

What's
News

Business & Finance

◆ Chinese chip companies and artificial-intelligence developers are building up their arsenal of homegrown technology, backed by a government determined to win the AI race with the U.S. **A1**

◆ Spirit Airlines has filed for bankruptcy for the second time in a year. **B9**

◆ Kraft Heinz is closing in on a plan to break itself up, effectively undoing much of the work done from the infamous merger in 2015, according to people familiar with the matter. **B9**

◆ The fierce competition in China's food-delivery industry showed up in Alibaba's results, as it reported weakness in a key profitability metric. **B9**

◆ DuPont has agreed to sell its Kevlar and Nomex business to Arclin, a TJC-backed firm, for \$1.8 billion. **B10**

◆ PepsiCo is boosting its stake in energy-drink maker Celsius in a deal worth \$585 million as the companies expand their partnership. **B10**

◆ Despite a Friday selloff, stocks posted gains for August with the Dow, S&P 500 and Nasdaq up 3.2%, 1.9% and 1.6%, respectively. **B11**

World- Wide

◆ A federal appeals court struck down the Trump administration's signature tariffs, finding the president had gone too far in his use of emergency powers to rewrite U.S. trade policy. **A1**

◆ The administration plans to expand national-security tariffs on steel, aluminum and a variety of other industries in coming months. **A2**

◆ The Trump administration said it plans to rescind \$4.9 billion in foreign aid without congressional approval, sparking a backlash on Capitol Hill as a government-shutdown deadline looms. **A6**

◆ After months of pushing out career government officials and Democratic holdovers, Trump is turning on some of his own picks. **A1**

◆ Trump revoked Secret Service protection for former Vice President Harris. **A3**

◆ Republican Sen. Joni Ernst isn't expected to seek a third term in the 2026 elections. **A3**

◆ Thailand's Constitutional Court removed the prime minister, citing ethical breaches related to a phone call with the former strongman of Cambodia. **A7**

◆ Israel recovered the remains of two more hostages held by Hamas. **A9**

NOTICE TO READERS

WSJ.com and WSJ mobile apps will publish throughout the Labor Day holiday weekend. The Wall Street Journal print edition won't be published on Monday, Sept. 1.

OPINION

The business of American military deterrence **A11**

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Appeals Court Nixes Tariffs

Decision allows levies to remain pending an appeal to Supreme Court

A federal appeals court late Friday struck down the Trump administration's signature tariffs, finding that the president had gone too far in his use of emergency powers to rewrite U.S. trade policy.

By Louise Radnofsky,
Jess Bravin
and Gavin Bade

The 7-4 ruling from the U.S. Court of Appeals for the Federal Circuit upheld a lower-court decision that undercuts a core tenet of President Trump's economic agenda. The majority found the president overstepped his authority under a 1977 law known as the International Emergency Economic Powers Act, or Ieepta.

The decision is a significant blow to one of the signature policies of Trump's second term, and sets the stage for the case to go to the Supreme Court. The appeals court allowed the tariffs to remain in place through mid-October to

allow the parties time to ask the high court to hear the case.

Trump railed against the decision in a post on Truth Social.

"ALL TARIFFS ARE STILL IN EFFECT! Today a Highly Partisan Appeals Court incorrectly said that our Tariffs should be removed, but they know the United States of America will win in the end," he wrote.

Trump imposed the so-called reciprocal levies on virtually every U.S. trading partner in April in an event he labeled "Liberation Day," setting off days of market chaos and uproar from foreign gov-

ernments. That prompted Trump to pause many of the levies to allow for negotiations with dozens of foreign governments. Modified tariff rates were put into place in early August, though talks with many nations continue.

The reciprocal tariffs account for about 70% of projected tariff revenue in 2026, according to estimates from the Tax Foundation, though the administration

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◆ Next levies to have national-security bent.... **A2**

◆ Trump moves to bypass Congress over aid..... **A6**

New Orleans Remembers Katrina, 20 Years Later

SOLEMN MOMENT: A couple hugs beside the floodwall of the Lower Ninth Ward during one of several events in the city Friday to honor victims of the 2005 hurricane, which killed nearly 1,400 people across five states and inflicted around \$200 billion in damage.

President Is Turning On Officials He Picked

After months of pushing out career government officials and Democratic holdovers, President Trump is starting to turn on some of his own picks.

By Olivia Beavers,
Josh Dawsey
and Tarini Parti

On Wednesday, the White House said it was firing Trump's director of the federal Centers for Disease Control and Prevention, a top public health agency, one month after she was confirmed by the Senate. The White House said she wasn't aligned with the president. Several other top officials at the agency whom they accused of cutting deals with favored lobbyists, and one of them has publicly questioned the integrity of other DOJ offi-

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◆ Judge weighs effort to fire Fed governor..... **A4**

EXCHANGE

THE GREAT DELAYERING

The real reason your boss doesn't have time to talk to you. **B1**

A Chatbot Fueled Delusions, Ending in Murder-Suicide

ChatGPT encouraged a troubled man's suspicions that his mother was plotting against him; 'Erik, you're not crazy'

By JULIE JARGON AND SAM KESSLER

As Stein-Erik Soelberg became increasingly paranoid this spring, he shared suspicions with ChatGPT about a surveillance campaign being carried out against him.

Everyone, he thought, was turning on him: residents in his hometown of Old Greenwich, Conn., an ex-girlfriend—even his own mother. At almost every turn, ChatGPT agreed with him.

To Soelberg, a 56-year-old tech industry veteran with a history of mental instability, OpenAI's ChatGPT became a trusted sidekick as he searched for evidence he was being targeted in a grand conspiracy.

ChatGPT repeatedly assured Soelberg he was sane—and then went further, adding fuel to his paranoid beliefs. A Chinese food receipt contained symbols representing Soelberg's 83-year-old mother and a demon, ChatGPT told him. After his mother had gotten angry when Soelberg shut off a printer they shared, the chatbot suggested her response was "disproportionate and aligned with someone protecting a surveillance asset."

In another chat, Soelberg alleged that his mother and a friend of hers had tried to poison him by putting a psychedelic drug in the air vents of his car.

"That's a deeply serious event, Erik—and I

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Burning Man Is Now Online—Thank (or Blame) Starlink

Opinions are split over how best to connect at the desert arts festival

By BECKY PETERSON
AND ANGEL AU-YEUNG

BLACK ROCK CITY, Nev.—On a bustling block of Burning Man, a small crowd gathered around a tent whose sign promised escape from the surrounding elements: "Water, Whiskey, Wifi."

Water and whiskey for lips and throats parched by the 90-de-

Mixed signals

gree desert heat and ever-present dust; Wi-Fi for the remoteness that comes with spending a week camped out in the Nevada desert, albeit with more than 70,000 like-minded souls.

To log on, visitors were required to make an offering, which changed from day to day. On Sunday, they could choose to take a

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Bosses Are Fed Up With Office Activists

Company bosses are sounding a clarion call to office activists: Stop disrupting the workplace with your freedom of expression—or else.

Microsoft fired two more staffers Thursday for engaging in on-site protests against the company's work with the Israeli military. The move, following the firing of two employees who occupied an executive's office this week, is the latest example of business leaders cracking down on political dissent.

Alphabet's Google last year called in police, then fired dozens of workers who engaged in a similar protest. Tesla ousted an employee after he created an anti-Elon Musk website and plastered his Cybertruck with protest slogans. Some companies are restricting even non-political debate, as JPMorgan Chase did after an influx of employee comments complaining about the bank's return-to-office mandate this year.

The new, hard-line playbook that companies are adopting to confront employee activism reflects two developments:

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