

What's News Business & Finance

The U.S. economy shrank for a second quarter in a row, a common definition of recession, with GDP falling at an inflation and seasonally adjusted annual rate of 0.9% in the second quarter. **A1**

◆ **U.S. stocks ended higher** despite the GDP data, as the S&P 500, Nasdaq and Dow notched gains of 1.2%, 1.1% and 1%, respectively. **B1**

◆ **Jack Ma plans to relinquish control** of Ant Group, people familiar with the matter said, part of the fintech giant's effort to move away from affiliate Alibaba. **A1**

◆ **Apple reported** an almost 11% decline in profit after weathering supply constraints and shutdowns in China, although iPhone sales continued to grow. **A1**

◆ **Amazon posted** slowing sales and a net loss for the second straight quarter, as strength in cloud computing was outweighed by weakness in core retail operations. **B1**

◆ **JetBlue agreed** to buy Spirit for \$3.8 billion, a combination that would create the fifth-largest U.S. airline. **B1**

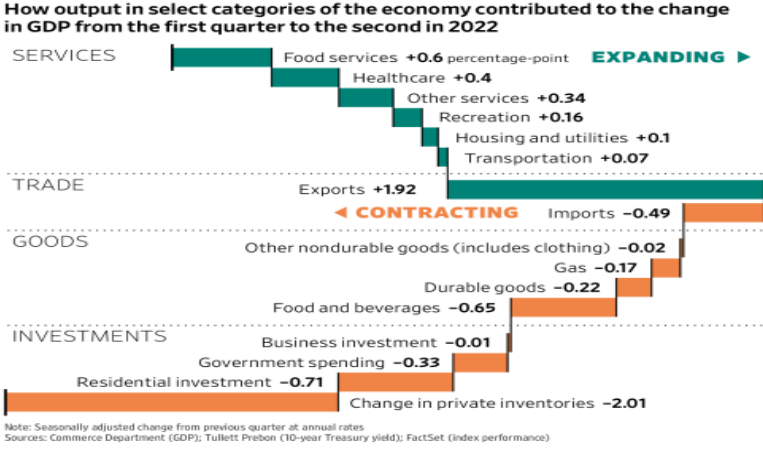
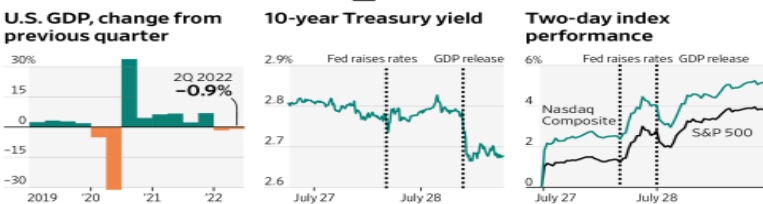
◆ **Sales from Pfizer's** Covid-19 vaccine and Paxlovid pill gave the company a boost in the second quarter. **B1**

◆ **Altria slashed** the value of its investment in Juul Labs by about 70%. **B1**

◆ **Intel reported** a surprise quarterly loss of \$454 million and cut its full-year outlook. **B4**

◆ **Shell notched** a second consecutive record quarterly profit as it benefited from soaring energy prices. **B6**

GDP Drop Stokes Recession Fears



Economy contracted 0.9% in latest quarter, marking the second consecutive decline

By HARRIET TORRY

The U.S. economy shrank for a second quarter in a row—a common definition of recession—as the housing market cooled under rising interest rates and high inflation took steam out of business and consumer spending. Gross domestic product, a broad measure of the goods and services produced across the economy, fell at an inflation and seasonally adjusted annual rate of 0.9% in the second quarter, the Commerce Department said Thursday. That followed a 1.6% pace of contraction in the first three months of 2022.

The report indicated the economy met a commonly used definition of recession—two straight quarters of declining economic output.

The official arbiter of recessions in the U.S. is the National Bureau of Economic Research, which defines one as a significant decline in economic activity, spread across the economy for more than a few months. Its Business Cycle Dating Committee considers factors including employment, output and household income—and it usually doesn't make a recession determination until long after the fact.

Most economists surveyed this month by The Wall Street Journal expect the economy to grow in the third quarter and in 2022 as a whole, though lately they have lowered their estimates.

"We're seeing a sharp and necessary deceleration rather than a recession," said David Mericle, chief U.S. economist at Goldman Sachs, adding that slower growth is needed to rebalance the economy's supply and demand for goods and services, and cool wage growth and inflation.

Others see it differently. Whether or not the U.S. is in a recession now, ING economist James Knightley said that a downturn is "really only a matter of time," given pressure on American households from inflation, equity markets and "the housing downturn really gathering pace now."

Heeded into midterm elections this fall, the latest figures have put the White House on the defensive about the state of the economy.

"It's no surprise that the

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Parsing Data

- ◆ Greg Ip: Recession or not, the recovery has ended. **A2**
- ◆ Mortgage rates fall, with 30-year now 5.3%. **A2**
- ◆ Stocks rise, extending post-Fed gains. **B1**

Apple's Profit Falls But iPhone Sales Remain Resilient

By TIM HIGGINS

Apple Inc. reported an almost 11% decline in profit after weathering supply constraints and shutdowns in China, although iPhone sales continued to grow, remaining resilient despite economic challenges.

The better-than-expected results for the quarter ended in June followed a pattern of tech companies that posted a drop in profits but managed to assuage investor concerns about their strength in uncertain economic times.

Investors were encouraged by Apple's results even as they continue to pay close attention to the potential effect of a strong dollar, inflationary fears, chip shortages and Covid-19 precautions in China.

"We are seeing some pockets of softness here and there," Tim Cook, Apple's chief executive, said.

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◆ **Amazon posts loss** for second straight quarter. **B1**

Ant Group's Founder Ma Plans to Give Up Control

By JING YANG AND RAFFAELE HUANG

HONG KONG—Billionaire Jack Ma plans to relinquish control of Ant Group Co., people familiar with the matter said, part of the fintech giant's effort to move away from affiliate Alibaba Group Holding Ltd. after more than a year of extraordinary pressure from Chinese regulators.

The authorities halted Ant's \$34 billion-plus IPO in 2020 at the 11th hour and are forcing the technology firm to reorganize as a financial holding company regulated by China's central bank. As the overhaul progresses, Ant is taking the opportunity to reduce the company's reliance on Mr. Ma, who founded Alibaba.

Mr. Ma, a 57-year-old former English teacher and one of China's most prominent entrepreneurs, has been the target of government action that appears designed to reduce his influence and the power of his companies. He has controlled Ant since he carved its precursor assets out of Alibaba more than a decade ago. Over time he built it into a company that owns the Alipay payments network with more than one billion users, an investing platform that houses what was once the world's largest money-market fund, and a large micro-lending business.

Ant was expected to be valued at more than \$300 billion had it gone public.

Diminishing his ownership could put back a potential revival of Ant's IPO for a year or more. Chinese securities regulations require a timeous on public listings for companies that have gone through a re-

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World-Wide

◆ **Senate Democrats** are moving forward on the costliest and most ambitious effort ever by the U.S. to address climate change, powered in part by benefits for fossil fuels and the broader energy industry. **A1**

◆ **Democrats in the Senate** are poised to raise taxes on carried-interest income, a key source of private-equity managers' income. **A4**

◆ **The House**, in a 243-187 vote, passed a \$280 billion bill aimed at making the U.S. more competitive in the semiconductor industry. **A5**

◆ **Xi warned Biden** about relations with Taiwan, as a possible trip to the island by Pelosi adds tensions to strained U.S.-China relations. **A16**

◆ **North Korean leader Kim** said that his country's nuclear missiles stand "fully ready" for a military conflict with the U.S. **A16**

◆ **Researchers at the DeepMind Technologies** artificial intelligence lab said they had predicted the structure of nearly all known proteins, a major advance in biology. **A3**

◆ **The Justice Department** has begun negotiations to settle claims by more than 100 women and girls of sexual assault by Larry Nassar. **A3**

◆ **Secret Service Director Murray** is delaying a planned retirement and extending his tenure as the agency deals with controversies related to the attack on the Capitol. **A6**

◆ **Los Angeles County won't** institute a threatened mask mandate, as a drop in Covid-19 metrics prompted officials to pull back from the plan. **A3**

Russia Strikes Kyiv Region

Smoke rises on the outskirts of Kyiv where a Russian missile hit a military base, the first strike in the region in weeks, as fighting rages in the east and south of Ukraine. **A7**



German Economic Engine Falter

Energy crisis and China slowdown dry up export-focused manufacturing

By TOM FAIRLESS

Germany's economy hasn't grown for nearly five years. Its recovery from the Covid-19 pandemic has been weaker than any major advanced economy. Its ability to fill its energy needs is in question. And now the country once known as the economic engine of Europe is teetering on the brink of a recession.

It's a sharp turn of fortunes for Germany's large manufacturing sector, which flourished over the past two decades just as other Western nations saw industrial jobs migrate to Asia.

Germany's big and long-

successful bet on manufacturing relied on four engines: Free and open global trade, surging demand from China, an efficient domestic workforce and cheap Russian energy. Each of those is now sputtering.

Trade bottlenecks, the Covid-19 pandemic and the war in Ukraine have upended supply chains and caused prices to skyrocket.

Growth in China, Germany's largest trading partner, has slowed dramatically, as its workforce ages and starts to shrink, and it reaches the limits of investment-driven growth.

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Chip Makers Talk Big About Size

The race to be small sparks confusion

By JIYOUNG SOHN AND YANG JIE

The makers of semiconductors running smartphones, TVs and other electronic gizmos like to brag about the power of their components. They also boast that the chips doing all the complex work are shrinking.

The race to miniaturization signals breakthroughs in processing speed or energy consumption and can help win lucrative contracts.

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Inside Climate Bill, A Broad Energy Push

By TIMOTHY PUKO AND KATY STECH FERREK

WASHINGTON—Senate Democrats are moving forward on the costliest and most ambitious effort ever by the U.S. to address climate change—powered in part by benefits for fossil fuels and the broader energy industry.

The proposed \$369 billion compromise bill struck by Senate Majority Leader Chuck Schumer (D., N.Y.) and Sen. Joe Manchin (D., W.Va.) includes tax incentives aimed at channeling billions of dollars to wind, solar and battery developments that put clean power onto the grid.

At the insistence of Mr. Manchin, the legislative package provides support for traditional sources of energy like oil, gas and coal along with nuclear power. There are tax subsidies for plants that capture the carbon emissions from burning those fossil fuels, and others for producing hydrogen, often done with natural gas.

Even expanding offshore wind and solar-power development on federal land would now require the federal government to offer more access for drilling on federal territory.

Mr. Schumer met behind closed doors Thursday with his caucus to press the case for

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◆ **Lawmakers set to raise taxes** on carried-interest income. **A4**

◆ **Democrats push to unite** behind bill. **A4**

◆ **House passes bill** to bolster U.S. chip industry. **A5**

INSIDE

MANSION
The saga behind 'The One,' one of the most luxurious houses in American history. **M1**

BUSINESS & FINANCE
JetBlue agrees to buy Spirit Airlines for \$3.8 billion after Frontier deal dies. **B1**

Unequal by default

Pension risk is a symptom of divides in US society — GILLIAN TETT, PAGE 15

Pakistan puzzle

On the trail of ex-PM Imran Khan's political funding — BIG READ, PAGE 13



Reinventing the real

Meta's future envisages constant shape-shifting — RICHARD WATERS, PAGE 5

War of nerves
Kim rekindles nuclear threat

Kim Jong Un meets veterans at an event commemorating the end of the Korean war in 1953, in a picture released by Pyongyang's official news agency.

In remarks reported yesterday, the North Korea leader accused the US and South Korea of bringing the peninsula to "the brink of war" with plans for the first joint military exercises in four years. Kim threatened to "wipe out" South Korean forces with nuclear weapons in the event of a confrontation.

The South Korean defence ministry dismissed Kim's comments. "It's a situation that has continued constantly, where North Korea's nuclear and missile threats have increased. We are responding to that."

North Korea warning page 4



ICN/AP/REUTERS Images

Two quarters of shrinking output push US into 'technical' recession

◆ Biden stands by inflation measures ◆ Treasury yields plunge ◆ Jobless rate remains low

KATE DUGUID — NEW YORK
COLBY SMITH — WASHINGTON

The US economy has shrunk for a second consecutive quarter, meeting one of the common criteria for a technical recession and complicating the Federal Reserve's push to tackle soaring inflation with a string of aggressive rate rises.

Commerce department data published yesterday showed gross domestic product fell 0.9 per cent on an annualised basis in the second quarter, or 0.2 per cent from the previous quarter. The US economy shrank 1.6 per cent in the first three months of 2022.

Back-to-back quarterly contractions meet one definition of a recession, although the US relies on a determination by a group of researchers at the National Bureau of Economic Research

who look at a broader range of factors.

The White House argues that the economy is strong and not in a recession, with Treasury secretary Janet Yellen saying that she would "be amazed" if the NBER declared it was.

Nevertheless, two consecutive quarters of negative growth will heap pressure on President Joe Biden, who has repeatedly touted a strong economy as one of the big achievements of his administration.

"It's no surprise that the economy is slowing down as the Federal Reserve acts to bring down inflation," Biden said. "But even as we face historic global challenges, we are on the right path and we will come through this transition stronger and more secure."

After the Fed raised interest rates by

0.75 percentage points for the second consecutive month on Wednesday, chair Jay Powell said he did not believe the US was in a recession. However, he noted that growth would need to slow and the labour market to cool down for inflation to be tamed.

The labour market has not shown significant signs of weakness, with the US adding jobs at an average of about 380,000 a month over the past three months. The unemployment rate also remains historically low at 3.6 per cent, just shy of its pre-pandemic level.

"Nobody would look at two quarters in the US of 3.6 per cent unemployment and call that a recession," said Claudia Sahm, founder of Sahm Consulting and a former Fed economist. "We're not in a recession in the true sense of the word,



Janet Yellen, Treasury secretary, says the US economy is strong and that she would be amazed if a recession was officially declared

which is a broad-based sustained contraction in economic activity."

The fallout from the GDP data rippled through debt markets. The two-year Treasury yield, which moves with interest rate expectations, plunged, suggesting investors were betting the Fed might have to slow its pace of interest rate increases. The 10-year yield, which moves with growth and inflation expectations, fell to its lowest level since April.

The rate increases implemented by the central bank have begun to put the brakes on the economy and raised questions over whether the rapid tightening will tip the US into an official recession. Economists said the data were unlikely to change the Fed's calculus on the path for policy.

The day in markets page 9



Twitter dented by battle with Musk over \$44bn deal

Billionaire Elon Musk's on-off pursuit of Twitter has left its bosses leading an increasingly frantic effort to keep the social media group running smoothly. Amid the continuing legal battle to prevent Musk from backing out of a \$44bn deal to acquire Twitter, its chief executive has sought to spend extra time with advertisers to answer their concerns over a fall in the group's \$4.5bn-per-year advertising business and a decline in staff morale.

Uncertainty takes toll — PAGE 6

Xi warns Biden not to 'play with fire' as Pelosi's Taiwan trip sharpens anxieties

TOM MITCHELL — SINGAPORE
EDWARD WHITE — WELLINGTON
JELICA SCHWARTZ — WASHINGTON

Xi Jinping has warned Joe Biden not to "play with fire" as the Chinese and US presidents spoke for the first time since the planned visit to Taiwan by Nancy Pelosi incited anger in Beijing.

China's leader did not directly mention Pelosi's possible visit but said that Beijing would "resolutely safeguard China's national sovereignty and territorial integrity", according to a statement on the Chinese foreign ministry website after the leaders talked yesterday.

"Those who play with fire will perish by it. It is hoped that the US will be clear-eyed about this," Xi added.

China's foreign ministry also quoted Biden as saying that Washington's one-China policy had not changed and that

his administration did not support independence for the island, which Beijing claims as part of its territory.

It was the leaders' first call since March, when tensions were also running high in the wake of Russia's invasion of Ukraine. Xi met Vladimir Putin shortly before the Russian president sent his army into Ukraine and has tacitly supported Moscow in the conflict.

The White House said the call lasted more than two hours but gave no details.

Beijing sees trips to Taiwan by US lawmakers as a contravention of the one-China policy, which recognises Beijing as the sole government of China. Pelosi, the House of Representatives Speaker, would be the most senior US lawmaker to visit Taiwan in 25 years.

Pelosi's plans earlier this year to visit Taiwan were postponed when she contracted Covid-19. Biden said that her

proposed trip had raised concerns among US military commanders.

"China US relations are pretty bad in all respects," said Shi Yinhong of Renmin University in Beijing. China was likely to take "countermeasures" if Pelosi proceeded with her trip, he added, but would seek to "avoid full and direct military confrontation with the US".

Taiwan officials worry that any countermeasures are likely to be directed against the island. But they also fear that Xi will be emboldened if Pelosi does postpone or cancel her trip.

Taiwan and the US "do not want to show weakness", said one Asian diplomat who asked not to be identified. "I don't think there is anyone who wants to be dictated to by Beijing."

Additional reporting by Xinning Liu and Maiqi Ding in Beijing
Minister falls foul of Xi page 4

Briefing

Shell reports record profits again

The UK energy major has broken its profit record for a second straight quarter and announced a \$6bn share buyback as fallout from the Ukraine war continues to spur bumper sector earnings. — PAGE 5

Beijing seeks \$148bn property bailout

China's central bank is trying to mobilise up to Rmb1tn (\$148bn) of loans for millions of stalled property developments in its most ambitious move to end the sector's downturn. — PAGE 8, LEX, PAGE 16

Bangladesh requests IMF assistance

Dhaka has asked the IMF for a multibillion-dollar loan, the latest South Asian nation to seek assistance as rising food and fuel prices globally strain emerging economies. — PAGE 2; DAVID PILLING, PAGE 15

JetBlue agrees \$7.6bn deal for Spirit

Low-cost airline JetBlue has won the fight for Spirit as the carriers announced a merger deal that would make their combined networks the fifth-largest US airline. — PAGE 5; LEX, PAGE 16



DeepMind shifts to new era of discovery

AI has surpassed the limits of scientific knowledge by predicting the shape of almost every known protein, a breakthrough that will shorten the time it takes to make biological discoveries. — PAGE 2

Crypto watchdog voices staffing fears

A regulator charged with overseeing Europe's bid to regulate cryptos views its ability to hire specialised staff as a "major concern", underlining fears over the capacity to supervise digital asset markets. — PAGE 8

Santander posts record half-year profit

A strong performance in Latin America helped Spain's largest bank to post a record first-half profit, up 16 per cent, just as Madrid announced a €1.5bn annual dividend to shareholders. — PAGE 7

Datawatch

Health inequality

Pre-pandemic characteristics of those with/without long Covid



People who were less well off before the pandemic are more likely to suffer long Covid. Figures show that 41 per cent of long Covid sufferers were claiming benefits pre-pandemic. The figure for those without the illness is 28 per cent.

Source: IFS

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World Markets

STOCK MARKETS				CURRENCIES				GOVERNMENT BONDS						
	Jul 28	Jul 29	Prev	%Chg	Pair	Jul 28	Prev	Pair	Jul 28	Prev	Yield (%)	Jul 28	Prev	Chg (bp)
S&P 500	4047.96	4023.61	0.61	-0.61	\$/€	1.016	1.012	4.5%	US 2 yr	2.88	3.09	2.88	3.09	-0.21
Nasdaq Composite	12062.27	12002.42	0.50	-0.50	\$/£	1.213	1.203	4.8%	US 10 yr	2.88	2.78	2.88	2.78	-0.08
Dow Jones Ind	32377.49	32197.58	0.56	-0.56	\$/¥	0.837	0.841	4.5%	US 30 yr	3.00	3.01	3.00	3.01	-0.01
FTSEurofirst 300	1709.86	1686.58	0.97	-0.97	€/¥	134.545	137.275	4.1%	UK 2 yr	1.87	2.05	1.87	2.05	-0.18
Euro Stoxx 50	3651.49	3607.78	1.21	-1.21	€/¥	163.204	165.155	4.1%	UK 10 yr	1.86	1.96	1.86	1.96	-0.08
FTSE 100	7345.25	7348.23	-0.04	-0.04	\$/¥	0.971	0.976	SPY/E	UK 30 yr	2.44	2.52	2.44	2.52	-0.08
FTSE All Share	4061.26	4055.16	0.15	-0.15					JPN 2 yr	-0.08	-0.08	-0.08	-0.08	0.00
CAC 40	6328.21	6257.94	1.26	-1.26					JPN 10 yr	0.20	0.19	0.20	0.19	0.01
Hang Seng	13282.11	13164.39	0.88	-0.88					JPN 30 yr	1.21	1.16	1.21	1.16	0.05
Nikkei	27815.48	27715.75	0.36	-0.36					GER 2 yr	0.23	0.43	0.23	0.43	-0.20
Hang Seng	20622.68	20670.04	-0.23	-0.23					GER 10 yr	0.83	0.94	0.83	0.94	-0.12
MSCI World	2675.08	2624.49	1.59	-1.59					GER 30 yr	1.11	1.19	1.11	1.19	-0.09
MSCI EM	869.89	869.92	0.00	0.00										
MSCI ACWI	622.69	612.23	1.71	-1.71										
FT Wilshire 2500	5231.90	5008.48	2.62	-2.62	Oil WTI	5	96.03	97.26	0.79					
FT Wilshire 5000	40860.26	39820.25	2.61	-2.61	Oil Brent	5	102.50	103.47	0.93					
					Gold	5	1714.05	1720.05	-0.35					

Prices are latest for the day
Data courtesy of Bloomberg

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5Y	2.92	2.92	0.00	0.00					JPX 30 yr	1.21	1.18	-0.03
10Y	2.88	2.88	0.00	0.00					GER 2 yr	1.23	1.43	-0.2
20Y	2.88	2.88	0.00	0.00					GER 10 yr	1.81	1.94	-0.1
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\$/¥	0.971	0.976	-0.005	-0.51%								
US TREASURY												
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5Y	2.92	2.92	0.00	0.00%								
10Y	2.88	2.88	0.00	0.00%								
20Y	2.88	2.88	0.00	0.00%								
30Y	2.88	2.88	0.00	0.00%								
YIELD												
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US 5Y	2.92	2.92	0.00	0.00%								
US 10Y	2.88	2.88	0.00	0.00%								
US 20Y	2.88	2.88	0.00	0.00%								
US 30Y	2.88	2.88	0.00	0.00%								
UK 2Y	1.87	1.87	0.00	0.00%								
UK 5Y	1.87	1.87	0.00	0.00%								
UK 10Y	1.86	1.86	0.00	0.00%								
UK 30Y	2.44	2.44	0.00	0.00%								
JPX 2Y	0.88	0.88	0.00	0.00%								
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JPX 10Y	0.79	0.79	0.00	0.00%								
JPX 30Y	1.21	1.21	0.00	0.00%								
GER 2Y	1.23	1.23	0.00	0.00%								
GER 5Y	1.23	1.23	0.00	0.00%								
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Pope Francis at Lac Ste. Anne in Alberta this week. Regarding his use of a wheelchair, he said recently, "That's how it is, that's life."

Tough Choices In a U.S. Deal To Free Griner

By PETER BAKER

WASHINGTON — One is perhaps the world's most notorious arms dealer, a man known as the "Merchant of Death" who sold weapons to terrorists, rebels and militants around the world before finally being hunted down and locked up for conspiring to kill Americans.

The other is a basketball player who got caught with a little hashish oil.

By no measure are they comparable, yet the Biden administration has proposed trading the merchant of death for the imprisoned basketball player as well as a former marine held in Russia on what are considered trumped-up espionage charges. In the harsh and cynical world of international diplomacy, prisoner exchanges are rarely pretty, but unpalatable choices are often the only choices on the table.

Whether the swap would go through remained unclear. Secretary of State Antony J. Blinken made the offer public in part to reassure the families of Brittney Griner, the basketball player, and Paul N. Whelan, the former marine, that the administration is doing all it can to free them.

Russian officials, who have long sought the release of the arms trafficker Viktor Bout, confirmed the discussion on Thursday but said Foreign Minister Sergey V. Lavrov was too busy to talk with Mr. Blinken now.

The disclosure of the negotiations brought obvious questions about what, if any, standards should apply when the United States agrees to trade prisoners, a conundrum that has challenged the nation's leaders since its

Continued on Page A7

Pope Makes His Frailty a Lesson in Compassion

By JASON HOROWITZ

LAC STE. ANNE, Alberta — When Pope Francis landed in Canada this week, he lumbered out of a car on the tarmac, hobbled with difficulty to an awaiting wheelchair and froze in place as cameras shot at close range the spectacle of an aide adjusting the pontiff's footrests.

On a makeshift stage outside an Indigenous cemetery in Alberta, the world watched as he gathered his strength and grasped the arms of the aide, who lifted him out of his wheelchair.

In Lac Ste. Anne, a remote lake renowned for its miraculous healing powers, hundreds of wor-

Now 85, He Preaches Care and Dignity for Aging Population

shippers waiting for Francis in a shrine adorned with the crutches and canes of the cured gasped in unison as the pope's wheelchair hit a snag and he lurched dangerously forward.

A Vatican video feed quickly cut away. But seeing Francis in his increasing frailty and advancing old age was very much a point of his visit.

While the pontiff's main mis-

sion in Canada was what he called a "pilgrimage of penance" to apologize to Indigenous people for the horrific abuses they endured in church-run residential schools, it was also a pilgrimage of senescence in which the pontiff, 85, used his own vulnerability to demand dignity for the aged in a world increasingly populated by them.

There needed to be built "a future in which the elderly are not cast aside because, from a 'practical' standpoint, they are no longer useful," Francis said at a Mass at Commonwealth Stadium in Edmonton, Alberta, one of the few events in a papal travel schedule

Continued on Page A8



Bound for Belly Rubs and Grassy Yards

Some 4,000 beagles that were headed for testing labs didn't have names or know how to play. Volunteers are now preparing them for lives with foster owners and adoptive families. Page A9.

Justice Dept., Wary of Backlash, Treads Lightly in Jan. 6 Inquiry

This article is by Glenn Thrush, Adam Goldman and Katie Benner.

As the Justice Department investigation into the attack on the Capitol grinds ever closer to former President Donald J. Trump, it has prompted persistent — and cautionary — reminders of the backlash caused by inquiries into Mr. Trump and Hillary Clinton

during the 2016 presidential campaign.

Attorney General Merrick B. Garland is intent on avoiding even the slightest errors, which could taint the current investigation, provide Mr. Trump's defenders with reasons to claim the inquiry was driven by animus, or undo his effort to rehabilitate the department's reputation after the political warfare of the Trump years.

Seeking to Avoid Errors of 2016 Investigations

Mr. Garland never seriously considered focusing on Mr. Trump from the outset, as investigators had done earlier with Mr. Trump and with Mrs. Clinton during her email investigation, people close

to him say. As a result, his investigators have taken a more methodical approach, carefully climbing up the chain of personnel behind the 2020 plan to name fake slates of Trump electors in battleground states that had been won by Joseph R. Biden Jr.

That has now led them to Mr. Trump and his innermost circle: Justice Department lawyers are

Continued on Page A17

ECONOMY SHRINKS AGAIN, AMPLIFYING FEAR OF RECESSION

G.D.P. Falls for Second Straight Quarter as the Fed Tries to Tame Inflation

By BEN CASSELMAN

A key measure of economic output fell for the second straight quarter, raising fears that the United States could be entering a recession — or perhaps that one had already begun.

Gross domestic product, adjusted for inflation, fell 0.2 percent in the second quarter, the Commerce Department said Thursday. That drop followed a decline of 0.4 percent in the first quarter. The estimates for both periods will be revised in coming months as government statisticians get more complete data.

News of the back-to-back contractions heightened a debate in Washington over whether a recession had begun and, if so, whether President Biden was to blame. Economists largely say that conditions do not meet the formal definition of a recession but that the risks of one are rising.

For most people, though, a "recession" label matters less than the economic reality: Growth is slowing, businesses are pulling back and families are having a harder time keeping up with rapidly rising prices.

"We're absolutely losing momentum," said Tim Quinlan, a senior economist for Wells Fargo. "Income gains at minimum have struggled to keep pace with inflation, and that's what is chipping away at people's ability to spend."

A deceleration, on its own, isn't necessarily bad news. The Federal Reserve has been trying to cool the economy in a bid to tame inflation, and the White House has argued that the slowdown is part of an inevitable and necessary transition to sustainable growth after last year's rapid recovery.

"Coming off of last year's historic economic growth — and regaining all the private-sector jobs

lost during the pandemic crisis — it's no surprise that the economy is slowing down as the Federal Reserve acts to bring down inflation," Mr. Biden said in a statement issued after the release of the G.D.P. report. "But even as we face historic global challenges, we are on the right path, and we will come through this transition stronger and more secure."

Still, forecasters in recent weeks have become increasingly concerned that the Fed's aggressive moves — including raising interest rates three-quarters of a percentage point on Wednesday for the second month in a row — will result in a recession.

Jerome H. Powell, the Fed

Continued on Page A11



Two Democrats Buried Grudges To Salvage Deal

By EMILY COCHRANE
and ANNIE KARNI

WASHINGTON — Senator Chuck Schumer, the majority leader, and Senator Joe Manchin III, Democrat of West Virginia, were both nursing resentments when they met secretly in a windowless room in the basement of the Capitol last Monday to try to salvage a climate package that was a key piece of their party's agenda.

Mr. Schumer was discouraged that Mr. Manchin had said he was not ready to do the deal this summer, and might never be. Mr. Manchin was frustrated that Democrats had spent days publicly vilifying him for single-handedly torpedoing their agenda.

"You still upset?" Mr. Manchin asked Mr. Schumer as their aides scoured the hallways outside to ensure the attempt at a truce would not be detected by other senators or reporters.

It was the start of a frenzied and improbable effort by a tiny group of Democrats, carried out over 10 days and entirely in secret, that succeeded this week in reviving the centerpiece of President Biden's domestic policy plan — and held out the prospect of a major victory for his party months before the midterm congressional elections.

The talks were driven by major concessions made by Mr. Manchin — who demanded fewer tax in-

Continued on Page A13

In Climate Bill, U.S. Gets Reset On World Stage

By LISA FRIEDMAN
and BRAD PLUMER

WASHINGTON — The \$369-billion climate and tax package forged in a surprise deal by Senate Democrats would be the most ambitious action ever taken by the United States to try to stop the planet from catastrophically overheating.

The agreement, which Senate Democrats announced late Wednesday and hope to pass as early as next week, shocked even some who had been involved in the sputtering negotiations over climate legislation during the past year. The announcement of a deal, after many activists had given up hope, almost instantly reset the role of the United States in the global effort to fight climate change.

And it was delivered by Senator Joe Manchin III of West Virginia, the holdout Democrat who had been reviled by environmentalists and some of his own colleagues after he said this month that he could not support a climate bill because of inflation concerns.

"By a wide margin, this legislation will be the greatest pro-climate legislation that has ever been passed by Congress," Senator Chuck Schumer, the Democratic majority leader, said in announcing the deal with Mr. Manchin.

The bill aims to tackle global warming by using billions of dol-

Continued on Page A12



NATIONAL A9-20

An Overly Loved New Bridge
The long-awaited Sixth Street Viaduct in Los Angeles has become an instant icon, and a headache.

PAGE A10

U.S. Investigates N.Y.P.D.

Rape survivors' letters drew a federal inquiry after local officials failed to act on their complaints.

PAGE A14

INTERNATIONAL A4-8

Iran's Drone Export Ambitions
Tehran has quietly ramped up the sale of drone technology to countries outside the Mideast to help carve out its status as a global market player. Now, Russia may be a potential client.

PAGE A4

Pushing Up the Heat in Britain
Human-caused climate change worsened last week's record-shattering heat wave, scientists found. And while such temperature spikes are still rare, they are now more likely.

PAGE A5

OPINION A22-23

David Brooks

PAGE A23



SPORTS B7-9

Mets Flex, Yankees Reflect

Even after being swept, the Yankees still had the most wins in baseball and a new All-Star in Andrew Benintendi.

PAGE B8

A Washington Scandal

Despite evidence of misconduct, Daniel Snyder will keep the city's N.F.L. team, Kurt Streeter writes.

PAGE B9

BUSINESS B1-6

JetBlue to Buy Spirit Airlines

The deal was announced a day after Frontier's bid for Spirit fell apart, but it is likely to face intense scrutiny on antitrust grounds.

PAGE B1

F.T.C. Changes the Game

The Federal Trade Commission has shifted how competition is regulated with a lawsuit against Meta that challenges a nascent tech area.

PAGE B1

A Union First for Trader Joe's

A store in Hadley, Mass., is becoming the only one of the company's more than 500 locations to unionize, after a 45-to-31 vote by employees.

PAGE B6



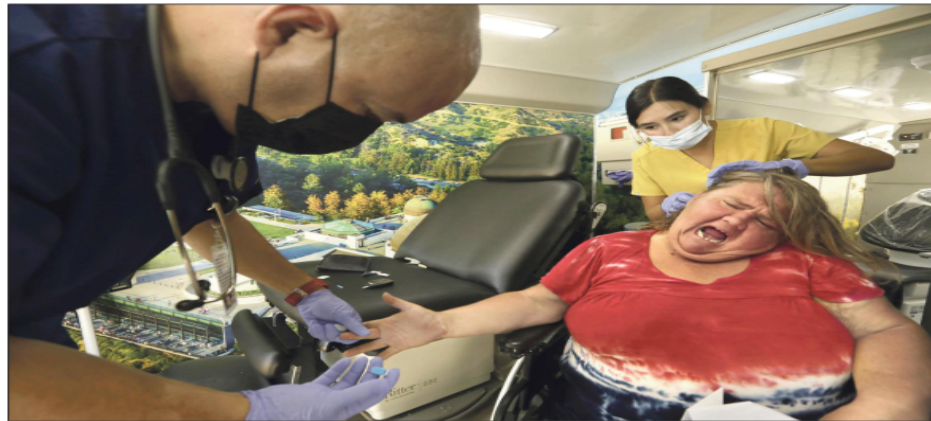
WEEKEND ARTS C1-12

They Saw Glory in the Grid

The Met surveys the photographers Bernd and Hilla Becher, who turned monuments like cooling towers and blast furnaces into curios.

PAGE C1





LISA ROGERS grimaces while a blood sample is collected by physician's assistant Jeffrey Figueroa, left, as physician assistant Samantha Kumpf looks for lice inside the Saban Community Clinic mobile unit.

Care for homeless people gets crucial mobile boost

Clinics-on-wheels help maintain treatment for chronic conditions difficult to address, such as diabetes, heart disease and mental illness

By Parth M.N.

On a scorching afternoon, Lisa Rogers peered out from the shade of a tree on a sidewalk in Hollywood and spotted a white RV-type vehicle with the words "Saban Community Clinic" on the side.

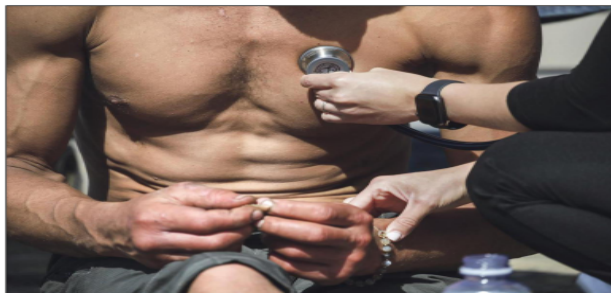
She had never seen a clinic-on-wheels in 20 years of homelessness, and decided to see if she could get help there for a painful rash.

With mobility issues and schizophrenia, Rogers, 44, rarely sought out medical treatment, even though she had a host of serious health problems.

She was exactly the type of person that the new mobile clinic and lab is trying to reach.

For several years, medical clinics have been sending teams of doctors, physician assistants and nurses into Los Angeles streets to treat homeless people whose only other option is the emergency

[See Clinic, A5]



DR. COLEY KING, the director of homeless health at Venice Family Clinic, treats a man at Palisades Park in Santa Monica.

State water official resigns

Board's climate chief blasts Newsom for 'gut-wrenching' inaction on drought.

By Ian James

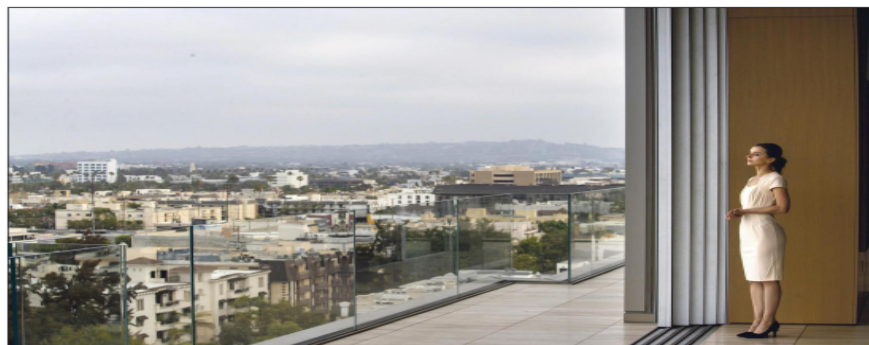
In his time at the California State Water Resources Control Board, Max Gomborg has witnessed the state grapple with two devastating droughts and the accelerating effects of climate change.

Now, after 10 years of recommending strategies for making California more water resilient, the board's climate and conservation manager is calling it quits. The reason: He no longer believes Gov. Gavin Newsom and his administration are willing to pursue the sorts of transformational changes necessary in an age of growing aridification.

In a resignation note posted online this month, Gomborg accused the governor of siding with defenders of the status quo and also faulted those in his agency who failed to push back.

"Witnessing the agency's ability to tackle big challenges nearly exacerbated by this Administration has been gut-wrenching."

[See Gomborg, A10]



A "PERSONAL CONCIERGE" at a VIP unveiling takes in the view from a condo at 8899 Beverly in West Hollywood. A decade in the making, the unit is up for sale.

NO SLOWDOWN AT TOP

L.A.'s luxury condo market is scorching. Eight figures will get you in.

By Andrea Chang

To unveil one of the grandest penthouses ever to be built in Los Angeles, its developers threw a little dinner party.

Two dozen of L.A.'s top real estate agents — the sunglasses-in-doors kind who regularly appear on reality television — were tended to by a cadre of young women in identical cream outfits, hired for the evening to serve as "personal concierges." Eight hundred gardenias were flown in from a San Francisco Bay Area flower farm, sepa-

The buyer of the \$50-million condo 'is someone who is going to walk in and is just going to want it and can afford it.'

— FREDRIK EKLUND, a listing agent at 8899 Beverly

rated into individual vases and spaced exactly four inches apart on a long tablecloth-draped table. There was welcome Champagne and caviar blinis; a live singer in a glittery siren-red gown; and filet mignon with "caramelized heirloom truffle."

Up for grabs: the city's latest showstopping eight-figure penthouse, a decade in the making and finally for sale for \$50 million off-market at a time when luxury condos in L.A. are arguably more coveted than ever. If it sells at that price, it'll break the county's all-

[See Condos, A7]

L.A. County opts to skip mask order

Available data show no need for mandate in near future, public health director says.

By Luke Money, Rong-Gong Lin II, Marissa Evans and Grace Toohey

Los Angeles County will not reinstate a universal indoor public mask mandate after marked improvements in the region's coronavirus case and hospitalization rates.

Aside from scuttling the order, which would have taken effect Friday, the recent downward trends are fueling some optimism that the months-old COVID wave fueled by hyperinfectious Omicron subvariants is finally starting to wane.

"We're on a decline right now," L.A. County Public Health Director Barbara Ferrer said Thursday. "We're glad to see this. It would be welcome relief if this current surge has peaked."

Based on available data, there is no need for a mandatory masking measure in the immediate future, she said.

"It's reasonable to assume that the recent decline we have seen in cases will lead to continued decreases in hospital admissions over the next couple of weeks," Ferrer said. "Although there's no way to predict the future, the case and hospital admission status suggests that there's less transmission."

A renewed face covering order would have applied indoors for anyone 2 or older at a host of establishments and venues, including shared office space, manufacturing and retail settings, event spaces, restaurants and bars, gyms and yoga studios, educational settings and children's programs.

Masks remain required

— as they have for months — in indoor public transit areas in L.A. County, including in taxis, Uber and Lyft rides and in airports, as well as in healthcare settings, nursing homes, jails, prisons, shelters and in settings where businesses or venues require it.

County health officials have warned that a new universal indoor mask mandate was a possibility should hospitalizations rise past a certain point.

[See Masks, A10]

ANALYSIS

GDP's pullback may not be so bad

The economy shrank again, raising fears of a recession — and hope for taming inflation.

By Don Lee

WASHINGTON — The government's announcement Thursday that the U.S. economy had two straight quarters of no growth set off new fears about an impending recession, but for most Americans, there was underlying good news mingled with the bad.

That's because the slowing economy signals that the Federal Reserve's campaign to curb inflation by raising interest rates, coupled with other developments here and abroad, may be starting to work.

And although recessions usually bring higher unemployment, a far greater number of workers and families suffer from inflation.

Also there's good reason to think that any recession-related layoffs won't be as bad this time around, especially if the downturn is relatively mild and short-lived, as most economists predict.

Moreover, many Americans will enter any recession with higher-than-usual savings, and the labor market remains strong, despite a smattering of layoffs across the country. Thursday's economic report showed rising incomes and a still-solid savings rate of 5.2% in the second quarter.

[See Economy, A5]

Bill scrutinized over fossil fuels

Climate hawks raise questions about Democrats' deal to address healthcare, energy and taxes. **NATION, A4**

Monkeypox hits inflection point

San Francisco Mayor London Breed declares a state of emergency over the city's outbreak. **CALIFORNIA, B1**

Angelenos flock to newest bridge

The 6th Street Viaduct has gone from physical structure to must-see phenomenon in record weeks. **CALIFORNIA, B1**

Weather

Mostly sunny. L.A. Basin: 85/64. **B6**

Printed with soy inks on partially recycled paper.



The Washington Post

Prices may vary in areas outside metropolitan Washington

T-storm 86/71 • Tomorrow: Partly sunny 87/71 B8

Democracy Dies in Darkness

FRIDAY, JULY 29, 2022 • B2

Devastated communities in Ky. brace for more floods



ARDEN S. BARNES FOR THE WASHINGTON POST

Homes near Jackson, Ky., are flooded Thursday from the Kentucky River's North Fork, which rose 17 feet in 12 hours, amid heavy rains that swamped the Appalachian foothills. Gov. Andy Beshear (D) called it "one of the worst, most devastating flooding events" in state history, saying officials expect "double-digit deaths." **Story, A3**

Weapons may give Ukraine edge as Russians stall

BY LIZ SLV

KYIV, UKRAINE — Russian advances in Ukraine have slowed almost to a standstill as newly delivered Western weapons help Ukrainian forces reclaim much of the advantage they had lost in recent months, opening a window of opportunity to turn the tide of the war in their favor again.

Russian troops have made no

significant territorial gains since the Ukrainian retreat on July 2 from the eastern city of Lyssychansk under withering artillery fire. The retreat gave Russia full control over Luhansk, one of the two oblasts, or regions, that make up the broader eastern Donbas area, and it marked Russia's only meaningful strategic success since its retreat from territory around Kyiv in April.

The lack of progress may be

explained at least in part by the "operational pause" declared by Russia's Defense Ministry after the seizure of Lyssychansk — to allow Russian troops a chance to "rest and develop their combat capabilities," in the words of President Vladimir Putin.

But the so-called pause did not halt Russian attempts to probe and penetrate Ukrainian lines — and the official end of the pause, announced by Defense Minister

Sergei Shoigu on July 16, has brought no noticeable increase in the intensity of Russia's assaults, said George Barros, a geopolitical and Russia analyst with the Institute for the Study of War.

SEE RUSSIA ON A9

Prisoner-swap offer: An official shares why U.S. went public. **A2**

Also in a Russian jail: Teacher's case goes largely unnoticed. **C1**

'I don't feel safe anymore'

As violence rises, Black women who once hated guns are embracing them

BY PETER JAMISON

WELCOME, MD. — A 16th week had passed with no arrest in the murder of Patrice Parker's son, another week in which she had struggled through grief for him and fear for herself and her surviving daughters.

It wasn't just that the person who had turned a gun on 24-year-old Markelle Morrow was still at large, but that so many other armed criminals were as well. Shootings were ravaging the nation's capital, on track for its highest number of homicides in two decades. In Prince George's County, where Parker lives, carjackings had more than quadrupled since 2019.

But there was a place where she felt safe, and that was here, at a remote property amid thick woods an hour's drive south of her home in District Heights, Md. And there was no time the 52-year-old

SEE GUNS ON A20

Political cost: A Republican pays price for embracing gun control. **A6**



MATT MCCLAIN/THE WASHINGTON POST

Mark "Choppa" Manley instructs Patrice Parker as she practices her shooting skills at the Choppa Community, a gun range in Southern Maryland. Her 24-year-old son was shot and killed this year.

GDP contracts again, fanning recession fears

ECONOMY SHRINKS AT ANNUAL RATE OF 0.9%

Q2 slowdown reflects diminished spending on goods

BY ABHA BHATTARAI

The U.S. economy has shrunk for a second straight quarter, at an annual rate of 0.9 percent, raising concerns that the country may be heading into a recession and compounding the Biden administration's political challenges as it grapples with decades-high inflation.

The new figures, released Thursday by the Bureau of Economic Analysis, come at a tumultuous time for the economy, though economists disagree on the likelihood of a full-fledged slump. In the past, six months of contraction have usually indicated a recession. The official deter-

mination is made by a panel of experts, though recessions aren't typical when unemployment is near record lows.

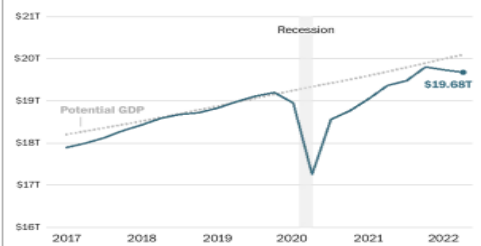
The second-quarter slowdown reflected shifting consumer and business behaviors. Retailers bought fewer items, including cars, as consumers shifted their spending away from goods to services such as restaurants and hotels. Declines in home construction and government spending also contributed to the negative reading.

The sour report on the gross domestic product reflects ongoing problems with inflation, which has been at 40-year highs

SEE GDP ON A15

GDP declined for the second quarter in a row

Quarterly U.S. gross domestic product



Seasonally adjusted and shown in constant 2012 dollars

Source: Bureau of Economic Analysis, Congressional Budget Office via FRED

Deal could put climate goals back on track

BY ANNA PHILLIPS

The \$369 billion deal Senate Majority Leader Charles E. Schumer (D-N.Y.) forged Wednesday with Sen. Joe Manchin III (D-W.Va.) would transform how the country produces energy and upend the auto industry, even though it falls short of what the United States needs to do to meet its global warming pledge by the end of the decade.

The agreement — which includes generous renewable energy and electric vehicle tax credits — could put the United States on track to slash its greenhouse gas emissions by 40 percent below 2005 levels by 2030, according to the Rhodium Group, a research firm. President Biden has pledged to cut emissions at least in half by then. If enacted, it would send a powerful signal to international climate policymakers and give investors a decade's

SEE CLIMATE ON A15

Deal's details: What made it into the Schumer-Manchin bill? **A14**

Democrats race to deliver on Biden agenda

BY TONY ROMM, MIKE DEBONIS AND MARIANNA SOTOMAYOR

With a long-elusive spending deal newly in hand, Senate Democrats set about finalizing their economic package Thursday, hoping they might be able to deliver on a central piece of President Biden's agenda as soon as next week.

The new, urgent push toward a vote came a day after the party achieved what once felt like an impossible breakthrough: an agreement between Senate Majority Leader Charles E. Schumer (D-N.Y.) and Sen. Joe Manchin III (D-W.Va.) on a bill that would lower health-care costs, combat climate change, reduce the deficit and revise the U.S. tax code.

Now in possession of 725 pages of legislative text, Democrats eagerly began digesting the size and scope of the measure, which

SEE SENATE ON A16

Big Pharma: Manchin's spending deal marks loss for industry. **A15**

IN THE NEWS



JOHN MCCONNELL/THE WASHINGTON POST

A struggle with statues Richmond removed many of its Confederate monuments after protests in 2020, but some still stand. **B1**

Chips and Science Act The House passed legislation that would allocate \$280 billion for manufacturing and tech innovation. **A16**

THE NATION

Texts involving former acting Homeland Security chief Chad Wolf and acting deputy secretary Ken Cuccinelli are missing for a key time ahead of the Jan. 6 attack. **A4**

Rep. Adam B. Schiff (D-Calif.) is making an 11th-hour push to lead House Democrats next year, potentially upending a contest that was largely considered set. **A5**

A Boy Scout designed and built a veterans memorial for his hometown of Olivia, Minn. **A5**

The FBI, looking to settle claims, has contacted lawyers for gymnasts

and others who have sued over the investigation of Larry Nassar. **A6**

Since its start in January 2021, the Georgia probe of Trump election activities appears to have grown significantly. **A7**

THE WORLD The Saudi crown prince received a warm welcome from the French and Greek leaders on his first official visit to Europe since the killing of journalist Jamal Khashoggi. **A8**

Extreme heat in Britain would have been "statistically impossible" without human-caused

climate change, a study found. **A9**

The U.S. and Chinese presidents held an hours-long call that covered grievances related to Taiwan, the war in Ukraine, and trade and security issues. **A10**

THE ECONOMY JetBlue agreed to buy rival discount carrier Spirit Airlines in a \$3.8 billion deal that would create the nation's fifth-largest airline. **A11**

THE REGION Metro's new general manager said restoring full service to the system will be his top priority. **B1**

Montgomery County announced that it will

continue counting mail-in and provisional ballots from the gubernatorial primary into the weekend. **B1**

D.C.'s mayor said she is seeking to have National Guard troops deployed to the city to help with the migrants arriving on chartered buses from Texas and Arizona. **B1**

D.C. police officials said the union's new contract will increase salaries, helping recruitment and retention efforts. **B5**

OBITUARIES Kyaw Min Yu, 53, a pro-democracy activist and writer in Myanmar known as Ko Jimmy, was executed by the military junta. **B6**

INSIDE



WEEKEND

A coda for Sam Gilliam At the Hirshhorn, the late Washington painter's last works grab the spotlight, quietly.

STYLE Digging deep to find the truth When many called the story of a 10-year-old's abortion a hoax, local reporters got to work. **C1**

BUSINESS NEWS.....A11
COMICS.....B3
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LOTTERIES.....B4
OBITUARIES.....B6
TELEVISION.....C6
WORLD NEWS.....A8

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Temblo en el gobierno

Los afectados por el ingreso de Massa como ministro de Economía



Silvina Batakis
DEJA EL MINISTERIO DE ECONOMÍA Y VA A PRESIDIR EL BANCO NACIÓN



Gustavo Beliz
RENUNCIÓ A LA SECRETARÍA DE PLANEAMIENTO ESTRATÉGICO



Julián Domínguez
RENUNCIÓ AL MINISTERIO DE AGRICULTURA



Mercedes Marcó del Pont
DEJA LA AFIP (DONDE ASUME CARLOS CASTAGNETO) Y REEMPLAZA A BELIZ



Daniel Scioli
SALE DE DESARROLLO PRODUCTIVO Y VUELVE A LA EMBAJADA EN BRASIL

LA NACION

VIERNES 29 DE JULIO DE 2022 | LANACION.COM.AR

NUEVO GABINETE

Giro político: Massa toma todo el control del área económica

Alberto Fernández cedió a las presiones internas y lo designó en un ministerio amplio que absorbe Desarrollo Productivo y Agricultura; Scioli vuelve a Brasil, Batakis va al Banco Nación, y renunciaron Domínguez y Beliz



Sergio Massa sale de la Cámara de Diputados, después de un día de febriles negociaciones, ya como superministro designado

PRENSA DIPUTADOS

Sergio Massa irrumpió ayer como nuevo hombre fuerte del Gobierno, con amplios poderes para enfrentar la crisis política y financiera que carcomió el margen de acción del presidente Alberto Fernández.

La incorporación del hasta ahora jefe de la Cámara de Diputados desató un temblor en el gabinete, del que salieron la efímera Silvina Batakis, Daniel Scioli, Julián Domínguez y Gustavo Beliz, cuyas áreas de responsabilidad pasan en gran medida a manos del nuevo "superministerio" de Economía.

Es la mayor reestructuración de la era Fernández y ocurre después de una fortísima presión de gobernadores peronistas, intendentes y sectores empresariales que clamaban por una "reacción firme" ante la corrida cambiaria y el alza imparable de la inflación.

Massa —que por la tarde estuvo reunido con Cristina Kirchner— asumirá la semana próxima cuando se resuelva la sucesión en Diputados. La confirmación de su ascenso al

gabinete llegó en medio de un goteo de anuncios de alto impacto. Scioli dejará el Ministerio de Desarrollo Productivo y volverá a la embajada en Brasil. Batakis, recién llegada de su visita al FMI, recalará en el Banco Nación. Domínguez renunció al Ministerio de Agricultura. Beliz dejó la Secretaría de Planeamiento Estratégico, que tenía a su cargo la relación con los organismos multilaterales (pasa al área de Massa). Lo reemplazará Mercedes Marcó del Pont, que sale de la AFIP. Resta saber si continuará el presidente del Banco Central, Miguel Pesce. **Página 8**

Cecilia Moreau presidirá la Cámara de Diputados

Laura Serra
Página 11

La oposición criticó la designación y reclamó que se presente un plan

Página 15

EL ESCENARIO

Un esquema que desnuda la debilidad del Presidente

Diego Cabot

—LA NACION—

La Argentina se apresta a vivir un experimento inédito. El presidente Alberto Fernández, que era un número dos en el podio de poder, detrás de la vicepresidenta, se apresta a dejar ese rol con la llegada de Sergio Massa. La particularidad es que pasará del segundo al tercer lugar. Toda una rareza. Continúa en la **página 11**

EL ANÁLISIS

Ideas y planes, más que un superministro

Luis Cortina

—LA NACION—

Carlos Menem tuvo que enfrentar una hiperinflación y un Plan Bonex para entender que no había futuro sin reformas estructurales. Tomó entonces la propuesta de Domingo Cavallo de pasar al Ministerio de Economía con un planteo estructural que incluía un plan para contener la inflación. Continúa en la **página 12**

Entre cumplir con el FMI y un arreglo con el campo

Massa apuesta por el pragmatismo; lo obsesionan las reservas

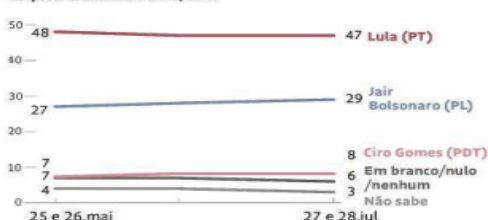
El plan de Sergio Massa para enfrentar la crisis económica está en construcción, así como el equipo que lo acompañará en el ministerio, que prevé presentar el lunes. Pero fuentes de su entorno destacan que buscará respetar el acuerdo con el FMI e intentaría un acercamiento con el campo para empezar a sumar reservas al Banco Central. Insiste también en impulsar reformas impositivas tendientes al "alivio fiscal" de la clase media. **Página 10**

Lula tem 18 pontos sobre Bolsonaro

Pacote de bondades do presidente ainda não alterou quadro, mostra Datafolha; hoje, petista poderia vencer em 1º turno

Quadro eleitoral fica estável

Resposta estimulada e única, em %



Fonte: Pesquisa Datafolha presencial com 2.556 pessoas com 16 anos ou mais em 183 municípios nos dias 27 e 28 de julho. A margem de erro é de 2 pontos percentuais, para mais ou para menos, dentro do nível de confiança de 95%. A pesquisa, encomendada pela Folha de S.Paulo, está registrada no TSE sob número BR-01192/2022

Pesquisa Datafolha feita na quarta-feira (27) mostra estabilidade no cenário eleitoral a pouco mais de dois meses da eleição. Luiz Inácio Lula da Silva (PT) tem 47% das intenções de voto, e Jair Bolsonaro (PL), 29% — uma vantagem de 18 pontos percentuais no primeiro turno, 1 a menos do que em junho. A margem de erro é de dois pontos para ambos os lados.

Por ora, os números principais não dão sinal de terem sido afetados pelo pacote de bondades do governo federal aprovado pelo Congresso neste mês, que inclui de auxílios a corte de impostos. Bolsonaro oscilou um ponto para cima e Lula não se moveu. Ciro Gomes (PDT) continua com 8%, Simone Tebet (MDB) foi a 2%, e os demais ficam abaixo.

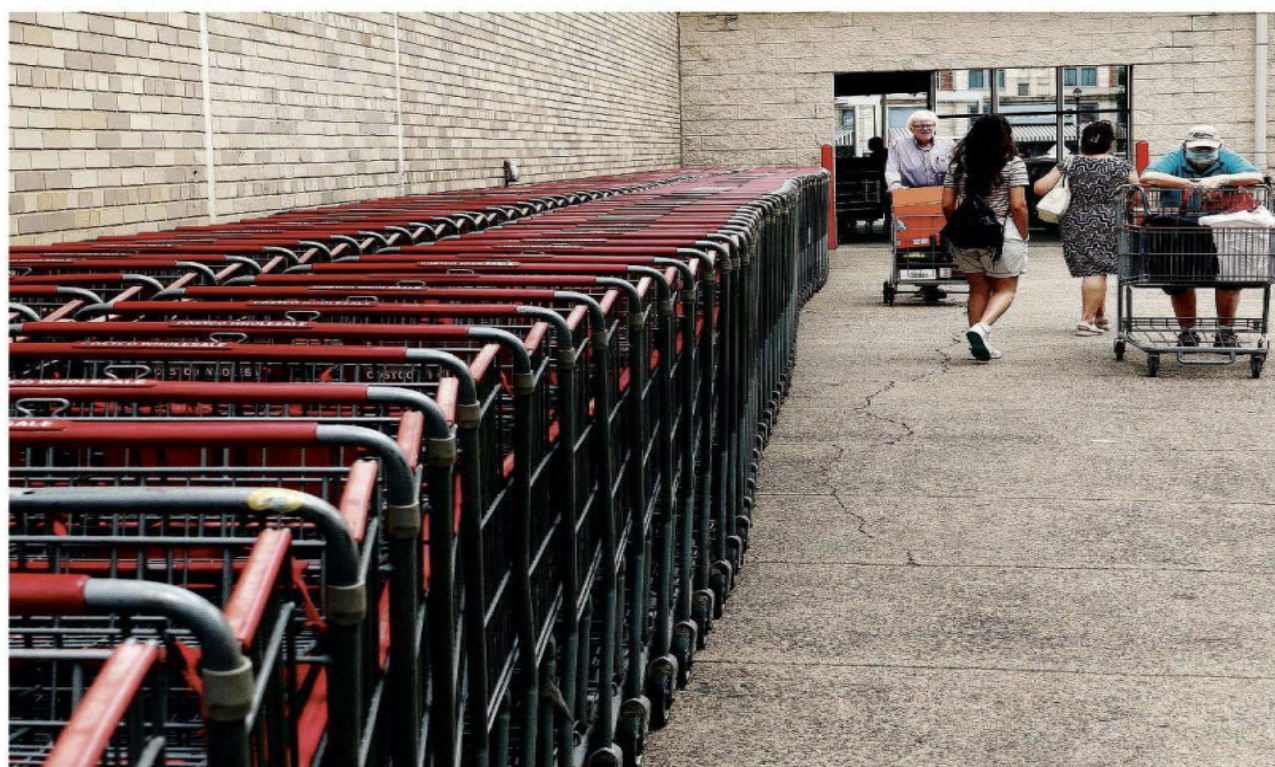
São 6% os brancos e nulos, e 3% os que estão indecisos. Considerados apenas votos válidos, o ex-presidente poderia selar a eleição hoje no primeiro turno, com 52%, ante 32% do titular. Em caso de segundo turno, Lula o venceria por 55% a 35%. O petista mantém a vantagem entre quem recebe até 5 salários mínimos (tem 54% a 23% na faixa até 2 salários).

O presidente vai melhor entre quem ganha mais, mas perdeu seis pontos na faixa acima de 10 mínimos. Se o pacote de bondades não abalou o cenário geral, as ameaças golpistas de Bolsonaro tampouco o fizeram. Ainda assim, ele está em posição desfavorável inédita, nesse momento da disputa, para um presidente que busca a reeleição. **Política A4**

Petista avança entre homens; presidente, com as mulheres

ANÁLISE Bruno Boghossian

Números sugerem que ex-presidente pode absorver impacto de benesses federais **A5**



Olivier Douliery/AFP

ECONOMIA DOS ESTADOS UNIDOS ENCOLHE PELO SEGUNDO TRIMESTRE CONSECUTIVO

Pessoas fora de supermercado na Virgínia; PIB caiu 0,9%, queda de 0,2% em relação ao trimestre anterior, dado que aponta para recessão técnica **Mercado A14**

Mercado A17

Empresas e tecnologia

Conectividade evoluiu de forma acelerada graças a demandas da pandemia

Ilustrada C1

Masp recebe mística de Joseca Yanomami e retratos negros de Dalton de Paula

Guia C9

Vila na rua Augusta tem restaurantes, bar e lojas com ares de pedaço da Itália



Aureliano Medeiros

mercado automotivo ranking folha-mauá

Elétricos e furiosos

Modelos eletrificados ocuparam as primeiras colocações do ranking, que testou 81 veículos; o Porsche Taycan Turbo S se tornou o carro mais rápido já avaliado pela Folha em parceria com o Instituto Mauá de Tecnologia. **p.1**

Operação resgata 388 em condição de escravidão

Ação envolvendo seis órgãos e 49 equipes de fiscalização em 22 estados e no Distrito Federal, a maior do tipo no país. Goiás e Minas lideraram os casos, na maioria rurais. No meio urbano, foram 15 resgatados em uma clínica de reabilitação e 6 empregadas domésticas. **Mercado A22**

Mais jovens com peso adequado seguem dieta

Estudo da Universidade de Oxford mostrou que, de 1997 a 2016, cresceu a cifra de crianças e adolescentes que tentam emagrecer. Os que fazem dieta sem precisar triplicaram. **B5**

Petrobras registra lucro trimestral de R\$ 54,3 bilhões

A Petrobras teve lucro de R\$ 54,3 bilhões no segundo trimestre de 2022, segundo maior registrado por uma companhia brasileira, marca sob forte impacto dos mega-aumentos de combustíveis em março. A distribuição de dividendos, de R\$ 87,8 bilhões, foi recorde. **Mercado A13**

EDITORIAIS A2

Fôlego na largada

Acerca da nova pesquisa eleitoral do Datafolha.

Sofrimento duplo

Sobre processos contra mulheres que fazem aborto.

Hélio Schwartzman

Em caso de golpe, desobediência civil

Os signatários da carta pela democracia têm um bom pedaço do PIB. Numa situação de ruptura constitucional, empresas poderiam deflagrar uma espécie de movimento de desobediência civil, deixando de pagar tributos. **Opinião A2**

Hungria só quis dar apoio à gestão, diz ministério

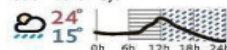
O Ministério da Mulher, da Família e dos Direitos Humanos afirmou ontem que o chanceler da Hungria, Péter Szijjártó, quis "prestar apoio público" à gestão de Jair Bolsonaro (PL) em encontro que teve com a titular da pasta, Cristiane Brito, em Londres no começo de julho, e que a oferta de ajuda para a reeleição do presidente não ia no sentido de interferir "no processo eleitoral brasileiro". **Mundo A11**

Carta pela democracia evita viés partidário

A fim de atrair o maior número possível de signatários, a "Carta às brasileiras e aos brasileiros em defesa do Estado democrático de Direito" evitou falar em golpe, criticando ataques ao processo eleitoral, mas sem mencionar o nome do presidente Jair Bolsonaro (PL), que critica as urnas eletrônicas. Em 48 horas, o documento, que continua aberto a signatários, já angariou mais de 250 mil assinaturas. **Política A8**

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El país está considerado como cooperante contra el lavado de activos

Aprobación de examen de Gafilat mejora perspectivas económicas

Analistas consideran que el hecho es importante para el futuro del Paraguay y que es un reconocimiento al esfuerzo que se está haciendo para mejorar los controles.

PÁGINA 12

Archivarán acción de inconstitucionalidad

Cartes desistió de jurar como senador con fallo de la Corte

PÁGINA 2

Tras asesinato de policía en CDE

Gatillo fácil: Familiares de la víctima hablan de que hubo ejecución

PÁGINAS 48 y 49

Controlan fincas sin moverse de la casa

Un joven ingeniero automatiza trabajo de horticultores en Belén

PÁGINA 24



El fresco se instala en fin de Semana de la Amistad

A cuidarse. Retornó ayer el frío y nuevamente la gente comenzó a abrigarse. Hay que tomar las precauciones para evitar las afecciones respiratorias.

PÁGINA 23

Camioneros bloquean San Lorenzo

Privados se suman a la rebaja del precio de sus combustibles

PÁGINAS 14 y 15

Desestiman denuncia y le imponen las costas

Juez rechaza otro intento de RGD de manipular la Justicia

PÁGINA 50

Prepararán un nuevo proyecto

Aplazan por 90 días el estudio de ley que puede desfondar la Caja Fiscal

PÁGINA 13

ETIOS MÁS POR DESCUBRIR

CUOTA DESDE 145 USD

2 AIRBAGS

VERSÁTILIDAD Y ECONOMÍA

4.5 ESTRELLAS

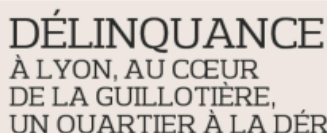


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**LE TOUR DE FRANCE
DES VIGNOBLES DE
THOMAS JEFFERSON**
À BORDEAUX,
L'AGRO-
ÉCOLOGIE
AVANT L'HEURE
PAGE 13

**ÉCRIVAINS
ET INTELLECTUELS
DANS LA GUERRE**
SAINT-
EXUPÉRY,
ÉCRIRE AVEC
SON CORPS

**LES CHEFS QUI FONT
VIVRE LEUR VILLAGE**
ADRIEN
DESCOULS
UN ÉTOILÉ AU
FIN FOND DU
PUY-DE-DÔME
PAGE 19

DROGUE
À Paris, dans l'enfer
de « Stalincrack »
PAGE 8

ENTRETIEN
Moscovici : « Si la France fait peu d'efforts sur sa dette, cela va finir par se voir ! » **PAGE 24**

CHAMPS LIBRES

- La tribune d'Édouard Tétreau
- Un entretien avec Fanny Lederlin

PAGE 18



FIGARO OUI
FIGARO NON

Réponses à la question de jeudi :

OUI 35%	NON 65%
TOTAL DE VOTANTS - 158 424	

**Votez aujourd'hui
sur lefigaro.fr**
Approuvez-vous
la stratégie de la droite
de voter l'essentiel des
amendements proposés
par le gouvernement ?

NICOLAS LIPONNE / HANS LUCAS VIA
REUTERS - TASS/ARCA

Les Républicains face aux défis de la reconstruction

Ligne politique, opposition parlementaire, émergence d'un candidat pour la présidentielle, au-delà du renouvellement à sa tête, le parti de droite est confronté à des questions cruciales.

Au cœur de débats nocturnes houleux, ils ont fait - et défait parfois aussi - les majorités à l'Assemblée nationale depuis le début de la législature. Incontournables, Les Républicains sont paradoxalement

fragilisés. Car, à voter les textes de la majorité, ils risquent de peiner à affirmer leur identité. Mais qu'ils ne les soutiennent pas et leurs électeurs pourraient ne pas comprendre leur opposition

systematique. La droite aborde donc le second quinquennat Macron dans un état de grande fièvre. Et les chantiers sont nombreux : présidence du parti, ligne politique, reconstruction, gestion

des ambitions présidentielles et préparation des élections intermédiaires. Il n'y a pas de temps à perdre. « C'est même une question de survie », entend-on souvent au sein du mouvement I.R.

→ LA DROITE GRANDE ARBITRE
DES TEXTES AU PARLEMENT
→ JEAN-FRANÇOIS COPÉ:
« LES DÉPUTÉS LR SONT
HÉROÏQUES, MAIS LEUR
COMBAT EST INVISIBLE »
PAGES 2, 3 ET L'ÉDITORIAL

Vivendi renonce à Editis pour conserver Hachette



Au regard des règles de concurrence, Vivendi ne pouvait pas conserver les deux premiers éditeurs français. Après des mois d'analyse, il a décidé de se séparer d'Editis et conservera Hachette, le jovan du groupe Lagardère. PAGE 28

Les géants français de l'industrie euphoriques malgré les crises

Après Michelin, Saint-Gobain ou Danone, en début de semaine, les groupes Schneide Air liquide, Total, Stellantis ou Sanofi ont dévoilé jeudi d'excellents résultats semestriels. La plupart affichent même leur confiance en l'avenir. Ces performances sont d'autant plus remarquables que ces multinationales évoluent dans un environnement terriblement cahuté: forte inflation, pénuries de toute nature, sévère coup d'arrêt de la Chine...

PAGES 22 ET 23

ÉDITORIAL par Étienne de Montety edemontety@lefigaro.fr

La porte étroite

« Être ou ne pas être », telle est la question qui se pose actuellement aux Républicains : est-on dans l'opposition quand on vote très régulièrement avec la majorité ? Dans ce cas, est-on encore une force crédible pour une alternance à venir ? Et encore : peut-on être à la fois un parti occupé à un programme à bâtir, et à départager des chefs, notamment en vue de la présidentielle de 2027, et en phase avec les aspirations profondes d'un pays... Être, mais d'abord être soi-même... Dans la crise existentielle qu'ils traversent depuis des années, Les Républicains savent qu'ils ne peuvent survivre que s'ils sont perçus comme une représentation claire de la France qui pense et vote à droite.

périlleux encore par ces deux écueils que représentent politiquement le parti présidentiel Renaissance d'un côté et le Rassemblement national de l'autre. Impossible de les ignorer, mais s'en approcher de trop près, c'est risquer d'être happé. Mortelles randonnées.

Des étincelles
à droite ?
Il existe
un bon usage
des étincelles.

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Energy firms' profit surge 'insults working people'

Anger as Centrica and
Shell pay big dividends
while cost of living soars

Rob Davies

Soaring profits at two of Britain's biggest energy companies have been described as an "insult" to millions of people struggling with the cost of living crisis, with high oil and gas prices

funding multibillion-pound rewards for their shareholders.

A day after households were warned average annual energy bills could hit £3,850 from January, triple the level at the beginning of this year, Shell and Centrica prompted outrage by announcing huge windfalls.

Shell posted record earnings of \$11.4bn (nearly £10bn) for the period from April to June and promised shareholders payouts worth £6.5bn.

Asked about the stark contrast with punishingly high bills faced by households already struggling

with sky-high inflation, Shell's chief executive, Ben van Beurden, said the company could not "perform miracles" to bring oil and gas prices down, adding "it is what it is".

At the same time, Centrica, the owner of British Gas, reinstated its dividend, handing investors £59m, after reporting operating profits of £1.3bn during the first half of 2022.

"These eye-watering profits are an insult to the millions of working people struggling to get by because of soaring energy bills," said Frances O'Grady, the general secretary of the

TUC. "Working people are facing the longest and harshest wage squeeze in modern history. It's time working people got their fair share of the wealth they create, starting with real action to bring bills down."

Debt advice charities, businesses and MPs redoubled calls on ministers to take action to avoid plunging millions more households into financial distress, as concern mounted at the lack of a coherent government plan.

The energy regulator, Ofgem, is due to announce a rise in the energy price cap within

Heat of 40C is '10 times likelier' as climate fails

Helena Horton

Climate breakdown made this month's record UK heatwave 10 times more likely, researchers have found. Analysis by World Weather Attribution reveals that temperatures in Britain during the heatwave, when they hit 40.3C, were higher than those simulated by climate models.

The researchers say extreme temperatures in western Europe are rising faster than expected.

To find out whether the heatwave was made more likely by climate change, scientists analysed weather data and computer simulations to compare the climate as it is today with the climate of the past, following peer-reviewed methods. They then analysed the maximum temperatures over two days of the heatwave, when Britain was most severely hit by the warm weather.

Extreme heat in western Europe has increased more than models have predicted. While models estimate greenhouse gas emissions increased temperatures in this heatwave by 2C, historical weather records suggest the heatwave would have been 4C cooler in a world that had not been warmed by human activities. Experts fear this means the impacts of global heating will be more drastic than previously thought.

World's first cure for genetic heart conditions on the way

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Animal spirits awaken Birmingham's Games

A giant puppet bull charges through Alexander Stadium to mark the start of the Commonwealth Games - part of a ceremony that celebrated the history and culture of the host city. **News Page 7 →**

