalla is attractive enough to make Avery even more ludicrous as well as badly written: She may be brilliant, but she’d have to be profoundly stupid to be this kind of genius.

Sex Appeal
Friday, Hulu

ARTS IN REVIEW



Gameela Wright, Ariana Neal, Martin Sola and Dina Shihabi, left; Julia Chan, above; Mamoudou Athie, below left

TELEVISION REVIEW | JOHN ANDERSON

Pressing Record on Frights

A video archivist is disturbed by what he sees on tape during his latest project

The found-footage horror story is a relatively recent phenomenon—"The Blair Witch Project," which seems to have kicked things off, is just 23 years old; two landmarks, "Paranormal Activity" and the Spanish masterpiece "REC," date only to 2007. But the misinterpretation of recorded material for thriller purposes has a longer legacy: The original "Blow-Up" (1966), for instance, was about the ambiguity of a photograph; "The Conversation" (1974) was about a misunderstood murder plot.

"Archive 81," the Netflix series "loosely inspired" by the podcast of the same name, is a worthy addition to the catalog, a mix of media, messages, storylines, timelines and psychologies, including the damaged one at the center of the story: Dan Turner (Mamoudou Athie), a video archivist at the real-life Museum of the Moving Image in New York, is a benignly obsessive collector of video ephemera; he buys VHS cassettes off the street not knowing their contents; he addresses badly damaged Mylar with doctorly precision.

When he's asked to do a favor for "a big donor," it involves Virgil Davenport (played with an unctuous, understated menace by Martin Donovan), who wants to hire Dan away for an extended project:



the restoration of videotapes recovered from the bygone Visser apartment building—a fictional mix of New York City public housing, the fabled Chelsea Hotel and the Dakota (which, no coincidence, was the inspiration for the Bramford in "Rosemary's Baby"). How satanic was it? Built on the ruins of a mansion that itself had burned down in the '20s, the Visser went up in flames in the mid-1990s—not long after NYU doctoral candidate Melody Pendras

(Dina Shihabi) began working on her oral history of the place. It's this project out of the past that sucks Dan in. And freaks him out.

He may not be the best candidate for the job, despite expertise and devotion to craft. Years earlier, we learn, Dan had lost his whole family in a fire that consumed their entire home in the time it took Dan to walk the dog—a dog that shows up in Melody's tapes. As does Dan's father. Which is about all one can say about the

plot, which unwinds over eight episodes at a measured pace and with a mounting accumulation of dread generated by the legacy of the fires, the weird intimacy Dan develops with Melody (whose camcorder seldom stopped running) and the strange collection of characters at the Visser.

What does Virgil want? The head of LMG—which stands for the almost comically anodyne Legacy Management Group—Virgil sets Dan up in the Catskills, at a

house owned by his corporation that is both incongruously modern and inexplicably vast. There are spaces inside and under the structure that don't seem to make sense, unless one starts to question Dan's perceptions—which we are invited to do, given the dream sequences that alternate with the Melody footage; the way that footage is used as a portal into 1994; and the way "Archive 81" occasionally abandons its own conceit: the idea that everything we see in the past is on Melody's camera. Any found-footage purist would be entitled to complain, but restricting what an audience sees to the viewer of a camcorder can be a claustrophobia- and even nausea-inducing experience (see "Cloverfield" among other examples). The showrunner, Rebecca Sonnenshine, makes the right move.

The casting is first rate: Young Ariana Neal is memorable as Jess, a kind of gofer at the '90s Visser; Evan Jonigkeit is creepy as Samuel, the Visser's lothario and worse. Mr. Athie, who does much

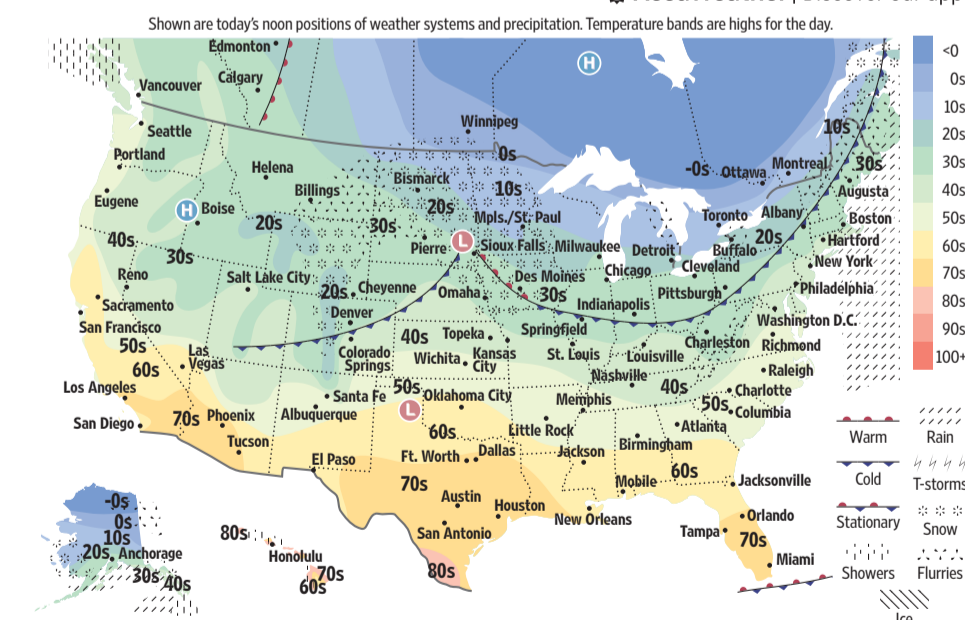
Netflix's new horror series, 'Archive 81,' puts new twists on the found-footage framing.

of his acting alone—Dan being sequestered in the Catskills—makes his character both likable and emotionally aloof, though plausibly agitated by events real and otherwise. Ms. Shihabi, his parallel-universe co-star, gives Melody sufficient personality to balance Dan out while nursing her own issues: She's a reluctant scholar, for one thing, trying to please her filmmaker mother. She was also a patient of Dan's psychiatrist father. She also suspects there's a sex cult operating at the Visser. Are there a lot of narratives at work in "Archive 81"? Yes, but think of them as tentacles.

Archive 81
Friday, Netflix

Weather

AccuWeather | Discover our app



U.S. Forecasts

s...sunny; pc...partly cloudy; c...cloudy; sh...showers; t...tstorms; r...rain; sf...snow flurries; sn...snow; l...ice

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Anchorage	39	29	pc	30	22	sn
Atlanta	55	36	s	52	36	c
Austin	75	43	pc	54	31	pc
Baltimore	46	16	pc	26	15	pc
Boise	39	26	s	40	26	pc
Boston	38	4	sn	14	9	s
Burlington	22	-8	sf	3	-8	pc
Charlotte	56	31	pc	46	30	c
Chicago	32	23	sf	25	18	c
Cleveland	32	17	pc	23	13	c
Dallas	72	39	pc	44	28	pc
Denver	38	17	sf	40	25	s
Detroit	29	11	pc	18	10	pc
Honolulu	80	66	sh	81	66	pc
Houston	74	54	s	56	34	c
Indianapolis	37	22	c	28	17	sn
Kansas City	44	26	c	27	9	sn
Las Vegas	66	42	pc	62	39	pc
Little Rock	56	43	pc	43	30	sn
Los Angeles	73	56	c	71	54	c
Miami	73	54	pc	73	63	s
Milwaukee	30	20	sf	24	15	c
Minneapolis	19	3	sn	19	3	pc
Nashville	46	36	pc	46	36	c
New Orleans	67	54	s	67	41	t
New York City	41	11	pc	19	12	pc
Oklahoma City	61	25	pc	33	16	c

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Omaha	36	16	i	18	2	c
Orlando	70	45	s	73	55	s
Philadelphia	47	13	pc	24	13	pc
Pittsburgh	73	50	pc	71	47	c
Portland, Maine	34	14	pc	23	12	c
Portland, Ore.	52	37	pc	50	35	pc
Sacramento	35	1	c	11	0	s
St. Louis	41	31	c	32	17	sn
Salt Lake City	40	25	s	40	24	s
San Francisco	58	46	s	60	45	pc
Santa Fe	53	22	s	41	21	s
Seattle	50	39	pc	47	39	pc
Sioux Falls	31	5	sn	14	5	pc
Wash., D.C.	48	23	s	29	18	pc

International

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Amsterdam	47	39	c	44	36	pc
Athens	51	40	s	57	45	s
Baghdad	67	45	pc	61	44	s
Bangkok	91	74	s	91	73	s
Beijing	31	15	pc	39	16	s
Berlin	45	31	c	39	31	pc
Brussels	42	34	pc	42	33	pc
Buenos Aires	99	82	s	94	78	pc
Dubai	78	65	s	80	68	c
Dublin	44	38	c	46	42	c
Edinburgh	48	36	c	44	38	c

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Frankfurt	41	32	pc	43	32	pc
Geneva	43	31	s	44	30	pc
Havana	75	55	s	78	60	s
Hong Kong	67	62	c	69	64	s
Istanbul	41	36	s	46	37	s
Jakarta	87	75	t	86	75	c
Jerusalem	44	36	sh	43	37	c
Johannesburg	76	61	t	72	60	t
London	43	34	pc	45	39	pc
Madrid	49	30	s	49	26	pc
Manila	85	74	pc	86	74	pc
Melbourne	83	64	sh	76	62	pc
Mexico City	70	43	s	70	44	t
Milan	42	26	s	46	26	s
Moscow	37	27	sn	28	23	sn
Mumbai	81	69	pc	85	71	c
Paris	44	30	pc	39	30	pc
Rio de Janeiro	86	75	pc	86	75	c
Riyadh	80	61	c	77	57	pc
Rome	52	36	s	57	38	s
San Juan	86	72	s	84	73	sh
Seoul	33	19	s	40	23	c
Shanghai	46	38	c	53	39	pc
Singapore	85	75	pc	87	76	c
Sydney	81	72	c	82	72	t
Taipei City	63	54	c	71	57	s
Tokyo	47	37	s	49	37	pc
Toronto	16	-4	s	8	3	pc
Vancouver	46	38	c	46	36	pc
Warsaw	43	28	sh	36	27	pc
Zurich	40	28	s	40	28	s

The WSJ Daily Crossword | Edited by Mike Shenk

1 2 3 4 5 6 7 8 9 10 11 12

13 14 15 16 17 18 19 20 21 22

23 24 25 26 27 28 29 30 31 32 33 34 35

36 37 38 39 40 41 42 43 44 45 46

47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65

GOLDEN YEARS | By Matt Gaffney

The answer to this week's contest crossword is a 10-letter celebrity in the news.

Across

1 Tucson's county

5 Track star Devers

9 Agitate

13 "This ___ outrage!"

14 Algebra instruction that may precede "if x=..."

15 "So sorry to hear that!"

16 Arctic

17 She sang "What Are We Doin' in Love" with Kenny Rogers

19 KJ who plays Archie on "Riverdale"

20 Letter holder: Abbr.

21 One or more

22 RR stop

23 "SNL" Emmy nominee in 2021

26 Spanish for "to be"

28 Praising poet

29 Graze

31 Like sardines

32 Quaint denial

34 Even a little

36 "Only Murders in the Building" actor

38 Spud

39 App runners

40 Shower attention (on)

41 Whiskey liqueur, briefly

43 Have ___ (get high)

47 Beauty's counterpart

49 "Harvest Moon" singer

51 Volcanic output

52 ER lines

54 Vegas or Palmas starter

PUZZLE CONTEST

55 Acapulco uncle

56 "It's Always Sunny in Philadelphia" star

59 Trio traveling to Bethlehem

60 Band that sounds like a crop

61 Male deer

62 Grunts of distaste

63 Cinco follower

64 Queens stadium eponym

65 Square paving stone

14 9/11 heroes

18 A lid covers it

20 Complete

24 Vast residences

25 Harsh

27 Attains, as great heights

30 "Very funny!"

33 Narrow waterways: Abbr.

35 "___ specials" (menu heading)

36 Controversial WWI figure

37 Grocer's concern

38 Ballerina's slipper

40 Arizona baseballers, in headlines

42 Beginnings

44 Power problem

45 Piece for Magnus Carlsen

46 Diva, traditionally

48 Up to the point that

50 Ruffles rival

53 American Express alternative

57 ICU workers moniker

58 "Zip-a-Dee-Do-___"

59 Letters after lambdas

Previous Puzzle's Solution

JAW PECK PUPA
OBTE ACHY ONYX
BUDDINGAUNT PITLE
TIEN FISHITTED
ANIME HOLE
EMP TORTURECHA
DEPT PAR DOOMS
IDEA ESOTE RUBIE
TIARA OAR DREW
CLOSEDPRIMORS
TIHAW SICARE
CALIFERALS RUNE
ALLOE PRESBYTTERI
DISC FRAKE SEGA
SEEK SLIT DON

OPINION

Biden Follows the Trump Playbook



POTOMAC WATCH
By Kimberley A. Strassel

as they come to a Donald Trump special.

Mr. Trump went to Georgia just over a year ago to rally voters for the Senate runoff elections. In a rant of a speech, he made false claims about the electoral system, accused Democrats of undemocratic aims, and attacked the legitimacy of the 2020 election. Mr. Biden this week went to Atlanta to rally support for two federal voting bills. In a rant of a speech, he made false claims about the electoral system, accused Republicans of undemocratic aims, and pre-emptively attacked the legitimacy of the 2022 election. Now who's the wrecking ball?

Where are those Washington Post "fact checkers" when you need them? They were on the hop for the Trump speech, documenting some 90 "untruths" in the course of that campaign rally. Mr. Trump rolled out his claims that Georgia's vote-counting system was rigged, beset by disappearing drop boxes and floods of absentee ballots cast by dead people, felons, nonresidents and teens. Georgia election officials disproved all this.

Mr. Biden's speech was every bit as divorced from

facts. He baldly claimed Georgia Republicans enacted an election law designed purely to put up "obstacles" to voting. He said the law made it "harder for you to vote by mail" and limited "the number of drop boxes and the hours you can use them." These changes, he asserted, were designed to create "longer lines at the polls," causing hungry voters to give up. He promised the state GOP would "subvert" future elections with a provision allowing it willy-nilly to "remove local election officials" it doesn't like. The law overall, he claimed, enables Republicans to get "the result they want—no matter what the voters have said, no matter what the court."

These claims are as wild as any Mr. Trump made—even if the fact checkers have gone conveniently deaf. The Georgia law leaves in place no-excuse absentee voting—and actually makes it stronger, by getting rid of signature matching. It expands weekend early voting and sets minimum Election Day voting hours. It enshrines in law the use of absentee-ballot drop boxes—which didn't exist in Georgia before their temporary pandemic use. Yes, the state Legislature can remove officials, but only after proving "malfeasance" or "gross negligence" over at least two elections. And Georgia's broader electoral safeguards remain in place—the exact checks and balances in place when Mr. Biden carried the state last year. The president's claims are straight-up fiction.

The broader Biden-Democratic claim that election-integrity measures make it "harder to vote" is one big untruth. California has among the loosest election laws in the country, New Hampshire the toughest. California routinely ranks at the bottom for presidential election-year turnout, New Hampshire at the top. As Hans Von Spakovsky and John Fund document in their recent book,

His Georgia speech's demagoguery echoes his predecessor's from just over a year ago.

"Our Broken Elections: How the Left Changed the Way You Vote," Georgia's decision in 2008 to impose a state-wide voter ID law (suppression!) has actually produced record-high registration and turnout, especially among minorities.

Just as Mr. Trump in Georgia accused "left-wing, socialist, communist Marxists" of "stealing" an election so as to impose "unchecked, unrestrained, absolute power" over Americans, Mr. Biden branded Republicans segregationists, traitors, and domestic "enemies" while predicting national collapse if he doesn't get his way. The coming vote on his federal election takeover would mark no less than a "turning point in this nation's history," the choice between "democracy" or "autocracy," and whether the GOP obtained the "kind of

power you see in totalitarian states." Really? He failed to mention the other, likely possibility: that his bills fail, and the states carry on with their highly successful 246-year tradition of holding fair and free elections.

Most astonishing—and most cynical—was Mr. Biden's decision to match Mr. Trump in sowing doubt on electoral outcomes. Presidents ought to reassure Americans their votes count, that they have a duty to get to the ballot box. Mr. Biden instead bluntly told his followers that if his bills failed, "your vote won't matter," because Republicans will simply "disenfranchise" you.

Mr. Trump's rhetoric helped the Republican incumbents lose the Georgia runoffs by depressing GOP turnout, and it's an odd strategy for a Democratic Party facing a midterm. That is, unless the White House is expecting a blowout loss and is already engineering an excuse. If the Democrats who have mismanaged Covid, inflation and foreign policy can't win on the merits, they will pre-emptively delegitimize the coming election by accusing Republicans of stealing it. Never mind the damage this will have on American trust in institutions.

Mr. Biden ran on a promise to lower the temperature, and what a joke that has been. It turns out Democrats and the media have no real problem after all with a hyperbolic, name-calling, factually challenged president. Just so long as that president is their guy.

Write to kim@wsj.com.

BOOKSHELF | By Kevin Kosar

Undeliverable Objectives

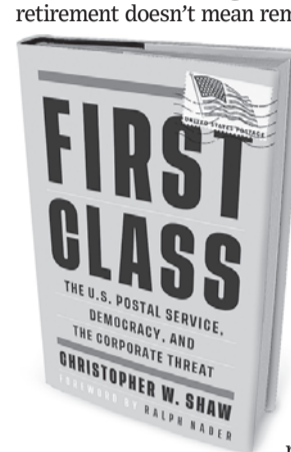
First Class

By Christopher W. Shaw
(City Lights, 229 pages, \$16.95)

In 2021 the United States Postal Service booked a \$4.9 billion net loss. The USPS also reports that it has more than \$120 billion in unfunded liabilities in pensions, retiree health benefits and other debts. To conserve cash, the agency has quit making payments on some of these obligations, and its perennial deficits likely portend a default.

The sources of the agency's long-standing fiscal challenges are straightforward: weak revenues, high costs. The USPS's revenues last year were only \$2 billion more than in 2008. Mail volume has slid 40% over the past 15 years. Were it not for e-commerce flooding the agency with parcels, the Post Office might have gone bankrupt already.

Cutting expenditures hasn't been easy. Roughly 75% of the agency's costs are compensation and retirees' benefits, and its four unions don't take kindly to layoffs. Management has used the blunt tool of attrition—hiring fewer new than retiring employees—to shed more than 130,000 employees, or about 17% of its workforce during this period. But moving workers into retirement doesn't mean removing them from the ledger. USPS



must still pay retiree pensions and healthcare benefits.

Agency leadership has also tried to find savings by shuttering little-used post offices. But unions, politicians and riled-up members of the public object to closures, and frequently the USPS has backed off.

The Postal Service needs to be rethought. Its 50-year-old business model—which depended on rising volumes of high-margin first-class mail—is obsolete. The agency can't pull in enough revenues from paper

mail to cover the costs of employing a unionized workforce to haul mail across the continent and to far-flung Hawaii and American Samoa. Congress has little idea of what to do about it.

Christopher Shaw has plenty of ideas. In "First Class: The U.S. Postal Service, Democracy, and the Corporate Threat," he argues that preserving the Postal Service, which he regards as a national treasure, will require improving and expanding services and authorizing it to engage in nonpostal lines of business. He wants to see the agency offer packaging and add delivery options, such as bringing people groceries. The USPS, in his view, could even play a role in banking and facilitate home nursing for the elderly and infirm.

Mr. Shaw's ambitions for the agency don't stop there. He suggests that the post office create an online platform where small businesses can "market their products." He would have the agency expand public access to internet service and offer "secure public search engine services and email accounts." His 21st-century USPS would operate as a hub for other government services such as selling hunting and fishing licenses.

Fixing the USPS, then, is all about the revenue side of the ledger. Mr. Shaw, a Berkeley, Calif.-based historian, shows no interest in seeing the agency cut more costs or—heaven forbid—outsource its work. His book is replete with criticisms of USPS leaders who dared to remove excess capacity or reduce inefficiencies. Some of the criticisms are fair. The USPS has too often promised big savings that fail to materialize. But the reader begins to wonder if, in Mr. Shaw's view, any cost cut or service reduction would be acceptable. For instance, switching from 6- to 5-day delivery, a change that many Americans might accept, he condemns as "radical."

The U.S. Postal Service, though insulated from competition, hemorrhages money. One historian's solution: Give it more to do.

Mr. Shaw isn't bothered that his plan means having a hulking government agency take business away from the private sector. He's more worried about the private sector stealing from the Postal Service. As his subtitle suggests, he objects to corporations rebuffing the agency's efforts to leverage its government-conferred monopolies to increase its revenues.

The book alleges that various corporate interests are trying to destroy the agency through privatization. But there is no evidence for this claim. No bill had been introduced to privatize the Postal Service in at least two decades. No postal-privatization bill has ever been reported from a committee in either chamber of Congress. Big retailers, shippers and mailers all depend on the USPS and don't want to see it wrecked or handed over to the highest bidder.

Improving its services, Mr. Shaw claims, "could increase revenues for the Postal Service by enhancing the value of mail." How exactly that would occur goes unsaid. Will companies that have moved from paper to electronic communications switch back to paper? The market has spoken, and the future of marketing is not more junk mail.

Mr. Shaw's other proposals are wishful thinking. It may sound like a swell idea for the USPS to increase revenue by getting into new lines of business—home nursing services, say, or an eBay-like online platform. But the Postal Service has no competence in these areas. In 2006 Congress forbade it from entering into new nonpostal businesses precisely because its record was so abysmal.

The U.S. Postal Service has a long and honorable past, and it has a future. Reformers should strive for a leaner Postal Service with a more clearly defined mission. Focus the agency on providing the postal services the private sector will not supply equitably around the country. This might include delivering jury summons, small prescription drug packets, and election mail. It also would include receiving and distributing the half billion mail pieces that flow into America from senders abroad each year. Paying for this will mean giving the USPS more tools to trim costs and, if absolutely necessary, an annual appropriation from the public.

Turning it into a conglomerate hawking nonpostal services, as Mr. Shaw advises, would put this venerable institution in direct competition with faster, more agile private companies. The Post Office would be no safer from financial ruin than it is now.

Mr. Kosar is a resident fellow at the American Enterprise Institute.

Coming in BOOKS this weekend

The final collapse of the Third Reich • The hidden history of the American Revolution • On thinking and feeling • 'Bambi' revisited • The stories of Bernard MacLaverly • Tom Nolan on mysteries • Sam Sacks on fiction • & more

The Jewish College Basketball Powerhouse

HOUSES OF WORSHIP
By Ari Berman

Where are those Washington Post "fact checkers" when you need them? They were on the hop for the Trump speech, documenting some 90 "untruths" in the course of that campaign rally. Mr. Trump rolled out his claims that Georgia's vote-counting system was rigged, beset by disappearing drop boxes and floods of absentee ballots cast by dead people, felons, nonresidents and teens. Georgia election officials disproved all this.

Mr. Biden's speech was every bit as divorced from

When I took this job, I anticipated celebrating student success in rabbinics, law, the humanities, business, tech and science. I never expected the energy and excitement of presiding over a sports powerhouse. For the past few years, I have watched game after game in which young men with great Jewish pride score

basket after basket. It is beautiful and breathtaking to see their graceful play and teamwork in action.

Many have asked me if I think these wins are an act of divine intervention. This is the wrong question. As a rabbi—as a Jew, for that matter—I believe that everything in life involves divine intervention coupled with human agency. Even losing. The right question is: How could a small research university produce such a team?

Yeshiva University's motto and curriculum are based on the integration of the best of Jewish studies, prayer, and piety with the best of general studies. Because our graduates are secure in their faith, and their particularism, we hope that they will leave here confident in their universalism. Our tradition drives us to become leaders who make significant contributions to the world at large.

In that tradition, we are told to ask questions, to be curious, to experience wonder, to strive for truth. We believe from the first chapter in Genesis in the infinite worth of every human life and in the value of life itself. Our aspira-

tion is to advance a more just and moral society with compassion and kindness. In the spirit of the prophets, we teach our children that faith shapes their character, helps them endure hardships, and galvanizes them to redeem the world. We try to live up to these ideals, which continue to guide us daily.

The NBA cheers the Yeshiva University Maccabees after their 50-game win streak.

Throughout history, the Jewish people have always been small in number. We're often put on the defensive but find the ingenuity and inner strength to view setbacks as springboards. And we tend to set the bar high to drive future success.

That is why this team, the Maccabees, inspires so many. It's not only that they win but how they win. They play with sportsmanship and selflessness. They rise early in the morning and practice late at night, fitting basketball into a

daily regimen that includes a dual curriculum of academic and Torah studies. Against seemingly all odds, they set as their goal to win the National College Athletic Association championship. And they know that by playing for Yeshiva University, they represent not just a school but a people.

In these days filled with rapid change, confusion and uncertainty, our students fill me with confidence in the next generation. To have spent this past season cheering for our team has been an unexpected gift and a respite from the swirling news cycle. It also has confirmed why Jews have stayed relevant from Sinai to today. We are strong on the court because we are strong off the court.

Our history has taught us a lot about resilience and adaptability. It has infused us with a set of values that gives us an enduring mission and purpose. In Hebrew, the root of the word for victory is the same as the word for eternity. By playing for eternity, we always walk off the court as champions.

Rabbi Berman is president of Yeshiva University.

Universities Breach Their Contracts

By Max Schanzenbach And Nadav Shoked

Many colleges and universities are starting the new semester online and imposing draconian restrictions on campus. At Yale, students are under a campuswide quarantine and told not to eat at restaurants, even outdoors. At Princeton, officials have banned undergraduates from traveling outside the area for "personal reasons"—thus conveniently permitting travel for athletic teams. In contrast, the personal lives of faculty, staff and administrators continue uninterrupted. Apparently Covid is a threat only to the young who can easily be bullied into submission.

The move to online learning and other intrusive policies goes beyond what any state or federal health agency is recommending, let alone requiring. The Biden administration opposes school shutdowns. Yet universities still are cautioning that online learning may be extended.

But students may have legal recourse. The university-student legal relationship is grounded in contract. Under contract-law principles, universities probably have the

power to impose some health restrictions as circumstances arise. But any imposition must be done in good faith and based on evidence, not on the desire of a panicky provost's office to "do something." What harms are caused by students socializing, given the minuscule risk Covid presents to vaccinated 20-somethings? And why not apply these rules to higher-risk faculty and staff?

Students have legal recourse against unreasonable Covid restrictions.

Breach-of-contract lawsuits for switching to online learning were brought at the onset of the pandemic, but most were unsuccessful. Courts applied contract law's impossibility doctrine to find that government orders or recommendations against in-person learning rendered impossible the provision of the contracted-for services. Some courts further reasoned that universities didn't contractually promise in-person learning: They merely agreed to

supply a degree or course of study, and thus could choose an online format.

But with widespread vaccination and improved understanding of Covid's risks, circumstances have changed dramatically. There are no government orders banning, or even recommending against, in-person classes. Universities have accumulated significant experience with hybrid modes of instruction, making it possible to accommodate high-risk students and faculty while sustaining in-person education.

That rationale for dismissing the prior lawsuits: Universities don't promise applicants in-person learning. That is simply absurd. Online programs are marketed as such and generally cost less. University promotional literature emphasizes the in-person experience. Most important, in-person learning comports with reasonable expectations formed through campus visits and past educational experiences. Would anyone believe a university fulfilled its obligations if it switched to online learning to save on building costs? Mounting evidence shows that online learning generally underperforms in-person instruc-

tion at all levels of education.

If universities choose to go online under present circumstances, they are likely in breach of contract. Some schools with similar residential and online degree programs steeply discount their online offerings. Basic contract-law principles would require universities to refund students for the difference between standard and online tuition.

There are ambiguities within the student-university contract, and we don't fault courts for finding reasons to side with universities early in the pandemic. But good law and sound policy hold that, absent an official public-health order, universities are contractually obligated to continue in-person instruction and may only impose reasonable restrictions on students.

University officials might truly believe that online education is necessary for the safety of staff, faculty and surrounding community. But universities must bear the costs of those beliefs, not pass them on to students.

Messrs. Schanzenbach and Shoked are professors at Northwestern Pritzker School of Law.

OPINION

REVIEW & OUTLOOK

A Split Decision on Vaccine Mandates

The Supreme Court rebuked the Biden Administration's vaccine mandates with one hand on Thursday but gave it a pass on the other. The split decision counts as a welcome setback for an overreaching administrative state, but not as welcome as it might have been.

In the more important decision, a 6-3 majority blocked the Occupational Health and Safety Administration's sweeping mandate covering some 84 million employees of large employers. In an unsigned opinion, the Court said OSHA exceeded its statutory authority. And it has never adopted a "broad public health regulation of this kind—addressing a threat that is untethered, in any causal sense, from the workplace."

The mandate is no "everyday exercise of federal power," it adds, citing Sixth Circuit Chief Judge Jeffrey Sutton. "It is instead a significant encroachment into the lives—and health—of a vast number of employees."

The Court's major questions doctrine requires Congress to give clear statutory direction for economically and politically significant actions. Congress never passed a law authorizing the mandate, though in their dissent the three liberal Justices purported to find one in the emanations and penumbras of the OSHA law. A Senate majority voted last month to disapprove it.

OSHA also violated administrative law by not tailoring the mandate to workplace risk. While OSHA provided narrow exemptions for employees who work remotely or outdoors 100% of the time, the Court notes these "exemptions are largely illusory." Only 9% of landscapers qualify as working exclusively outside. The rule "otherwise operates as a blunt instrument," the Court writes.

The liberals chided their colleagues for overruling regulators' supposedly expert judgment, and they try to hoist Chief Justice John Roberts on his own words. Judges "lack[] the background, competence, and expertise to assess' workplace health and safety issues," they write, citing the Chief's opinion in a religious liberty case early in the pandemic.

This bow to judicial modesty is out of charac-

ter for the liberals, and it's also beside the point. The main issue for the Court wasn't the policy question of vaccine mandates. It is, as Justice Neil Gorsuch pointed out in a concurrence, who decides on the policy: "The answer is clear: Under the law as it stands today, that power rests with the States and Congress, not OSHA."

At least the Court struck down OSHA's overreach on private employers.

The disappointment was the Court's 5-4 decision upholding the mandate on 10 million health-care workers. The Chief and Justice Brett Kavanaugh joined the liberals in ruling that the Centers for Medicare and Medicaid Services did have proper legislative authority.

CMS found broad latitude to regulate health-care providers when "necessary in the interest of the health and safety of individuals who are furnished services." But that judgment was taken to task in a sharp dissent by Justice Clarence Thomas, joined by Justice Gorsuch and Justices Samuel Alito and Amy Coney Barrett.

The government "fell back on a constellation of statutory provisions that each concern one of the 15 types of medical facilities that the rule covers," Justice Thomas writes. "The majority, too, treats these scattered provisions as a singular (and unqualified) delegation to the Secretary to adopt health and safety regulations."

We think the dissenters have the better reading of the healthcare law, but at least the CMS statute has some relation to the health regulation it imposed. Had the Court blessed OSHA's mandate on private employers, the message to regulators would have been that they can do whatever they want as long as they call it an emergency.

The Court must "enforce the law's demands when it comes to the question who may govern the lives of 84 million Americans," Justice Gorsuch wrote in his concurrence. "Respecting those demands may be trying in times of stress. But if this Court were to abide them only in more tranquil conditions, declarations of emergencies would never end and the liberties our Constitution's separation of powers seeks to preserve would amount to little."

Terry Teachout

Terry Teachout, who adorned these pages as our drama critic and cultural columnist for nearly 20 years, died early Thursday at age 65.

An artistic savant of wide erudition, Terry had written reviews and other pieces for our books and arts pages as long ago as 1987. He took on the role of weekly theater critic with gusto in March 2003, and he made his reviews a favorite destination for readers as the weekend approached.

His prose was always lively and accessible, and in his judgments he was clear-eyed, uninterested in conventional wisdom, and committed to assessing each production on its merits. He believed in upholding standards of artistic quality and execution, regardless of the fashions of the times.

Terry made a particular mark by exploring the American theater beyond Broadway. He was a tireless champion of regional theater, reviewing more productions than any other critic. The Journal is a national newspaper, and Terry told readers about actors and producers worth celebrating and seeing around the country.

Terry was an artist in his own right, as an opera librettist and playwright. He wrote biog-

raphies of H.L. Mencken, Louis Armstrong and Duke Ellington, and his one-actor play about Armstrong ran in an off-Broadway theater to good reviews.

Terry enjoyed the pace and serendipity of daily journalism. Readers saw his gift for that work most recently in his obituary appreciation for the composer and lyricist Stephen Sondheim. He turned the elegant tribute around within an hour after learning of Sondheim's death, as he had many others over the years.

In 2014 the Bradley Foundation gave Terry one of its Bradley prizes, a rare winner in the arts. "Terry Teachout has distinguished himself, not just as a first-rate journalist, but as a supporter of the arts," said Michael W. Grebe, president of the Bradley Foundation, at the time. "His work as a biographer and a playwright is critical to advancing and preserving America's artistic and cultural tradition."

In his acceptance remarks, Terry spoke about the importance of resisting the temptation to treat the arts, and artistic endeavor, as a political exercise. In these polarized times in particular, his cheerful, civilized and civilizing voice will be missed.

Our drama critic wrote beautifully and upheld artistic standards.

Kyrsten Sinema's Filibuster Defense

President Biden said in a speech Tuesday in Georgia that unless the Senate passes his party-line legislation overturning election laws in most states, American democracy is as good as dead. Less than 48 hours later on the Senate floor, Arizona Democrat Kyrsten Sinema ended the suspense as to whether the President will get his way.

According to the reasoning Mr. Biden laid out Tuesday, Ms. Sinema's opposition to breaking the filibuster to pass his agenda must reflect an indifference to self-government in the U.S.—or even Jim Crow and Confederate sympathies on the part of the Arizona Democrat. Yet as Ms. Sinema calmly explained, she is refusing to go along with the President's bullying precisely because of her democratic convictions.

Ms. Sinema began by condemning state laws tightening voting rules after the 2020 pandemic election and said she supports a federal legislative response. But she won't break the Senate's longstanding 60-vote requirement for passing legislation to bring it about. The state election laws she opposes, she said, are "symptoms of a larger, more deeply rooted problem facing our democracy."

The problem of polarization would be exacerbated by stripping the minority party of its power in the U.S. Senate. She reminded her co-partisans how "nearly every party-line response" to Senate polarization "has led us to more division," with judicial confirmation battles as the chief example. In a "steady escalation of tit for tat," she said, "each new majority weakens the guardrails of the Senate."

This institutional erosion threatens the checks and balances that make democracy work. Ms. Sinema explained that the Democrats'

proposed voting rules "will not guarantee that we prevent demagogues from winning office," but scrapping the filibuster will eliminate "a critical tool that we need" to contain them.

Blowing up Senate rules would be all the more provocative in a 50-50 chamber. This is the "longest time in history that the Senate has been equally divided," Ms. Sinema noted. And Democrats may owe the seats of Georgia Sens. Jon Ossoff and Raphael Warnock in part to Sen. Joe Manchin's promise that he wouldn't break the filibuster. His commitment before the 2021 Georgia runoff may have given some red-state voters confidence that Democrats could be trusted with the Senate majority.

Ms. Sinema said the closely divided Congress has a mandate to "work together" and observed that "when one party need only negotiate with itself, policy will inextricably be pushed from the middle towards the extremes." The Biden White House's careening from a massive partisan welfare expansion to a far-reaching partisan election law—portraying each as an existential battle—proves her point.

We disagree with Ms. Sinema on many policies, but she's right that the chief challenge for American self-government is leaders "pressuring us to see our fellow Americans as enemies." President Trump often indulged in this tendency, and President Biden did the same in his Tuesday speech.

In addition to apparently closing the door on Mr. Biden's voting agenda, Ms. Sinema's speech offers a glimpse into an alternate reality where Mr. Biden governed according to his campaign rhetoric and his mandate instead of as a demagogic partisan. His Presidency would not be flailing as much as it is now.

LETTERS TO THE EDITOR

Readers Respond to Schumer on the Filibuster

Sen. Chuck Schumer's Jan. 10 letter unintentionally highlights why the legislative filibuster should not be weakened. America's founders never intended the Senate to be a smaller House of Representatives. With equal state representation, it was to serve as a bulwark against the tyranny of the majority.

Major legislation, especially acts establishing significant societal change, ought to have broad bipartisan support. The now-lost 60-vote advice-and-consent threshold for executive, diplomatic and judicial appointments, for example, produced far more moderate and broadly acceptable nominees.

Now, the legislative filibuster is in Sen. Schumer's crosshairs. That final blow to the Senate's essence would be a huge mistake, amounting to a crime against America's constitutional order.

RICHARD D. WILKINS
Syracuse, N.Y.

Sen. Schumer does not discuss the over-the-top attempt by Democrats to destroy the integrity of our election system by banning voter ID nationwide and destroying other security

measures. Criticism of Republicans' legislative actions is laughable given the hidden traps in the Democrats' pending voting bill. We need the filibuster to protect the country from those who want to use the slimmest of Senate majorities to destroy our voting system.

ROSEMARY MIANO
Fort Mill, S.C.

Sen. Schumer's response on the filibuster issue and his one-sided comments about the state of American democracy exemplify why the aisles are getting wider. It's amazing that Democrats and Republicans can even sit in the same room, let alone negotiate policies.

Perhaps Americans would all be better off if our congressional leaders passed a law requiring all published criticism by lawmakers of their political opponents be run by the proposer's parents, grandparents or third-grade teachers for comments about playing well with others. Maybe then members of Congress would work together instead of against each other.

STEPHEN HORWITZ
Bethesda, Md.

Two Lessons of the Great Pandemic Migration

You report on people moving during Covid in droves from states that relied heavily on lockdowns, school closures and other restrictions to states that were more laissez faire ("The Great Pandemic Migration," Review & Outlook, Dec. 29). This pattern of migration is powerful evidence against the applicability of the chief economic argument used to justify these policies.

That argument starts by asserting that these policies are the best means of preventing the negative externality of some people inflicting harm on innocent third parties. The argument then further asserts that, while each individual suffers a real cost of being inconvenienced, nearly everyone judges the benefits to be worth this cost. Thus these restrictive policies serve the public interest.

But the migration that occurred since Covid suggests a significant

number of people do not judge the benefits of draconian restrictions to be worth the costs—a fact that drains the negative-externality justification for these restrictions of its validity.

PROF. DONALD J. BOUDREAU
George Mason University
Fairfax, Va.

Your editorial discusses the loss of population from such left-leaning states as New York and California, which imposed lockdowns, to reddish states that were more lenient. While there appears to be some editorial gloating over winners versus losers, this might be premature. States such as New York and California are likely to remain blue, but an infusion of left-leaning carpetbaggers into other states might accelerate a trend to purple.

JOHN SWANEY
Malvern, Pa.

Trade Deal Cements the Power of 'China, Inc.'

"China Misses Target in 2020 Trade Deal" (U.S. News, Jan. 3) provides an informative account of how China failed to keep its side of the bargain of the 2020 U.S.-China trade deal to buy U.S. goods. Who is the buyer called "China"—private firms or the Chinese government? The Chinese government runs China like a giant corporation. The line between the state and private companies is fuzzy at best. The way the Chinese government treats companies such as Didi and Alibaba is more like managing departments of China, Inc.

Ironically, while we complain to the Chinese government that it interferes with the economy too much, the 2020 trade deal legitimized the interference by the Chinese government and strengthened its power.

Zuckerberg's Election Funds

The Cato Institute's Robert Levy is right to defend free speech and criticize campaign finance reforms that burden donors unreasonably ("Debating Mark Zuckerberg's Role in Elections," Letters, Jan. 7). But he misunderstands the problem with Mr. Zuckerberg's election funding.

He seems to argue that election officials should not spend donors' contributions "in a politically discriminatory manner" but donors should be able to contribute to government election offices however they like. The problem is Mr. Zuckerberg's apparently partisan use of charities, rather than political groups, for his donations. The IRS states that such groups "are absolutely prohibited from directly or indirectly participating in, or intervening" in any candidate's campaign. Charities are forbidden even seemingly benign "voter education or registration activities" if the work has "the effect of favoring a candidate."

The Capital Research Center's analysis, cited in the editorial ("Zuckerbucks Shouldn't Pay for Elections," Jan. 4) that prompted Mr. Levy's letter, documents how Mr. Zuckerberg's bucks disproportionately funded election officials in Democratic-leaning jurisdictions in swing states. The Journal's editorial board is right: "This isn't how elections should be run." And abuses of charities should be punished.

HAYDEN LUDWIG
Capital Research Center
Washington

Low Expectations in Schools

Tunku Varadarajan's conversation with Virginia's lieutenant governor-elect ("For Winsome Sears, Education Is the Key to Black Success," Cross Country, Jan. 8) struck a chord. That Ms. Sears is black and an elected Republican is noteworthy. But even more noteworthy is her awareness of the abysmal educational experience of most poor blacks in America. Ms. Sears rightly points her finger at an "overly politicized educational establishment." Progressives who rule that establishment tend to think a black child cannot master rigorous academics and therefore must be ladled out a dumbed-down version. Ms. Winsome seems determined to fight that not-so-subtle form of racism, which should bode well for the children in Virginia.

JAY W. MILLER
Whitefish Bay, Wis.

Pepper ... And Salt

THE WALL STREET JOURNAL



Letters intended for publication should be emailed to wsj.letters@wsj.com. Please include your city, state and telephone number. All letters are subject to editing, and unpublished letters cannot be acknowledged.

OPINION

Russia, China and the Bid for Empire

By Robert D. Kaplan

Intellectuals can't stop denouncing the West for its legacy of imperialism. But the imperialism on the march today is in the East. Russia and China are determined to consume Ukraine and Taiwan, legacies of the Romanov and Qing dynasties respectively, into the latest versions of their historical empires. Technology has intensified this struggle for imperial geography. Great-power war has become entirely imaginable because of the reduced emphasis on thermonuclear bombs in an era of hypersonic missiles, automated weapons systems, and information warfare. Russia and China demonstrate that the struggle for empire has rarely had such nerve-racking stakes.

The U.S. must hold the line against their imperial ambitions in Ukraine, Taiwan and elsewhere.

The notion that we can play Russia off against China—as the Nixon administration played China off against the Soviet Union—is a fantasy. President Biden's reward for giving up opposition to Russia's Nord Stream 2 gas pipeline to Germany has been the advance of nearly 100,000 Russian troops to the Ukrainian border area. National security adviser Henry Kissinger's secret 1971 visit to Beijing occurred in the context of dramatic military tensions on the Chinese-Soviet frontier. China was in desperate need of U.S. help. Russia today has no such need.

True, the Chinese are making large-scale economic advances in formerly Soviet Central Asia, as well as providing security assistance to the Muslim republics there. But Russian President Vladimir Putin has calculated that China, a fellow authoritarian regime, isn't a threat to

his rule in the way the West is. (Indeed, Mr. Putin easily moved anti-riot police into Kazakhstan, a place that the Russian empire settled with peasants from Russia and Ukraine in the 19th and early 20th centuries.) He has little need to line up with the West to balance against China.

Rather the reverse: Mr. Putin needs China to balance against the West. Since it is the West, in his view, that has helped install a hostile regime in Ukraine, whose border is less than 300 miles from Moscow, and would like to install a similarly hostile and democratic regime in Belarus, also relatively close to the Russian capital. What we see as potential or fledgling democratic states, Mr. Putin sees as vital parts of the former Soviet Union, a great power whose sprawling territory was based on czarist imperial conquests. While Ukraine was the birthplace of Kyivan Rus, it was also forcibly absorbed inside the czarist empire in the late 18th century, only to declare independence in 1918, before the Soviet conquest.

Mr. Putin's goal isn't only to restore the former Soviet Union in some form or other, but to establish a zone of influence throughout Central and Eastern Europe that approximates the borders of the former Warsaw Pact. Rather than direct rule through brotherly Communist parties—which proved too expensive and helped bring down the Soviet Union—Mr. Putin's model is a form of mass Finlandization, in which the countries from Berlin to the east and to the southeast will know exactly what red lines not to cross in terms of Moscow's interests.

A Pharaonic network of gas



PHIL FOSTER

pipelines, intelligence operations, organized crime, disinformation and constant self-generated crises are the tools of Russian 21st-century imperialism. The crises of the moment are Ukraine, Belarus and Bosnia. In Belarus Middle Eastern refugees have been weaponized against Poland by President Alexander Lukashenko, a Putin lackey. In the western Balkans, Serb leader Milorad Dodik threatens to break up Bosnia-Herzegovina with backing from Russia and China. Russia's aim in all of this is to insert itself into Europe as a power broker, the ultimate revenge against a region that in previous centuries generated many military invasions of the Russian heartland.

Imperialism throughout history has often originated from a deep well of insecurity. That is the case with Russia and China today. Just as Ukraine was for centuries part of the czarist and Soviet imperial heartland, Taiwan was a Chinese dynastic conquest until the 1894-95 Sino-Japanese War forced China to cede Taiwan to Japan. In Beijing's view, restoring

control of Taiwan to mainland China would right not only a Western depredation against a historic Chinese empire, the Qing Dynasty, but a Japanese depredation as well. Unlike Western countries, which are busy apologizing for their former conquests, the Chinese as well as the Russians take pride in their imperial legacies. Adm. Zheng He, an early Ming Dynasty explorer who sailed a vast armed fleet as far as the Middle East and East Africa, is a Chinese national hero.

If China and Russia didn't take pride in empire, they wouldn't be attempting to rule Taiwan and Ukraine today. For China, the return of Macau, the brutal suppression of Hong Kong and economic dominance over Outer Mongolia make Taiwan the only missing piece of its Middle Kingdom's imperial geography. As for Tibet and Xinjiang (home to the Muslim Uyghur Turks), they represent colonial legacies of former Qing rule.

The problem now isn't imperialism per se but the melding of imperialism with Leninist methods of

control, which continue to define Russian and Chinese rule. Thus, the U.S. has no choice but to be a status quo power—that is, it need not defeat or even seriously undermine these two revisionist empires, but it must firmly hold the line against their advance. Ukraine needs not join the North Atlantic Treaty Organization or the European Union, as long as it remains independent and democratic. Taiwan needs not declare independence, as long as it isn't incorporated into China. These are unsatisfying positions, but they are moral in the sense that they represent both U.S.

values and Americans' wariness of armed overseas involvements.

Containment is a word nobody likes to say out loud. But it works. Remember especially that it was Richard Nixon's Vietnam-era policy of détente and tactical maneuvering—rather than an attempt to seek all-out victory in the Cold War—that preceded Ronald Reagan's successful Wilsonianism. The Soviet Union eventually collapsed of its own accord. We should keep that in mind, given that domestic tensions inside Russia and China, though more opaque than our own, aren't to be underestimated and in fact help fuel their aggression.

Meanwhile, the American left should focus on where empire as an ideal truly endures, which isn't in the West.

Mr. Kaplan holds a chair in geopolitics at the Foreign Policy Research Institute and is author, most recently, of "The Good American: The Epic Life of Bob Gersony, the U.S. Government's Greatest Humanitarian."

Political Scandals Are the Exit From Covid Coercion



POLITICAL ECONOMICS
By Joseph C. Sternberg

The bad news for politicians is that where Boris Johnson is leading, many others may follow. Don't be surprised if the political scandal becomes instrumental in, rather than incidental to, our exit from draconian pandemic policies.

Britain's ever-flamboyant prime minister is in new political danger this week. News has trickled out since late last year about a series of parties allegedly organized by Mr. Johnson's staffers. At least some of these might have violated lockdown rules in effect at the time.

Until this week, "partygate" concerned allegations of Christmas festivities for staffers in December 2020. Mr. Johnson could claim he had been unaware of what was going on elsewhere in his office-and-residence complex. It helped him politically that these get-togethers occurred during a confused phase in Britain's pandemic response when adherence to restrictions was starting to slip among the general public.

This week's bombshell is very different. It concerns a large Downing Street party in May 2020 that Mr. Johnson admits he attended (he said Wednesday that he thought, improbably, it was a work meeting). At that time, the entire country still was in its first and strictest lockdown. Family weren't allowed to visit dying relatives in hospitals. Children were barred from schools. A local government put police tape on park benches to prevent illegal sitting. Police issued more than 15,000 fines for lockdown violations in England alone.

The pain Britons experienced while Mr. Johnson's staff partied explains why this has exploded. That pain also suggests such scandals may become a necessary tool for extracting societies from lockdowns, mask and vaccine mandates, travel restrictions, and other trappings of the medically obsolete but politically durable zero-Covid policies of spring 2020.

Partygate has opened the door to a form of national group therapy in Britain. Newspapers and television stations are full of people who finally are allowed to discuss how wretched the lockdowns

were. Business owners previously found it difficult to describe customers lost and employees laid off without being accused of putting the pound sterling above human lives. Families of those who died from Covid were bullied into accepting that they were barred from being with their loved ones at the

Quietly ending lockdowns as voters get to scream at a scapegoat is far easier than saying they were a waste.

end "for the common good," but now can express their sorrow and anger publicly because it is directed not at the lockdown per se but at a politician.

It's the same within the political class. Members of the opposition Labour Party this week took to the floor of the House of Commons to convey shattering stories, some their own and some their constituents', of the lockdown's toll. That this can be done in the context of a scandal about Mr. Johnson's adherence to

the rules rather than a controversy over the rules themselves finally gives Labour the off-ramp it needed from the draconian Covid policies it made the mistake of supporting these past two years.

The challenge of learning to live with Covid was always going to be that many ordinary people don't want to feel the sacrifices they made—and supported at the time—were in vain. Arguing that lockdowns or school closures or masking were less effective than advertised may be correct, but to act on that recognition would require politicians and many voters to admit they were wrong.

Scapegoating is more likely and is one of the risks you sign up for when you go into politics. Mr. Johnson may survive partygate, but the effect of this scandal will be to weaken permanently his ability to impose further Covid restrictions. Expect him or any successor to embrace with new enthusiasm advice from scientists suggesting we now approach Covid much as we do the common cold.

This phenomenon won't be confined to Britain. President Biden's job is safe, but medical adviser

Anthony Fauci's is not. Rolling revelations about the extent to which he may have been involved in funding gain-of-function research in China undermine the moral authority of America's chief lockdown advocate without having to wade directly into the partisan bogs of lockdown policy. Such a scandal also would open an opportunity for erstwhile lockdown supporters to vent their personal frustrations with Dr. Fauci's preferred draconian policies.

Speaking of China: Zero-Covid is failing so abjectly there now that it can't be covered up by the sort of improbable official data that has insisted the virus was not widespread in China earlier. Can an authoritarian regime pivot from zero-Covid without democracy's means for mediating popular frustrations with the old policies?

Beijing's advantage in the pandemic was supposed to be its ability to inflict whatever miseries it wished on its populace. Paradoxically, the dangerous moment may arrive instead when it comes time to explain to the public why such miseries no longer are useful—if they ever were.

Four Reasons to Keep Worrying About Inflation

By Jason Furman

Federal Reserve Chairman Jerome Powell may have retired the term, but conventional wisdom still holds that most of the excess inflation in 2021 was transitory. Many economists and market watchers expect most of it to disappear in 2022. I am much less sure and expect the economy to experience elevated inflation this year, possibly even higher than in 2021.

The core personal-consumption-expenditure price index (which is, de facto, what the Fed targets) rose around 4.5% in 2021. The median Federal Open Market Committee

member expects it to slow to 2.7% while the Fed staff predict an even lower rate. Inflation-indexed bonds suggest the market expects about 2.5% inflation this year on a comparable measure.

Those who imagine that inflation will be lower argue that the huge burst of fiscal policy is behind us, supply chains will unspool, consumers will shift from buying goods to services, workers will return, and prices for commodities like oil will continue to fall. Some of their arguments are overstated, while others are likely wrong. And if we focus only on reasons that inflation should be lower in 2022, we risk ignoring

four countervailing forces that will push toward higher inflation this year.

First, the economy is beginning 2022 with much tighter labor markets than a year ago. Over the two decades before the pandemic, the best predictor of year-ahead inflation was the quits rate—the number of people who quit their jobs as a percentage of total employment. It is now far and away the highest it has ever been. A year ago the unemployment rate suggested substantial slack. Now it is nearly 3 percentage points lower. Nominal wage growth is running about 5 points above productivity growth.

Second, demand should remain above pre-pandemic trends, while supply will likely continue to lag behind. Many analysts were counting on dramatic reduction in fiscal support to restrain inflation. That dramatic reduction is now more than eight months behind us with no sign that consumer spending is cooling off. Fiscal support will remain relatively high with more than \$500 billion of the American Rescue Plan being spent this fiscal year. Tax cuts and spending increases by states and localities, flush with huge surpluses, are adding to fiscal support. Add the lagged effects of extremely accommodative monetary policy, the excess savings households have from two years of high incomes and low spending, and rapidly rising employment and wages, and you have a recipe for

continued high spending. At the same time, supply chains should improve but are unlikely to be fully recovered for much of 2022.

Third, consumers, businesses, forecasters and financial markets all expect near-term inflation to be about 1 to 3 percentage points higher than a year ago. This will add more upward inflation that the economy didn't have to contend with last year.

Labor markets are tight, demand remains elevated, and the effects of Covid are highly uncertain.

Fourth, the trajectory of Covid and its effect on inflation are highly uncertain. If the pandemic becomes manageably endemic in 2022, that could boost inflation in the same way that the rapid reopening of the economy did in the first half of 2021. If China tries to maintain a zero rate of Covid with its population effectively unvaccinated against Omicron, we could get the worst of all worlds as strong U.S. demand pushes against fraying global supply chains.

The most credible argument for lower inflation is the shift in demand from goods to services. But this may do less to restrain inflation than many are counting on. Almost all excess inflation in 2021

was due to rapidly rising goods prices. That inflation should moderate and could even turn negative for such major categories as used cars. But it only takes a 1 percentage point increase in service-price inflation to offset a decline of 5 percentage points in goods inflation. Prices for such services as rent, air travel and hotels have already been rising in recent months and are poised to keep going up.

Forecasters' biggest error in 2021 was overconfidence in their underprediction. The economy is always hard to predict, and the current unique circumstances make it even harder. I expect inflation in the range of 3% to 4% this year, but I wouldn't be surprised by a recession leading to 1% inflation or major geopolitical instability driving the inflation rate above 6%.

Mr. Powell was right to pivot toward concern about inflation in December. He proved that the Fed's actions will depend on the data, and the Fed is now on course to start raising rates in March. If inflation remains as high as I fear it will, expect him to continue to follow the data by pivoting further. Given the uncertainty, however, he should stay the course—for now.

Mr. Furman, a professor of the practice of economic policy at Harvard University, was chairman of the White House Council of Economic Advisers, 2013-17.

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WORLD NEWS

Russia Ends Kazakhstan Mission

Putin says troops 'accomplished their task' as Moscow sets withdrawal by Jan. 19

By THOMAS GROVE

Russian-led troops deployed in Kazakhstan to help authorities there tamp down antigovernment violence have completed their mission and are preparing to withdraw, the Russian Defense Ministry said Thursday.

Earlier this month, Kazakh President Kassym-Jomart Tokayev requested help from the Collective Security Treaty Organization, a Russia-led military alliance of former Soviet republics, to contain demonstrations that began as protests against a rise in fuel prices but spiraled into street clashes between armed rioters and government forces.

He blamed the violence on foreign-backed "terrorists," an assessment echoed by Russian President Vladimir Putin.

More than 2,000 mostly Russian troops were deployed at Mr. Tokayev's request.

Russian Defense Minister Sergei Shoigu said in a meeting with Mr. Putin that the withdrawal of troops would begin on Thursday and be completed on Jan. 19.

"They have to return home," said Mr. Putin in the meeting, which was broadcast on Rus-



Members of the Russian military attended a ceremony Thursday marking the withdrawal of forces from Moscow's neighbor.

sian state television. "They've accomplished their task."

Quiet has largely returned to Kazakhstan. Earlier this week, Mr. Tokayev said the CSTO mission was complete. The Kazakh government has detained thousands of people in connection with the protests.

"Having completed their as-

signed tasks, [peacekeeping forces] are preparing equipment and materiel to load into the military transport aircraft of the Russian Aerospace Forces and return to the stations of permanent deployment," the Russian Defense Ministry said.

The return of troops to their

countries would be carried out in cooperation with Kazakh authorities, the ministry said.

Russian state news agency TASS published photos of what it said were soldiers boarding planes to leave Kazakhstan.

Western officials, including from the U.S., have expressed concern that the Russian

troops could remain in the country for some time. Moscow has intervened militarily in a number of former Soviet republics in recent years, most notably in Ukraine. Mr. Putin has sought to defend what the Kremlin regards as Russia's sphere of influence from Western pressure.

Western Investors Unsettled By Kazakh Turmoil

By GEORGI KANTCHEV AND CHRISTOPHER M. MATTHEWS

For years, Kazakhstan's vast natural riches and relative political stability have made the country a ripe target for U.S. investments. The current wave of protests, which has led to dozens of deaths, is making those investments riskier.

Since 2005, the value of U.S. investment in the Kazakh economy has surpassed \$45 billion, according to Kazakh officials. Some 600 U.S. companies operate there, including Chevron Corp., Exxon Mobil Corp., Dow Inc. and DuPont Inc.

Before the pandemic, the Central Asian nation attracted more annual U.S. investments than some European Union member states. No U.S. company has said it plans to exit Kazakhstan, and many have stated they are waiting to see how the crisis unfolds before making decisions.

While political and social risks in the former Soviet state have long been seen as high due to its authoritarian system, endemic corruption and low living standards among swaths of the population, foreign investors have focused on its plentiful natural resources.

Kazakhstan is a key contributor to global-energy supplies, producing about 2% of the oil that the world consumed daily in 2021, and has large reserves of precious metals and coal. It represents 40% of the world's uranium production alone.

The crisis hasn't led to major economic disruptions. But protests temporarily limited production at the Tengiz oil field project, whose operator is 50%-owned by Chevron. The operating consortium, Tengizchevroil, is the country's largest contributor to government revenues.

U.S. companies are assessing their exposure after violent protests.

Chevron executives were surprised by how quickly the situation in Kazakhstan deteriorated and are evaluating how exposed their operations are to continued unrest, said people familiar with the matter. But the people said Chevron has experience working in challenging locales, and the company has the wherewithal to wait out the turmoil.

A Chevron spokeswoman said that the company is committed to Kazakhstan and that production was fully restored and the workplace environment is stable.

Manfred Stamer, a senior economist at insurer Euler Hermes, said demonstrations could continue, and while the Kazakh government will seek to protect foreign investment's crucial role in the economy, political instability is a risk. "Such an event reminds investors of the risks of doing business there," he said. "You must expect that this isn't a one-off."

Kazakh officials have sought to reassure foreign investors in the wake of the crisis.

"The president of our country clearly stated that all foreign investments...will be well-protected," Kazakhstan's ambassador to Russia, Yermek Kosherbayev, told Russian state news agency TASS on Saturday.

In the nine months of available data from 2021, the U.S. was the second-largest investor in the country after the Netherlands, with \$3.2 billion in direct investment, according to the Kazakh central bank. Trade between the two countries also has grown, amounting to \$2 billion in two-way trade in 2019.

"The Kazakhs have always understood that they need to have good relations with Russia, China and the U.S. because they have vast amounts of wealth in the ground," former U.S. ambassador to Kazakhstan and adjunct senior fellow at the Rand Corporation.

Beijing Doubles Down on Self-Sufficiency

By LINGLING WEI

Beijing is trying to fortify the Chinese economy against a prolonged period of tension with the U.S. and other countries, stockpiling some essentials and planning on more domestic production as it accelerates efforts to make China less dependent on the world.

China's economic agencies, including the top planning authority, the National Development and Reform Commission, and the ministry overseeing agriculture, recently have singled out security as a priority for 2022, according to official releases. In particular, authorities are pledging to secure the supplies of everything from grains to energy and raw materials, as well as the processes involved in production and distribution of industrial parts and commodities.

Having ramped up grain purchases in recent months, China has also detailed plans to set aside arable land to grow soybeans, a crop it had all but abandoned after its 2001 entry into the World Trade Organization.

The security-oriented economic agenda marks a step-up on a strategy unveiled by President Xi Jinping in 2020 to give priority to domestic suppliers and consumers as the

driver of China's economy over foreign investment and exports—or as Beijing terms the government shift in emphasis, "dual circulation with internal circulation as the main body."

The inward pivot appears to have accelerated as China's relations with much of the developed world have become more strained. A host of issues ranging from the Covid-19 pandemic to human rights and Beijing's claim of sovereignty over Taiwan have pitted the U.S. and many of its allies including Australia, Canada and Japan against China, which has retaliated by restricting imports of some of their products. A ban on Australian coal, in particular, worsened a power crunch in many parts of China last year.

Ever more assertive and nationalistic, China, in turn, is casting about for ways to become more self-sufficient not just in technology but also when it comes to basic necessities such as some food staples for which the country has long relied on imports.

"The Chinese people's rice bowl must be firmly held in their own hands at all times, and the rice bowl must mainly contain Chinese grain," Mr. Xi told a high-level meeting on agriculture in late December, state media reported.

It isn't the first time China's



Employees make chips at a factory in Nantong, eastern China.

leaders have called for food and overall economic security, but this time the message comes with strong political overtones, highlighting Mr. Xi's desire to project an image of strength as he prepares to break the established system of succession to stay in power rather than handing over the reins at a once-in-a-decade leadership shuffle late this year.

Also driving the shift are fears of growing vulnerability to U.S. sanctions as the bilateral relationship continues to worsen. "China has been conscious about food and energy security for a long time," said Patrick Chovanec, a China expert and adviser to New York-based Silvercrest Asset Management Group. "Those things have advanced as priorities."

But the task of self-suffi-

ciency won't be easy, especially for a country that has benefited enormously from its integration with the rest of the world and become both the world's factory and its most insatiable consumer of goods.

Exports, which have stayed strong throughout the pandemic, powered China's growth last year as demands for made-in-China protective gear and work-from-home devices surged. However, domestic consumption, Beijing's hoped-for source of growth, has remained weak as Mr. Xi's economic overhaul—centered on empowering the party-state, as opposed to market forces and individuals—damped business and consumer confidence. Uncertainty over pandemic restrictions also has made consumers hesitant to spend.

WORLD WATCH

UNITED KINGDOM

Queen Strips Andrew Of His Royal Titles

Queen Elizabeth stripped Britain's Prince Andrew of his military affiliations and patronages on Thursday, as Buckingham Palace looks to distance itself from the prince, who is embroiled in a legal battle over allegations that he sexually abused a teenager in the early 2000s.

The queen's second son also agreed not to use the title "His Royal Highness" in any capacity, a Buckingham Palace official said.

Prince Andrew is facing a possible trial in New York this fall after his lawyers recently failed to tie a suit stemming from his ties to disgraced financier Jeffrey Epstein and British socialite Ghislaine Maxwell.

One of Epstein's victims, Virginia Giuffre, filed the lawsuit against Prince Andrew last year, alleging she was forced to have sex with the British royal when she was 17. Prince Andrew has denied all the allegations.

On Thursday, Buckingham Palace said Prince Andrew's military affiliations were returned to the queen with her "approval and agreement."

It added Prince Andrew will defend his case in New York as a private citizen. Buckingham Palace said he "will continue not to undertake any public duties."

—Max Colchester



ON STRIKE: French teachers protest the government's handling of the Covid pandemic in schools, calling the rules confusing and demanding more protection during a national strike on Thursday.

CANADA

Father Must Get Vaccine to See Child

An unvaccinated father in Montreal has temporarily lost visitation rights to his 12-year-old because he could expose his child to Covid-19, according to a recent court judgment.

The decision is the first in Quebec that deprives a parent of rights over a child because of vaccination status, said Sylvie Schirm, a lawyer specializing in family law who wasn't involved in the case. It is unusual and possibly the first decision blocking parental rights because of

vaccination status.

The unnamed father of the child lost access because his unvaccinated status put the child and two stepsiblings at risk, said Judge J. Sébastien Vaillancourt.

The father had asked to spend extra time with the child, but the mother requested that his visitation rights be cut off because she was worried about her child's exposure to Covid-19.

The restriction will stay in effect until February, and the court could re-evaluate the ruling if the surge in cases caused by the Omicron variant ebbs, or if the father gets vaccinated, the judge said.

—Vipal Monga

NIGERIA

Government Ends Its Ban on Twitter

Nigeria said it would allow Twitter Inc. to operate in the country again after indefinitely suspending the platform last year following the social-media company's suspension of the Nigeria president's account.

"Let me join fellow countrymen and women in welcoming the resolution of the impasse between the Federal Government of Nigeria and Twitter," Garba Shehu, the spokesman for Nigeria's President Muhammadu Buhari, said on Twitter, adding that

the agreement will lay a "foundation for a mutually beneficial future with endless possibilities."

Twitter said it plans to establish a legal entity in the country and comply with tax obligations.

Twitter suspended Mr. Buhari's account for a tweet that warned of returning to the violence of a 1960s-era civil war that left millions dead. The tweet appeared to threaten violent reprisals for separatists from the Independent Peoples' Republic of Biafra.

—Allison Prang

CHINA

Economist Blocked After Fertility Post

China suspended the social-media account of a popular Chinese economist, days after an article that he wrote, suggesting that the country spend \$314 billion to boost its fertility rate, went viral online. Ren Zeping, a former economist at the Development Research Center, which is overseen by China's cabinet, with more than 3.5 million followers on the Twitter-like Weibo platform, had his account suspended.

In an article published Monday on his account on WeChat, another Chinese social-media platform, Mr. Ren had called for China's central bank to offer 2 trillion yuan each year to print cash subsidies to motivate married couples to have more babies.

—Liza Lin

BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

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Delta Says the Worst Is Behind It

By ALISON SIDER

Delta Air Lines Inc. said Thursday it expects to shake off the impact of Omicron, the fast-spreading Covid-19 variant that knocked the airline's operation off course and damped revenue at the end of the year.

The Omicron variant upended what airline executives had expected would be a smooth and lucrative holiday travel season. Airlines canceled over 30,000 U.S. flights between Christmas Eve and Jan. 11, as Covid-19 infections ravaged airline workforces, and winter storms further derailed operations in many parts of the country.

Delta's \$9.47 billion in reve-

nue during the quarter was the highest since before the pandemic began to crush travel in 2020. But Delta Chief Executive Ed Bastian said in an interview that the Omicron variant resulted in a roughly \$75 million hit in the fourth quarter, including lost revenue from canceled flights and a slowdown in bookings.

"It came on the scene, not just for us but for our country, literally overnight," Mr. Bastian said. With high volumes of passengers, the airline struggled to manage surging rates of sick calls by staff and challenging weather. "It was the most difficult holiday operation we've ever experienced," Mr. Bastian said.

Delta expects Omicron to

continue weighing on demand in the near term, delaying demand recovery by 60 days, before the variant's effects begin to dissipate as quickly as they emerged by this spring.

Mr. Bastian said consumers are hesitant to book trips now while case counts are high and airline operations are still shaky. But he said few people canceled holiday travel, signaling the beginning of a new phase of the pandemic in which Covid-19 is likely to become more of a seasonal nuisance than a major impediment to travel and normal life.

"As each successive wave occurs, I think people are getting more used to the fact that this is a virus we're going to have to manage and live with

over time," he said Thursday during a call with analysts and reporters.

The airline expects to spend an extra \$60 million to \$70 million in the first quarter on premium pay, overtime and other Covid-related costs. But after a first-quarter loss, the airline expects to post profits for the rest of 2022.

Delta on Thursday reported a fourth-quarter loss of \$408 million, following two profitable quarters. For the full year, it reported a profit of \$280 million. Excluding the impact of certain charges and the impact of government aid earlier in the year, Delta reported an adjusted profit of \$143 million for the quarter and a loss of \$2.6 billion for the year.

The case numbers among employees are declining quickly and the airline's operation has stabilized over the past week, Mr. Bastian said. The number of pilots out has fallen by about a third from the peak, and flight attendant sick rates have been halved, he added. Delta canceled just 1% of flights because of Omicron over the past seven days.

"We feel like the worst is behind us, hopefully," Mr. Bastian said. Over the course of Omicron's surge, about 8,000 Delta employees have come down with Covid-19, and the airline was canceling 5% to 10% of daily flights, he added.

Other airlines have faced similar difficulties. United Please turn to page B2

Microsoft Reviews Policies On Abuse And Bias

By AARON TILLEY

Microsoft Corp.'s board on Thursday said it would review the company's sexual harassment and gender discrimination policies and unveil a summary of the results of past investigations into how the company handled allegations against company executives, including co-founder Bill Gates.

The review follows an unexpected win by activist shareholders at the annual meeting in November of a proposal demanding greater disclosure of sexual-harassment issues.

"Our culture remains our number one priority and the entire Board appreciates the critical importance of a safe and inclusive environment for all Microsoft employees," said Microsoft Chief Executive Satya Nadella.

"We're committed not just to reviewing the report but learning from the assessment so we can continue to improve the experiences of our employees. I embrace this comprehensive review as an opportunity to continue to get better."

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Bank Earnings To Reflect Quick Economic Shifts

By CHARLEY GRANT

As the pandemic drags on, what does the new normal for banks look like? Investors are about to get some answers.

Big U.S. banks are set to unveil fourth-quarter results, with JPMorgan Chase & Co., Wells Fargo & Co. and Citigroup Inc. slated to report Friday.

Banks in the S&P 500 are expected to report total profits of about \$31.2 billion for the quarter, according to FactSet. That would mark a 2.4% decline from a year earlier.

Like other businesses, banks are being forced to adapt to the Omicron economy. Consumer spending flagged toward the end of the year as the Covid-19 variant emerged. Inflation hit a four-decade high in December.

Spending with Chase credit and debit cards weakened from 21% above 2019 levels in November to 11% above in the last week of December, according to analysts at JPMorgan Chase. The decline in spending on airfare was especially sharp, they said in a research note.

Adding to the pressure: Banks built up reserves in 2020 when they were expecting big pandemic loan losses. That hit their profits hard. When the economy improved, banks started releasing those reserves, giving their bottom

lines a boost. Those reserve releases are expected to be much smaller going forward.

Meanwhile, historically high trading revenue, a crucial source of profits during pandemic-induced market volatility, is returning to more normal levels. Wall Street analysts expect Goldman Sachs Group Inc. to report about \$4.2 billion in trading revenue for the quarter, according to FactSet. That would still be up about 20% from the fourth quarter of 2019, but down about 45% from the first quarter of 2021.

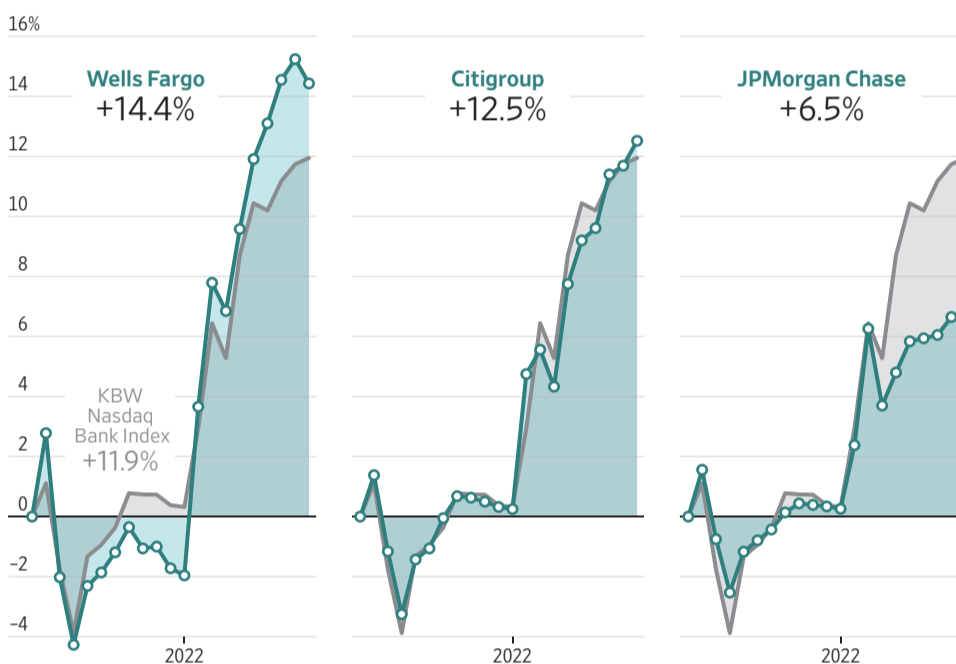
Yet Wall Street is expecting bright spots as well. Rising U.S. government bond yields could lead to higher lending profits. KBW analysts expect adjusted net interest income to rise 8% in the fourth quarter from a year earlier.

That growth might continue in 2022, which is enticing investors. The KBW Nasdaq Bank Index has rallied more than 10% since Dec. 15, when the Federal Reserve signaled it would raise interest rates several times in 2022. The Fed signaled last week that it could raise interest rates as soon as March.

Loan growth is starting to tick higher after a lull through much of the pandemic. And the white-hot market for deals, one major source of banking profits, shows little sign of slowing.

JPMorgan, Citigroup and Wells Fargo are due to report Friday, as big banks start to disclose fourth-quarter results.

Share-price and index performance since Dec. 15, 2021



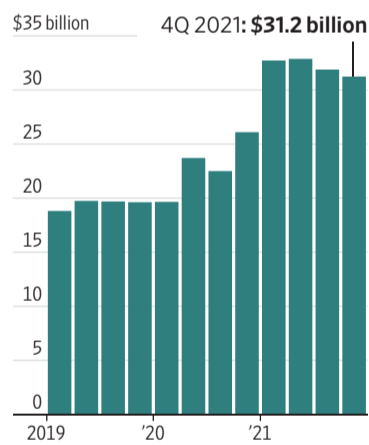
Total loans at U.S. commercial banks, weekly*



*Seasonally adjusted data

Sources: FactSet (share-prices and index performance); Federal Reserve Bank of St. Louis (loans); Dealogic (revenue)

Global investment-banking revenue, quarterly



Inflation Rises as Corporate Concern

By THOMAS GRYTA

In the hierarchy of business threats confronting corporate leaders in 2022, Covid-19 still rules. But inflation has quickly closed the gap.

Concerns about rising prices skyrocketed in the past year, according to a survey of more than 900 global CEOs conducted by the Conference Board, a business research group. More than half of the CEOs expect price pressures to persist until at least mid-2023

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INSIDE



BUSINESS NEWS
Quentin Tarantino and Miramax battle over his plan to sell NFTs tied to 'Pulp Fiction.' B3



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Founder of Second Life Takes On the Metaverse

By MEGHAN BOBROWSKY

The founder of Second Life, one of the earliest digital-reality worlds, is returning for a second stint to take on big technology companies.

Philip Rosedale in 2003 launched the online game where players using avatars can hang out, socialize with

other players and make purchases. Second Life is a fore-runner of the virtual worlds that big tech companies are now trying to create and that are often referred to as the metaverse. Mr. Rosedale is returning to the company he left in 2010 to serve as a strategic adviser and shepherd its expansion as the metaverse

gains wider traction, he said.

The metaverse, though still largely more aspirational than real, has become a hot new battlefield for tech companies looking for a major new source of revenue. Facebook Inc. last year rebranded as Meta Platforms Inc. to reflect its focus on the digital realm and vowed to spend billions of

dollars to realize its metaverse over the coming years that would involve virtual- and augmented-reality headsets, software and more.

Microsoft Corp., chip company Nvidia Corp., videogame companies and others also have detailed efforts to benefit from an online world where users can interact with others

and participate in immersive experiences such as concerts. Apple Inc.'s fortunes have been boosted by excitement around the metaverse.

Mr. Rosedale said that the business models underpinning some of the current tech giants, such as tracking user behavior to target ads, would be

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TikTok Stars' Earnings Rival CEOs' As They Build Their Own Empires

By JOSEPH PISANI AND THEO FRANCIS

TikTok stars are dancing their way to the bank. Some are making more than America's top chief executives.

Charli D'Amelio, who started posting videos of herself dancing on TikTok in 2019, brought in \$17.5 million last year, according to Forbes, which recently ranked the highest-earning TikTok stars of 2021. With 133 million followers on TikTok, she makes her money from a clothing line and promoting products in TikTok videos and other ads.

By comparison, median pay for chief executives of S&P 500 companies was \$13.4 mil-

lion in 2020, according to a Wall Street Journal analysis of data from MyLogIQ. CEO compensation figures include stock and option awards, which typically make up most of executive pay, as well as annual salary and bonus, perks and some kinds of retirement-benefit gains. Only some 2021 CEO compensation figures have been released so far.

Ms. D'Amelio's compensation was higher than several CEOs of big publicly traded companies, including Exxon Mobil Corp.'s Darren Woods (\$15.6 million in 2020), Starbucks Corp.'s Kevin Johnson (\$14.7 million), Delta Air Lines Inc.'s Ed Bastian (\$13.1 million) and McDonald's Corp.'s Chris

Kempczinski (\$10.8 million), according to the Journal's analysis of their recent compensation figures.

Dixie D'Amelio, Charli's older sister, has about half the TikTok followers of Charli D'Amelio. But she was the second-highest TikTok earner last year, according to Forbes, bringing in \$10 million. That rivals the pay of Southwest Airlines Co. CEO Gary Kelly. The D'Amelio sisters weren't available for comment.

"They're really building business empires," said Mae Karwowski, CEO and founder of influencer marketing agency Obviously. She noted that many top TikTok influ-

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Charli and Dixie D'Amelio were No. 1 and 2 as TikTok earners.

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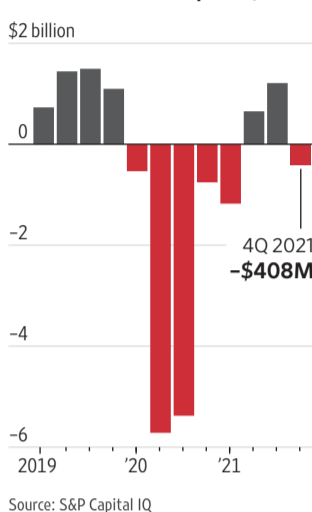


Delta travelers waiting to check in on Dec. 24 in Los Angeles. Airlines canceled thousands of flights in the weeks around the holidays.

Delta Says The Worst Is Behind It

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Airlines Holdings Inc. Chief Executive Scott Kirby said this week that the airline has about 3,000 United employees with active Covid-19 infections. On one recent day, about a third of the airline's employees at Newark Liberty International Airport were out sick, he said. Flight cancellations have started to decline in recent days following a more than two-week stretch of at least 1,000 canceled flights a day. Delta had asked the Centers for Disease Control and Prevention to shorten quarantine periods for vaccinated people who came down with Covid-19. The airline changed its own policies after the CDC recommended people isolate themselves for five days, rather than 10, after being ill with

Delta Air Lines net profit/loss



Covid. That sparked a dispute with a union that is seeking to organize Delta's flight attendants. The airline has defended its policies and accused the union of making false statements about how it handles bringing people back to work after illness. The union has defended its statements and said Delta is putting workers and travelers at risk.

The new variant's rapid spread has also slowed a resurgence of travel demand that had been under way throughout much of last year. With some companies pushing back plans to bring workers back to offices, the business-travel recovery that airlines have been counting on again looks to be delayed. Delta President Glen Hauenstein said Thursday that Delta is taking a more conservative approach to long-haul international flying in the coming months while travel restrictions remain in place. The airline had previously expected travel appetite in January and February to match that in December, when demand had returned to close to 80% of 2019 levels. Instead, Mr. Bastian said, demand is about 70% of 2019 levels. Delta said it sees bookings regaining momentum starting around Presidents Day weekend in mid-February, and the airline expects to become profitable again in March. In the first quarter, Delta expects revenue to recover to between 72% and 76% of 2019 levels,

compared with 74% in the fourth quarter. As a result, the airline isn't backing off flying plans for the rest of the year. "We see no reason to adjust at this point. We're gonna get through this thing quickly," Mr. Bastian said. Omicron isn't the only challenge airlines face, as they navigate the rocky recovery from the pandemic. Carriers are also facing steeper costs for labor and fuel. Mr. Bastian said Delta hired around 9,000 people in 2021, for the most part without increasing the airline's pay scales. Delta expects fuel costs to rise to \$2.35 to \$2.50 a gallon in the first three months of the year, up from an adjusted fuel price of \$2.10 a gallon in the fourth quarter. Delta's fourth-quarter results were also adjusted to reflect a \$108 million special profit-sharing payment to employees. Delta reported an adjusted profit of 22 cents during the quarter, beating the 16 cents a share profit analysts expected, according to FactSet.

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Microsoft Reviews Bias Policy

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 The review will be conducted by law firm Arent Fox. Arent Fox will submit its findings to Microsoft senior management and board members with recommendations. The company expects to be able to share a summary of the findings in the spring. The law firm's review will lead to the public release of a Microsoft transparency report detailing the effectiveness of the company's workplace policies related to harassment and

discrimination. It will include data on the number of sexual harassment cases investigated and what the results were. The report will also summarize the results of investigations into Mr. Gates and other leaders. The Wall Street Journal reported last year that Microsoft board members pursued an investigation in 2019 into the billionaire's prior romantic relationship with a female employee. He stepped down from the board in 2020. In the Journal article, a spokeswoman for Mr. Gates said the affair had ended amicably close to 20 years earlier and that his decision to leave the board wasn't related to any investigation. Microsoft on Thursday said it is going beyond the shareholder proposal and would compare itself with the best practices of other companies.

Inflation Up as CEO Concern

Continued from page B1
 after having registered as a low-level worry in the year-ago survey. "Inflation is here," Honeywell International Inc. Chief Executive Officer Darius Adamczyk said in an interview. "We have to be very, very careful how it gets solved, too, because it's a little bit like driving your vehicle. If you slam on the brakes too hard, we could see the other side of inflation, which is a recession." Business leaders have been warning about inflation risks in the past year, even as Federal Reserve officials and most economists largely played down the breadth and persistence of rising prices. On Wednesday, the U.S. Labor Department reported that inflation finished 2021 at its highest level since 1982, with the consumer-price index up 7% in December versus a year ago, compared with 6.8% in November. How large the Covid-19-related disruptions loom for global executives varies by geography, the survey found. U.S. chief executives cited labor shortages as their chief external concern for the coming year, followed by inflation and supply-chain problems. Covid-19 came in fourth. Similarly, European CEOs ranked inflation as the top worry and Covid-19 disruption

as 10th, below the expected impact of regulators. But CEOs in both China and Japan see Covid-19 having the greatest impact on their business this year. The pandemic's ranking in Asia helped push it to the top of the list of concerns among all CEOs surveyed globally, followed by rising inflation and labor shortages. Dana M. Peterson, chief economist at the Conference Board, said the disparity is partly explained by different policy reactions to the pandemic, with countries in Asia more likely to use shutdowns to contain the virus, while Europe and the U.S. are generally trying to stay open using vaccines, testing and mask policies to quell outbreaks. "It's a very different view around management of the virus and what that means," she said. China's large manufacturing base can't work from home, while the U.S. economy is more service-focused. "It makes sense to me that Covid disruptions would rise to the top of the list for, say, China, whereas in the U.S., labor shortages are the topic du jour." The survey was conducted in October and November with more than 1,600 C-suite executives responding, including 917 CEOs. Although the data was collected before the beginning of the Omicron outbreak, the survey's authors say the answers likely wouldn't change much, because companies were dealing with the Delta variant in the fall and the latest wave hasn't caused panic or widespread shutdowns. Earlier this week, an annual risk report from the World Economic Forum showed a significant increase in pessimism about global prospects, with executives and leaders worried about longer-term fallout from the pandemic. In the Conference Board survey, 82% of CEOs globally said they are facing upward price pressure for inputs into their businesses. In China, producers are facing rising commodity prices in their vast manufacturing base, while Europe is seeing inflation related to energy and food prices. In the U.S., 59% of CEOs expect inflation to be elevated until at least mid-2023 or beyond. "We're going to have to catch this tiger before it gets too rampant," said Gerald Walker, CEO of the Americas

unit of financial firm ING Groep NV. "It's not pretty when it goes wrong." Mr. Walker said inflation costs can be difficult to pass on, especially in the banking world. "Margins don't go up because I'm paying people more," he said in an interview. "There are certain things that we have to be quite careful about with this, because it can erode the returns and profitability of organizations and that can be structural rather than transitory as well." When it comes to their internal focus for the coming year, CEOs from all regions said attracting and retaining talent was the priority. The group also acknowledged that remote work would play a more prominent role even after the pandemic subsides. A third of CEOs globally expect at least 40% of their post-pandemic workforces would remain remote, which

is defined as working at least three days a week outside of the physical workplace. Among U.S. CEOs, 53% expect at least 40% of workers to work remotely. The new flexibility comes as continued labor shortages are pushing U.S. companies to get creative in recruiting new employees. That demand is pushing up wages, a contributor to inflation that the survey's authors expect to last longer than supply-chain problems. "There is going to be continued pressure on wages and benefits and all the costs that go along with attracting and retaining workers," Ms. Peterson said. "Businesses are saying, this is going to be a problem not only this year, but next year and maybe even beyond that." —Chip Cutter and Emily Glazer contributed to this article.

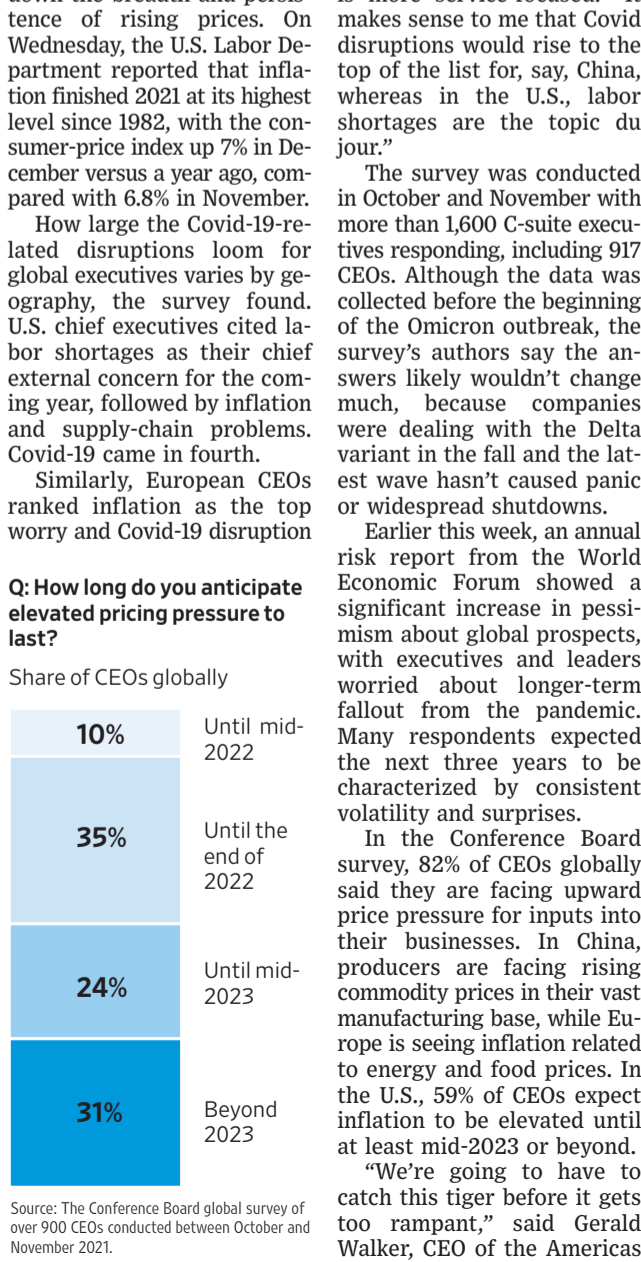


Philip Rosedale is returning to Second Life as a strategic adviser.

Second Life Founder Returns

Continued from page B1
 potentially harmful in the metaverse, which is more immersive than current digital platforms. "I think that there is a real genuine, existential risk associated with how that gets done," he said. Second Life may have had a head start on some of the metaverse companies it aims to compete with, but to some extent is the underdog. Second Life rolled out before Facebook was founded, but has hovered at around one million users since 2008, according to a company spokesperson. Meta's Facebook, Instagram and other services sported more than 3.5 billion monthly users combined, according to its most recent earnings. Epic Games Inc.'s Fortnite video-game and game company Roblox Corp., which are also making moves in the metaverse, have many times the number of users that Second Life has. Brad Oberwager, chairman of Second Life parent company Linden Research Inc., said he

is working with Mr. Rosedale to inject momentum into the business. Second Life already offers the ability for people to withdraw money from in-game sales into the real world, a feature lacking in some other emerging metaverses, which should attract users, he said. Coming upgrades focused on further improving the social and economic components of the game, such as the avatars and digital marketplace, promise to drive user growth, he added. Still, Second Life faces a challenge as a two-decade-old platform. Some of its competitors' largest user groups were born in the past 24 years or so and aren't as familiar with Second Life as with services such as Roblox or Fortnite. Mr. Oberwager said Second Life can win over that generation by creating a better user experience, with more realistic avatars and by not following the business models of other tech companies that track users' behavior. To help realize that ambition, Mr. Rosedale is bringing with him to Second Life a small cadre of developers, a number of patents and an unspecified financial investment from the company he founded in 2013, High Fidelity Inc., a company that focuses on audio and virtual-reality experiences.



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BUSINESS NEWS

Sinclair Sports Unit Secures Financing

Company also renews NBA digital-rights deal, securing its ability to stream games

By LILLIAN RIZZO

Sinclair Broadcast Group Inc., the largest owner of regional sports channels, said its sports unit has secured \$600 million in debt financing as it develops a streaming service that it aims to launch by the third quarter.

The company said it also renewed its deal with the National Basketball Association for the digital rights to air live games on a streaming platform.

That agreement comes shortly after its similar contract renewal with the National Hockey League.

As a result of these contracts, Sinclair will be able to offer a subscription streaming service that allows consumers

to watch local-market games for 16 NBA teams and 12 NHL teams without having a cable or satellite TV package.

Sinclair's Diamond Sports Group LLC, a subsidiary that owns the company's portfolio of 21 sports networks, has been working toward building a streaming service. The sports channels were branded as Bally Sports in a 2020 licensing deal with casino operator Bally's Corp.

"This financing and the NBA deal, combined with the NHL deal done back in December, paves the way for us to launch our direct-to-consumer offering with all of our NBA and NHL teams," Sinclair Chief Executive Chris Ripley said in an interview.

Mr. Ripley said Sinclair has Major League Baseball digital-rights deals in some of its markets.

Regional sports networks, once engines of growth for media companies due to the high fees owners were able to

charge cable and satellite companies to be included in traditional pay-TV packages, have been hit hard by cable cord-cutting. Pivoting to streaming has become a high priority.

Diamond has a hefty debt load of more than \$8 billion, stemming from Sinclair's acquisition of sports networks from Walt Disney Co. in 2019 for \$10.6 billion. Sinclair's creditors were bracing for a possible restructuring as of late 2020, The Wall Street Journal reported.

Several of those creditors have signed on to provide additional financing. Bloomberg reported last week that Sinclair was nearing the financing deal.

The company is planning for a so-called soft launch of the streaming app in the second quarter, meaning it would be available only in some markets, Mr. Ripley said. A broader rollout to the rest of the company's markets will happen by the third quarter,

he said.

Mr. Ripley said all of the live games featured on Bally Sports networks will air on the streaming service when it launches.

He declined to disclose the pricing for the streaming service. He said it would be "consistent with some of the other premium sports services in the marketplace."

The NBA's League Pass carries out-of-market games for \$28.99 a month, or \$139 annually.

Sinclair and its peers will have to navigate a tricky path, trying to build streaming businesses for their regional sports networks without hurting their traditional TV business.

"All research points to very minimal cannibalization," Mr. Ripley said. "There is a growing fandom outside of the (cable) bundle happening. Regardless of where sports ends up being housed, we need to have a product for both."



Diamond Sports has been working on a streaming service. One of its reporters interviews Reggie Jackson of the Los Angeles Clippers.

Tarantino's Battle With Miramax Over NFTs Heats Up

By JOE FLINT

A dispute between Quentin Tarantino and Miramax over the writer-director's efforts to auction off script pages and other artifacts from the hit movie "Pulp Fiction" as non-fungible tokens, or NFTs, has gone from legal squabble to public brawl.

At issue is who controls the rights to the material Mr. Tarantino is seeking to auction. Miramax, the producers of the 1994 film, filed a suit in November in U.S. District Court in California against Mr. Tarantino alleging copyright infringement and breach of contract. Mr. Tarantino's camp claims he does have the rights for the NFTs.

As the auction draws closer and the case works its way through the legal system, both sides are taking public swings at each other over the NFTs'



The auction of NFTs tied to 'Pulp Fiction' is scheduled to start Jan. 17. A scene from the movie.

legitimacy. The auction is scheduled to start Monday.

Entertainment executives and lawyers are watching the battle between the longtime

partners because similar arguments over rights to intellectual property are likely to bubble up as NFTs become more popular, they said.

"Every third call I get is about NFTs," he said.

Typically, contracts between a creator and production entity contain forward-looking language that takes into account new technologies. The question is where NFTs—virtual deeds signifying ownership of digital assets such as art, albums or memorabilia—fall into the mix. "Every time technology changes, these things come up," said Alan Behr, an intellectual-property lawyer at Phillips Nizer LLP. The question is, he said, whether "the words used in contracts are broad enough."

Miramax, which is co-owned by **BeIN Media Group** and **ViacomCBS Inc.**, thinks so. Bart Williams, a partner at Proskauer Rose LLP, the law firm representing Miramax, this week sent a letter to SCRT Labs, the company overseeing the NFT effort, saying they don't have the rights to mint

the NFTs or sell them. The letter was also circulated to media outlets.

Mr. Tarantino's lawyer, Bryan Freedman, later accused Mr. Williams and Miramax of trying to sabotage the NFT auction and depress bidding by raising doubt about the director's rights.

"Knowing that it has no legal basis to stop the sale, Miramax has instead resorted to attempting to mislead the public," the letter said. The letter, which includes a cease and desist demand, was tweeted Thursday morning by SCRT Labs CEO Guy Zyskind.

Mr. Danziger expects more artists to test the NFT waters, particularly as other more traditional revenue streams become increasingly challenged.

"Any artist with a bright idea and a high-speed modem is going to try to be in this space," Mr. Danziger said.

Monster Beverage Buys Owner Of Multiple Craft Breweries

By JENNIFER MALONEY

Monster Beverage Corp. has been mulling a move into booze for years. It finally took the plunge Thursday, becoming the latest big soft-drink company to try its hand at alcoholic beverages.

Monster, best known for its namesake energy drinks, said it had forged a deal to buy craft-beer and hard-seltzer company **CANarchy Craft Brewery Collective LLC** for \$330 million.

The deal comes as soda makers and alcohol companies move onto one another's turf in bids to spur growth.

Constellation Brands Inc. last week said it struck a deal with **Coca-Cola Co.** to launch canned cocktails under the **Fresca** soda brand. Last year, Coke introduced an alcoholic version of its **Topo Chico** selt-

zer in a partnership with **Molson Coors Beverage Co.**

PepsiCo Inc., meanwhile, is set to roll out an alcoholic version of Mountain Dew in a venture with Samuel Adams brewer **Boston Beer Co.** And **Anheuser-Busch InBev SA** this month is introducing a

Soda makers and alcohol companies are moving onto one another's turf.

line of Bud Light-branded hard soda in cola, cherry-cola, orange and lemon-lime flavors.

In 2019, Rodney Sacks, now chairman and co-CEO of Corona, Calif.-based Monster,

told shareholders that the company had its sights on hard seltzers, malt beverages and spirits.

"We do have an appetite to look at alternative brands and to develop more beverages in the nonalcoholic...as well as the alcoholic market," Mr. Sacks said at the time.

The CANarchy acquisition includes the Cigar City, Oskar Blues, Deep Ellum, Perrin Brewing, Squatters and Wasatch brands but excludes CANarchy's stand-alone restaurants.

Monster said it expects to complete the transaction during the first calendar quarter, adding that the organizational structure for the energy-drinks business will remain unchanged and that CANarchy will function independently.

—Colin Kellaheer contributed to this article.



The Oskar Blues brewery in Longmont, Colo., is one of the breweries Monster Beverage will gain with the purchase of CANarchy Craft Brewery Collective. Others include Cigar City and Deep Ellum.

Aerosolized corona virus was inactivated by UVGI
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WHY THE OMICRON VARIANT IS SO CONTAGIOUS

The viral load of omicron found in the noses of those infected is exponentially greater than the original Covid 19 virus. In exhaling, aerosolized particles of "the omicron virus" fill the air. These tiny particles are harder to filter than airborne droplets, so people simply inhale contaminated air and become infected.

This viral load and aerosolized component is believed to be the reason even vaccinated people without symptoms may spread the omicron variant and even become infected themselves.

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"There was a reduction of 98.2% of germs processed through the device."

The Harvard School of Public Health

US Patent Pending 16/945,565

THE DATA

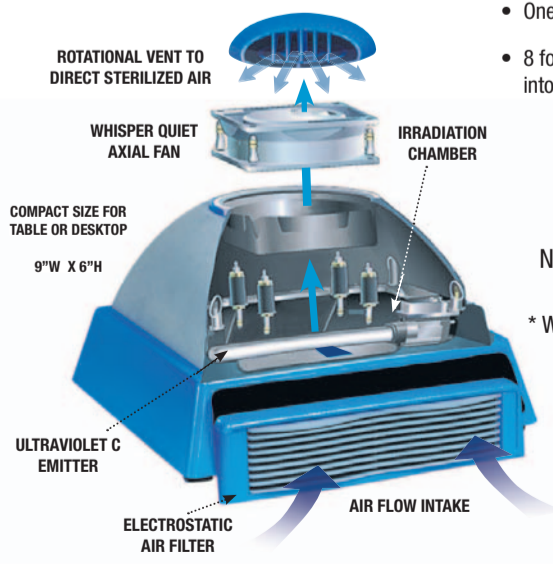
Effect of Ultraviolet Germicidal Irradiation on Viral Aerosols.

Environmental Science Technology. 2007.41.5460-5465

Far-UVC light Efficiently and Safely Inactivates Airborne Coronaviruses.

Scientific Reports Nature Research (2020)10:10285.

The Application of Ultraviolet Germicidal Irradiation to Control Transmission of Airborne Disease: Bioterrorism Countermeasure Public Health Reports/ March-April 2003/Volume 118.



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TSMC Beefs Up Chip Production

Manufacturer plans to spend as much as \$44 billion to increase capacity this year

By YANG JIE

TOKYO—Taiwan Semiconductor Manufacturing Co., the world's largest contract chip maker, said it would increase its investment to boost production capacity by up to 47% this year from a year earlier amid a global chip crunch.

TSMC said Thursday that it set this year's capital expenditure budget at \$40 billion to \$44 billion, a high, compared with last year's \$30 billion.

As a pandemic-fueled surge in demand for various devices requiring semiconductors created widespread shortages, major chip makers have been on an investment spree to raise production capacity.

TSMC, **Samsung Electronics Co.** and **Intel Corp.**—three of the world's biggest chip

makers—accounted for nearly three-fifths of \$146 billion that semiconductor companies around the world spent in 2021 to build new production capacity and develop new technologies, according to an estimate by research firm Gartner Inc.

Demand from sectors like high-performance computing devices and automotives would keep the company's manufacturing capacity utilized at a high rate, TSMC's Chief Executive C.C. Wei said in a quarterly earnings call on Thursday.

The trend of various products or sites, such as cars or data centers, using more semiconductors will continue to drive demand for TSMC's chips, Mr. Wei said. "In many devices, it is increasingly the silicon content that is a more important factor in supporting strong semiconductor demand," he said.

This year, TSMC's revenue is likely to grow by at least around 25% from a year earlier, he said. That would outperform the average growth

pace of about 20% that TSMC forecasts for the contract-chip-making industry, known as foundries, he said.

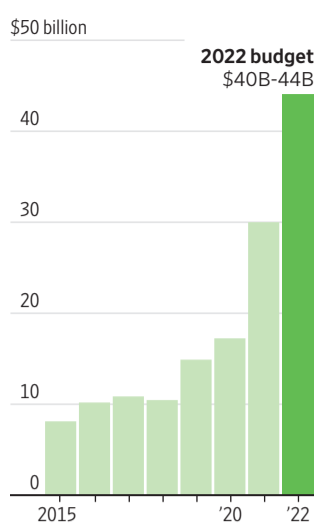
About half of the company's chip sales comes from the advanced technology semiconductors that it produces for its clients, including Apple Inc.

TSMC is increasing investments into capacities to build less-advanced chips based on older production technologies. Those chips, widely used in cars, smartphones and other devices, became a supply chain bottleneck last year, including for Apple.

Mr. Wei called such products a "sweet spot" for the company's longer-term strategy. Production lines for these less-advanced chips aren't as expensive, while TSMC's technology to build these chips are specialized, making it hard for rivals to replace those semiconductors, industry experts say.

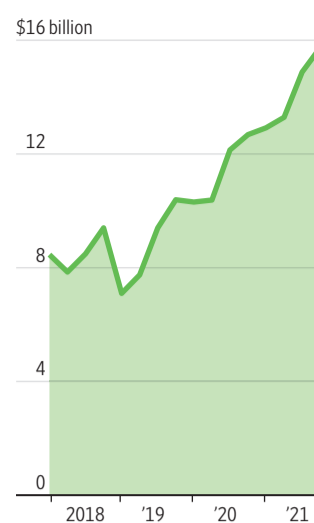
TSMC said revenue from its automotive-related operations, which grew by 51% last year from a year earlier, is expected

TSMC capital expenditures

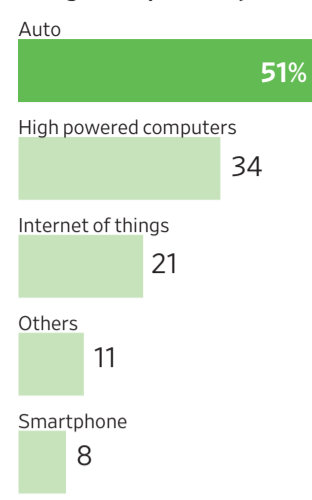


Source: the company

Quarterly revenue



Revenue growth by platform, change from previous year



to be among its fastest-growing business this year. The auto sector is among the hardest hit from global chip crunch.

TSMC increased its auto chip production by about 60% in 2021, but it still only accounts for 4% of its annual revenue. Around 44% of its revenue comes from the smartphone business.

Some analysts have raised concerns over possible overcapacity for less advanced chips, but Mr. Wei said he is confident the company can avoid that given the robust demand for its semiconductors.

Hsinchu, Taiwan-based TSMC is building a new \$12

billion plant in Phoenix and a \$7 billion plant in southern Japan. The company has said it plans to expand capacity in the eastern Chinese city of Nanjing, as well as in Taiwan. The company is currently assessing the feasibility of a new fabrication plant in Europe, Chairman Mark Liu said on the call.

Rivals are also aggressively expanding capacity. **Samsung Electronics** announced a \$17 billion investment in Taylor, Texas, in November, while Intel recently pledged to build new chip-making facilities in Europe valued at up to \$95 billion.

In 2021, TSMC posted a record revenue of 1.59 trillion

New Taiwan dollars, equivalent to \$57 billion, up 18.5% from a year earlier. Its fourth-quarter net profit rose 16.4% from the same period a year earlier, driven by strong demand from 5G applications, high-performance computing devices, and automotive electronics.

For January-March, TSMC said it expects to post revenue between US\$16.6 billion and US\$17.2 billion, up 28% to 33% from the same period a year ago.

—Kosaku Narioka contributed to this article.

◆ Heard on the Street: Old chips gain from shortage. B10

NBCUniversal Taps Ad-Measure Partner

By MEGAN GRAHAM

NBCUniversal tapped **iSpot.tv Inc.**, a company that aims to help advertisers verify the reach and impact of their TV and streaming ads, as it seeks to better quantify how consumers are viewing ads across different mediums.

iSpot was one of the measurement vendors that answered a request for proposals last year from NBCUniversal, a unit of **Comcast Corp.**, to help the company build a new measurement framework. The multi-year agreement between the companies brings the media company a new system for verifying ads and programming on linear and streaming video.

The television advertising business is undergoing major changes, with viewership

shifting from traditional TV to streaming platforms. Traditional media companies including NBCUniversal want to improve the tools they offer marketers to analyze their media buys in the shifting environment.

Also, confidence in TV ratings company Nielsen, which has dominated its field for decades, has been shaken. The Media Rating Council, the media industry's measurement watchdog, last year pulled its accreditation for Nielsen's national and local TV ratings.

"Never before has the entire television industry been this open to moving to a range of measurement alternatives versus only using a singular currency," Kelly Abcarian, executive vice president of measurement and impact at NBC-

Universal, said in an email. NBCU says iSpot will provide metrics that buyers and sellers will be able to use as an alternative currency.

NBCUniversal has worked with iSpot since 2014, and in 2018 announced a project with iSpot to show brands certain outcomes—such as increases in web visits or sales—that result from their ads.

The company expanded that relationship by naming iSpot as its first "certified measurement partner" as part of its request for proposals, or RFP, process. Ms. Abcarian said the designation was designed to be akin to those in the digital world, where players such as Alphabet Inc.'s Google and Meta Platforms Inc.'s Facebook share data with approved partners.

NBCUniversal said it plans

to add more such partners. That could include Nielsen, which both companies said answered the RFP. Nielsen is testing a cross-platform media measurement system that it said would launch later this year and said it plans to fully transition to its cross-media metric in 2024.

NBCUniversal, which ran an internal test with iSpot during the Summer Olympics last year, will bring ad buyers into new tests in February during its coverage of the Super Bowl and the Winter Olympics in Beijing. Ms. Abcarian said iSpot's technology allows the company to update an Olympics dashboard that helps advertisers see their reach on linear and digital by noon the following day.

Next-day reporting "puts us

on a level playing field with digital, who is able to create next-day insights for advertisers," she said.

The tests will inform the company's next steps as the TV industry approaches the up-fronts, its annual spring negotiations with buyers over commercials in the coming TV season.

Publicis Groupe's Publicis Media will be the first media holding company to test the measurement.

"We've seen the viewing landscape change so tremendously and so quickly, and Covid accelerated all those changes," said John Muszynski, chairman of Publicis Media Exchange in the U.S. "We now have to accelerate the measurement change to really see what the impact is of this change in consumer behavior."

Musk Attacks Plan to Cut Solar Subsidies

By OMAR ABDEL-BAQUI

A proposal to cut incentives for rooftop solar power in California has drawn criticism from some environmentalists and business leaders, including Tesla Inc. Chief Executive Elon Musk.

The proposal by the California Public Utilities Commission would add monthly fees for solar customers while also reducing payments to customers for any extra power they generate and supply to the grid, which is known as net metering.

The CPUC, in its proposal, said the current energy-metering structure isn't cost-effective and hurts customers who don't participate in the solar program as well as low-income ratepayers. The rule changes "ensures all customers pay for their usage of the grid," the proposal says.

More than one million California customers have solar systems, according to the CPUC.

Since rooftop solar customers pay less in utility bills, they end up contributing less toward maintaining the grid, which they still use. The cost burden is thus often shifted to power customers without rooftop solar, according to the



Addison Rae, who earned \$8.5 million last year, parlayed social-media fame into a movie and ads.

TikTok Stars Build Empires

Continued from page B1

encers run new companies, launch brands and diversify their income streams.

"The numbers we see now are only getting bigger," she said.

Some S&P 500 CEOs make much more, of course. Robert Kotick, who heads videogame giant Activision-Blizzard Inc., made nearly \$155 million in 2020. Apple Inc. CEO Tim Cook made almost \$99 million in the year ended Sept. 25. CEOs at a few smaller companies made even more.

The cash flow of TikTok stars has soared along with the app's rapid growth. Seven of TikTok's top earners collectively made \$55.5 million last year, a 200% increase from the prior year, according to the Forbes data.

TikTok, owned by Beijing-based **ByteDance Ltd.**, has hooked people with its secretive algorithm, which delivers video clips that it thinks users would like. The buzzy app said last year that it had more than one billion monthly users.

TikTok didn't respond to a request for comment.

Policy makers around the world have been scrutinizing TikTok and its peers, including Meta Platforms Inc.'s Instagram, over data-privacy issues. The possible psychological damage these platforms might cause to younger users is another risk for the company. Recent investigations by The Wall Street Journal found how TikTok's powerful algorithms can hook people, and drive minors into content about sex and drugs.

Still, analysts say brands find the millions of followers of TikTok stars irresistible. Top earners make much of their money from ads, product lines and other deals outside the app.

"Their followers are obsessive," said Krishna Subramanian, CEO and co-founder of social-media data company Captiv8. He said TikTok influencers at times have stronger followings than fans of Hollywood stars.

Social-media stars give followers a daily taste of life, he said, offering updates on break-ups, triumphs and failures.

"They're emotionally invested in that creator," Mr. Subramanian said. "You're more inclined to do or buy things they tell you to buy."

Dunkin', the parent of Dunkin' coffee shops and Baskin-Robbins ice cream

stores, realized this in 2020 when it named a drink after Charli D'Amelio.

"It's simply cold brew with caramel and milk," Scott Murphy, the company's president, said in a 2020 earnings call about the Charli. "We took an existing product, renamed it after her and positioned it to appeal to a younger consumer." Dunkin' didn't respond to a request for comment.

Charli D'Amelio is making the jump from TikTok to TV. She and her family star in "The D'Amelio Show," a reality show on Hulu's streaming platform, which has been renewed for a second season.

The D'Amelio sisters signed a deal in May with Abercrombie and Fitch Co.'s Hollister brand to launch clothing brand Social Tourist. Ads for the brand played on the Hulu show and were viewed 90 million times, Abercrombie said in an earnings call in November.

Another creator making the leap from TikTok is Addison Rae. She made \$8.5 million last year, according to Forbes. Her earnings put her slightly above W. Craig Jelinek, the CEO of warehouse chain Costco Wholesale Corp.

Last year, Ms. Rae starred in the Netflix Inc. movie "He's All That," expanded her makeup line Item Beauty and appeared in commercials for American Eagle Outfitters Inc.

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BUSINESS NEWS



ROBERT NICKELBERG/GETTY IMAGES

Most Harris Teeter supermarkets now close an hour earlier so employees can restock shelves and clean stores.

Supermarkets Cut Services, Hours As Omicron Reduces Staffing

By STEPHEN COUNCIL
AND JAEWON KANG

Some U.S. supermarkets are reducing hours and cutting services as Covid-19's Omicron variant infects cashiers, baggers and stockers, deepening grocery chains' staffing challenges.

Across the country, supermarket workers are calling out sick after contracting Covid-19 or getting exposed to the virus, executives and employees said, prompting retailers to manage operations with fewer workers, while shopper demand for groceries remains high. Some grocers said they are hiring new employees, using temporary employment agencies and overscheduling available staffers to keep stores open.

Before Omicron hit the U.S. Northeast, seven-store supermarket chain **Stew Leonard's** was finding its way back to normal, according to Chief Executive Stew Leonard Jr.

The chain, which runs locations in New York, Connecticut and New Jersey, has reached a 90% employee-vaccination

rate, Mr. Leonard said. But Covid-19 cases surged over the past month: The week before Christmas, Stew Leonard's had around 30 of its 3,000 employees in quarantine or isolation, according to the CEO. By Dec. 26, it was 100, and by Jan. 6 the company was missing over 200 employees to Covid-19 infections and exposures. "We sort of feel like we've got to buckle down for round two," Mr. Leonard said.

Giant Eagle Inc. has avoided closing any of its approximately 470 stores during the Omicron surge by adjusting hours and sending staff from its corporate office near Pittsburgh to supermarkets, according to Vic Vercammen, chief compliance officer, who leads its pandemic response. The regional chain has seen a rise in employee Covid-19 cases that mirrors the area's case numbers, he said.

At Piggly Wiggly stores in Alabama and Georgia, managers are overscheduling workers under the assumption that some staffers aren't going to make it in, said Keith Milligan,

the controller of the 17-store chain. The company, which is a franchisee of New Hampshire-based **Piggly Wiggly** LLC, hired people from temporary agencies to work in its warehouses.

Supermarkets struggled with hiring and retaining workers during the pandemic. Executives said unemployment benefits and federal stimulus checks made it harder to find people willing to work at their stores. Some executives and store workers said fears of working in public and potentially spreading or contracting Covid-19 are keeping potential employees out of the job market.

Harris Teeter supermarkets, owned by **Kroger** Co. and operating primarily in the U.S. Southeast, said most of its stores are closing an hour earlier at 9 p.m. so employees can restock shelves, clean stores and better prepare for the next day. The company said the decision wasn't made because of staffing shortages.

On Wednesday, about 8,400 unionized workers at Kroger's King Soopers stores in Denver

went on strike, pushing for higher wages and expanded benefits. The company called the move reckless, and said it hired temporary workers to help staff stores.

Fresh Encounter Inc., a 100-store supermarket chain based in Ohio, has been closing most stores at 10 p.m. over the past three months, versus operating 24 hours a day before the pandemic, to accommodate for staffing shortages.

In recent months, most of the chain's deli departments have been shutting down at 5 p.m., compared with 9 p.m. to 10 p.m. previously, because more than half of the company's deli team has been out sick, said Michael Needler Jr., the chain's chief executive. "The staffing situation started out very tenuous," he said.

In New York state, United Food and Commercial Workers International Union Local 1500 said 1,000 of the 17,000 grocery employees the union usually represents are off the job, either in quarantine, isolation or switched away from grocery work.

Citi Steps Up Exit From Asia Consumers

By DAVE SEBASTIAN
AND JING YANG

Citigroup Inc. agreed to sell its consumer-banking franchises in Indonesia, Malaysia, Thailand and Vietnam to **United Overseas Bank** Ltd., advancing its strategy to exit from most of its retail operations in Asia.

The New York-based bank on Thursday said the deal includes retail-banking and credit-card businesses. With headquarters in Singapore, UOB will pay Citigroup for the net assets of the businesses to be acquired and a premium of \$690 million, Citigroup said.

UOB said the net assets were valued at about 4 billion Singapore dollars, the equivalent of \$3 billion, as of June 2021, and it will acquire about 2.4 million customers.

The final sale price could vary, because of changes to the businesses' net assets. Through this transaction,

Citigroup said it would sharpen its focus on areas including its institutional network in the Asia-Pacific region.

Citigroup in December agreed to sell its consumer-banking business in the Philippines to a local lender and earlier reached a similar deal in Australia. It has opted to wind down its operations in South Korea.

"The sale of these four consumer markets, along with our previously announced transactions, demonstrate our sense of urgency to execute our strategic refresh," Citigroup finance chief Mark Mason said. Peter Babej, the bank's Asia-Pacific chief executive, said in an internal memo to staff that UOB was picked due to its strong culture and regional ambitions.

Citigroup expects the deal to boost tangible common equity by more than \$200 million.

Medical-Device IPOs, Deals Jumped in 2021

By BRIAN GORMLEY

Venture capitalists cashed in on investments in medical-device startups in 2021, selling and taking a record number of them public, industry data show.

Globally, medical-device startups—such as developers of robotic-surgery systems or instruments to treat heart disease—staged 24 IPOs last year, the highest number on record, according to Silicon Valley Bank. Acquirers purchased 22 venture-backed device startups in 2021, also a new high, according to SVB.

Medical-device deal making was below that of the biotechnology industry, where 92 venture-backed startups went public and 14 were acquired in 2021,

according to SVB. In biotech, public investors and acquirers are often willing to bet on early-stage companies, but in devices, companies typically must be more mature before becoming serious candidates to go public or be acquired, analysts said.

Investors and acquirers are seeking medical devices that could improve medical procedures and enable more patients to be treated or monitored remotely as the Covid-19 pandemic pressures hospitals, analysts said.

Strong performance from several medical-device IPOs has encouraged more crossover investors to finance late-stage private companies and prepare them for a public offering, said SVB managing director Jonathan Norris.



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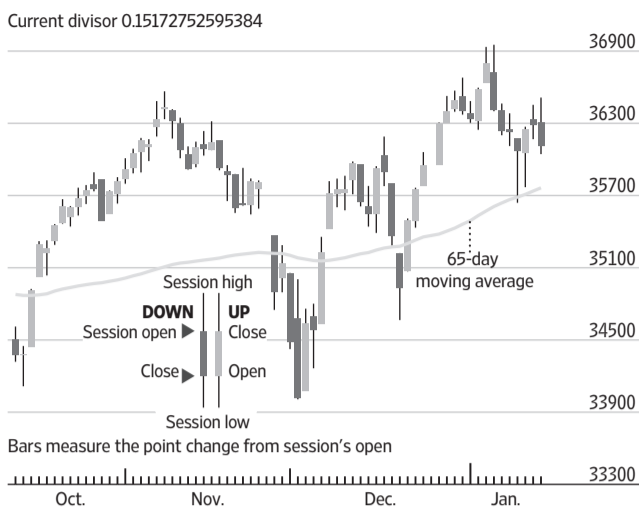
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MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

36113.62 ▼176.70, or 0.49%
 High, low, open and close for each trading day of the past three months.

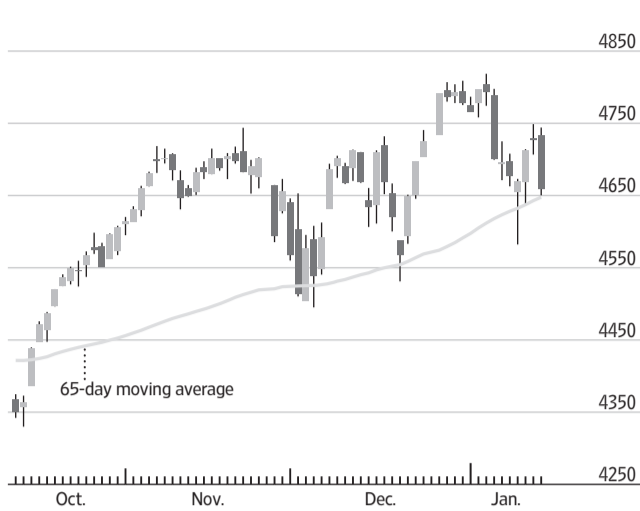


Current divisor 0.15172752595384

*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; †Based on Nasdaq-100 Index

S&P 500 Index

4659.03 ▼67.32, or 1.42%
 High, low, open and close for each trading day of the past three months.

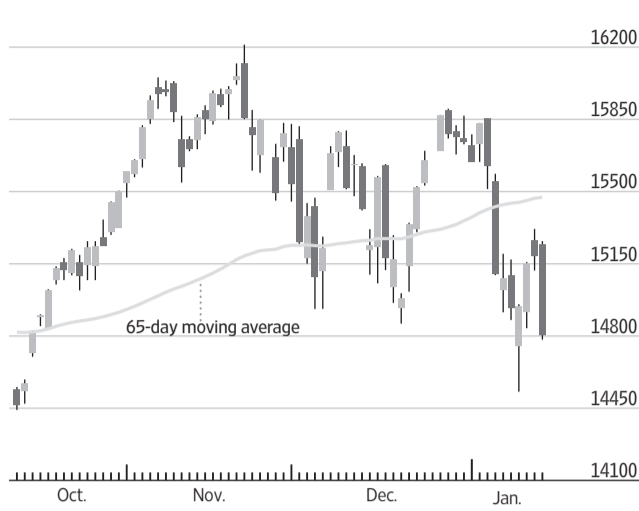


Current divisor 0.15172752595384

*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; †Based on Nasdaq-100 Index

Nasdaq Composite Index

14806.81 ▼381.58, or 2.51%
 High, low, open and close for each trading day of the past three months.



Current divisor 0.15172752595384

*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; †Based on Nasdaq-100 Index

Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD	3-yr. ann.
Dow Jones										
Industrial Average	36513.88	36044.22	36113.62	-176.70	-0.49	36799.65	29982.62	16.5	-0.6	14.6
Transportation Avg	16167.34	15957.43	16004.57	33.47	0.21	17039.38	12087.99	22.1	-2.9	18.5
Utility Average	962.64	953.84	958.98	3.76	0.39	980.78	795.61	12.7	-2.2	10.3
Total Stock Market	48195.67	47212.00	47297.36	-705.51	-1.47	48929.18	39056.49	18.2	-2.7	20.9
Barron's 400	1094.75	1076.15	1078.58	-6.90	-0.64	1127.20	866.20	19.7	-2.5	18.4

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD	3-yr. ann.
Nasdaq Stock Market										
Nasdaq Composite	15259.71	14782.24	14806.81	-381.58	-2.51	16057.44	12609.16	12.9	-5.4	28.5
Nasdaq-100	15990.38	15468.09	15495.62	-409.48	-2.57	16573.34	12299.08	20.1	-5.1	32.9

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD	3-yr. ann.
S&P										
500 Index	4744.13	4650.29	4659.03	-67.32	-1.42	4796.56	3714.24	22.8	-2.2	21.5
MidCap 400	2828.13	2785.31	2791.76	-7.03	-0.25	2910.70	2340.12	14.0	-1.8	16.5
SmallCap 600	1400.14	1377.87	1382.02	0.14	0.01	1466.02	1188.71	12.1	-1.4	15.3

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD	3-yr. ann.
Other Indexes										
Russell 2000	2196.74	2154.46	2159.44	-16.62	-0.76	2442.74	2073.64	0.2	-3.8	14.3
NYSE Composite	17442.54	17230.12	17259.02	-94.75	-0.55	17353.76	14397.20	14.7	0.6	13.4
Value Line	672.54	662.93	664.14	-3.50	-0.52	696.40	579.55	9.7	-1.2	9.6
NYSE Arca Biotech	5266.15	5164.36	5190.28	-57.49	-1.10	6319.77	5190.28	-13.7	-5.9	2.9
NYSE Arca Pharma	813.69	802.15	803.25	-10.44	-1.28	828.58	667.24	13.8	-2.9	12.2
KBW Bank	148.96	147.14	147.56	0.27	0.19	147.56	97.78	33.6	11.6	17.7
PHLX ^S Gold/Silver	132.31	129.95	130.00	-1.89	-1.43	166.01	117.06	-9.1	-1.8	21.9
PHLX ^S Oil Service	64.00	62.38	62.66	0.14	0.22	69.77	46.63	15.2	18.8	-12.7
PHLX ^S Semiconductor	3992.23	3801.43	3811.84	-89.37	-2.29	4039.51	2762.75	24.7	-3.4	46.5
Cboe Volatility	20.61	17.45	20.31	2.69	15.27	37.21	15.01	-12.6	17.9	3.7

§Nasdaq PHLX Sources: FactSet; Dow Jones Market Data

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
SPDR S&P 500	SPY	8,534.5	464.42	-0.11	-0.02	470.65	463.90
SPDR Portfolio Agg Bd	SPAB	5,734.2	29.30	...	unch.	29.30	29.30
Apple	AAPL	4,890.5	172.20	0.01	0.01	172.61	171.95
iShares iBoxx \$ HY Cp Bd	HYG	3,601.1	86.17	...	unch.	86.22	86.16
Schwab US Aggregate Bond	SCHZ	3,556.0	53.20	...	unch.	53.30	53.20
Ford Motor	F	3,171.5	25.35	0.33	1.32	25.39	24.93
SPDR S&P 500 Value	SPYV	3,106.2	42.86	0.30	0.70	42.86	42.45
Gerdau ADR	GGB	3,052.0	5.12	...	unch.	5.16	5.12

Percentage gainers...

Company	Symbol	Last	Net chg	% chg	High	Low	
Thor Industries	THO	131.8	107.00	4.38	4.27	107.00	102.62
Tapestry	TPR	53.8	40.88	1.65	4.20	40.88	39.23
Verity Analytics	VRSK	221.3	210.96	7.85	3.86	210.96	203.11
Amicus Therapeutics	FOLD	63.0	10.26	0.35	3.53	10.35	9.91
Dropbox	DBX	100.9	24.85	0.77	3.20	24.85	23.81

...And losers

Company	Symbol	Last	Net chg	% chg	High	Low	
Perella Weinberg Partners	PWP	131.5	12.00	-0.82	-6.40	12.82	11.57
Orchid Island Capital	ORC	704.1	4.32	-0.26	-5.68	4.60	4.25
Adient	ADNT	52.0	48.00	-1.59	-3.21	49.59	48.00
10x Genomics	TGX	51.1	101.70	-3.12	-2.98	107.37	101.70
Global Blood Therapeutics	GBT	69.5	27.00	-0.73	-2.63	29.20	27.00

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	840,583,724	13,514,102
Adv. volume*	362,152,829	2,012,032
Decl. volume*	471,479,572	11,055,088
Issues traded	3,502	283
Advances	1,585	81
Declines	1,781	182
Unchanged	136	20
New highs	137	6
New lows	103	13
Closing Arms¹	1.14	1.71
Block trades²	4,222	155

*Total volume*4,247,197,857 274,883,049

Adv. volume*1,213,795,911 59,817,739

Decl. volume*3,001,665,500 214,581,947

Issues traded 4,918 1,680

Advances 1,443 398

Declines 3,224 1,260

Unchanged 251 22

New highs 113 106

New lows 431 41

Closing Arms¹ 1.11 0.76

Block trades² 21,403 1,171

*Primary market NYSE, NYSE American NYSE Arca only.

¹(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World	MSCI ACWI	746.67	-6.94	-0.92	-1.1
	MSCI ACWI ex-USA	349.52	0.23	0.07	1.5
	MSCI World	3182.06	-32.13	-1.00	-1.5
	MSCI Emerging Markets	1263.30	-4.04	-0.32	2.5
Americas	MSCI AC Americas	1782.71	-26.74	-1.48	-2.4
Canada	S&P/TSX Comp	21292.96	-102.04	-0.48	0.3
Latin Amer.	MSCI EM Latin America	2201.48	13.08	0.60	3.4
Brazil	BOVESPA	105529.50	-156.16	-0.15	0.7
Chile	S&P IPSA	2939.07	3.00	0.10	4.7
Mexico	S&P/BMV IPC	53930.45	-20.69	-0.04	1.2
EMEA	STOXX Europe 600	486.05	-0.15	-0.03	-0.4
Eurozone	Euro STOXX	479.07	0.26	0.05	0.05
Belgium	Bel-20	4257.13	-7.05	-0.17	-1.2
Denmark	OMX Copenhagen 20	1725.80	-9.59	-0.55	-7.4
France	CAC 40	7201.14	-36.05	-0.50	0.7
Germany	DAX	16031.59	21.27	0.13	0.9
Israel	Tel Aviv	2071.00	15.45	0.75	4.7
Italy	FTSE MIB	27844.45	130.19	0.47	1.8
Netherlands	AEX	791.33	0.89	0.11	-0.8
Russia	RTS Index	1516.99	-95.81	-5.94	-4.9
South Africa	FTSE/JSE All-Share	75925.55	40.80	0.05	3.0
Spain	IBEX 35	8816.90	46.60	0.53	1.2
Sweden	OMX Stockholm	996.82	-2.20	-0.22	-3.9
Switzerland	Swiss Market	12620.44	-50.03	-0.39	-2.0
Turkey	BIST 100	2070.65	6.44	0.31	11.5
U.K.	FTSE 100	7563.85	12.13	0.16	2.4
U.K.	FTSE 250	22958.48	-88.68	-0.38	-2.2
Asia-Pacific	MSCI AC Asia Pacific	196.76	-0.10	-0.05	1.9
Australia	S&P/ASX 200	7474.40	35.50	0.48	0.4
China	Shanghai Composite	3555.26	-42.17	-1.17	-2.3
Hong Kong	Hang Seng	24429.77	27.60	0.11	4.4
India	S&P BSE Sensex	61235.30	85.26	0.14	5.1
Japan	NIKKEI 225	28489.13	-276.53	-0.96	-1.1
Singapore	Straits Times	3257.30	2.32	0.07	4.3
South Korea	KOSPI	2962.09	-10.39	-0.35	-0.5
Taiwan	TAIEX	18436.93	61.53	0.33	1.2
Thailand	SET	1680.02	1.52	0.09	1.4

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Close	Net chg	% chg	High	Low	% chg
Singularity Future Tech	SGLY	5.01	1.03	25.88	12.28	2.09	47.8
Vinco Ventures	BBIG	3.53	0.65	22.57	12.49	1.40	130.7
Dave	DAVE	6.19	0.99	19.04	10.37	4.62	...
G Medical Innovations	GMVD	3.52	0.55	18.52	5.50	0.55	157.2
Babylon Holdings	BBLN	6.82	0.98	16.78	16.00	5.51	...
KB Home	KBH	49.38	7.00	16.52	52.48	34.55	39.9
TPG							

COMMODITIES

[wsj.com/market-data/commodities](https://www.wsj.com/market-data/commodities)

Futures Contracts

Metal & Petroleum Futures						
	Open	Contract High/low	Low	Settle	Chg	Open interest
Copper-High (CMX) -25,000 lbs.; \$ per lb.						
Jan	4.560	4.5640		4.5340	-0.0300	2,015
March	4.5570	4.5770	4.5190	4.5460	-0.0305	118,905
Gold (CMX) -100 troy oz.; \$ per troy oz.						
Jan	1819.80	1823.00	1815.40	1821.20	-6.00	1,593
Feb	1825.70	1827.30	1811.80	1821.40	-5.90	279,038
March	1827.80	1827.80	1814.10	1823.30	-5.80	2,299
April	1828.00	1830.60	1814.30	1823.90	-5.90	184,345
June	1830.10	1832.50	1816.50	1826.00	-5.90	39,374
Aug	1831.60	1834.50	1819.10	1827.70	-6.00	16,091
Palladium (NYM) -50 troy oz.; \$ per troy oz.						
Jan				1886.00	-25.80	2
March	1906.00	1919.00	1861.00	1890.00	-25.80	9,046
Platinum (NYM) -50 troy oz.; \$ per troy oz.						
Jan				971.90	-8.00	53
April	976.80	977.70	961.30	972.20	-7.90	54,259
Silver (CMX) -5,000 troy oz.; \$ per troy oz.						
Jan				23.155	-0.045	387
March	23.190	23.315	23.025	23.162	-0.045	114,496
Crude Oil, Light Sweet (NYM) -1,000 bbls.; \$ per bbl.						
Feb	82.82	82.94	81.39	82.12	-0.52	161,242
March	82.12	82.29	80.91	81.62	-0.40	338,085
April	81.30	81.48	80.17	80.86	-0.32	161,869
June	79.60	79.87	78.63	79.29	-0.21	184,699
Dec	75.08	75.28	74.21	74.79	-0.12	220,055
Dec'23	68.63	68.83	67.98	68.49	0.03	106,283
NY Harbor ULSD (NYM) -42,000 gal.; \$ per gal.						
Feb	2.5988	2.6203	2.5753	2.6085	0.143	87,819
March	2.5492	2.5667	2.5275	2.5568	0.131	85,930
Gasoline-NY RB08 (NYM) -42,000 gal.; \$ per gal.						
Feb	2.3898	2.4034	2.3667	2.3841	-0.067	86,837
March	2.3981	2.4054	2.3709	2.3877	-0.059	86,847
Natural Gas (NYM) -10,000 MMBtu.; \$ per MMBtu.						
Feb	4.791	4.844	4.245	4.270	-0.587	86,453
March	4.296	4.329	3.990	4.005	-0.322	272,457
April	4.127	4.150	3.910	3.938	-0.196	88,719
May	4.137	4.142	3.933	3.958	-0.174	115,893
June	4.167	4.181	3.985	4.011	-0.165	59,014
Oct	4.236	4.238	4.058	4.086	-0.150	82,042

Agriculture Futures						
	Open	Contract High/low	Low	Settle	Chg	Open interest
Corn (CBT) -5,000 bu.; cents per bu.						
March	599.00	599.75	585.25	587.50	-11.50	668,416
May	607.75	601.25	587.00	589.50	-11.25	284,907
Oats (CBT) -5,000 bu.; cents per bu.						
March	643.25	644.00	621.00	623.00	-23.00	2,838
May	618.00	618.00	597.00	597.50	-22.50	433
Soybeans (CBT) -5,000 bu.; cents per bu.						
Jan	1368.00	1370.00	1359.25	1365.25	-26.00	198
March	1399.00	1399.00	1370.75	1377.25	-22.00	297,751
Soybean Meal (CBT) -100 tons; \$ per ton.						
Jan	425.40	425.40	425.40	423.70	-7.30	18
March	415.60	415.90	403.80	408.90	-7.30	184,832
Soybean Oil (CBT) -60,000 lbs.; cents per lb.						
Jan	58.92	59.28	58.66	58.18	-1.10	16
March	59.37	59.58	58.40	58.44	-0.93	145,151
Rough Rice (CBT) -2,000 cwt.; \$ per cwt.						
Jan	14.54	14.54	14.54	14.07	...	1
March	14.23	14.38	14.23	14.26	.01	6,781
Wheat (CBT) -5,000 bu.; cents per bu.						
March	757.00	757.75	741.00	746.75	-11.00	170,425
July	757.75	754.50	737.00	742.50	-12.75	73,827
Wheat (KC) -5,000 bu.; cents per bu.						
March	776.00	777.00	757.75	759.75	-18.25	103,760
July	777.50	778.00	762.00	764.75	-14.25	44,991
Cattle-Feeder (CME) -50,000 lbs.; cents per lb.						
Jan	161.900	162.975	161.575	162.925	1.050	3,060
March	165.150	166.850	165.025	166.725	1.700	20,787
Cattle-Live (CME) -40,000 lbs.; cents per lb.						
Feb	136.850	137.250	136.650	137.000	.425	69,059
April	140.725	141.200	140.550	140.975	.450	122,424
Hogs-Lean (CME) -40,000 lbs.; cents per lb.						
Feb	79.000	79.350	77.050	77.850	-1.000	40,687
April	85.425	85.925	84.025	85.325	-0.75	80,225
Lumber (CME) -110,000 bd. ft.; \$ per 1000 bd. ft.						
Jan	1244.70	1244.70	1217.00	1229.10	17.10	135
March	1308.60	1329.00	1283.90	1329.00	45.00	1,823
Milk (CME) -200,000 lbs.; cents per lb.						
Jan	20.32	20.41	20.31	20.32	-0.06	4,349
Feb	22.45	22.95	21.88	22.20	-0.43	5,033
Cocoa (ICE-US) -10 metric tons; \$ per ton.						
March	2,560	2,629	2,560	2,609	50	83,525
May	2,605	2,664	2,605	2,649	53	44,279
Coffee (ICE-US) -37,500 lbs.; cents per lb.						
March	241.30	242.65	236.35	237.00	-3.85	111,947

Interest Rate Futures						
	Open	Contract High/low	Low	Settle	Chg	Open interest
Ultra Treasury Bonds (CBT) - \$100,000; pts 32nds of 100%						
March	189-180	191-200	189-040	190-260	22.0	1,245,957
June				191-200	24.0	2
Treasury Bonds (CBT) - \$100,000; pts 32nds of 100%						
March	155-240	156-280	155-180	156-170	16.0	1,216,120
June				158-100	16.0	460
Treasury Notes (CBT) - \$100,000; pts 32nds of 100%						
March	128-120	128-270	128-080	128-230	4.5	3,785,854
June				128-190	4.5	2,550
5 Yr. Treasury Notes (CBT) - \$100,000; pts 32nds of 100%						
March	119-200	119-302	119-180	119-272	25	3,821,219
2 Yr. Treasury Notes (CBT) - \$200,000; pts 32nds of 100%						
March	108-226	108-248	108-221	108-243	6	2,028,495
30 Day Federal Funds (CBT) - \$5,000,000; 100% - daily avg.						
Jan	99.9175	99.9200	99.9175	99.9175	142.311	
Jan	99.4200	99.4300	99.4150	99.4300	210.023	
10 Yr. Del. Int. Rate Swaps (CBT) - \$100,000; pts 32nds of 100%						
March				99-090	5.0	74,212
Eurodollar (CME) - \$1,000,000; pts of 100%						
Jan	99.7600	99.7625	99.7600	99.7625	...	368,187
March	99.5900	99.5950	99.5800	99.5900	...	1,020,448
Dec	98.7650	98.8050	98.7650	98.7950	...	1,273,774
Dec'23	98.1300	98.1950	98.1150	98.1800	.0250	1,157,428

Currency Futures						
	Open	Contract High/low	Low	Settle	Chg	Open interest
Japanese Yen (CME) - ¥12,500,000; \$ per 100¥						
Jan	.8721	.8772	.8719	.8767	.0024	1,628

Index Futures						
	Open	Contract High/low	Low	Settle	Chg	Open interest
Canadian Dollar (CME) - CAD 100,000; \$ per CAD						
Jan	.8000	.8030	.7987	.8008	.0007	850
March	.7995	.8029	.7986	.8006	.0008	133,872
British Pound (CME) - £62,500; \$ per £						
Jan	1.3710	1.3748	1.3702	1.3720	.0008	1,422
March	1.3700	1.3745	1.3696	1.3716	.0008	188,889
Swiss Franc (CME) - CHF 125,000; \$ per CHF						
March	1.0957	1.1015	1.0947	1.0998	.0033	39,684
June	1.1005	1.1048	1.0981	1.1031	.0033	122
Australian Dollar (CME) - AUD 100,000; \$ per AUD						
Jan	.7280	.7314	.7274	.7291	-0.001	303
March	.7285	.7316	.7275	.7292	-0.001	181,237
Mexican Peso (CME) - MXN 500,000; \$ per MXN						
Jan	.04912	.04920	.04900	.04924	.00012	12
March	.04864	.04881	.04851	.04878	.00014	137,704
Euro (CME) - €125,000; \$ per €						
Jan	1.1443	1.1482	1.1437	1.1462	.0011	3,392
March	1.1456	1.1495	1.1449	1.1475	.0011	682,612

Index Futures						
	Open	Contract High/low	Low	Settle	Chg	Open interest
Mini DJ Industrial Average (CBT) - \$5 x index						
March	36179	36390	35921	35989	-171	93,188
June	36036	36306	35845	35901	-173	209
Mini S&P 500 (CME) - \$50 x index						
March	4719.25	4736.25	4642.50	4652.00	-64.25	2,209,997
June	4711.25	4728.00	4634.00	4644.25	-64.25	51,652
Mini S&P Midcap 400 (CME) - \$100 x index						
March	2793.30	2821.90	2777.90	2784.40	-6.10	42,219
June	2794.40	-6.10	n.a.
Mini Nasdaq 100 (CME) - \$20 x index						
March	1590.10	15979.75	15458.25	15490.25	-397.00	216,617
June	15889.50	15973.00	15455.00	15487.50	-396.50	1,462
Mini Russell 2000 (CME) - \$50 x index						
March	2176.50	2197.50	2148.80	2155.50	-17.60	457,233
Mini Russell 1000 (CME) - \$50 x index						
March	2616.90	2620.10	2567.40	2570.50	-39.40	16,115
U.S. Dollar Index (ICE-US) - \$1,000 x index						
March	94.98	95.01	94.64	94.78	-0.13	54,170
June	94.92	94.95	94.62	94.72	-0.13	1,011

Source: FactSet

Cash Prices | [wsj.com/market-data/commodities](https://www.wsj.com/market-data/commodities)

Thursday, January 13, 2022

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

	Thursday	Thursday	Thursday
Energy			
Coal,C.Aplc.,12500Btu,1.2502-r,w	86.550		
Coal,Pwdr/RvRBSn,8800Btu,0.8502-r,w	28.050		
Metals			
Gold, per troy oz			
Engelhard industrial	1823.00		
Handy & Harman base	1820.35		
Handy & Harman fabricated	2020.59		
LBMA Gold Price AM	*1816.40		
LBMA Gold Price PM	*1821.40		
Kruggerand,wholesale-e	1893.89		
Maple Leaf-e	1912.10		
American Eagle-e	1912.10		
Mexican peso-e	2203.64		
Austria crown-e	1787.99		
Austria phil-e	1912.10		
Silver, troy oz.			
Engelhard industrial	23.2500		
Handy & Harman base	23.1850		
Handy & Harman fabricated	28.9810		
LBMA spot price (U.S.\$ equivalent)	*16.6800		
Coins,wholesale \$1,000 face-a	19029		
Other metals			
LBMA Platinum Price PM	*982.0		
Platinum,Engelhard industrial	980.0		
Palladium,Engelhard industrial	1910.0		
Aluminum, LME, \$ per metric ton	*3003.		

MARKETS

Tech Sector Drives Down Stock Indexes

Nasdaq closes at lowest level since October; focus shifts to bank earnings

By KAREN LANGLEY AND ANNA HIRTENSTEIN

A decline in technology stocks dragged down major stock indexes, leaving the Nasdaq Composite at its lowest close since October.

Technology stocks have come under pressure in the new year as government-bond yields have risen. Higher yields can reduce the appeal of the future earnings promised

by many tech stocks. **THURSDAY'S MARKETS** The S&P 500 fell 67.32 points, or 1.4%, to 4659.03. The Dow Jones Industrial Average dropped 176.70 points, or 0.5%, to 36113.62. The tech-heavy Nasdaq Composite slumped 381.58 points, or 2.5%, to 14806.81.

The largest U.S. stocks helped pull the market lower, with **Apple** shares falling \$3.34, or 1.9%, to \$172.19, and **Microsoft** shares sliding \$13.47, or 4.2%, to \$304.80.

The technology sector fell 2.7%, making it the worst-performing group in the S&P 500. The decline brought the tech segment's year-to-date losses to 5.6%.

The yield on the benchmark 10-year U.S. Treasury note ticked down to 1.708% from 1.724% Wednesday. It remains well above the 1.496% at which it finished 2021. Bond yields rise as prices fall.

When yields on longer-term bonds move higher, "you tend to reprice those growth stocks," said Tom Hainlin, national investment strategist at U.S. Bank Wealth Management. "If you increase that interest rate, that puts pressure on your present value of those companies."

Trading has been choppy in recent days as investors consider the path forward for



The technology sector fell 2.7%, making it the worst-performing group in the S&P 500. Apple shares lost 1.9% on the day.

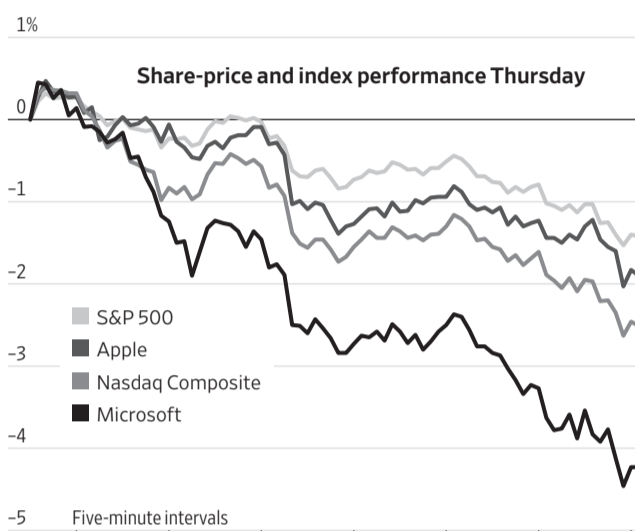
stocks. The S&P 500, which gained 27% last year, is down 2.2% so far in 2022.

Investors are keeping a close watch on any developments that could affect the Federal Reserve's calculations about tightening monetary policy to counter inflation. Central-bank officials have signaled that an interest-rate rise could come as soon as March. James Bullard, president of the Federal Reserve Bank of St. Louis, said Wednesday that four rises were likely in 2022.

Federal Reserve governor Lael Brainard told Congress on Thursday that efforts to reduce inflation are the central bank's "most important task." Ms. Brainard is the White House's nominee to serve as the Fed's No. 2 official.

"Our monetary policy is focused on getting inflation back down to 2% while sustaining a recovery that includes everyone," Ms. Brainard said.

"The main story is the market view on the central bank's



Source: FactSet

next steps. The market is balancing two things: less support from monetary policy, but overall the underlying economy is good, and we think the earnings figures that will start to come out now will be quite

strong," said Luc Filip, head of investments at SYZ Private Banking.

Investors on Thursday examined data showing that filings for jobless claims rose to a seasonally adjusted 230,000

last week, higher than economists had expected. A tight U.S. labor market has kept applications near pre-pandemic lows for the past two months.

Other data showed signs of possible easing in inflationary pressures in the U.S. supply chain. The Labor Department said its producer-price index rose 0.2% in December from the prior month, the slowest pace since November 2020.

"It fits into a larger narrative that inflation is likely peaking this quarter," said Jack Ablin, founding partner and chief investment officer at Crescent Capital.

Earnings season kicks off this week, with major financial companies including **BlackRock**, **Citigroup**, **JPMorgan** and **Wells Fargo** set to report Friday. Investors are on edge after **Jefferies Financial Group** posted revenue and earnings that missed analysts' estimates Wednesday, said Jeffrey Meyers, a consultant at Market Securities.

Analysts expect that profits from companies in the S&P 500 rose 22% in the fourth quarter from a year earlier, according to FactSet.

Delta Air Lines rose 86 cents, or 2.1%, to \$41.47, although the company posted a quarterly loss, after the airline's chief executive said he expected it to quickly recover from the effects of the Omicron variant.

Home builder **KB Home** climbed \$7, or 17%, to \$49.38 after its earnings exceeded analysts' expectations.

Overseas, the pan-continental Stoxx Europe 600 fell less than 0.1%.

In Asia, the Shanghai Composite Index lost 1.2% Thursday on concerns about China's latest Covid-19 outbreak after the port city of Tianjin reported higher infections.

Early Friday, the Chinese benchmark was down 0.3%, Japan's Nikkei 225 was down 1.9% and Hong Kong's Hang Seng Index was down 0.7%. S&P 500 futures were down 0.1%.

AUCTION RESULTS

Here are the results of Thursday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

FOUR-WEEK BILLS	
Applications	\$163,005,705,400
Accepted bids	\$54,305,899,400
* noncompetitively	\$674,035,400
* foreign noncompetitively	\$0
Auction price (rate)	99.996889 (0.040%)
Coupon equivalent	0.041%
Bids at clearing yield accepted	42.63%
Cusip number	912796884
The bills, dated Jan. 18, 2022, mature on Feb. 15, 2022.	

EIGHT-WEEK BILLS	
Applications	\$139,230,126,000
Accepted bids	\$43,444,501,000
* noncompetitively	\$151,368,400
* foreign noncompetitively	\$0
Auction price (rate)	99.992222 (0.050%)
Coupon equivalent	0.051%
Bids at clearing yield accepted	18.79%
Cusip number	912796583
The bills, dated Jan. 18, 2022, mature on March 15, 2022.	

29-YEAR, 10-MONTH BONDS	
Applications	\$55,327,474,400
Accepted bids	\$25,529,881,900
* noncompetitively	\$2,352,200
* foreign noncompetitively	\$0
Auction price (rate)	95.566819 (2.075%)
Interest rate	1.875%
Bids at clearing yield accepted	71.09%
Cusip number	912810784
The bonds, dated Jan. 18, 2022, mature on Nov. 15, 2051.	

Fund to Invest in Healthcare, Technology

By PREETI SINGH

Welsh Carson Anderson & Stowe is back on the fundraising trail with a goal of collecting at least \$5 billion to invest in healthcare and technology companies, documents show.

The firm hasn't set an upper limit for the latest fund, WCAS XIV LP, and expects to hold a first close this month, according to documents prepared for a Wednesday meeting of the Connecticut Retirement Plans and Trust Funds' investment council.

The firm expects to com-

mit at least \$200 million to the fund, the documents show.

Connecticut State Treasurer Shawn Wooden, who has final say over the pension system's investments, is considering a commitment of as much as \$150 million to the new fund.

If Welsh Carson meets its target, the latest fund would be about 16% larger than the New York firm's 13th main fund, which secured \$4.3 billion and closed in July 2019. Connecticut committed \$125 million to that vehicle and \$450 million in all to prior

WCAS funds, the documents show.

The latest fundraising efforts follow a leadership

\$5B

Welsh Carson's target amount for new fund

transition at Welsh Carson.

Last year, Anthony de Nicola moved to chairman from co-managing partner, leaving

Scott Mackesy as sole managing partner after he had served as co-managing partner since 2015.

Welsh Carson invests in midsize companies and expects to build its portfolio through the new fund with a mix of buyouts, growth equity and buy-and-build investments in healthcare and technology businesses, the documents show.

The firm expects to back 14 to 16 U.S.-based companies valued from \$250 million to \$1.5 billion with checks of \$250 million to \$500 million from the new fund.

With its \$3.33 billion 12th main fund, which Welsh Carson launched in 2015, the firm produced a net internal rate of return of 32% and a return of 2.5 times invested money by the end of September, according to the documents.

Welsh Carson had a sizable unrealized portfolio of 25 investments as of Oct. 19, with all held at or above initial cost, the documents show.

Since inception, Welsh Carson has made 136 investments in technology and 100 in healthcare, totaling \$20 billion, the documents show.

TPG Rises By 15% In Market Debut

By MIRIAM GOTTFRIED AND CORRIE DRIEBUSCH

Shares of **TPG Inc.** rose 15% in their stock-market debut Thursday, notching a valuation of roughly \$10.4 billion for the private-equity firm and marking a positive sign for the IPO market.

The stock opened at \$33, up 12% from its initial-public-offering price and closed at \$34, On Wednesday, the company and an existing investor raised \$1 billion by selling stock in its initial public offering.

The shares had priced at \$29.50, the midpoint of TPG's projected range of \$28 to \$31. That valued TPG at around \$9 billion. The firm was hoping for a \$10 billion valuation when The Wall Street Journal reported in June that TPG was weighing going public.

TPG's first-day trading performance is a good signal for the IPO market, though some investors and bankers cautioned it isn't a perfect measure. While TPG appealed to growth investors, they said, it isn't a technology company, the sector of the IPO market that took a hit at the end of 2021.

"This is an old-style IPO," said TPG Executive Chairman Jim Coulter, who co-founded the company 30 years ago. "That style doesn't depend on meme stocks. It's about quality, long-term positioning."

In December, about two out of every three traditional IPOs that happened in 2021 were trading below their IPO prices. As of Tuesday, the class of IPOs had fallen 17% on average from their offer prices, according to Dealogic.

Next up for the IPO market is a slate of high-profile companies that have filed paperwork with the Securities and Exchange Commission but have yet to formally pitch their shares to investors. That includes food company **Chobani Inc.** and social-media platform **Reddit Inc.**

Goldman Extends Delay in Return To Office Until Feb. 1

By CHARLEY GRANT

Goldman Sachs Group Inc. again delayed its plans to bring employees back to the office, in response to the spread of the Omicron Covid-19 variant.

The bank told employees in an email that they could work from home until Feb. 1, a company spokeswoman said Thursday. Goldman had instructed its workers earlier this month to return on Jan. 18.

Goldman had been among the more aggressive banks about returning to in-person

work and had largely full offices as recently as last month, but Omicron forced a temporary rethink of those plans.

The bank has required Covid-19 vaccines for workers and visitors to its offices since last summer and is doubling down on those efforts.

Goldman said last month it would require eligible employees and visitors to receive a booster shot starting in February.

Employees who do work from the office are also required to test for the virus twice a week.



Goldman Sachs requires vaccines for workers and visitors. Its building is in Lower Manhattan.

Exchange-Traded Portfolios | WSJ.com/ETFResearch

Largest 100 exchange-traded funds, latest session			
Thursday, January 13, 2022			
ETF	Symbol	Closing Price	Chg YTD (%)
ARK InnovationETF	ARKK	79.98	-5.42 -15.4
CnsmrDiscSlSector	XLY	197.44	-2.01 -3.4
DimenUSCoreEq2	DFAC	28.56	-0.83 -1.4
EnSlectSectorSPDR	XLE	63.03	-0.51 -13.6
FinSlectSectorSPDR	XLF	41.26	-0.39 5.7
GSActiveBetaUSLC	GSCL	92.44	-1.39 -2.8
HealthCareSelSect	XLV	134.30	-1.55 -4.7
IndSelSectorSPDR	XLI	106.49	0.22 0.6
InvsCQQQ	QQQ	377.66	-2.50 -5.1
InvsS&P500EW	RSP	161.86	-0.46 -0.5
ISHCoreDivGrowth	DGR	55.59	-0.52 -0.0
ISHCoreMSCIEAFE	IEFA	74.88	-0.77 0.3
ISHCoreMSCIEM	IEMG	61.19	-1.42 2.2
ISHCoreMSCITotnt	IVV	71.59	-0.84 0.9
ISHCores&P500	IUX	466.59	-1.37 -2.2
ISHCores&P500	IYH	278.08	-0.27 -1.8
ISHCores&P500	IUR	112.97	-0.09 -1.3
ISHS&PTotUSStkMkt	ITOT	104.16	-1.43 -2.6
ISHCoreTotalUSDBd	USB	52.27	0.08 -1.2
ISHCoreUSAggBd	AGG	112.80	0.18 -1.1
ISHSelectDividend	DVY	127.28	0.34 3.8
ISHESGAwareUSA	ESGU	104.93	-1.54 -2.8
ISHEdgeMSCIMinUSA	ESMV	77.91	-1.02 -3.7
ISHEdgeMSCIUSAQual	QUAL	172.83	-2.79 -4.9
ISHEdgeMSCIUSAVal	QUAL	139.16	-1.43 -4.4
ISHGoldTr	IAU	114.34	0.26 4.4
ISHBoxxSHVGrCpBd	LQD	130.31	0.32 -1.7
ISHBoxxSHVHYCpBd	HYG	86.17	-0.36 -1.0
ISHJPMUSDEmgBd	EMB	105.86	-0.34 -2.9
ISHMBSETF	MBB	106.24	-0.05 -1.1
ISHMSCIACWI	ACWI	104.44	-1.34 -1.3
ISHMSCIEAFE	EFA	79.08	-0.73 0.5
ISHMSCIEAFESC	SCZ	72.54	-0.77 -0.8
ISHMSCIEmgMarkets	EEM	50.13	-1.42 2.6
ISHMSCIEAFEValue	EFV	53.18	0.21 5.5
ISHNatMuniBd	MUB	115.42	0.07 -0.7
ISH1-5YIGCorpBd	IGSB	53.62	0.07 -0.5
ISHPRGIncm	PFF	38.85	-0.08 -1.5
ISHRussell1000Gwth	IWF	287.57	-2.49 -5.9
ISHRussell1000	IWB	257.71	-1.45 -2.5
ISHRussell1000Val	IWD	169.81	-0.41 1.1
ISHRussell2000	IWM	214.01	-0.92 -3.8
ISHRussell2000Val	IWN	165.60	-0.20 -0.3
ISHRussellMid-Cap	IWR	80.36	-1.12 -3.2
ISHRussellMCGrowth	IWS	122.47	-0.26 0.1
ISHS&P500Value	IYW	79.22	-2.50 -5.3
ISHS&P500Value	IYV	158.77	-0.18 1.4
ISHTIPSBondETF	TIP	126.48	0.02 -2.1
ISH1-3YTreasuryBd	SHY	85.28	0.05 -0.3
ISH1-10YTreasuryBd	IEF	113.36	0.32 -1.4
ISH20+YTreasuryBd	TLT	144.28	0.89 -2.6
ISHRussellMCGrowth	IWP	104.80	-2.67 -9.0
ISHUSTreasuryBdETF	GOVT	26.14	-0.27 -2.0
JPMULTSHIncm	JPST	50.46	0.04 0.0
ProSHUTPRQQQ	TQQQ	70.80	-7.26 -14.9
SPDR Gold	GLD	170.16	-0.34 -0.5
SPDRS&P500Growth	SPY	39.18	-0.73 -0.8
SchwabIntEquity	SCHF	110.02	-1.44 -2.6
SchwabUS BrdMkt	SCHB	81.79	-0.13 1.2
SchwabUS Div	SCHD	110.90	-1.49 -2.6
SchwabUS LC Grw	SCHX	153.19	-2.83 -6.4
SchwabUS SC	SCHA	99.21	-0.78 -3.1
Schwab US TIPS	SCHP	61.62	0.08 -2.0
SPDR DJIA Tr	DIA	361.20	-0.48 -0.6
SPDR S&P MidCpTr	MDY	508.33	-0.28 -1.8
SPDR S&P 500	SPY	464.53	-1.38 -2.2
SPDR S&P Div	SDY	130.63	0.31 1.2
TechSelectSector	XLK	164.37	-2.59 -5.5
VangdInfoTech	VGT	430.00	-2.83 -6.1
VangdSCVal	VRD	180.72	0.18 1.0
VangdExtMkt	VXF	173.33	-1.73 -5.2
VangdExtMkt	VBK	259.96	-2.08 -7.7
VangdDivApp	VIG	167.82	-0.72 -2.3
VangdFTSEDevMk	VEA	51.35	-0.72 0.6
VangdFTSE EM	VWO	50.59	-1.25 2.3
VangdFTSE Europe	VGK	68.48	-0.74 0.4
VangdFTSEAWXUS	VEU	62.04	-0.83 1.2
VangdGrowth	VUG	300.48	-2.64 -6.4
VangdHlthCr	VHT	251.40	-1.73 -5.6
VangdHDiv	VYM	114.85	-0.14 2.4
VangdIntrCorpBd	VCIT	91.60	0.19 -1.3
VangdLTC	VV	214.52	-1.54 -2.9
VangdMC	VO	244.84	-1.25 -3.9
VangdMBC	VOE	152.60	0.05 1.0
VangdMBS	VMBS	52.29	0.00 -1.5
VangdRealEst	VNQ	110.47	-0.20 -4.8
VangdS&P500ETF	VOO	427.10	-1.38 -2.2
VangdST Bond	BSV	80.45	0.06 -0.5
VangdSTCpBd	VCSH	80.86	0.05 -0.5
VangdSTMinfltn	VTIP	51.13	0.02 -0.5
VangdSC	VB	220.13	-0.80 -2.6
VangdTaxExemptBd	VTEB	54.49	0.04 -0.8
VangdTotalBd	BND	83.77	0.17 -1.2
VangdTotalHd	BNDX	54.91	0.16 -0.5
VangdTotalHStk	VXUS	64.14	-0.87 0.9
VangdTotalStk	VTI	234.93	-1.46 -2.7
VangdTotlWrld	VT	106.13	-1.24 -1.2
VangdValue	VTV	150.02	-0.21 2.0

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Old Chips Attract Some Big Checks

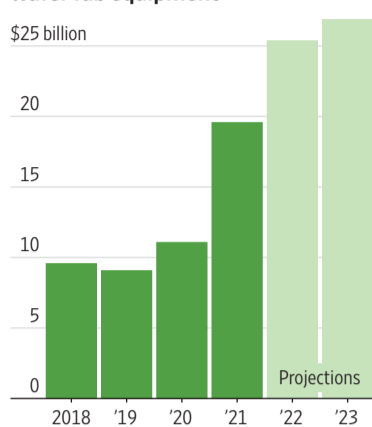
Trailing-edge manufacturing processes benefit from blowout capital spending to address shortages

Chip making is an expensive undertaking. For those figuring out how to make it less so, the continuing shortage has been even more painful.

The past year has brought an explosion in capital spending by the companies that manufacture semiconductor products. The biggest numbers have come at the top of the pyramid: **Taiwan Semiconductor Manufacturing**, or TSMC, reported Thursday that capital expenditures for 2021 totaled \$30 billion—up 66% from the previous year and nearly triple the company's average over the previous five, according to FactSet. **Intel Corp.** and the semiconductor side of **Samsung** are likewise expected to report double-digit jumps in capital spending for the year, with the total bill for the three projected to come in around \$80 billion.

TSMC, Intel and Samsung focus on the most advanced manufacturing technologies, often referred to as leading edge. That means the three account for the majority of the industry's capital expenditures. But TSMC does a substantial amount of work at the so-called trailing edge, where older production processes and tools are used to produce less expensive chips. Based on data reported Thursday, half of TSMC's revenue in 2021 came from what are considered

Annual spending on trailing-edge wafer fab equipment

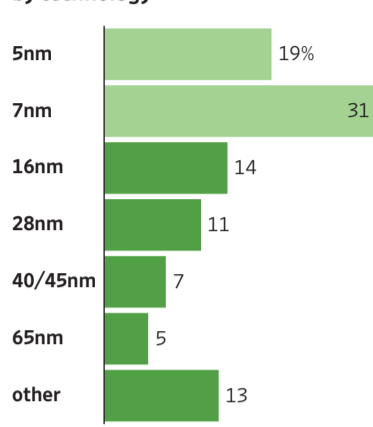


*16-nanometer and higher are considered mature manufacturing nodes
Sources: VLSI Research (spending); the company (Share of revenue)

“mature” processes. The company said in its conference call that it expects to spend 10% to 20% of its planned capital budget of \$40 billion to \$44 billion this year on those older processes.

Companies that use trailing-edge processes almost exclusively to produce their designs aren't being spared the bill pain either. Capital expenditures for **Texas Instruments**, **NXP Semiconductor**, **ON Semiconductor**, **Analog Devices** and **Microchip Technology** are estimated to have surged an average of 122% in 2021, according to FactSet data. Expenditures as a

TSMC's share of 2021 revenue by technology*



percentage of revenue for those five is estimated to average 7% in 2021 compared with a historical average of 5%.

Trailing-edge chips include everything from microcontrollers used in cars to power-management circuits used in household appliances. They command much lower price tags than, for example, the artificial-intelligence processors used in data centers. So the business models of trailing-edge producers rely on using older equipment—often fully depreciated. But the shortage has made such gear hard to come by, which gives com-

panies such as **Applied Materials** the opportunity to sell new gear designed for mature production processes. Applied Materials Chief Executive Gary Dickerson says this segment now accounts for about half of the company's foundry/logic revenue, which jumped 46% to \$9.8 billion for the fiscal year ended Oct. 31.

That still isn't enough. Scarcity of the necessary gear exacerbated the impact of the chip shortage on these product segments. Lead times—measuring how long it takes between when a chip is ordered and when it is delivered to the customer—hit nearly 33.9 weeks in December for microcontrollers compared with the chip industry's average of 25.8 weeks, according to the latest research from Susquehanna. Analyst Christopher Rolland noted that some microcontroller unit buyers are being quoted lead times of more than a year.

Like TSMC and Intel, trailing-edge chip makers are working on expanding their manufacturing abilities. Texas Instruments is spending about \$6 billion to build a new fab in Richardson, Texas, and is planning to drop another \$3 billion equipping one in Lehi, Utah, that it bought from **Micron Technology** last year. Those two facilities are scheduled to start coming online late this year and early next, respectively. Analog Devices

is scaling up a facility in Oregon that it inherited with its acquisition of Maxim Integrated Products last year. And **GlobalFoundries**, which went public in October, said in its last quarterly call that it plans to use the majority of the \$1.5 billion raised in the offering for “capacity expansion plans to meet robust customer demand.”

Such decisions are easy to make now with sales booming from unfilled demand. The 30 companies on the PHLX Semiconductor Index averaged 32% revenue growth for their most recent trailing 12-month periods compared with average growth of 11.5% the year before, according to data from S&P Global Market Intelligence.

The risk, of course, is if demand cools before new capacity is fully used. Analysts for UBS predicted in a report earlier this month that trailing-edge chip makers could be in a state of “foundry oversupply” next year, hurting gross margins. Unused manufacturing capacity can get expensive for chip makers; Micron said the Utah facility it sold had been incurring around \$400 million a year in “underutilization charges.”

Chip makers pouring billions into new capacity will need to strike a delicate balance—even when they can sell everything they make.

—Dan Gallagher

China's Economy Is Skewed By Too Many Boys

China is once again in the throes of a determined government attempt to rein in housing prices, boost domestic consumption and reduce dependence on the outside world. Why is this all so hard?

There are many answers, but some researchers are increasingly focusing on one intriguing piece of the puzzle: China has far too many young men relative to women, and that distorts its economy in subtle and powerful ways. The combination of China's now-abandoned one-child policy, originally imple-

mented in the 1980s, and a traditional preference for male children has pushed China's sex ratio continually higher. In the late '90s there were roughly equal numbers of men and women in their 20s, but by 2020 there were about 111 men for every 100 women, according to official data.

Moreover, some of these economic distortions might have been amplified by another trend: a widening pay and workforce participation gap between men and women. China has a smaller gender wage gap than most upper-middle-income countries, according to data from the World Economic Forum, but it is still substantial. In the last several years, researchers have started investigating what all this could mean—not just for male lonely hearts, but for the Chinese economy as a whole. One conclusion is that the impact on housing prices, in particular, might have been very substantial since men are often expected to own an apartment in order to marry.

A 2017 analysis by economists including Shang-Jin Wei of Columbia, formerly chief economist of the Asian Development Bank, found that housing prices were significantly higher, relative to income, in Chinese cities where sex ratios were more skewed. The



The country has too many young men relative to women. A couple poses for a photo before their wedding in Beijing.

economists' model suggests that the rising sex ratio might have accounted for more than 30% of the gain in real housing prices in major Chinese cities from 2003 to 2009. A separate 2020 paper from economists at the University of Birmingham using 2011 and 2013 data found that families with sons of marriageable age were more likely to acquire multiple houses, especially in areas with highly skewed sex ratios.

The relentless pressure on young men and their families to buy housing is likely also related to China's stubbornly high household savings rate and low consumption levels—particularly since that pressure is combined with a labor market that persis-

tently undervalues female workers. Urban female employees made an average of 6,487 yuan, or \$1,019, monthly in 2020, according to recruitment website Zhipin, which was 75.9% of the average for men. In the U.S., female employees make about 82% of the median male wage, while the figure for members of the Organization for Economic Cooperation and Development as a whole was 87.5% in 2019 according to the group's data.

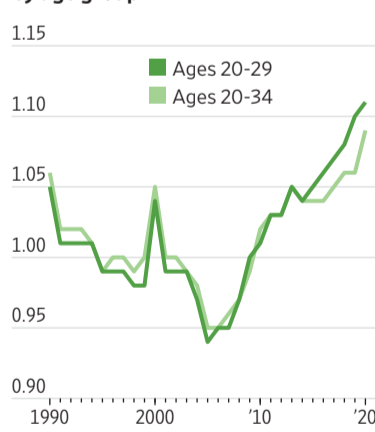
If men and families with sons are overrepresented in China's population as a whole, earn most of the country's income, and are under huge pressure to save to compete in the marriage market, it is perhaps unsurprising that

China as a whole saves quite a lot of what it earns.

To be sure, many other factors are also at play including, until recently, a low dependency ratio, a weak social safety net and widespread financial repression, which makes it difficult to build up savings through interest income. But as Beijing cautiously dials back its full frontal assault on the housing sector—and housing sales show signs of a tentative rebound—it is worth remembering how deep and powerful the cultural, demographic and financial forces are that Beijing is confronting as it tries to wrestle the Chinese economy onto a more productive, less housing-centric path.

—Nathaniel Taplin

Sex ratio in China (men per women), by age group



Source: CEIC

Private-Equity Classic TPG Might Still Have Some Fizz

Big private-equity firms have outgrown that label, but investors can now buy something closer to a purebred.

TPG is the latest firm with roots in private equity to list its shares—they began trading on Thursday and rose 15% from their offering price. It will be something of a unique play among publicly traded alternative-investment managers, as they are now often known, in that it is still largely in the private-equity business. Roughly 80% of its assets under management are in private-equity strategies, which is high among large publicly traded peers, according to figures compiled by Autonomous Research analyst Patrick Davitt. Firms such as **Apollo Global Management**, **Blackstone**, **Carlyle Group** and **KKR & Co.** these days have relatively more exposure to other alternative assets such as credit and real estate.

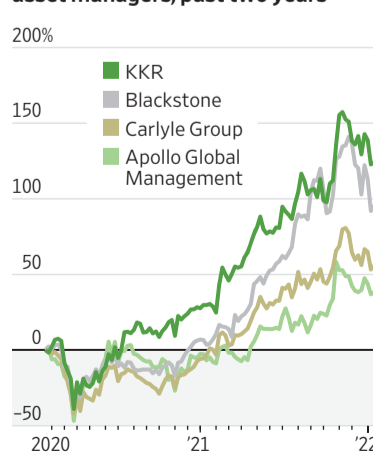
This kind of diversification has many benefits, and investors have largely rewarded the expansion in

the kinds of funding and breadth of products at Apollo, Blackstone and others. But it also has been a very good time to be in the private-equity business and might still be for a while, depending on broader financial conditions.

A buoyant stock market has boosted the ability of firms to exit investments, along with the performance fees and other gains that come with those exits. Plus, it also remains a business that generates a lot of steady earnings. The portion of TPG's earnings that are related to fees, rather than performance-related gains, is high compared with peers. Fee-related earnings were about 55% of its pretax distributable earnings through the first three quarters of 2021, according to the initial public offering prospectus. Investors tend to value these fee earnings more highly than income related to exits.

Of course the future is also what concerns investors. Fees are prized because they aren't directly dependent on market performance

Stock performance of alternative-asset managers, past two years



Source: FactSet

of investments. But their growth must be fueled by fundraising and adding fee-paying assets under management. Exiting investments and returning money to limited partners also means you have to replace those fees. TPG doesn't yet

have the scale of perpetual-capital vehicles—like retail funds or pools of insurance money—that some peers have recently built. Those don't rely on regular fundraising. So investors might be more skeptical of TPG's ability to navigate cycles.

That could be a negative mark on TPG's valuation. By the same token, though, it also means TPG has the opportunity to add permanent capital and its stock can tack on some of the multiple expansion others have. Investors could make a bet not just on TPG's existing business but on upside beyond what is implied by its anticipated pace of fundraising and deployment. Similarly, the continuing evolution of private-equity firms still has a big catalyst ahead of it: Inclusion in major indexes like the S&P 500. It is possible the whole sector will get a boost if one of them is finally added to the widely followed benchmark.

Investors also should keep in mind that not all “private equity”

strategies are old-school leveraged buyouts. There could be lots of growth in certain areas. TPG has high exposure to faster-growing environmental, social and governance, or ESG, investment via its Impact platform. Impact represented about 12% of total assets under management as of the third quarter. This also applies to growth-style private equity, which often involves backing younger companies such as Airbnb. TPG's Growth platform represented about 20% of AUM. Exposure to those areas might be enticing to some investors.

There are looming macro questions for the private-equity industry, including what effect rising rates and a less accommodative Federal Reserve might have on exits. At the same time, market dislocation also tends to create longer-term opportunities that could bolster fundraising efforts. Investors willing to be on that ride might view TPG as a good vehicle.

—Telis Demos



\$7 Million
Mary Trump
buys a condo
in downtown
Manhattan. **M10**

MANSION

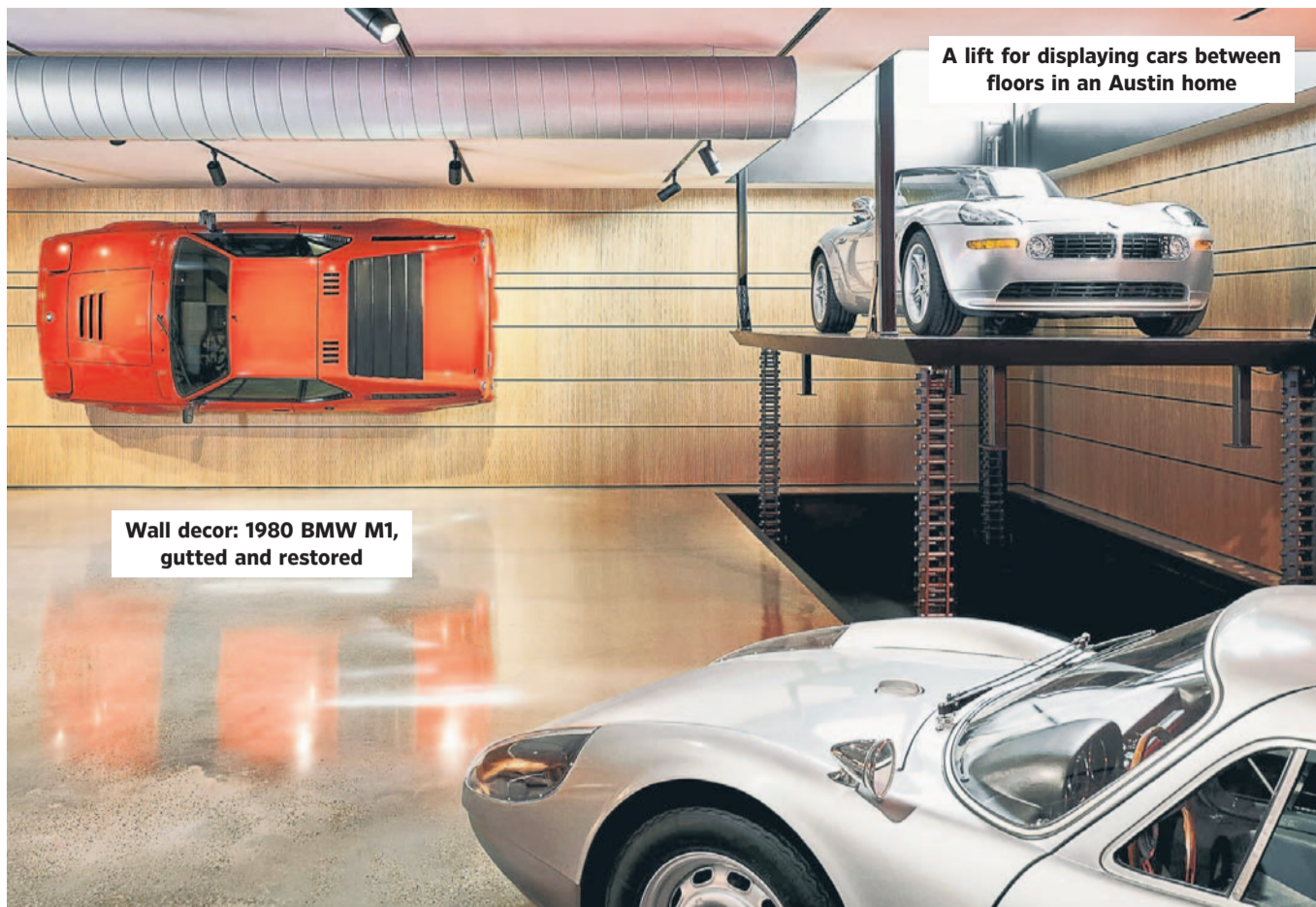
\$29 Million
Justin Timberlake
sells his New
York City
penthouse. **M3**



HOMES | MARKETS | PEOPLE | REDOS | SALES

THE WALL STREET JOURNAL.

Friday, January 14, 2022 | **M1**



A lift for displaying cars between floors in an Austin home

Wall decor: 1980 BMW M1, gutted and restored



Ceiling cost: \$250-\$350 a square foot

A Montana home's ceiling is covered with old printing plates from a former family business.

The Home Showstopper

Designers help bring personal, sometimes quirky, collections out of storage rooms and into living spaces

BY ALINA DIZIK

Homeowners feeling pressure to clear out their clutter are taking a different route when that jumble includes a personal collection: committing to a proper display.

A sizable collection can set the tone for a home's entire design, says Goil Amornvivat, a New York designer who has worked with clients' amassed dolls, sculptures and textiles. He uses custom shelving, nooks and lighting to emphasize smaller pieces and finds the right space for larger pieces throughout living areas.

"When the client comes to us with a collection, we take it seriously," he says. "It's a part of who they are, and we really want it to reflect that." Here are examples of how some designers work to integrate private collections:

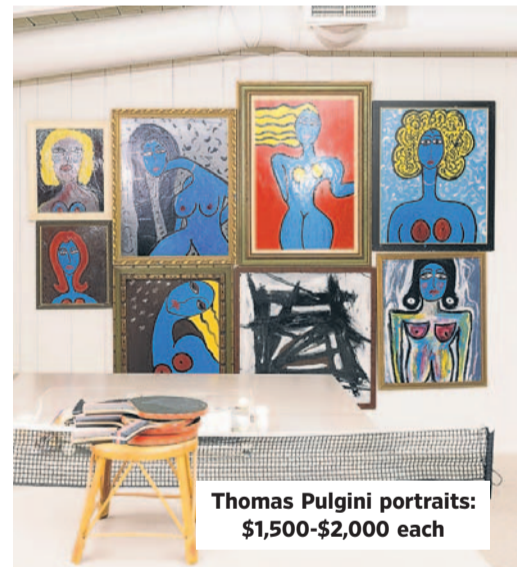
► Please turn to page **M6** to see more display designs.



Interior designer Julia Buckingham, above, has collected some 200 portraits, which are now displayed in the Scottsdale, Ariz., home she purchased in 2019, below right.



Ross Honey's New York loft, center, shows off his folk-art collection. On left, a display of masks from Puerto Rico, Guatemala and Indonesia, clockwise from lower left.



Thomas Pulgini portraits: \$1,500-\$2,000 each



Burford // List Price: \$1.5 Million

The Cotswolds Get Hipper, And Property Prices Soar

Prices in this section of the English countryside have risen thanks in part to its cool celebrity residents

Home-price increases have been fueled by a desire by city dwellers for more space, yet access to amenities and a scene

23.4% INCREASE
In list prices of north Cotswolds homes listed at \$2.72 million and up



Churchill // List Price: \$3.815 million

BY RUTH BLOOMFIELD

ALICE BECKER AND Duncan Threadgould fell in love with the Cotswolds during a weekend away before the pandemic. This 787 square miles of protected countryside, the northern tip of which is a convenient 75 miles north of central London, has long been a fashionable place for frazzled urbanites to take a weekend break. But Ms. Becker and Mr. Threadgould wanted more of its lush landscape and sophisticated nightlife than a short break could provide. Back in 2018, Ms. Becker, 42, was living in central London and Mr. Threadgould, 48, had an apartment in a southwest London suburb. They decided that Mr.

Threadgould, an IT consultant, would rent a house in the north Cotswolds so they could try the area before making a final decision on whether to decamp there permanently. "We knew within a week that we really, really liked it," said Ms. Becker, a Pilates instructor and personal trainer. They decided to sell their respective apartments and pool their resources to buy a Cotswolds dream house. "It was pretty tough, because we wanted a really quintessential village, and places were just getting snapped up," said Ms. Becker. At the end of 2019, just a few months before the start of the pandemic, they finally moved into a \$1.04 million, four-bedroom converted blacksmith's workshop, which they share with their red fox Labrador puppy, Bungle, in the sought-after village of Chadlington. The Cotswolds' brand of pastoral high style has been developing over the past two decades. But Covid-19 has raised its popularity to new heights, particularly the villages and towns in the north Cotswolds, which are an easy commute to London. Property

Please turn to page **M4**

MATT DUTILE FOR THE WALL STREET JOURNAL (2)

CASSIDY ARAIZA FOR THE WALL STREET JOURNAL (2; BUCKINGHAM)

FROM TOP: TAYLER & FLETCHER; STRUTT AND PARKER

PRIVATE PROPERTIES

Eric Schmidt Buys Paul Allen's 'Enchanted Hill'

Eric Schmidt, the former chief executive of Google, has paid \$65 million for Enchanted Hill, a prized piece of undeveloped land in Beverly Hills that was owned by late Microsoft co-founder Paul Allen, according to people familiar with the situation.

The deal, which closed in December, marks the end of a more than three-year push to sell the roughly 120-acre property, which came on the market asking \$150 million in 2018.

Real-estate agents say the property is one of the largest undeveloped parcels left in Beverly Hills, with views of the ocean and the Los Angeles Basin. It could be developed into a large compound totaling as much as 80,000 square feet.

Reached by phone, Mr. Schmidt's spokesman declined to comment on the specifics of the deal, saying only that Mr. Schmidt is a fan of real estate and architectural history.

The site was previously home to a 20-room Wallace Neff-designed mansion, built in the 1920s by screenwriter Frances Marion and her husband, movie star cowboy Fred Thompson, according to the book "The Legendary Estates of Beverly Hills" by Jeff Hyland, who is also one of the listing agents along with Hilton & Hyland colleagues Rick Hilton and Zach Goldsmith. Neighbor Greta Garbo coined the moniker "Enchanted Hill" for the property, according to the book, and an invitation to Enchanted Hill became recognized as a sign of arrival in Hollywood society.

Mr. Allen paid about \$20 million for the site in the late 1990s, The Wall Street Journal reported. He tore down the Marion home and had plans to build his own compound, but never did. Mr. Allen died in



Former Google CEO Eric Schmidt, above. Microsoft co-founder Paul Allen, below.



2018, a few months after putting the property on the market. The property was sold by his estate.

The deal adds to Mr. Schmidt's growing portfolio of California homes. Last year, the tech titan paid \$61.5 million for a Bel-Air estate that served as the longtime home of the late hotelier Barron Hilton. In 2020, Mr. Schmidt and his wife Wendy purchased a large estate in Montecito, Calif., for \$30.8 million, The Wall Street Journal reported.

Mr. Schmidt served as chief executive of Google from 2001 to 2011, and was later the executive chairman of Google and its parent company Alphabet. He stepped down from the board of Alphabet in 2019, The Wall Street Journal reported.

—Katherine Clarke

SOLD
\$65 MILLION
120 acres of undeveloped land



The newer house spans almost 18,000 square feet.

Miami Beach Estate Reaches for a Record

With two separate houses on a single lot, an estate for sale on the ultraluxury Miami Beach enclave of Star Island has two distinct personalities. On the one hand, a 1920s Mediterranean-revival style home designed by the architect Walter DeGarmo is a throwback to the Roaring 20s. On the other, a brand-new, modern glass mansion is a nod to Miami's recent influx of the international superrich. The asking price for both? A cool \$90 million.

If the estate sells for that price, it will be the most expensive residential property ever sold in the Miami area, topping a \$75 million purchase by hedge funder Ken Griffin last month.

The owner, dental products entrepreneur John Jansheski, bought the DeGarmo house in 2011 for \$10.75 million, he said. Then in 2014, he physically moved it roughly 150 feet to make way for the larger, modern home.

Mr. Jansheski said he originally thought of razing the DeGarmo house to make space for his modern dream home, but his mother had fallen love with the Mediterranean-style house.

Ultimately, the nearly 7,000-square-foot home was raised, in one piece, on 19 hydraulic pivoting wheels and rolled across the site at a cost of hundreds of thousands of dollars.

After the relocation, Mr. Jansheski revamped the interiors and reconfigured the house from six bedrooms to three, with a master suite on the second floor where his mother stays when she visits.

For the new house, Mr. Jansheski tapped the South Africa-



Mr. Jansheski bought the land, with one house on it, in 2011 for \$10.75 million, then built an additional house.



based architecture firm SAOTA to design an 8-bedroom, glassy mansion spanning nearly 18,000 square feet.

Amenities include a roughly 1,400-bottle wine room, a spa with a massage room, a large wraparound pool and a hair salon. There is also a separate gym and an "office cabana."

He said he is listing the home because it seems like a prescient time to do so. The Miami market

has hit record highs and Star Island has seen a string of major sales.

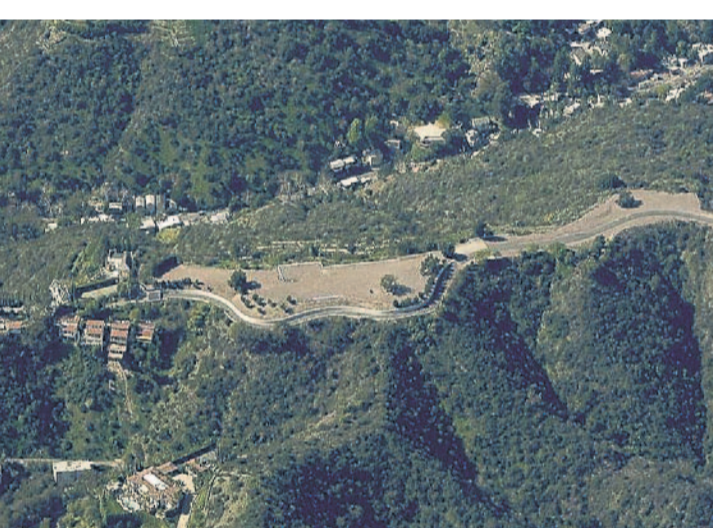
The listing agent is Alyssa Morgan of ONE Sotheby's International Realty, who is also Mr. Jansheski's ex-wife. She said roughly a third of the homes on the island have traded since 2019.

"It's insane what's happened," Mr. Jansheski said. "There's no rush to sell. It's kind of an interesting experiment, to be honest."

—Katherine Clarke

FROM TOP: WINNI WINTERMEYER FOR THE WALL STREET JOURNAL; KEVIN WINTERMEYER FOR THE WALL STREET JOURNAL; KEVIN WINTERMEYER FOR THE WALL STREET JOURNAL

PHOTO: ONE SOTHEBY'S INTERNATIONAL REALTY (2)



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PRIVATE PROPERTIES

Pop Star Justin Timberlake Sells NYC Penthouse at 443 Greenwich

Pop star Justin Timberlake has sold a New York City penthouse for \$29 million in an off-market sale, records show.

The roughly 5,400-square-foot unit is located at 443 Greenwich Street, a celebrity-studded condo conversion in Tribeca where owners have included Jennifer Lawrence and Mike Myers. The four-bedroom unit, which sold in late December, was owned by an entity tied to Mr. Timberlake, according to a person familiar with the deal.

SOLD
\$29
MILLION
5,400 sq. ft.,
four bedrooms

Mr. Timberlake purchased the unit for \$20.2 million in 2017, records show.

The buyer is a foreign real-estate investment company represented by Alejandro Weinstein, a former South American pharmaceutical executive and private-equity investor, records show. The group also sold a triplex at 421 Broome Street in Soho for \$49



Mr. Timberlake paid \$20.2 million in 2017.



million in November 2021, records show, and paid about \$33 million for a townhouse and an apartment at the new development 17 Jane Street in the West Village. Tal Alexander of Douglas Elliman represented the buyer.

Mr. Timberlake and his wife, the actress Jessica Biel, also have property in Los Angeles, Montana and Tennessee. Last year, they listed their Hollywood Hills compound for \$35 million.

—E.B. Solomont, with additional reporting by Katherine Clarke

Mary Trump buys Manhattan condo after tell-all book. M10

DAVID SUNDBERG/GETTY IMAGES; ISABEL INFANTES/PA WIREIMAGE PRESS (TIMBERLAKE)



★
UPDATE

Aspen Home Sells to Impala's Bob Bishop

A contemporary home in Aspen, Colo., has sold for \$35.5 million, becoming the latest in a string of pricey deals in the tony ski resort town.

The buyers are Bob and Perri Bishop, according to people familiar with the deal. Mr. Bishop is the founder of investment firm Impala Asset Management, which is based in Connecticut and Florida.

The sellers were lawyers Mark Iola and Sarah Clark, who listed the property for \$37 million in June.

The property spans about 5 acres, said Marian Lansburgh of Douglas Elliman,

who shared the listing with colleague Jennifer Engel. Mr. Iola and Ms. Clark paid \$3.2 million for the site in 2009, records show. They spent years designing and building the roughly 12,000-square-foot residence. The home has seven bedrooms, a bowling alley, theater and game room. Adjacent to the home is a one-bedroom guesthouse.

The Bishops didn't respond to requests for comment.

Mr. Iola and Ms. Clark recently paid \$5.3 million for a 40-acre parcel of land nearby, Mr. Iola said.

—E.B. Solomont

SOLD
\$35.5
MILLION
5 acres,
12,000 sq. ft.,
bowling alley



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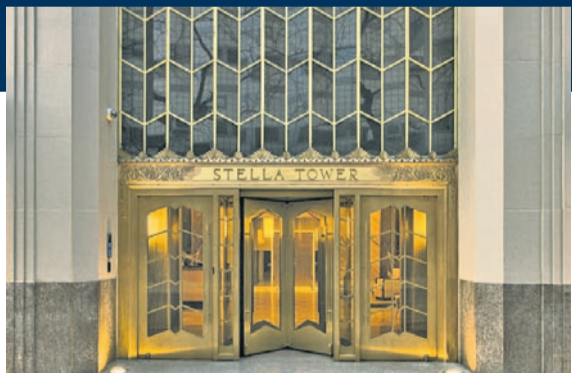

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MANSION

The Hip Cotswolds

Continued from page M1
prices are booming, and agents report dozens of would-be buyers fighting over properties and paying up to \$1.36 million above list price to secure the right house.

The rush to get out of cities is naturally one reason for these kinds of scenes. Another is the television presenter Jeremy Clarkson. Eight years ago, he bought the 1,000-acre Curdle Hill Farm, just outside Chadlington, which had been listed for \$5.79 million.

Mr. Clarkson renamed the property Diddly Squat Farm, a reference to how much he knew about farming, and initially it was managed by a local farmer. In 2020, however, Mr. Clarkson took the reins and last summer, a popular Amazon Prime reality series chronicling his efforts began streaming. A second season of "Clarkson's Farm" has already been commissioned.

Coinciding with the TV show, Mr. Clarkson and his girlfriend, Lisa Hogan, opened a farm shop. It has attracted crowds to the rural area, leading to long traffic jams of visitors. Mr. Clarkson and Ms. Hogan did not respond to a request for comment.

Damian Gray, regional partner at Knight Frank, credits "Clarkson's Farm" with strong new demand for the surrounding area. The number of new buyers registering with the firm's Oxford office, which covers the north Cotswolds, was up 65% in the three months up to August 2021 compared with the five-year average.

According to Savills, the average price of Cotswolds country homes listed at \$2.72 million and up increased by 23.4% during 2021, making them the "standout" performers of last year. The average price of homes listed at \$2.72 million and up in the "home counties" that encircle London increased by 12.9% in the same period.

"Clarkson's Farm" is referenced by almost everyone we meet in the area," said Mr. Gray, head of Knight Frank's central region. "It has put the village and surrounds in the spotlight."

"We probably would not have got our house if we were looking now," said Ms. Becker.

The Cotswolds were designated as an Area of Outstanding Natural Beauty in the 1960s but the north Cotswolds came to particular national attention in 2010 when David Cameron, who represented the local Witney parliamentary constituency, was elected prime minister. Mr. Cameron, his wife, Samantha, and their well-connected neighbors became known as the "Chipping Norton set" in honor of one of the largest local towns.



David and Victoria Beckham have owned in the area since 2016.



The Beckhams' Great Tew Estate
2016 List Price: \$8.38 Million



Daylesford Organics helped change the profile of the area's home buyers. Lady Bamford, right with Lord Bamford, started it as a cafe in 2001.



Jeremy Clarkson, above with his girlfriend, Lisa Hogan, turned his 1,000-acre farm into the setting for his reality-TV show 'Clarkson's Farm,' and has also launched a successful farm shop on the premises.



include Alex James. The former bass player for the band Blur and his wife, Juliet Harbutt, bought a 200-acre farm outside the nearby village of Kingham where they make cheese and, since 2011, have hosted an annual music festival.



Former Prime Minister David Cameron helped put the area on the social map.



Former Blur bassist Alex James owns a farm near Kingham.

Anthony Bamford, also known as Lord Bamford, chairman of agricultural machinery manufacturing firm JCB, and his wife, Carole, Lady Bamford, own an organic farm in the village of Daylesford. In 2001, Lady Bamford opened a small farm

shop and café. The award-winning Daylesford Organic now has branches in four affluent central London neighborhoods, plus a spa beside the original shop in Daylesford, and a gastropub in Kingham, which is 2 miles up the road.

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THE WALL STREET JOURNAL.

FROM TOP: WIREIMAGE (BECKHAM); ALAMY STOCK PHOTO (BARNS); MARTIN MORRELL (2, DAYLESFORD); DAVE BENNETT/GETTY IMAGES (GAINFORD PORTRAIT); AMAZON STUDIOS (CLARKSON PORTRAIT); VANESSA BERBERIAN FOR THE WALL STREET JOURNAL (DIDDLY SQUAT FARM SHOP); ALAMY STOCK PHOTO (2), JASON LEE (MAP)

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MANSION

Home Collections

Continued from page M1 Family Tokens

Jeffrey Setzer's great-grandfather started the Setzer Box Co., a maker of wooden crates, in Sacramento, Calif., in 1927.

Nearly a century later, the family still values remnants from the factory floor. In particular, Mr. Setzer has been drawn to the plates used to print labels the company made for shipping crates for various products, including Campbell soup, Kraft cheese, dynamite and fruits. "We saved them from going to the junkyard," he says.

He saved so many—more than 350—that it took days for interior designer Abby Hetherington to sort through the collection he had stashed away in his Gallatin Gateway, Mont., home.

Ultimately, she found a place for them in the family library. About 200 of the vintage plates cover the ceiling in a way that suggests tin tiles and that complement the room's reclaimed wood floors.

"We took what could have been chaos, and it became an organized architectural element in the home," says Ms. Hetherington, who is based in Bozeman.

The library is part of Mr. Setzer's 3,400-square-foot home, which has 360-degree mountain views and a lookout tower that the designer turned into an office. Guests who walk in are encouraged to look up, says Mr. Setzer. "We were able to preserve our history," he adds.

Sculpture

Ross Honey was inspired by



\$100 for sculpture bought 22 years ago

Ross Honey's wood-carved Alebrijes-style grasshopper from Oaxaca, Mexico, above, is set on an acrylic cart.



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Custom bookcases: \$38,000

A collection of bound National Geographics is on display in an Illinois home. Four generations of the family had collected the magazines since 1905. Designer Pam Maher used dark wood for the custom shelves to complement the leather on the bound periodicals.

his move to a 2,400-square-foot Manhattan loft from a window-filled home in Seattle to display the folk-art sculptures he collected for many years, mostly from his travels.

The music-company

date that," she says.

Once the shelving was installed—at a cost of about \$38,000—a staffer from Pam Maher Design, based in Highland Park, spent an entire day arranging the magazines in chronological

Ms. Ferguson considers the minimal Shaker-style, black cherry pieces timeless and suitable for any home interior. "It's a beautiful wood," she says. "I would always look longingly at the furniture."

'We took what could have been chaos, and it became an organized architectural element in the home,' says Ms. Hetherington.

chief executive enlisted the help of Mr. Amornvivat to create nooks to spotlight the sculptures, masks and other pieces. The two-bedroom home, once a button factory, had plenty of wall space, he says.

"We've slowly accrued a collection of mostly 3-D objects that speak to us," says Mr. Honey, who lives with his wife.

The couple wanted the finished product to look lived-in, not stuffy, he adds.

Creating a space for each piece took time, especially because not all of the works can hang on the wall, says Mr. Amornvivat, who worked with Thomas Morbitzer on the design.

Built-in ledges in the dining area display smaller art pieces, such as a whale vertebrae sculpture and traditional Peruvian masks. A hand-painted, wood-carved Alebrije grasshopper from Oaxaca, Mexico, is set on an acrylic cart in the living room.

"We want to make sure it's not cluttered, with white spaces around it and treated like art," says Mr. Morbitzer.

Magazines and Books

Beecher and Robin Abeles felt it was a must to work their National Geographic collection into the interior design of their newly built home in Glencoe, Ill. Four generations of the family had collected the magazines since 1905—shortly after its 1888 launch—and most of the earlier issues were in leather-bound books.

Designer Pam Maher used dark wood accents in the home library to complement the leather. She also measured shelf space to leave room for other objects. "We did the math on the linear feet and designed the bookcases to accommo-

order and interspersing each shelf with items from the couple's travels.

Other family books and later magazine issues are decidedly not on display. "We wanted to have the uniformity of that collected look," the designer adds.

Heirloom Furniture

When it came time to move into a contemporary three-bedroom farmhouse in Yarmouth, Maine, Paula Ferguson knew she wasn't leaving her furniture collection behind.

Her husband, Bruce Ferguson, first gifted her a blanket box from Maine designer Thos. Moser in 1988. Since then, the Fergusons have acquired a sleigh bed, a dining table and 17 other pieces, all signed by the designer.

Still, designer Nicola Manganello had to reimagine the furniture collection for the couple's new, more modern home.

She added one of the couple's favorite pieces—a Thos. Moser bench previously in a home office—to a dining-room set, then repurposed a dining-room sideboard as storage space in the foyer.

"We use the pieces in different ways than she had imagined them, which helped with getting her out of her old-home mentality," says Ms. Manganello.

Ms. Ferguson, who is retired, says she is thrilled with the results, and is no longer interested in expanding her collection. "We have as much as we need," she says.



Huntboard, current value: \$8,965

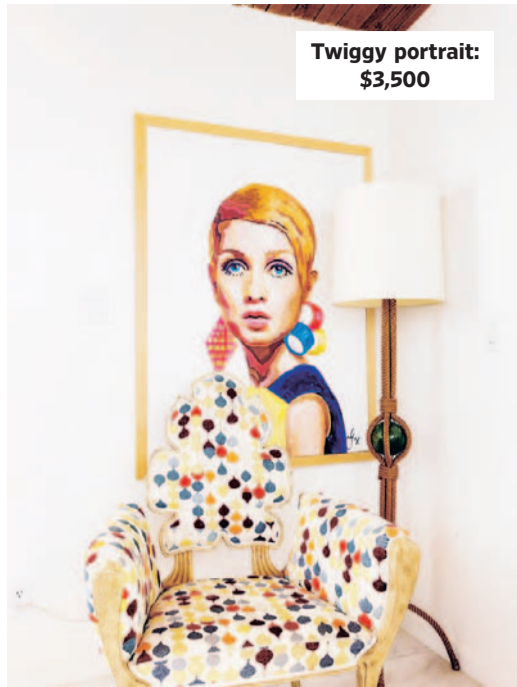


Table, current value: \$7,500

Signed pieces by Maine furniture maker Thos. Moser fill a new home in Yarmouth, Maine.

FROM TOP: MATT DUTILE FOR THE WALL STREET JOURNAL (2); ANNEE MAZZENDA; THOS. MOSER (2)

MANSION



ent's vintage-car collection, interior designer Michele Lorenz knew she needed a wow factor, and lots of room to pull it off. Drawing inspiration from the '80s teen flick "Ferris Bueller's Day Off," she designed a custom garage for up to 13 cars, which are primarily vintage Porsches.

The three-story garage, including basement, incorporates pop-art wallpaper, a red Le Corbusier sofa and geometric shapes. A lift moves the cars between floors so they can be part of the daily lives of the homeowners, who declined to be interviewed.

Visitors to the Austin home are often most impressed by the classic BMW that Ms. Lorenz has attached to the wall. Her client bought the nonworking car, gutted it and restored the shell.

"It kind of looks like it's driving on the wall," says Ms. Lorenz, a senior designer at Mark Ashby Design in Austin.

Julia Buckingham's Midcentury Modern home has original clerestory windows in the living room, left, with a painted fuchsia floor. Center, one of some 200 portraits in her collection. Right, the dining area is decorated with vintage accessories and a Gray Malin photo on the wall, at left.

Portraits

Julia Buckingham, an interior designer, for years enjoyed purchasing an occasional portrait, imagining for each one the back stories of the person, or how they could be related to her own family. But when her husband noticed about 10 year ago her "thing for women's portraits," it sparked her interest in diversifying the collection mix. "I started my collection by adding men to it," she says.

Ms. Buckingham was finally able to hang her entire collection of about 200 portraits on canvas and wood when she moved into her 2,900-square-foot Midcentury Modern home in Scottsdale, Ariz. She spent \$1.8 million, including the 2019 purchase price and renovations.

Rather than creating floor-to-ceiling gallery walls, she chose spaces where the portraits would run along an entire wall at a person's natural sight-

line.

She separated some of the larger canvases to create colorful nooks throughout the home without over-

whelming visitors. Her favorite is a lot of 11 portraits by abstract artist Thomas Pulgini.

"They have a lot of

whimsy and aren't too serious," she says.

Automobiles

For car collectors, display-

ing their prized possessions takes plenty of space—and some difficult logistics.

To incorporate her cli-



Michele Lorenz designed a three-story garage inspired by the film 'Ferris Bueller's Day Off,' to highlight the Porsche collection of an Austin-based client.

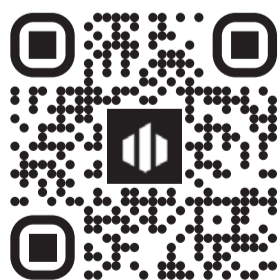


FROM TOP: CASSIDY ARATZA FOR THE WALL STREET JOURNAL (3); CLAY GRIER (3)

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MANSION

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Back then, you knew better than to just call up one of these hotties and say "I need you now." And you shouldn't do it with your repair or maintenance person either because you'll get the same result. The good news is that the techniques that worked to attract the attention of the Prom King or Queen also work when attempting to secure the services of your local professional repair person. Let's break it down:

Enter the Friend Zone:

Where does your required service provider like to toss back a couple of brews? Maybe, one afternoon, you just happen to be there when they show up. You start up a casual conversation. Buy them a beverage. Or join their pickleball team or book club. DO NOT mention that you require their services. Just play it cool, for heaven sakes. Did you learn nothing in 10th grade? Only on the third or fourth seemingly casual encounter, when you both know each other's names and those of your spouses, pets and children, should you mention that your washing machine hasn't worked in weeks. Now that

you're pals, you'll be top of mind when an opening comes up in, like, a month.

Commit bribery: Are you in a position to provide anything of value to the repair person in question that would get you on their radar? Does their child attend the same school as your child? Think playdates, but cool ones like a trip to Disneyland or an Ariana

Grande concert. But not if the children hate each other, obvs. That would be counterproductive. Find out what the repair person's spouse does for work and patronize the living heck out of the business. Do they have a favorite charity? Be a super-donor! Word will get back. You'll come off as a thoughtful, generous, selfless person because you give and give and don't ask

for anything in return...yet. **Conscript an intermediary:** Remember when you asked your high school crush's best friend to deliver a note to them that simply said "Do you like me? Yes or No" and all the crush had to do was circle one and return the note. Then it was game on! (Or, sadly, off.) This strategy works with repair people as well. Ask a

friend who is already using this person's services to make an introduction, but not one like "Hey, my friend Jim needs you to fix his toilet." Make it less The Fonz and more Cyrano: "My dear, kind friend Jim has been having such terrible luck finding a good plumber and he's been through all the usual suspects. He is not satisfied. He's very discerning. I've told him all about

you and how fabulous you are and he said you sound like his dream come true. Are you interested?"

Shower them with cash: Once you've attracted their attention, promise to give your repair person what they really want: Cash On Delivery. You might need to take out a small home-equity loan to do this, but it will be worth it, as you will mark yourself as "that customer who pays cash." Just like footing the bill for the first date, you will present yourself as a discerning, generous individual who understands what it means to take care of that important someone.

Make them feel special: After the successful completion of that first repair job, leave a glowing review on their Facebook page, website and their Angi listing. Offer to be a reference. Brag about how great they are to all your friends, who will be super jealous (bonus!). Call them two days after your appointment and tell them that you can't stop thinking about them or the terrific job they did on your drain. Leave a long, warm, squishy trail of good will after that first job and you will be guaranteed a second repair appointment when the need arises.

Don't be afraid to break up: Sometimes, that perfect Prom King or Queen ends up being more like a Joker. If, after all the hard wooing, you realize that your repair person is awful at their job, it's better to end things quickly than to let it drag on until you're both miserable. But one final tip: Don't break up until you've found your next repair person. "Taking some time alone" is the exact opposite of what you need when it comes to home repair.

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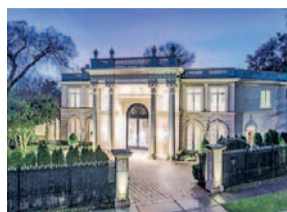
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Mary Trump Buys Manhattan Condo After Tell-All Book

Mary Trump, a niece of former President Donald Trump who wrote a tell-all book about the Trump family, has paid \$7 million for a Manhattan condo, records show.

The unit is at 565 Broome, a luxury building in Soho designed by Pritzker Prize-winning Italian architect Renzo Piano. The roughly 2,250-square-foot unit has three bedrooms and was sold by the developer, records show. The asking price was \$7.8 million, according to the condo offering plan. Listing agent Marc Palermo of Douglas Elliman declined to comment.

Ms. Trump didn't respond to requests for comment. Her 2020 memoir, "Too Much and Never Enough: How My Family Created the World's Most Dangerous



Man," sold nearly a million copies in preorders and first-day sales.

Italian real-estate firm Bizzi & Partners Development developed 565 Broome with Aronov Development and Halpern Real Estate Ventures. In 2018, Uber co-founder Travis Kalanick bought a penthouse in the building for around \$36 million.

—E.B. Solomont and Libertina Brandt

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The list price was \$7.8 million.

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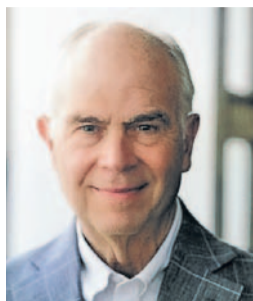
CEO Robbie Briggs on big news, big moves, big numbers and big hearts

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And we thought 2020 was a wild year.

The 365 days that came next were as unusual, challenging and exhilarating — if not more so.

Our nearly 400 agents knocked it out of the park — again — in a market that stayed red-hot through all of 2021. In the end, we surpassed our projections and ended the year with \$3 billion in sales to the best clients in the world.

Who just happen to be North Texans. In fact, those clients and our agents just landed us the No. 5 spot on the *Dallas Business Journal's* new list of the 50 largest and fastest-rising private companies in Dallas and Fort Worth. I couldn't be prouder — especially because we are the only luxury brokerage on that list.

In October, we had big news of our

own. Peerage Realty Partners Inc. formalized a substantial partnership interest in our brokerage. Peerage is a private-equity investor in the luxury real estate realm, especially top Sotheby's International Realty® affiliates. We are now part of its portfolio of Sotheby's International Realty brokerages in Canada, Chicago, Vermont, New Hampshire, Oregon and Southwest Washington. This sets us on a course for an even bigger and brighter future — one with tremendous benefits and possibilities for our clients and agents.

The year also saw us shaking things up and moving two of our six offices. We relocated our Fort Worth flagship to a loft-like space along Camp Bowie Boulevard and we moved our North office, in Plano, to the busy Shops at Legacy.

We closed 2021 with overflowing grati-

tude — and overflowing gifts. Our amazing agents and staff helped hundreds of North Texans this year via food drives, the Salvation Army's Angel Tree program — a tradition at our brokerage — and our own Love Your Neighbors giving-back program, funded by agents who donate a part of every commission to help North Texans in need.

I say it all the time: I don't know a finer bunch of people than the agents, employees and executives of Briggs Freeman Sotheby's International Realty.

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HOUSE CALL | VALERIE BERTINELLI

She Grew Up ‘Super-Duper Shy’

The cooking-show host and memoirist began acting as a way to learn to be more outgoing

My first car was a Chevy Chevette hatchback. It was white with a burgundy tweed interior. On the back window, I added little customized swirls and “I love EJ” in the middle. I was a huge Elton John fan in 1975.

I was starring on TV’s “One Day at a Time,” so I had money to buy the car. I couldn’t wait to drive. The car meant freedom. But I was 15½, so it mostly sat in the garage until I turned 16. During that period, freedom came with my dad in the passenger seat.

My family first lived in Claymont, Del., until I was 8. Then we moved to Clarkston, Mich. When I was 11, we settled in Los Angeles. My father, Andrew, was an executive at General Motors, where he oversaw construction of their new production facilities.

In L.A., we lived in a white two-story house in Porter Ranch in the San Fernando Valley. I played football with my three brothers—Drew, David and Patrick—and tag in the front yard and on the street. It was a typical suburban upbringing, with great weather.

My mom, Nancy, was a home-maker. She worked hard. I don’t know how she did it all with three boys and a girl. This was before the microwave oven. The kitchen was her office.

My mother and I weren’t as close as we could have been. I would see my girlfriends and their mothers and wish we were that close. They would tell their mothers everything. I told my mom

nothing. I wasn’t secretive. I just didn’t want to risk making waves. I was trying to hold on to what I could control and ensure I didn’t disappoint her.

I think this dynamic started when my mom was pregnant with me and lost my brother Mark. He had wandered into a friend’s barn and accidentally drank poison out of a soda bottle. She was grieving when she gave birth to me.

My parents always told me I was the best little girl. I never cried and never did anything to set anyone off. I knew intuitively that I needed to be the good one. I didn’t want to upset my parents and make them cry.

Because I was the only girl, I had a room to myself where I was in my own world. I loved to read and listen to music. I didn’t go to a lot of movies, but I

did love TV, especially those ’70s sitcoms and Christmas specials. But I didn’t know how to make people like me. I only had a few friends, and I wasn’t good at small talk.

At school, I was super-duper shy. Then, in sixth grade, I met a girl who was in TV commercials. I wanted to do that, too. She was so popular. I thought being in ads would help me be more outgoing.

My mom saw an ad for the Tami Lynn School of Artists. She thought it would be fun and asked if I wanted to try it out. I did.

But because you had to say tongue twisters and do all these acting exercises, it embarrassed me. I was so uncomfortable at

Valerie Bertinelli in 2019 and, left, at age 2 with her mother, Nancy.



NOT NONNIE’S, BUT FAST

How fast? About 10 minutes. I usually make *cappelletti in brodo* from scratch, but this is a quick version:

1 large carrot, diced
3-4 cups of chicken or beef broth
1 9-oz. package of refrigerated meat or cheese tortellini

Pour broth and diced carrots into a soup pot and bring to a gentle boil. Add tortellini and reduce heat. When pasta is cooked through, ladle into bowl and sprinkle with freshly grated Parmesan cheese. Makes 3-4 servings.



in brodo—a soup with small meat-filled pasta bonnets. My Nonnie lived near us in Delaware when I was little.

Aunt Adeline inherited the recipe and taught me to make it from scratch. The soup is a complete meal and has always been my comfort food. I hear my entire family whenever I eat it.

—As told to Marc Myers

Valerie Bertinelli, 61, has won two Emmys for “Valerie’s Home Cooking.” She starred in the TV sitcoms “One Day at a Time” and “Hot in Cleveland,” and is the author of “Enough Already: Learning to Love the Way I Am Today” (Mariner), a memoir/cookbook.



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