

# THE WALL STREET JOURNAL.

## What's News

### Business & Finance

- ◆ **Google backed the** construction of seven small nuclear reactors in the U.S., aiming to help feed its growing appetite for electricity to power AI and jump-start a U.S. nuclear revival. **B1**
- ◆ **The U.K. government** said it secured a combined investment equivalent to about \$8.23 billion in data centers from four American tech companies. **B4**
- ◆ **The S&P 500 and Dow** industrials closed at records, gaining 0.8% and 0.5%, respectively, while the Nasdaq advanced 0.9%. **B11**
- ◆ **OPEC trimmed its** forecast for oil-demand growth as it prepares to bring some barrels back into the market despite weaker prices. **B11**
- ◆ **Chinese carmaker BYD** maintained its dominant position with record global sales last month, hammering foreign competitors that specialize in gasoline-powered vehicles. **B1**
- ◆ **China's exports** grew at a slower pace in September, but extended their streak to a sixth consecutive month. **A7**
- ◆ **Barclays will replace** Goldman Sachs as the exclusive issuer of General Motors credit cards in the U.S., boosting the U.K. lender's stateside presence. **B3**
- ◆ **Singapore's government** plans to halt a proposed deal by Germany's Allianz to buy a majority stake in Singapore's Income Insurance. **B10**
- ◆ **Christie's confirmed** it had been enlisted to sell a famous 1964 Ed Ruscha painting owned by billionaire Sid Bass depicting a gleaming gas station in Amarillo, Texas. **B10**

### World-Wide

- ◆ **Hezbollah struck** an Israeli military base in central Israel with a drone, killing four soldiers and wounding dozens, highlighting a weak spot in Israel's vaunted air-defense system that military officials say is hard to counter. **A1**
- ◆ **Israel has assured** the Biden administration that a planned retaliatory strike on Iran won't target nuclear and oil facilities, according to U.S. officials, a promise sought by the White House. **A6**
- ◆ **Beijing is conducting** espionage on what Western governments say is an unprecedented scale in its quest to undermine rival states and bolster China's economy. **A1**
- ◆ **China concluded a day** of drills around Taiwan, sending a record number of military aircraft and saying for the first time that it deployed its coast guard to encircle Taiwan's main island. **A7**
- ◆ **The Nobel in economics** was awarded to Daron Acemoglu, Simon Johnson and James Robinson for work that advanced the understanding of differences in prosperity between countries. **A1**
- ◆ **Harris and her** Democratic allies are rolling out policies, events and outreach in a bid to shore up her standing with Black men three weeks before Election Day. **A4**
- ◆ **The old guard is** pushing back on a rising faction within the conservative legal movement that is laying the groundwork for Trump to appoint judges who prioritize loyalty to him if he wins the election. **A4**
- ◆ **Died: Lilly Ledbetter, 86,** advocate for equal pay. **A3**

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## On Columbus Day, a Celebration of Italian Pride



**HERITAGE:** A reveler displayed the colors of the Italian flag Monday at the 80th annual Columbus Day Parade in New York City. While some honored the explorer, believed to have been from Genoa, others around the country marked Indigenous Peoples' Day.

## Western Spy Agencies Sound Alarms on Chinese Espionage

By MAX COLCHESTER AND DANIEL MICHAELS

LONDON—Beijing is conducting espionage on what Western governments have said is an unprecedented scale, mobilizing security agencies, private companies and Chinese civilians in its quest to undermine rival states and bolster the country's economy. Rarely does a week go by without a warning from a Western intelligence agency about the threat China presents. In September alone, the Federal Bureau of Investiga-

tion said a Chinese state-linked firm hacked 260,000 internet-connected devices, including cameras and routers, in the U.S., Britain, France, Romania and elsewhere. A Congressional probe said Chinese cargo cranes used at U.S. seaports had embedded technology that could allow Beijing to secretly control them. The U.S. government alleged a former top aide to New York Gov. Kathy Hochul was a Chinese agent. U.S. officials launched last week an effort to understand the consequences of the latest

Chinese hack, which compromised systems the federal government uses for court-authorized network wiretapping requests. Western spy agencies, unable to contain Beijing's activity, are raising the alarm publicly, urging businesses and individuals to be on alert in their interactions with China. But given the country is deeply entwined in the global economy, it is proving a Sisyphean task, said Calder Walton, a national-security expert at Harvard's Kennedy School of Government. Western governments "are coming to

terms with events, in many ways, after the events," he said. The Chinese government's press office, as well as the ministries of state security, public security and defense, didn't respond to requests for comment. Beijing has previously denied allegations of espionage targeting Western countries while portraying China as a frequent target of foreign hacking and intelligence-gathering operations. *Please turn to page A7*

◆ **Beijing ends large military drills** around Taiwan..... **A7**

## Strike Spotlights Threat Of Drones To Israel

Hezbollah attack wasn't detected by air defenses, and four soldiers were killed

By ANAT PELED

TEL AVIV—The Lebanese militia Hezbollah struck an Israeli military base in central Israel with a drone, killing four soldiers and wounding dozens, highlighting a weak spot in Israel's vaunted air-defense system that military officials said is hard to counter. The drone, which was launched Sunday night, was able to pass detection by Israeli forces before crashing into a Golan infantry brigade military base near Binyamina. Overall, 61 were wounded, according to Magen David Adom, Israel's national emergency service. The drone didn't set off warning sirens and struck a dining hall as soldiers were eating dinner, according to state-owned Army Radio. The drone left a large hole in the ceiling of the dining hall, with blood splattered on the floor, according to photos and videos shared in Israeli media. Hezbollah took responsibility for the attack, saying it had launched a squadron of attack drones at the base. Current and former military officials have said that Israel has struggled to come up with adequate solutions to counter drones being fired by Hezbollah, especially at the detection stage. While drones have played a crucial role in the war in *Please turn to page A6*

◆ **Israel tells U.S. it won't hit Iran nuclear sites**..... **A6**

## Countries Fail to Reverse Baby Bust

Yearslong efforts to encourage bigger families haven't found success

By CHELSEY DULANEY

Imagine if having children came with more than \$150,000 in cheap loans, a subsidized minivan and a lifetime exemption from income taxes. Would people have more kids? The answer, it seems, is no. These are among the benefits—along with cheap child care, extra vacation and free fertility treatments—that have been doled out to parents in different parts of Europe, a region at the forefront of the worldwide baby

shortage. Europe's overall population shrank during the pandemic and is on track to contract by about 40 million by 2050, according to United Nations statistics. Birthrates have been falling across the developed world since the 1960s. But the decline hit Europe harder and faster than demographers expected—a foreshadowing of the sudden drop in the U.S. fertility rate in recent years. Reversing the decline in birthrates has become a national priority among gov-

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## Starbucks Ends Deals

The coffee chain is dialing back the discounts it offered to woo back customers. **B1**

Starbucks quarterly same-store sales, change from a year earlier



## Economics Nobel Rewards Study of Nations' Prosperity

By PAUL HANNON AND JUSTIN LAHART

Why do some nations prosper while others are poor? To boil down this year's economics Nobel to a single sentence: "Institutions matter." The Nobel Prize in Economic Sciences was awarded to Daron Acemoglu, Simon Johnson and James Robinson for work that advanced the understanding of economic disparities among countries. Acemoglu, who was born in Istanbul, and Johnson, who was born in the U.K., are professors of economics at the Massachusetts Institute of

Technology. Robinson is a professor of economics at the University of Chicago. Acemoglu and Robinson were co-authors of "Why Nations Fail: The Origins of Power, Prosperity and Poverty," first published in 2012. Johnson was chief economist of the International Monetary Fund from March 2007 through August 2008. "I am delighted, it is a real shock and amazing news," Acemoglu said. The work of the three economists is based on the history of colonialism and the different ways in which na-

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## With Tim Walz in the Spotlight, A Nation Searches for Irish Roots

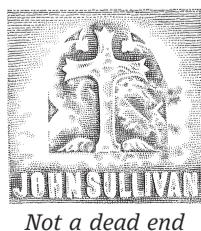
Experts mobilized to link him to a country that claims the Kennedys and Springsteen

By JAMES HOOKWAY

COUNTY WEXFORD, Ireland—The race began as soon as Tim Walz was tapped to be Kamala Harris's running mate. From home offices and libraries, a crack team of experts fired up their laptops and began sifting through images of yellowing family records and old photographs of tombstones. Pots of tea were brewed. Coffee was slurped. With the election approaching, would they be able to

show that the Minnesota governor, Harris's choice for vice president, was at least a little bit Irish? Whenever a new politician hits the national stage, Irish and Irish-American genealogists set out to find any connection they can to the old country. Some ties are obvious. Portraits of President John F. Kennedy still adorn buildings in Ireland. President Biden's whole thing is being Irish. But historians have also

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## Southwest's Mr. Fix-It Aims to Revamp Airline

By ALISON SIDER

DALLAS—For more than 30 years, Bob Jordan has been cast as Mr. Fix-It in different roles at Southwest Airlines. Revamping the airline's business model is his biggest challenge yet. Southwest's battle with activist investor Elliott Investment Management has become a referendum on Jordan, the company's chief executive since February 2022, and whether the ultimate insider can make changes that some investors and passengers say are long overdue. At an investor event last month, the 64-year-old confidently laid out Southwest's plan to assign seats at booking and sell premium seats with extra legroom for the first time. The

airline is also hitting the brakes on growth in the coming years, slashing unprofitable routes and making plans to sell planes. "It's a transformational plan. It'll change the airline," Jordan said in an interview. "Now it all turns to executing." That is if he gets the chance. Elliott, which has a roughly 10% stake in the budget-airline pioneer, said Jordan is part of the entrenched leadership team that oversaw Southwest's strategic stagnation. On Monday, the hedge fund said it called for an investor meeting on Dec. 10 to vote on an overhaul of the airline's board, in a rebuke of management. "Why is Mr. Jordan—who has delivered years of unacceptable financial results and,

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## INSIDE



**PERSONAL JOURNAL**  
Signing credit card receipts is still a thing. There are more useful ways to curb fraud. **A10**

**BUSINESS & FINANCE**  
The hotel industry is getting a boost from corporate retreats and other group travel. **B1**