

What's News

Business & Finance

- ◆ **Inflation cooled** in June to its slowest pace in more than two years, giving Americans relief from a painful period of rising prices and boosting the chances that the Fed will stop raising interest rates after an increase this month. **A1**
- ◆ **U.S. stocks rose** after the release of the inflation data, with the S&P 500, Nasdaq and Dow gaining 0.7%, 1.2% and 0.3%, respectively. **B11**
- ◆ **The FTC is appealing** a judge's ruling that denied its bid to block Microsoft from closing the Activision deal, which marked the latest setback to the agency's anti-trust enforcement efforts. **A1**
- ◆ **The SEC rewrote** the rules for money-market funds for the third time in 15 years in hopes of preventing bailouts in times of turmoil, as investors pour money into the funds this year. **B1**
- ◆ **Disney said CEO Iger** has agreed to stay on in his post through 2026, extending his second term as the entertainment giant contends with a range of challenges. **B1**
- ◆ **The Fed's Kashkari** floated the idea of a new "high-inflation stress test" for banks and suggested that regulators could force weakened banks to cut stock dividends to make them more sound. **A2**
- ◆ **The EU fined Illumina** the equivalent of about \$476 million for proceeding with its acquisition of cancer-test developer Grail before the bloc's antitrust watchdog decided whether to approve the deal. **B11**
- ◆ **Dominio's Pizza signed** a deal with Uber to offer its menus on the ride-share company's Eats and Postmates food-delivery apps across 28 of the pizza chain's markets. **B3**

World-Wide

- ◆ **Commerce's Raimondo** and senior officials at the State Department were victims of a newly discovered Chinese hacking campaign, U.S. officials said, a targeted spying effort in the spring that coincided with a U.S. push to calm rising tensions with Beijing. **A1**
- ◆ **NATO wrapped up** two days of meetings in Vilnius, Lithuania, having reaffirmed political commitments to Ukraine and promised to restock its arsenal, but without agreeing to a timeline for the country's admission to the alliance. **A8**
- ◆ **The FBI's Wray** strongly defended his workforce in testimony before Congress, where he faced hours of combative questioning by Republicans who accuse the agency of overzealously targeting their party, namely Trump and his supporters. **A4**
- ◆ **A dangerous heat wave** has been building across Southwestern states this week as millions of people there and in the South brace for record-breaking, and potentially deadly, temperatures. **A3**
- ◆ **Abortion providers** filed a challenge to a newly passed Iowa bill that would ban the procedure after about six weeks of pregnancy, setting up a new legal battle just weeks after the state's highest court stale-mated over a similar law. **A3**
- ◆ **A bipartisan group** of senators introduced legislation to create an online and searchable database of the stocks, mutual funds and other assets owned by senior officials in the executive branch. **A4**
- ◆ **Died: Milan Kundera**, 94, Czech-born dissident writer. **A8**

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Inflation Cools to Slowest Pace Since 2021

Chances grow that Fed will halt raising rates after expected increase this month

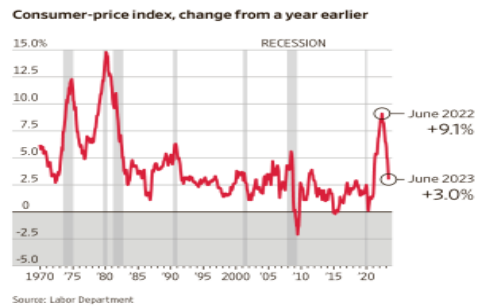
By Gwynn Guilford
And Nick Timiras

Inflation cooled last month to its slowest pace in more than two years, giving Americans relief from a painful period of rising prices and boosting the chances that the Fed will stop raising interest rates after an expected increase this month. The consumer-price index climbed 3% in June from a year earlier, the Labor De-

partment said Wednesday, sharply lower than the recent peak inflation rate of 9.1% in June 2022, when gasoline prices hit a U.S. record average of \$5 a gallon. The June rate declined from 4% in May. Inflation was last close to 3% in March 2021. "After a punishing stretch of high inflation that eroded consumer's purchasing power, the fever is breaking," said Bill Adams, chief economist at Comerica Bank. Consumers paid less last month for used cars and airline fares, and their rent increased at the slowest one-month pace since early 2022. Prices for car insurance and recreation services rose.

Investors cheered the figures, which affirmed the Fed was making progress in its work to stem high inflation. Stocks rose, with the S&P 500 climbing 0.7% and the Dow Jones Industrial Average adding 0.3%. Bond yields fell. Fed officials are on track to raise rates to a 22-year high at their July 25-26 meeting because economic activity hasn't slowed down as much as anticipated. But the inflation re-

- ◆ **U.S. stocks advance** after the CPI report. **B11**
- ◆ **James Mackintosh: A different take on prices.** **B10**
- ◆ **Heard on the Street: Not cool enough for the Fed.** **B12**



Summit Yields Mixed Results for Kyiv



PARLEY: Ukrainian President Volodymyr Zelensky, seen Wednesday at the NATO summit in Lithuania with U.K. Prime Minister Rishi Sunak and U.S. President Joe Biden, has pushed to join the alliance, but members would only offer assurances that Ukraine can join in the future. **A8**

Corporate Raiders Bring Guns in Occupied Ukraine

By Alistair MacDonald
And Oksana Pyrohok

KYIV, Ukraine—In occupied Ukraine, corporate mergers and acquisitions begin with a visit from masked gunmen. Not long after Russia's military took control of the Ukrainian city of Melitopol, bal-clava-clad men arrived at the head office of one of its largest companies, beat its security guards and announced the business was under new ownership. Over the next few months, many other companies in this south-coast city would follow the same fate as Melitopolskaya

Chereshnya, or Melitopol Cherry, one of Ukraine's biggest fruit businesses. Now more than a year after many of those takeovers unfolded on the ground, these companies are re-emerging on corporate registers, under new Russian ownership. They are also producing again, including ammunition that is being sent to Russia. The Security Service of Ukraine, or SBU, is investigating the seizure of more than 300 businesses in the Melitopol area, according to agency briefing documents reviewed by The Wall Street Journal. The SBU is probing, among other things,

whether Russia's Federal Security Service, or FSB, and parts of its military have orchestrated some of these takeovers. "The seized companies' former owners, meanwhile, are launching their own campaigns to get their businesses back. They have filed a lawsuit in an international court against the new Russian owners and are calling old clients to stop them from buying from their former businesses. "Today, there is not a single enterprise left in the Melitopol region that was not in one way or another in cooperation with

World's Oddest Double Feature: 'Barbie,' Then 'Oppenheimer'

To some fans, watching the doll movie first is 'more unHINGED than sleeping in jeans.'

By IZZY AMPLE

Colin Hendershott, 35, is taking the day off work on July 21 to celebrate a new summer holiday. He won't be hitting the beach or barbecuing. Instead, he and seven of his friends plan to spend more than five hours in a dark movie theater for a back-to-back billing of "Barbie" and "Oppenheimer," which both premiere that day.

Greta Gerwig's "Barbie" is a madcap cap adventure about what happens when the iconic Mattel doll leaves her pink utopia for the real world. Christopher Nolan's "Oppenheimer" is a drama about the lead scientist

behind World War II's Manhattan Project, a top-secret mission to create the world's first atomic bomb. The films, polar opposites from genre to color scheme, seemed destined to divide audiences. Instead, fans are strategizing for double features in what they have dubbed "Barbenheimer."

Hendershott, a customer-support representative in Elgin, Ill., began joking with his friends about a kidding morphed into a real plan: His group bought tickets to both movies, leaving just 10 minutes in between. Next comes choosing



Meet Barbenheimer

FTC Bid to Police Tech Is Dealt a New Setback

By DAVE MICHAELS

WASHINGTON—Federal Trade Commission Chair Lina Khan is taking on the world's biggest technology companies—and losing. Khan failed Tuesday in her latest effort to block a big-tech deal when a federal judge denied her agency's bid to block Microsoft from closing its purchase of videogame publisher Activision Blizzard. The FTC, which is appealing, suffered a similar setback earlier this year when it tried to thwart Meta Platforms' purchase of a virtual-reality gaming company. Khan, who gained prominence as a critic of Amazon.com, entered office in 2021 vowing to stiffen antitrust enforcement. Past enforcers were too cautious about bringing tough cases, she has said, and failed to confront the rise of companies

such as Facebook owner Meta that gained monopoly-like power in digital industries. "I'm certainly not someone who thinks success is marked by a 100% court record," Khan said last year in remarks at the University of Chicago. "If you just never bring those hard cases, I think there is severe cost to that, that can lead to stagnation and stasis." Khan is set to testify Thursday before the House Judiciary Committee, whose Republican leadership is investigating her agency's oversight of social-media platform Twitter and her adherence to federal ethics rules. The FTC has said its probe of Twitter is looking for potential breaches of a previous agreement in which the company

- ◆ **U.K. competition regulator ends up in tough spot**... **B4**

AT&T and Verizon Knew of Risk From Lead Cables

At a gathering of telecom officials more than a decade ago, John Malone, a senior AT&T manager, cautioned the group about a little-known danger crisscrossing the nation.

By Shalini Ramachandran,
Thomas Gryta,
Coulter Jones,
Susan Pulliam and
John West

His topic was lead-covered cables, which once carried phone service and had long been obsolete. Weren't these ancient cables gone? "NO," his slide presentation said. "Some older metropolitan areas may still have over 50% lead cable," the slide said. In some places, they posed risks for phone-company workers and the surrounding environment, Malone concluded. For decades, AT&T, Verizon and other firms dating back to

the old Bell System have known that the lead in their networks was a possible health risk to their workers and had the potential to leach into the nearby environment, according to documents and interviews with former employees. They knew their employees working with lead regularly had high amounts of the metal in their blood, studies from the 1970s and '80s show. Environmental records from an AT&T smelting unit in the 1980s show contamination in the soil. Government agencies have conducted inspections, prompted by worker complaints, that led to citations for violations involving lead exposure and other hazardous materials more than a dozen times over four decades, records show. Over the years, AT&T officials themselves expressed concern about possible worker exposure to lead. Risks include

- ◆ **Canada accuses China of political interference**... **A9**

INSIDE



PERSONAL JOURNAL
Travelers are paying more for hotel stays, but often getting less. **A11**



BUSINESS & FINANCE
The art market slows as collectors hold on to more of their trophies. **B1**



Is the west's love-in with Zelenskyy over?

ANALYSIS, PAGE 3

Airlines prepare for smooth summer season

PHILIP GEORGIADIS, PAGE 6

Big drop in US inflation raises hopes that 'fever is breaking' after rate rises

◆ Headline figure hits 3% ◆ Dollar weakens ◆ Tightening forecasts reined in ◆ Europe and UK struggle

NICHOLAS MEGAW AND KATE GUGUID — NEW YORK COLBY SMITH — WASHINGTON

US inflation fell sharply to 3 per cent in June, sending the dollar lower and highlighting the Federal Reserve's relative success at bearing down on price pressures.

The improved picture in yesterday's data stands in sharp contrast to other advanced economies such as the UK, where the Bank of England is struggling to control inflation of 8.7 per cent.

US markets reacted positively to the data, with the main stock indices hitting 15-month highs. The two-year Treasury yield, which moves with interest rate expectations, fell to a two-week low of 4.75 per cent, while the US dollar index hit its weakest point in 15 months.

The annual increase in the consumer price index slowed from 4 per cent in May to 3 per cent in June, the slowest rate of inflation since March 2021, compared with expectations of 3.1 per cent.

"After a punishing stretch of high inflation that eroded consumers' purchasing power, the fever is breaking," said Bill Adams, chief economist at Comerica Bank.

The headline rate of inflation has been moving closer to the Fed's 2 per cent target after peaking at more than 9 per cent last year. However, core inflation, which strips out volatile food and energy costs, has proved more resilient, raising expectations that the US central bank will still need to lift interest rates further. Core CPI fell more modestly, from 5.3 per cent to 4.8 per cent.

"Headline inflation is coming down, but... there is still quite a distance to go from 4.8 per cent to where the Fed wants core inflation to be at 2 per cent," said Torsten Slok, chief economist at Apollo Global Management. "Taken with the employment report, this is still likely to mean another rate increase."

Labour market data released last week suggested that the Fed's aggressive rate rises were beginning to cool the economy, with jobs growth slowing.

However, it also highlighted continued inflationary pressures, with unemployment still close to a multi-decade



Source: Wind Photo: Richard B. Levine/Sipa USA/Reuters

low and wages growing well above the levels considered consistent with the Fed's target inflation rate.

The Fed has raised its benchmark interest rate to a range of 5 to 5.25 per cent from close to zero at the start of 2022. Officials kept rates steady at their most recent policy meeting in June to

take stock of the effect of previous rises but have made clear they expect further increases before the end of the year.

Sophia Drossos, an economist at Point72 Asset Management, said the Fed was likely to raise rates this month but added that the combination of yesterday's data and tentative signs of cooling in the labour market "reinforces the view that the path for the Fed is more uncertain after July".

"What we're seeing is consistent with the market scaling back tightening expectations after the July meeting," she said, "but it doesn't seem that it should be pricing in scope for rate cuts this year. This is consistent with higher for longer, perhaps 'one and done' as the Fed goes

on pause and considers its next move." Whereas the Fed appears to be closing in on the end of its monetary tightening campaign, the BoE and the European Central Bank are expected to plough on with several more rate rises this year.

According to futures markets, the BoE is forecast to lift its benchmark rate another percentage point this year to 6 per cent by early 2024. The ECB is projected to deliver about half a percentage point more of rate rises this year. China's economy teetered on the brink of deflation in June, with flat annual CPI, adding to calls for more stimulus.

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Jump bond trade shrinks page 10
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"There is still quite a distance from 4.8% to where the Fed wants core inflation to be at 2%," Torsten Slok, economist



Can Bidenomics change America? Big Read, Page 15

Some 40 years after Reaganomics rejected government intervention, the US has embraced an era of massive subsidies. But will voters notice?

Chip designer Arm woos rival Nvidia to act as anchor investor at New York IPO

FT REPORTERS

UK-based chip designer Arm is in talks to bring in Nvidia as an anchor investor for its \$100bn New York IPO, according to company sources ahead of plans for a New York listing as soon as September.

Nvidia, the world's most valuable semiconductor group, was forced last year to abandon its planned \$66bn acquisition of Arm after the deal was challenged by regulators.

The Silicon Valley-based chipmaker is one of several Arm partners, including Intel, that the UK-based company is hoping will take a long-term stake at the initial public offering stage, according to several people briefed on the talks.

The prospective investors are still negotiating with Arm over its valuation. One person familiar with the talks said Nvidia wanted a share price that would

put Arm's total value at \$35bn to \$40bn, while Arm wanted to be closer to \$80bn.

The aim of bringing in large anchor investors as Arm launches an IPO would be to help support the stock as SoftBank, which bought Arm for £24bn in 2016, sells down its stake.

Many private tech companies and their advisers are watching to see whether Arm succeeds in launching its IPO after a year-long slump in new listings. Securing the advance support of a few anchor investors is a popular tactic during difficult IPO markets, as it serves to ensure demand and reassure other potential investors.

Arm and Nvidia declined to comment. One person close to the situation said the talks had not been concluded and might not lead to an investment. Arm is expected to be the most valuable company to go public in the US since

automaker Rivian, which listed with a market capitalisation of \$70bn in 2021.

Arm is widely considered to be a less risky prospect than many other IPO candidates, given its record as a public company.

People close to SoftBank said founder Masayoshi Son had been personally involved in seeking anchor investors for Arm. Son has been focusing on expanding the chip designer's revenue ahead of its IPO. SoftBank declined to comment.

Arm and Nvidia have contacted regulators in the US to smooth over any potential concerns on what is likely to be a small minority investment, in the low hundreds of millions of dollars, according to people close to the talks.

Reports by *Tabby Kinder* and *Richard Waters* in San Francisco, *Qiannan Liu* in Hong Kong, *Nicholas Megaw* in New York, *Kama Inagaki* in Tokyo and *Tim Bradshaw* in London



Gaming ruling is setback for FTC's combative chief

A judge's decision to throw out the US Federal Trade Commission's request to block Microsoft's \$75bn acquisition of Activision dealt a heavy blow to Lina Khan, the regulator's boss. Known for a paper as a young academic that urged the break-up of Amazon, she angers corporate America with her new legal tactics to hit anti-competitive conduct. Results are mixed but lawyers say the latest setback will not curb her zeal. **Anti-trust ambitions** — PAGE 9
Lex — PAGE 18

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World Markets

STOCK MARKETS				CURRENCIES				GOVERNMENT BONDS			
	Jul 12	Prev	%Chg	Pair	Jul 12	Prev	%Chg	Yield (%)	Jul 12	Prev	Chg
S&P 500	4485.80	4439.26	0.60	\$/€	1.112	1.099	0.89	US 2 yr	4.73	4.89	-0.16
Nasdaq Composite	13852.26	13790.70	0.67	\$/£	1.300	1.290	0.79	US 10 yr	3.85	3.98	-0.13
Dow Jones Ind	34415.61	34291.42	0.45	€/£	0.895	0.852	6.2	US 30 yr	3.98	4.02	-0.07
FTSE100	1813.01	1788.42	1.41	\$/¥	138.420	140.615	-1.6	UK 2 yr	5.21	5.42	-0.21
Euro Stoxx 50	4382.53	4288.56	1.77	\$/HK\$	179.904	181.352	-1.9	UK 10 yr	4.57	4.72	-0.16
FTSE 100	7416.11	7282.52	1.83	\$/¥	0.965	0.970	-0.5	UK 30 yr	4.55	4.66	-0.12
FTSE All-Share	4046.29	3973.18	1.89	\$/¥	1.127	1.138	-1.0	JPN 2 yr	-0.04	-0.04	0.00
CAC 40	7333.01	7220.01	1.57	\$/¥	1.169	1.174	-0.4	JPN 10 yr	0.47	0.45	0.02
Korea Dax	15023.00	15790.34	1.47	\$/¥	1.169	1.174	-0.4	JPN 2 yr	1.34	1.31	0.03
Nikkei	31943.93	32003.57	-0.81	\$/¥	1.169	1.174	-0.4	GER 2 yr	3.22	3.30	-0.08
Hang Seng	18860.95	18659.83	1.08	\$/¥	1.169	1.174	-0.4	GER 10 yr	2.54	2.65	-0.11
MSCI World \$	2952.12	2931.09	0.76	\$/¥	1.169	1.174	-0.4	GER 30 yr	2.99	2.85	0.17
MSCI EM \$	944.09	951.88	-1.23	\$/¥	1.169	1.174	-0.4				
MSCI ACWI \$	680.43	674.94	0.81	\$/¥	1.169	1.174	-0.4				
FT Wilshire 2500	5759.93	5715.31	0.78	\$/¥	1.169	1.174	-0.4				
FT Wilshire 5000	44901.80	44555.00	0.78	\$/¥	1.169	1.174	-0.4				

GRAFF
THE MOST FABULOUS JEWELS IN THE WORLD

Briefing

► **EY's Chinese arm locked in IT tussle with head office**
The business has been refusing to pay fees owed to the firm's global headquarters for a year in a spat over IT services it says cannot be fully used in China.— PAGE 6

► **Digital tax push thwarted**
More than 130 nations have extended a ban on Big Tech levies by another year to 2025, as they wrestle to update the global tax system for the digital age.— PAGE 2

► **Egypt launches sell-offs**
Cairo has announced the sale of \$1.9bn of assets including stakes in oil groups and historic hotels, in a push for foreign currency to shore up the pound.— PAGE 4

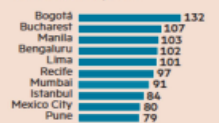
► **UAE to set climate agenda**
The host of the forthcoming UN climate summit is expected to outline its agenda for COP28 this week after a conservative update of its own emissions goal.— PAGE 4

► **EU rewilding bid survives**
The European parliament has defeated an attempt by rightwing parties to veto a bill that aims to rewild a fifth of EU land and sea habitats from 2050.— PAGE 2

► **Drought hits olive oil**
Prices have surged further in to record territory after a long period of unusually dry weather in Spain, the biggest producer, as well as Italy and Portugal.— PAGE 6

Datawatch

In a jam
Average hours lost by drivers to rush-hour traffic, 2022



Based on a daily 10km commute at peak hours
Source: TomTom Traffic Index
Colombian capital Bogotá was the world's most congested city last year, with drivers losing an average of 132 hours to rush-hour traffic. Congestion, often the result of limited road capacity in historic centres, can weigh heavily on economies

Biden Braces NATO for Slog Against Russia

Invoking Cold War — 'We Will Not Waver'

By DAVID E. SANGER and ZOLAN KANNO-YOUNGS

VILNIUS, Lithuania — President Biden concluded a meeting of NATO allies on Wednesday in Vilnius, Lithuania, with an address to that country, and the world, comparing the battle to expel Russia from Ukraine with the Cold War struggle for freedom in Europe, and promising "we will not waver" no matter how long the war continues.

His speech seemed to be preparing Americans and NATO countries for a confrontation that could go on for years, putting it in the context of momentous conflicts in Europe's war-torn past. And he cast it as a test of wills with President Vladimir V. Putin of Russia, who has shown no interest in giving up on an invasion that has not gone according to plan, but has locked him in a war of attrition.

"Putin still wrongly believes that he can outlast Ukraine," Mr. Biden said, describing the Russian leader as a man who made a huge strategic mistake in invading a neighboring country and now is doubling down. "After all this time Putin still doubts our staying power. He is making a bad bet."

The speech, at Vilnius University, came after a series of important victories for Mr. Biden as NATO's de facto leader, at a time of rapid change for the alliance.

His success in cajoling President Recep Tayyip Erdogan of Turkey to drop his objections to Sweden's admission as the 32nd member of NATO makes it possible to turn the Baltic Sea into a region bounded almost entirely by the alliance (though Mr. Erdogan suggested that Turkey's Parliament may not take up the issue until October). NATO nations committed to boosting military spending that the United States has long complained was inadequate.

At the same time, Mr. Biden managed to quash an effort by Ukraine, with the support of Poland and several of the Baltic nations, to give a timetable for Ukraine to formally enter the alliance. Under NATO's policy requiring collective defense, the president has said that admitting Ukraine with the war underway would put the United States in direct conflict with Russia. NATO

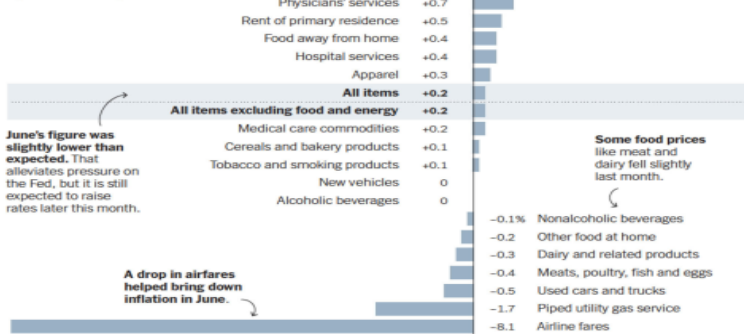
Continued on Page A8

DIVISION AMID UNITY Despite successes at the NATO summit, serious strains remain. PAGE A8



Monthly Changes in June

May-to-June changes in a selection of categories of the Consumer Price Index, adjusted for seasonality.



Source: Bureau of Labor Statistics

KARL RUSSELL/THE NEW YORK TIMES

Slowing Costs Offer Relief To Consumers and the Fed

Home and Travel Prices Help Ease Inflation — May Avert Late-Year Rate Rise

By JEANNA SMIALEK

Inflation cooled significantly in June, offering some of the most hopeful news since the Federal Reserve began trying to tame rapid price increases 16 months ago and boosting the chances that the central bank might be able to stop raising interest rates after its meeting this month.

The Consumer Price Index climbed 3 percent in the year through June, according to data released Wednesday, less than the 4 percent increase in the year through May and just a third of its roughly 9 percent peak last summer.

That overall measure is being pulled down by big declines in gas prices that could prove ephemeral, which is why policymakers closely watch a more slimmed-down version: the change in prices after stripping out food and fuel costs. That metric, known as the core index, offered news that was even better than what economists had expected.

The core index climbed 4.8 percent compared with the previous year, down from 5.3 percent in the year through May. Economists had forecast a 5 percent increase. And on a monthly basis, it climbed at the slowest pace since August 2021.

Slower inflation is unquestionably good news, because it allows consumer paychecks to stretch further at the gas pump and in the grocery aisle. And if inflation can come down sustainably without a big increase in unemployment or a painful economic recession, it could allow workers to hang on to the major gains they have made over the past three years: progress toward better jobs and pay that has helped to chip away

at income inequality. The White House, which has spent over a year on the defensive over rising prices, celebrated the fresh report, with President Biden calling the current economic moment "Bidenomics in action." And stocks soared as investors bet that the Fed would be able to be less aggressive in its fight against inflation — even halting its interest rate increases after a final July move — in light of the new data.

"This is very promising news," said Laura Rosner-Warburton, senior economist and founding partner at MacroPolicy Perspectives. "The pieces of the puzzle are starting to come together. But it's just one report, and the Fed has been burned by inflation before."

Fed officials are likely to avoid declaring victory just yet. Policymakers are still trying to assess whether the moderation is likely to be quick and complete. They do not want to allow price increases to linger at slightly elevated levels for too long, because if they do, consumers and businesses could adjust their behavior in ways that make more rapid inflation a permanent feature of the economy.

That's why officials have signaled in recent weeks that they are likely to raise interest rates at their meeting on July 25 and 26. Policymakers had also indicated that one or more additional rate moves could be warranted after that.

"Inflation is too high," Thomas Barkin, the president of the Federal Reserve Bank of Richmond, said Wednesday in a speech in Maryland, according to Bloomberg. "If you back off too soon, inflation comes back strong, which

Continued on Page A13

Far-Right Republicans Seek to Defund Ukraine

By KAROUN DEMIRJIAN

WASHINGTON — A group of right-wing House Republicans pushing to load up the annual defense bill with socially conservative policies on abortion, race and gender have another demand: severe restrictions on U.S. military support for Ukraine.

The pressure raises the prospect of a divisive floor fight over America's backing for the war effort just as President Biden tries to rally European allies to support Kyiv in its conflict with Russia. The group's proposals on mili-

Partisan Battle Could Delay Defense Bill

tary aid stand no chance of passing the House, where there continues to be strong bipartisan support for backing Ukraine's war effort, or going anywhere in the Senate. But the far right's insistence on casting votes on the matter anyway has further imperiled the defense legislation and transformed what is ordinarily a broadly supported measure that provides the annual pay raise to

U.S. military personnel and sets Pentagon policy into a partisan battleground that has placed Republican divisions on display.

The House on Wednesday began debating the \$886 billion measure, sidestepping the rifts as Republican leaders toiled behind the scenes to placate ultraconservative lawmakers who are demanding votes to scale back Ukraine aid and add social policy dictates. But those disputes will eventually have to be resolved to pass the bill, which had been expected to receive approval on Friday — a timetable that is now in doubt as the hard right threatens

Continued on Page A15

Violence Reigns As Drug Cartels Rise in Ecuador

By JULIE TURKEWITZ

GUAYAQUIL, Ecuador — A total of 210 tons of drugs seized in a single year, a record. At least 4,500 killings last year, also a record. Children recruited by gangs. Prisoners at risk for crime. Neighborhoods consumed by criminal feuds. And all this chaos financed by powerful outsiders with deep pockets and lots of experience in the global drug business.

Ecuador, on South America's western edge, has in just a few years become the drug trade's gold rush state, with major cartels from as far as Mexico and Albania joining forces with prison and street gangs, unleashing a wave of violence unlike anything in the country's recent history.

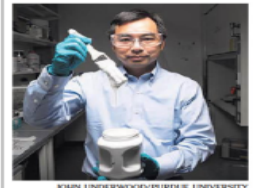
Fueling this turmoil is the world's growing demand for cocaine. While many policymakers have been focused on an epidemic of opioids, like fentanyl, that kills tens of thousands of Americans every year, cocaine production has soared to record levels, a phenomenon that is now ravaging Ecuador society, turning a once peaceful nation into a battleground.

"People consume abroad," said Maj. Edison Núñez, an intelligence official with the Ecuadorian national police, "but they don't understand the consequences that take place here."

It's not that Ecuador is new to the drug business. Squeezed between the world's biggest cocaine producers, Colombia and Peru, it has long served as an exit point for illicit products bound for North America and Europe.

But a boom in Colombia in the

Continued on Page A6



Xiulin Ruan's new paint reflects 98 percent of the sun's rays.

A Coat of Paint May Hold a Key To a Cool Planet

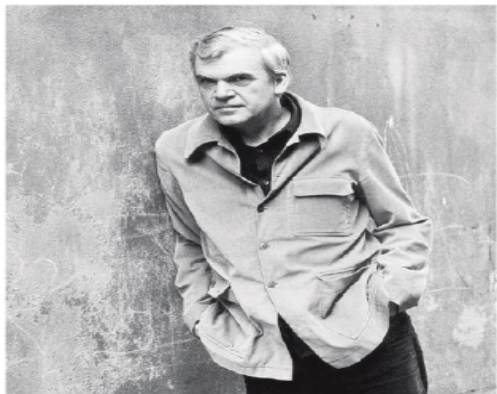
By CARA BUCKLEY

Xiulin Ruan, a professor of mechanical engineering at Purdue University, didn't set out to make it into the Guinness World Records when he began trying to make a new type of paint. He had a loftier goal: to cool down buildings without torching the Earth.

In 2020, Dr. Ruan and his team unveiled their creation: a type of white paint that can act as a reflector, bouncing 95 percent of the sun's rays away from the Earth's surface, up through the atmosphere and into deep space. A few months later, they announced an even more potent formulation that increased sunlight reflection to 98 percent.

The paint's properties are almost superheroic. It can make surfaces as much as eight degrees Fahrenheit cooler than ambient air temperatures at midday, and up to 19 degrees cooler at night, reducing temperatures inside build-

Continued on Page A12



Milan Kundera in France in 1979. He left Czechoslovakia in 1975.

'Unbearable Lightness' Author Gave Comical Flair to Despair

By DANIEL LEWIS

Milan Kundera, the Communist Party outcast who became a global literary star with mordant, sexually charged novels that captured the suffocating absurdity of life in the workers' paradise of his native Czechoslovakia, died on Tuesday in Paris. He was 94.

A spokeswoman for Gallimard, Mr. Kundera's publisher in France, confirmed the death, saying it came "after a prolonged illness."

Mr. Kundera's run of popular books began with "The Joke," which was published to acclaim in 1967, around the time of the Prague Spring, then banned with a vengeance after Soviet-led troops crushed that experiment in "socialism with a human face" a

few months later. He completed his final novel, "The Festival of Insignificance" (2015), when he was in his mid-80s and living comfortably in Paris.

"Festival" was his first new fiction since 2000, but its reception, tepid at best, was a far cry from the reaction to his most enduringly popular novel, "The Unbearable Lightness of Being."

An instant success when it was published in 1984, "Unbearable Lightness" was reprinted over the years in at least two dozen languages. The novel drew even wider attention when it was adapted into a 1988 film starring Daniel Day-Lewis as one of its central characters, Tomas, a

Continued on Page A20

NATIONAL A11-18

Director Defends F.B.I.

Republicans bombarded Christopher A. Wray with a series of criticisms during a contentious hearing. PAGE A15

Wanted: Larcenous Otter

California wildlife officials are after a sea otter who rides the waves after taking surfers' boards. PAGE A11



INTERNATIONAL A4-10

War Over Bullfighting Customs

Spain's comic shows at bullfights by people with dwarfism are under attack. Performers are fighting back. PAGE A4

Hacking Before China Trip

China targeted State Department emails before the secretary of state visited in June, officials said. PAGE A9

OBITUARIES A19-21

C.E.O. Paved Way for S.U.V.s

Gerald C. Meyers, the executive who helped American Motors fuel an appetite for off-road vehicles with the Jeep Cherokee in 1974, was 94. PAGE A21

BUSINESS B1-5

A.I. in the Classroom

Newark public schools are trying out tutor bots. The preliminary report card: "could use improvement." PAGE B1

Challenging Tech, and Losing

After Microsoft won a ruling, critics of the Federal Trade Commission's leader say her strategy is flawed. PAGE B1

SPORTS B6-8

The Soldiers of Wimbledon

Nearly 500 members of Britain's three military branches spend two weeks of their vacation each year volunteering at the Grand Slam tournament. PAGE B6

ARTS C1-6

A Pinball Wizard Plays On

The rock opera "The Who's Tommy" has been reimaged for a new production being staged in Chicago. PAGE C1

'Succession' Tops Emmys List

The HBO drama, with, below, Sarah Snook, Kieran Culkin and Jeremy Strong, earned 27 nominations. PAGE C1



THURSDAY STYLES D1-6

Torn to Be Worn

Celebrities like the antique look of Magnolia Pearl, but the brand has taken fire for its "poverty" aesthetic. PAGE D1

An Amiable Aristocrat

The Duchess of Rutland found running a castle to be a big job, then asked other duchesses for their secrets. PAGE D6

OPINION A22-23

Gail Collins

PAGE A23



PHOTO: IAN DUNN/REUTERS/GETTY IMAGES; PHOTO: GUY LAWRENCE/REUTERS/GETTY IMAGES



Kansas City, Mo. CHARLIE RIEDEL Associated Press



Washington, D.C. MANDEL NOAN AP/Getty Images



Montpelier, Vt. JOHN TULLY For the Washington Post



San Rafael, Calif. JUSTIN SULLIVAN Getty Images

ACTORS EDGE CLOSER TO A STRIKE

As a mediator joins contract talks with studios on deadline, a deal appears unlikely.

By ANOUSHA SAKOUI

The union representing Hollywood actors was in a showdown with the major studios Wednesday afternoon, setting the stage for a possible second industry strike.

A federal mediator was brought in Wednesday to help resolve the labor conflict, but few people close to negotiations expected SAG-AFTRA and the Alliance of Motion Picture and Television Producers to reach a deal before a midnight deadline.

By an overwhelming 98%, the union's members previously authorized their leaders to call a strike if they could not secure a new contract to replace one that expired June 30.

If approved by the union's national board, which is scheduled to meet Thursday, a strike could happen as early as Friday with pickets in Los Angeles, New York and other cities. Actors would join writers — who've been on strike for two months — for the first time since 1960.

A collapse in talks had been foreshadowed Tuesday, when SAG-AFTRA blasted the AMPTP over a last-minute proposal to bring in a federal mediator to help resolve the labor conflict.

The alliance, which bargained behalf of the studios and streamers, made the request for assistance from a federal mediator after several top Hollywood executives, including Warner Bros. Discovery boss David [See Actors, A13]

WEATHER EXTREMES — 'A NEW ABNORMAL'

The U.S. in the last two months has resembled the set of a blockbuster disaster movie, with heat waves, wildfires or torrential rain affecting much of the country. Are we doomed? Scientists say, no, humans can still do something about climate change. **NATION, A6**

New head of Cal State selected

Mildred García is a former leader of the Dominguez Hills and Fullerton campuses.

By DEBBIE TRUONG

Mildred García, a longtime higher-education leader who previously served as president of Cal State Dominguez Hills and Cal State Fullerton, was named chancellor of the California State University on Wednesday, trustees announced, stepping into the top position at a fraught time for the nation's largest public four-year university system.

García, currently president of the American Assn. of State Colleges and Universities, will become the 11th chancellor and first Latina to lead the 23-campus system. She is credited with improving Cal State Fullerton's four-year graduation rate by 65% and won recognition from a host of state and national education groups for closing the achievement gaps between Latinos and their white and Asian peers. Earlier in her career, García served as president of Berkeley College, a for-profit college that [See Chancellor, A10]

Shows Emmy voters will miss

Nominees include departing series "Ted Lasso," "Succession," "Mrs. Maisel" and "Barry." **CALENDAR, E1**

Inflation drops to 3% in June

The sharp slowdown reflects easing prices for gasoline, airfares, used cars and groceries. **BUSINESS, A12**

Weather

Mostly sunny L.A. Basin: 89/63. **B6**

Printed with soy inks on partially recycled paper



In area of great scenic beauty, ground constantly in motion

The Palos Verdes Peninsula — a land of rolling hills, jagged cliffs and sweeping views of the city and ocean — boasts some of the most beautiful terrain in Southern California.

It's also long proved to be some of the most dangerous.

For hundreds of thousands of years, the peninsula has been plagued by an ancient landslide complex that slowly reshapes the topography. The earth lurches and warps, sometimes slowly, sometimes rapidly, destroying homes and infrastructure along the way.

The latest damage was dealt to

Landslides on the Palos Verdes Peninsula have ancient pedigree

By Jack Flemming

Rolling Hills Estates, where a major ground shift led to 12 homes being evacuated after a fissure snaked its way through the neighborhood. Foundations cracked, walls collapsed and some homes were visibly leaning as the hillside upon which they were perched slowly descended into a canyon.

Land movement is a stubborn, if periodic, reality for much of California — particularly the coastal hills of the South Bay and Orange County.

Laguna Beach, Laguna Niguel and San Clemente have dealt with destructive slides. In [See Landslide, A8]



A SEA OTTER chews on a surfboard after chasing off a surfer off the coast of Santa Cruz on Sunday. Wildlife officials want to capture it and find it a new home. MARK WOODWARD

Oh, gnarly! That cute sea otter will steal your board

Critter attacks and terrorizes surfers in Santa Cruz

By SUSANNE RUST

SANTA CRUZ — It was Joon Lee's fourth time surfing on Sunday.

The 40-year-old Apple software engineer from San Jose had rented a board and driven south to Santa Cruz to catch some waves off the coast of the iconic surf town.

But about 90 minutes into his session, he was attacked — by a sea otter.

Since mid-June, an otter — which remains nameless — has been attacking and terrorizing surfers off the Santa Cruz coastline — in at least one case, stealing a

board.

In recent days, the attacks have grown increasingly aggressive.

Lee said he'd been surfing near an otter for most of the time he was there — in Steamer Lane, off Cowell Beach. "It was being peaceful and friendly, and all of us surfers were like, 'Oh, it's so cute,'" he said.

But then another otter appeared, seemingly out of nowhere, and swam at another surfer.

"At first, we were like, 'Look how cute?' But then it bit down on the board and chewed off a piece, and we were like, 'What's going

on?'" he said.

That's when it turned its eyes on Lee and made a beeline for him.

"I was scared. I was trying to swim away, but before I was able to get far, it bit my leash," he said, referring to the tether surfers wear around their ankle that connects them to the board. "So I panicked."

He said the otter jumped on his board and began biting it. He tried to flip the board, but the otter got right back on — and started lunging at him.

He was ultimately able to get to shore, but not before [See Otter, A10]

How a Manson murderer's parole became possible

By SALVADOR HERNANDEZ AND RICHARD WINTON

For more than 50 years, relatives of Sharon Tate and Leno and Rosemary LaBianca vehemently pleaded with California governors and the state's parole board: Never free any member of Charles Manson's so-called family.

"If you have a monster and you are fortunate enough to have caught it, and it was condemned to die, why let it go?" said Tate's sister, Debra Tate. "I've worked with Republican governors and Democrat governors, and every one has always said: 'We'll never let them out.'"

That changed Tuesday, when after having repeatedly been denied parole, Leslie Van Houten was re-

leased from prison for her role in the notorious 1969 murders in Los Angeles.

While Tate and other family members of the victims decried the release, the move underscores how views of punishment and rehabilitation have changed in the criminal justice system, even when it comes to horrific cases such as the Manson murders.

"The crimes were truly heinous, cruel murders of strangers," said Hadar Aviram, a professor at UC Law San Francisco and author of "Yesterday's Monsters: The Manson Family Cases and the Illusion of Parole," a book that studies the parole hearings of those convicted. "There's this idea of: Can this ever be forgiven?"

But, Aviram continued, "I think if you really think about this as a pragmatic, [See Manson, A8]



LESLIE VAN HOUTEN, pictured in 2017, was just released from a California prison after 53 years. STAN LEM Pool Photo

The Washington Post

Prices may vary in areas outside metropolitan Washington.

50 11 12 13 14

Partly sunny, hot 96/75 • Tomorrow: T-storms 86/74 B6

Democracy Dies in Darkness

THURSDAY, JULY 13, 2023 • B3

Biden walked a fine line in Vilnius

President's cautious tone on Ukraine's NATO bid clashed with some allies

BY MICHAEL BERNBAUM AND EMILY RAUHALA

VILNIUS, LITHUANIA — The negotiations about Ukraine's glide path toward NATO membership had come down to the wire, and Biden administration officials believed they had finally found a compromise: a vote to ease Kyiv's membership process, once the wartime situation allows it.

Then Ukrainian President Volodymyr Zelensky weighed in with a tweet blasting the draft offer as far too little. It crashed President Biden's careful balance between two constituencies: his own conviction that a U.S. misstep in Ukraine could start World War II, and the voices channeling Kyiv's desire to join the fast track to NATO membership.

Zelensky's intervention midway through NATO's high-stakes summit here made members of the U.S. delegation "furious," one official said. And it crystallized a broader tension facing Biden as Ukraine's counteroffer runs up against entrenched Russian defenses: The United States is by far Kyiv's biggest military backer. But Biden faces an increasing challenge holding together the transatlantic alliance, as other countries increasingly push plans for helping Ukraine that rush past the lines the White House believes could trigger a Russian escalation.

Now Biden needs to make a

SEE NATO ON A10

G-7 pledge: Global leaders join in major security pact for Ukraine. A11

F-16 deal: Turkey's agreement is being linked to a Greek request. A11



JOHN TULLY FOR THE WASHINGTON POST



NOAH BERGER/AP



AGL KHAN/AP

CLOCKWISE FROM BOTTOM: The ravages of climate change appeared in severe flooding this week in northern India; Canadian wildfires that have brought toxic air to the United States; flooding this week in Vermont, where Tyler Jovic carried his neighbor's dog to dry ground; and U.S. heat alerts that had Andrea Washington in Austin and millions more seeking relief.



BRANDON BELL/GETTY IMAGES

Fresh signs of easing prices

INFLATION CLOSER TO NORMAL LEVELS

Economic picture starkly different from a year ago

BY RACHEL SEGEL AND ABHA BHATTARAI

A year after inflation soared to the highest level in four decades, price increases are returning closer to normal levels, with families and businesses feeling the difference as wages rise faster than prices and policymakers debate how much more to slow the economy.

Government data released Wednesday showed a notable drop in inflation: Prices rose 3 percent in June compared with the year before, and 0.2 percent compared with May, the smallest 12-month increase since March 2021. That marked progress from the last inflation report, when prices rose 4 percent compared with the previous year.

There is a way to go, especially on major categories such as rent. But encouraging signs were scattered throughout the Bureau of Labor Statistics report. Goods prices, from used cars to meats, saw declines compared with the month before. Categories that bulged over the past year, such as airfares and hotels, are also cooling off as demand settles back to normal.

Meanwhile, wages have grown faster than inflation for four straight months. Average hourly earnings rose 0.4 percent from May to June, outpacing inflation by 0.2 percent, according to a separate BLS report released Wednesday.

SEE INFLATION ON A16

Alarms for a planet on edge: Flooding, fires and lethal heat

Warming's link to extreme events is clear. What isn't, experts say, is when we'll act.

BY SARAH KAPLAN

The world is hotter than it's been in thousands of years, and it's as if every alarm bell on Earth were ringing.

The warnings are echoing through the drenched mountains of Vermont, where two months of rain just fell in only two days. India and Japan were deluged by extreme flooding.

They're shrilling from the scorching streets of Texas, Florida, Spain and China, with a severe heat wave also building in Phoenix and the Southwest in coming days.

They're burbling up from the oceans, where forecasters say temperatures have surged to levels "beyond extreme." And they're showing up in unprecedented, still-burning wildfires in Canada that have sent plumes of dangerous smoke into the United States.

Scientists say there is no question that this cacophony was caused by climate change — or that it will continue to intensify as the planet warms. Research shows that human greenhouse gas emissions, particularly from burning fossil fuels, have

SEE CLIMATE ON A9

Vermont: Deluges test state's quaint mountain towns. A5

CHINA'S GLOBAL LEAP

Winning friends, and influence, by training workers

Vocational programs in 25 nations emblematic of Xi's push to offer his nation as an alternative to U.S.

BY SHIBANI MAHTANI

PONOROGO, INDONESIA — The rice fields in this part of East Java are still plowed by buffalo. There is little in the way of manufacturing or tourism. Every year thousands of residents follow a well-worn path to jobs as domestic helpers in Hong Kong or construction workers in Saudi Arabia.

Ziofani Alfridius, however, believes he will have a career and a future here. The 16-year-old is clear on the source of his optimism — China.

His local school hosts a Luban Workshop, a Chinese-funded and -directed vocational training program that teaches students how to service Chinese electric-vehicle engines, operate Chinese commercial drones and assemble Chinese robots. The educational assistance, all provided at no cost, has revolutionized the provincial school here with new technology and machinery to train students, as well as trips to vocational schools in China to build the skills

SEE CHINA ON A12



JOSHUA ERWANDI FOR THE WASHINGTON POST

Students fix a concept engine in an automotive class at a China-led workshop in Ponorogo, Indonesia.

Cabinet head among those hit in Chinese email breach

BY ELLEN NAKASHIMA, JOSEPH MENN AND SHANE HARRIS

Chinese cyberspies, exploiting a fundamental gap in Microsoft's cloud, hacked email accounts at the Commerce and State departments, including that of Commerce Secretary Gina Raimondo — whose agency has imposed stiff export controls on Chinese technologies that Beijing has denounced as a malicious attempt to suppress its companies.

Raimondo is the only known Cabinet-level official to have their account compromised in the targeted cyberespionage campaign, according to U.S. officials familiar with the matter, who spoke on the condition of anonymity due to the matter's sensitivity.

The breaches have been mitigated, officials said, but an FBI investigation continues.

The Microsoft vulnerability

SEE HACKS ON A16

IN THE NEWS



NASA/ESA/CASA/STSC/KALUJA/PONTOPPIDEN

What a view On the James Webb Space Telescope's first anniversary, NASA released an image of stars forming near Earth. A5

THE NATION

FBI Director Christopher A. Wray rebuffed House GOP claims of agency bias against conservatives. A2

The EPA proposed tougher standards on lead in paint in older buildings, potentially triggering its removal in millions of homes and schools. A3

THE CLIMATE

Small wind is getting there as a clean energy option, but having a tur-

bine scaled for home use still presents major challenges, Michael J. Coren writes. A6

THE WORLD

In a drone-aided duel in southeastern Ukraine, any hopes of quick wins against Russia are giving way to the grind of attrition. A8

Israel's recent raid in Jenin exposed the weakness of the Palestinian Authority, which many in the West Bank view as irrelevant. A14

THE ECONOMY

A growing number of travelers will have to undergo further screening after a security breach last year, the TSA announced. A15

THE REGION

Maryland Gov. Wes Moore said more police and tougher sentencing are needed to stem escalating gun violence. B1

One of the first Jan. 6 rioters to be identified in a line of Oath Keepers is convicted of conspiracy to obstruct the electoral college vote count and civil disorder. B1

An ordinary-looking plot

in the D.C. suburbs has yielded over 100 dinosaur fossils, likely 115 million years old. B1

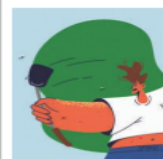
OBITUARIES

Milan Kundera, 94, the Czech-born writer of "The Unbearable Lightness of Being," mixed philosophy, political critique and eroticism in his novels. B4

STYLE

Northwestern student journalists suspected there was more to football coach Pat Fitzgerald's suspension — and they were right. C1

INSIDE



LOCAL LIVING

Party crashers How to enjoy summer and protect your patio from mosquitoes.

STYLE

The 2023 Emmys A look at the nominations — and why things are a bit messier this year. C1

BUSINESS NEWS A15
COMICS C6
OPINION PAGES A7
OBITUARIES B4
TELEVISION C4
WORLD NEWS A8

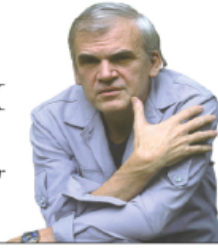
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1929-2023

Milan Kundera. Uno de los escritores más influyentes del siglo XX

—cultura

El autor del best seller *La insostenible levedad del ser* murió en París, donde vivía desde 1975. **Página 24**



deportes

Demichelis en LA NACION: el hombre detrás de la revolución River

En la antesala de la definición, una charla íntima con el DT sobre ideas y sentimientos: "Sabía que estaba preparado".



LA NACION

JUEVES 13 DE JULIO DE 2023 | LANACION.COM.AR

Fracasó en el Senado una maniobra de Cristina para sostener a una jueza afín

JUSTICIA. Pretendía mantener en el cargo a Figueroa, que es clave para la causa Hotesur

La vicepresidenta Cristina Kirchner fracasó ayer en su intento de aprobar en el Senado la permanencia en el cargo por cinco años más de la camarista Ana María Figueroa y de evitar que la jueza, de abierta cercanía con el kirchnerismo, se vea obligada a jubilarse antes del próximo 9 de agosto, cuando cumplirá

75 años. Figueroa integra la Cámara de Casación, que decidirá sobre el futuro de la causa Hotesur-Los Sauces, que fue cerrada en 2021 en medio de una fuerte controversia y en la que Cristina Kirchner fue denunciada por lavado de dinero.

La vicepresidenta había impulsado ayer una sesión con oficia-

listas y aliados para sostener a la camarista Figueroa; sin embargo, no consiguió el quorum necesario para llevar adelante la sesión.

Cristina Kirchner le quitó el cuerpo a la foto de la derrotay no apareció por el recinto de la Cámara alta cuando cayó la sesión por falta de senadores. **Página 8**

Dan por sentada la salida de la magistrada

Hernán Cappiello

Página 9

Santa Cruz, última en calidad democrática

Página 14

Denuncian una ofensiva del Estado contra Bullrich

REACCIÓN. La oposición rechazó la intervención de su fundación

La controvertida decisión del Gobierno de intervenir la fundación de la precandidata presidencial Patricia Bullrich en plena campaña electoral provocó ayer una oleada de repudio entre los principales dirigentes de la oposición, que denunciaron la instrumentación de una "campaña sucia". La avanzada gubernamental se instrumentó a través de la Inspección General de Justicia (IGJ), que depende del Ministerio de Justicia, a cargo del kirchnerista Martín Soria. **Página 10**

EL ESCENARIO

Dos batallas cruciales en la campaña

Carlos Pagni

—LA NACION—

Las dos principales batallas de la campaña electoral se están librando al margen del proselitismo. Una transcurre en Washington y la otra, en el Senado. En la primera, se dirime el comportamiento de la economía para las próximas semanas: es la negociación con el Fondo Monetario Internacional. **Continúa en la página 16**



SIGUIERON LAS PENURIAS EN EL AEROPARQUE. Los pasajeros que quisieron viajar ayer desde el Aeroparque Jorge Newbery debieron soportar otra vez demoras y cancelaciones de vuelos, como consecuencia del paro de maleteros que el martes había provocado un caos en la estación aérea. Ya con las vacaciones iniciadas en varias provincias, los trastornos afectaron a miles de viajeros. **Página 23**

Temporada de esquí. El cambio a favor promete un aluvión desde Brasil

Los operadores turísticos manejan buenas expectativas en todos los centros invernales; los pronósticos de nieve son alentadores

Con un cambio de divisas favorable y nevadas suculentas en San Carlos de Bariloche, los brasileños se encaminan a liderar el ranking de turistas extranjeros que llegarán al país durante esta temporada de esquí, que se extenderá hasta septiembre próximo.

Las estimaciones oficiales ya plantean la llegada de más de 350.000 brasileños que no solo disfrutarán de más de una bajada

en slalom por las pendientes nevadas, sino que también pasarán por la ciudad de Buenos Aires, atraídos por las múltiples opciones culturales y gastronómicas.

El 72% del total de turistas extranjeros que visitarán el país durante este mes proviene de Brasil, de ciudades como San Pablo, Belo Horizonte y Curitiba, y se alojan preferentemente en hoteles de cinco estrellas. **Página 22**

Saltó el dólar blue y rompió la barrera de los \$500

INQUIETUD. Subió \$11 en lo que va de la semana y cerró en \$503; hoy se difunde el dato de inflación de junio

Página 18

FOLHA DE S. PAULO

DESDE 1921 ★★ ★ UM JORNAL A SERVIÇO DO BRASIL

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QUINTA-FEIRA, 13 DE JULHO DE 2023

R\$ 6,00



Eduardo Anzeili/Folhapress

CRIANÇA DE 11 ANOS MORRE BALEADA EM AÇÃO DA POLÍCIA MILITAR NO RIO; VIZINHOS PROTESTAM

Moradores se manifestam no conjunto habitacional diante do qual Djalma Clemente foi atingido durante patrulha da PM em Maricá (RJ); agentes disseram ter sido atacados por criminosos B3

Lula e Tarcísio se opõem sobre futuro de escola cívico-militar

O governo Luiz Inácio Lula da Silva (PT) iniciou processo de extinção total do programa federal de fomento a escolas cívico-militares, bandeira de Jair Bolsonaro (PL). Os estados podem manter o formato com recursos próprios em sua rede. O governador de São Paulo, Tarcísio de Freitas (Republicanos), anunciou programa estadual para instituições com gestão militar. Cotidiano B2



Milan Kundera na Praga comunista, em 1973, pouco antes do exílio na França AFP

Ilustrada C1 e C2

Morre Milan Kundera

Célebre por 'A Insustentável Leveza do Ser'; autor tcheco tinha 94 anos

Ilustrada C5
HBO domina as indicações ao Emmy, com 'Succession' no topo da lista

Turismo C8
Planejar evita perrengues na Itália, que está na moda e lotada de turistas

Brecha para tributo estadual novo pode encarecer comida

Alcance de contribuição ainda é pouco claro, mas tributaristas veem taxaço extra na cadeia produtiva

A criação de um imposto pela Reforma Tributária poderá elevar o preço de produtos e afetar o custo do transporte, de itens industriais e sobretudo dos alimentos, alertam especialistas em impostos. A contribuição estadual, inserida no texto da Câmara na última hora, contradiz a meta da reforma de zerar a tributação da cesta básica.

O texto prevê permissão para taxar produtos primários e semiacabados como alternativa para manter o financiamento de fundos estaduais criados antes de maio deste ano. Essa contribuição poderia ser aplicada até 2043, dez anos após a implementação completa da reforma, caso ela seja aprovada em definitivo.

Levantamento de escritórios especializados identificou 17 fundos do tipo. Para os tributaristas, não está claro o alcance que a contribuição terá, mas o texto sugere se tratar de um imposto adicional. Mercado A15

Governo precisa de mais R\$ 162,4 bilhões para meta fiscal de 2024 A16

Presidente usa máquina para minar Bolsonaro com afagos a militares, evangélicos e agro A4



A ativista climática Greta Thunberg exhibe dedo do meio em sessão do Parlamento Europeu que votou plano ambiental Frederick Florin/AFP

'Jabutis' no texto do Carf ameaçam ganhos da União

Acréscimos de última hora na Câmara ao projeto que altera o funcionamento do órgão de última instância para julgamentos tributários federais podem minar a arrecadação que o governo espera obter com as novas regras e retorno do voto de qualidade. Mercado A18

Isenção de compra internacional é alvo do varejo brasileiro

A isenção de imposto de importação para compras internacionais de até US\$ 50 pela internet, que entra em vigor em 1º de agosto, tem sido criticada pelas empresas locais de varejo, que temem falta de competitividade do mercado interno. Mercado A17

Bolsonaro confirma à PF reunião com Do Val, mas nega golpismo

Política A8

UE aprova legislação para combater crise climática

O Parlamento Europeu aprovou plano com metas de preservação de espécies. Também prevê reabilitar ao menos 20% dos ecossistemas europeus degradados até 2030. A14

Sérgio Rodrigues
Ao prever 'tempo da surdez' global, Kundera foi profeta das redes sociais
Cotidiano B3

SÉRIES FOLHA COMO CRIAR

Pais devem buscar ajuda profissional ao descobrir que filho pratica bullying B7

Brasil tinha 10 milhões com fome de 2020 a 2022
Cerca de 10,1 milhões de brasileiros passavam fome de 2020 a 2022, aponta relatório da ONU, e a insegurança alimentar, em alta, atingia cerca de 70,3 milhões no país. B1

EDITORIAIS A2

Receita universitária
Sobre financiamento das instituições paulistas.

Semente lançada
Acerca de plantio de macocha para fins medicinais.

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Por 5 años la Defensa Pública alquiló un inmueble de Pavão

El capo narco usaba sector inmobiliario para lavar sus activos. Víctima denunció que Carlos Oleñik, vinculado al caso Pavo Real, es usurero y falsificaba comprobantes para cobrar de más.

PÁGINAS 2 y 3

El candidato es el abogado Enrique Berni
Cartismo opera para poner a otro de sus leales en el Consejo de la Magistratura

PÁGINA 4

PMT asuncena advirtió que se inicia campaña "No hay perdón para nadie"

PÁGINA 24

El mejor jugador histórico del básquet dice que Paraguay está atrasado 25 años

PÁGINA 32



Hará frío hasta el sábado

A cuidarse. Tras la lluvia, se tendrá un descenso importante de la temperatura que persistirá en los próximos días, por lo cual hay que abrigarse.

PÁGINA 23

Afianza pronóstico del PIB para 2023
Actividad económica creció por 5º mes consecutivo y acumula 6,4% en el año

PÁGINA 17

Tercerización de servicios médicos
Bataglia apura licitación de IPS a un mes de tener que dejar la titularidad

PÁGINA 21

Servicio es precario sobre todo el de Copaco
Solo 2.055 escuelas de las 8.900 cuentan este año con acceso a internet

PÁGINA 22

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MICHAEL MADIGAN INDICTMENT

Feds attack efforts to gut case

WHAT'S NEXT? Defense attorneys, who contend that federal investigators, in their zeal to land a prized political target, cut some corners in the investigation, have four weeks to file any reply to prosecutors' 152-page filing. U.S. District Judge John Robert Blakely has set a motion hearing for Aug. 29.

Defense seeks to suppress dozens of wiretapped calls, secret recordings of former House speaker

By Jason Meisner and Ray Long
Chicago Tribune

Former House Speaker Michael Madigan's attempt to suppress the dozens of wiretapped calls and secret recordings that form

the backbone of the government's bombshell racketeering case is a "flimsy effort to create an air of impropriety where none exists," federal prosecutors said in a motion Tuesday.

The 152-page filing also ripped defense claims that the indictment

fails to connect any benefits Madigan allegedly received from utility giants Commonwealth Edison and AT&T Illinois to any action the powerful speaker took — or didn't — on particular legislation.

"Without batting an eye, time and again Madigan stood prepared to take official action in his capacity as an Illinois representative and Speaker of the Illinois House of Representatives, at times with the

connivance and assistance of his confederate (Michael) McClain, in exchange for legal work being steered to his private law firm," the filing stated.

The government's response to defense pretrial motions is part of a protracted legal battle in a case that rocked Illinois politics and ultimately ended Madigan's

Turn to Madigan, Page 4



CHRIS SWEDA/CHICAGO TRIBUNE

At least 1 tornado hits metro

Weather sirens in city and suburban communities across the area blared Wednesday evening as strong thunderstorms triggered tornado warnings in Cook and DuPage counties. At least one tornado was confirmed as having touched down near O'Hare International Airport, according to the National Weather Service. The poor weather briefly grounded all flights at O'Hare and Midway airports, according to the Federal Aviation Administration. While the weather service hadn't confirmed any other tornadoes, fire officials in Elgin were on the scene of a suspected tornado touchdown that damaged 30 homes. Above, a fisherman walks off the Montrose Beach pier to take shelter as tornado sirens go off in Chicago. Full coverage in Chicagoland

Under fire from GOP, Wray defends 'real FBI'

Agency chief rejects accusations of bias

By Farnoush Amiri, Eric Tucker and Lisa Mascaro
Associated Press

WASHINGTON — FBI Director Chris Wray defended the "real FBI" during a contentious congressional hearing Wednesday, rejecting a litany of griev-

ances from angry Republicans who are harshly critical of the bureau, threatening to defund some operations and claiming the Justice Department is unfair to political conservatives, including Donald Trump.

Wray refused to engage in specific questions about ongoing federal investigations, including those involving Trump and Hunter Biden. The son of President Joe Biden recently reached an agreement to plead guilty to

misdemeanor federal tax charges; Republicans have derided that as a sweetheart deal.

In testy exchanges with Republicans on the House Judiciary Committee, Wray rejected the GOP assertion that the bureau was favoring the Biden family and said the notion that the bureau was involved in the Jan. 6, 2021, attack on the Capitol was "ludicrous."

Referring to his own background, he said the idea that he

harbors bias against conservatives is "insane."

"The work the men and women of the FBI do to protect the American people goes way beyond one or two investigations that seem to capture all the headlines," said Wray, a registered Republican whom Trump nominated to lead the FBI after firing James Comey in 2017.

The director spelled out the

Turn to FBI, Page 5

Pritzker to plug state as EV hub

Governor's trip to UK pushes Illinois as business destination

By Dan Petrella and Robert Channick
Chicago Tribune

Gov. J.B. Pritzker embarks Thursday on a trip to the United Kingdom to sell Illinois as a business destination as he continues looking for a marquee win in his push to make the state a major hub for the burgeoning electric vehicle industry.

The second-term Democrat will be joined on the latter half of the weeklong trip by a large contingent of state officials, including Illinois House Speaker Emanuel "Chris" Welch, and leaders in higher education and business. The delegation, numbering more than three dozen, will include representatives from Chicago-based United Airlines and the state's major utility companies.

As he did during a trip to the U.K. in 2021 and to the World Economic Forum in Davos, Switzerland, earlier this year, Pritzker — Illinois' self-appointed "chief marketing officer" — is expected to tout the state's ambitious plans for electric vehicle and clean energy development, along with the economic benefits of its central location in the U.S. and its logistics infrastructure.

The governor's office was unable to give specific examples of businesses that chose to relocate to Illinois or expand in the state as a result of those earlier trips.

"The governor has had productive conversations with businesses looking to expand or relocate to Illinois on every trip he's participated in," Pritzker spokeswoman Jordan Abudayyeh said in statement without offering specifics. "It is important that he sells Illinois

Turn to Pritzker, Page 6

GENERAL ASSEMBLY

In fight to fill open seat in state Senate, divisions among Democrats on display

By John Byrne
Chicago Tribune

Newly minted Illinois state Sen. Natalie Toro was posing proudly for photos with Senate President Don Harmon earlier this week in a sweltering gym on Chicago's North Side when a woman approached her and shouted a prediction: "You're gonna lose in March!"

The challenge came minutes after Toro secured the Senate appointment over several candi-

dates, including Graciela Guzmán, who was backed by many of the same progressive groups and officials who helped elect Mayor Brandon Johnson. After the vote that gave Toro the win, dozens of Guzmán's supporters vowed they'd defeat her next year when the Senate seat is up for election in the Democratic primary.

"We want the ballot box!" they chanted.

Most Chicagoans probably can't name their state senator, whose

Springfield lawmaking duties are far removed from the essential potholes-and-permits power wielded by aldermen.

But the high emotions and big crowd that jammed into the Hamlin Park field house Monday to see Democratic Party insiders name a 20th District replacement for Cristina Pacione-Zayas prove the importance the posts have for some residents, and for a party

Turn to Senate, Page 6



People pack the Hamlin Park field house in Chicago on Monday as a committee conducts interviews to fill Sen. Cristina Pacione-Zayas' seat. TERRENCE ANTONIO JAMES/CHICAGO TRIBUNE

TODAY'S WEATHER



High 78 Low 68

Complete Chicagoland forecast on Page 14

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« Sans la liberté de blâmer, il n'est point d'éloge flatteur » Beaumarchais



ALBERT DE MONACO
« JE VEUX FAIRE PLACE NETTE
DANS LA PRINCIPAUTÉ » PAGE 22

RÉCIT
GUERRE DE FAMILLE AUTOUR
DES TROIS TESTAMENTS
DE SILVIO BERLUSCONI PAGE 20



Les obsèques de Silvio Berlusconi, le 14 juin, à Milan.

JUSTICE
Sanctionner les parents : le joker politique du gouvernement PAGE 3

ÉLYSÉE
En tardant à remanier, Macron remet une pièce dans la machine à spéculation PAGE 4

UKRAÏNE
À Vilnius, Zelensky cherche sa place parmi les alliés PAGES 6 ET 7

SÉCURITÉ
Violences : un week-end du 14 juillet sous haute tension PAGE 9

Océanographie
La couleur des océans a changé sous l'influence du changement climatique PAGE 12

AUTOMOBILE
Le patron de Nissan gagne une bataille face aux anti-Renault PAGE 24

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Carrefour rachète Cora et Match pour rattraper Leclerc PAGE 27

CHAMPS LIBRES
• La chronique de Luc Ferry
• La tribune de Samuel Fitoussi PAGE 21

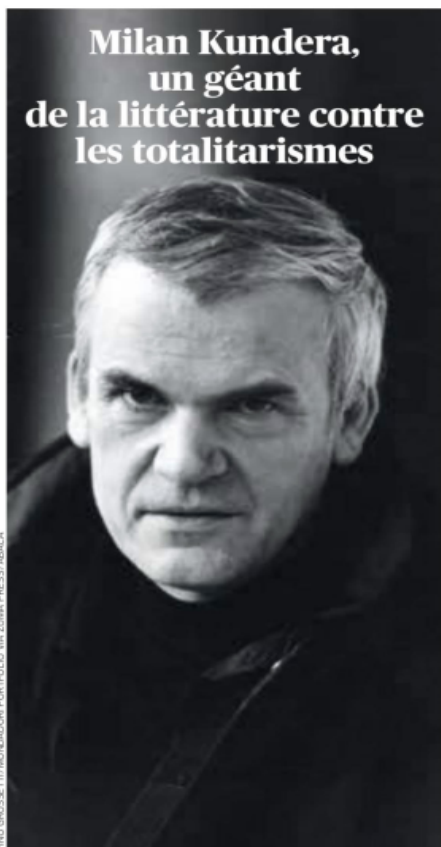
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FRANÇOIS BOUCHON / LE FIGARO ; VARA NARDI/REUTERS ; PAUL DELORT / LE FIGARO



Milan Kundera, un géant de la littérature contre les totalitarismes

L'auteur de *La Plaisanterie* est décédé le 11 juillet, à Paris, à l'âge de 94 ans. Écrivain tchèque, naturalisé français et d'envoyé international, ce peintre ironique de la condition humaine laisse une œuvre composée de romans et d'essais qui expriment une inquiétude vis-à-vis de la modernité. PAGES 14, 15 ET L'ÉDITORIAL

ÉDITORIAL par Étienne de Montety edemontety@lefigaro.fr

Un exilé de son temps

Un immense esprit européen est mort. Moins tonitruant que Soljenitsyne, Milan Kundera fut lui aussi un acteur du combat intellectuel contre le totalitarisme. Celui qui fut d'abord l'enfant terrible des lettres tchèques se déclarait « attaché à rien sauf à l'héritage décrié de Cervantès ». Ses romans, genre où il voyait l'art le plus sûr de mettre en lumière l'« être de l'homme », ont pour titres *La Plaisanterie* ou *L'Insoutenable Légèreté de l'être*. Nourris d'ironie et d'absurde, ils furent un coin puissant, enfoncé dans le mur du communisme, à l'Est.

La France l'accueillit au milieu des années 1970. Allait-il s'endormir sur son aura d'écrivain contestataire, jouissant de la gloire que lui procuraient ses livres - et qui aurait dû lui valoir le prix Nobel ? Il n'en fut rien. La fin du siècle vit naître un homme inquiet d'une menace que la défaite du communisme n'avait pas apaisée : la conspiration contre l'homme se poursuivait, sous d'autres formes. La culture, ce repart dont avait bénéficié maintes fois son pays natal pour survivre aux avanées de l'histoire, était en danger. Et, de cela, l'Occident, gonflé de certitude, paraissait insouciant. En cause, plusieurs facteurs réunis sous le

nom de modernité, et caractérisés par l'uniformisation économique et technologique du monde, notamment sous l'action de ce qu'on appelait alors les « mass media ». L'éternel exilé avait vite perçu les conséquences de ce processus. Il craignait pour la littérature menacée par la tyrannie de l'actualité, pour le temps long balayé par l'instantanéité, pour la nuance, pour le secret.

Ce nostalgie des Lumières françaises se disait favorable à la liberté des opinions (même fausses) qu'il convenait de combattre, plutôt que de confier ce soin à la justice : une offense à la vérité.

Au milieu des années 1980, Kundera avait choisi le silence dans un réflexe quasi existentiel, fuyant le fracas du monde et le rôle que la société médiatique assigne à ceux qui y prennent part. Refus d'interviews, d'émissions, seuls ses écrits, rares, précieux, parleraient pour lui. Quarante ans après, ses avertissements résonnent toujours, amplifiés par la formidable expansion numérique et ses effets sur la pensée et le débat, qui constituent à tout le moins un immense bouleversement, aux dimensions d'une civilisation. ■

Immigration, sécurité, mérite... Les exigences de Wauquiez pour une « union sacrée »

Après les violentes émeutes qui ont frappé le pays, le candidat potentiel de la droite pour 2027 sort du silence dans « Le Figaro ».



Sans s'inscrire dans une « démarche de coalition, de négociation ou de compromis » avec l'exécutif, le président LR de la région Auvergne-Rhône-Alpes estime que le chef de l'État doit « dépasser temporairement les divisions » pour adopter « quelques mesu-

res fortes soutenues par une écrasante majorité des Français ». « Je ne veux pas laisser notre pays avec le sentiment que la décadence serait une fatalité », ajoute-t-il, en disant vouloir jouer un « rôle » pour « reconstruire » et « rebâtir ». PAGE 2

De l'école aux administrations, la vie en société à l'épreuve des revendications trans

En France comme dans le reste du monde occidental, la notion d'identité de genre concurrence peu à peu la définition biologique des sexes. Les associations militantes « exigent » de nombreuses modifications, dont la

suppression de la mention du sexe à l'état civil et sur tous les documents administratifs. La « transparence » émerge et franchit même une nouvelle étape avec la naissance, dans le Cher, d'un enfant conçu par un

homme né femme et une femme née homme. « Mégenrage », transphobie... Les plaintes pour discrimination apparaissent, passibles de 45000 euros d'amende et 3 ans d'emprisonnement. PAGES 10 ET 11

SI LES 3/4 DE VOTRE GIN TO C'EST LE TONIC

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Newspaper of the year

Huw Edwards named as the BBC presenter at centre of allegations

● Newsreader in hospital to treat mental health issues 'for foreseeable future', says wife

● Police say no evidence of criminality was found amid questions over Sun newspaper's reporting

Jim Waterson
Robert Booth

Huw Edwards was named yesterday as the BBC presenter suspended over allegations he paid a young person for explicit images in a media scandal that has rocked the national broadcaster and left him in hospital.

Edwards, one of British television's most prominent figures, is "suffering from serious mental health issues" and "receiving inpatient hospital care, where he'll stay

for the foreseeable future", his wife said in a statement yesterday.

Vicky Flind confirmed that her husband was the man in question after rumours had swirled on social media for five days. Shortly before her comments, two police forces had said there was no evidence that Edwards had committed a criminal offence.

Flind said the allegations "greatly worsened matters" for Edwards, who had suffered from severe depression in recent years. He would respond to the allegations when well enough, she said, adding that he was "deeply

'Once well enough, he intends to respond to the stories published'

Vicky Flind
Huw Edwards's wife

sorry" that colleagues had been dragged into the story.

The Sun alleged in a front-page story that the presenter had paid a young person, now aged 20, for

photographs. The tabloid suggested this started when the individual was 17 - a potentially serious criminal offence. Officers at Scotland Yard have now concluded no evidence exists to support this allegation, leaving the Sun facing questions about its reporting. South Wales police also believes there is no criminal case to answer.

The young person's lawyer allegedly told the Sun last week that the story was "rubbish" and no illegal activity had taken place, although the tabloid did



Volodymyr Zelenskiy and his wife, Olena, with Emmanuel and Brigitte Macron before dinner at the Nato summit yesterday

Warning to Sunak as doctors go on strike

Denis Campbell and Ben Quinn

Rishi Sunak's pledge to cut NHS waiting times will be impossible to meet if strikes are still disrupting care beyond summer, health service chiefs have privately warned ministers.

The prime minister promised in January that "NHS waiting lists will fall" when he outlined five pledges, reflecting "the people's priorities", by which he said voters should judge his performance.

However, NHS England has told ministers that hospitals will not be able to ensure that Sunak fulfils his pledge because of the disruption caused by junior doctors' strikes. Services, including surgery and outpatient appointments, will be hit again from today when tens of thousands of junior

Britain and US ask Kyiv for 'a bit of gratitude'

Dan Sabbagh
Vilnius

Britain's defence secretary and the US national security adviser suggested Ukraine ought to show more gratitude for the help from the west yesterday in a response to Volodymyr Zelenskiy's complaints that his country had not been given a firm timetable or conditions for joining Nato.

Their unscripted remarks, at separate events on the margins of the second day of the Nato summit in Lithuania's capital, Vilnius, appeared to prompt a change of tack from the Ukraine's president, who said later he was "grateful to all leaders of Nato countries" for their support and help.

Ben Wallace, the defence secretary, said "whether we like it or not, people want to see a bit of gratitude", when asked about Zelenskiy's frustration

at not being presented with a formal invitation to join Nato - and advised Ukraine that it might help if it took a different approach.

Presenting his remarks as helpful advice, Wallace said Ukraine had a habit of treating allies, including the UK, as if they were an Amazon warehouse with lists of demands for weapons - and was not always careful to try to win over more sceptical politicians

PHOTOGRAPH: LUDOVIC MARINIA/PIGGETTY



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