Fuel of +98.5%

asoline (all types) +99.9

Airline fares +34.1

Electricity +13.7

Dairy products +13.5

Meats, positive fish and eage 411.7 New vehicles +11.4 All items + 9.1

Tebacco and smoking products + 7.9

Fruits and vegetables + 8.1

Food away from home + 7.7

Used sars and trucks + 7.1

Alcoholic beverages + 4.0

Hospital services + 3.9

Physicians' services + 1.0

Apparel + 5.2

Motor vehicle insurance + 6.0

Rent of primary residence + 5.8

Medical care commodities + 3.2

By DIONNE SEARCEY

MPATEMATA FOREST, Dem-

women lugging bags of sticks on their back spill out of the brush

onto a highway just south of the Equator. Men pass on motorbikes,

one after another, hauling bags of tharcoal. Boys trudge along with a single log slung over their shoul-ders, as if they're toting a ba-

Deep in the trees, Debay

joins this forest parade, which is slowly destroying one of the

nda puts down his ax and

Inflation is Rising

Annual Price Changes in June

nergy and travel

June's overall figure was

higher than expected, adding to pressure on the

interest rates aggressively

In Congo, a Means of

Survival Is Taking a

Toll on the Planet

scapes, all to cook a meal. The scene plays out not only on

of rainforest across the Congo Ba-

sin, home of the second largest

old-growth rainforest in the world. It's a ritual that in its ubiquity is

this stretch of road in the De

THURSDAY, JULY 14, 2022 - VOL. CCLXXX NO. 11

DBA 3077279 ¥ 208.54 0.75 NASDAQ 11247.58 ¥ 0.75 STOXX 600 412.81 ¥ 1.05 TO YELTREAS, yell 2.9045 OR 596.30 a 50.46 GOLD 51.734.20 a 510.90 EURO 51.0060

he economy. Al, A6-7

narkets, sparking large

on how the Fed and the

in Wednesday's session, with the S&P 500, Dow and

Nasdaq retreating 0.4%, 0.7% and 0.2%, respectively. B1

• Celsius Notwork filed

lender halted withdrawals in the wake of a collapse is digital currency prices. Al

• Berkshire has litted its

Bolta Air Lines said strong demand for trave

• Spirit Airlines agreed to

try to win more support from skeptical investors, \$2

. Unity Software acreed to

\$4.4 billion all-stock deal, B3

World-Wide

pressure on the Fed as more investors expect a

bigger rate boost in July

U.S. consumer inflation ac-

pace not seen in more than four decades, adding pressure on the Federal Reserve to act

ISRAEL DESTROYS IRANIAN DRONES AS ARABS ASSIST

SIGN OF GROWING TIES

A Shared Fear of Tehran Helps Fuel a Project Backed by Biden

By RONEN BERGMAN and PATRICK KINGSLEY

Israel, a few minutes before 2 a.m., four Israeli pilots scanned the horizon for two unmanned aircraft that were heading toward Israel from Iran. Suddenly, the pilots saw them — two triangular drones, each roughly eight yards wide, speeding westward.

"Positive identification," one pi lot told his commanders by radio

Seconds later, both Iranian drones had crashed to the ground, shot down by two Israeli fighter jets in two locations above Arab

The secret episode, which oc-curred on March 15, 2021, was one between Israel, certain Arab part-ners and the United States - a project that President Biden is trying to cement into a more for work during his visit this

week to the Middle East. Corroborated by two senior Is-raeli officials and recordings of the pilots' communications, the episode exemplified how Israel, once isolated in the Middle East because of Arab solidarity with the Palestinians is now working how shared fears of Iran now supersede concerns in some Arab governments about the failure to esolve the Israeli-Palestinia

its proxies in Yemen, Lebanon, Syria and Iraq have increasingly used drones to attack Israel, American forces in the Middle East and Sunni Arab states, in

While the biggest long-term threat from Iran is its nuclear program, Tehran's opponents are concerned by the drones because their small size and relatively slow speed make them hard to de-tect and intercept — and because they are already causing damage

ounced last month by Israel, the new initiative, the Middle fenses against drones. The idea is to allow its participants to alert comine drope attacks, through the coordination of the U.S. Central

In the future, Israel hopes par-ticipants will be connected to the same radar system, eliminating the need to send one another warnings. "Everybody will see Continued on Page A10

At Fastest Pace Since 1981

of Gas Tumbles

The U.S. average for

\$4.63 a gallon, it is still

struction, contributing to the de-

Continued on Page A6

By CLIFFORD KRAUSS

HOUSTON - Gasoline prices

Gasoline was a major reason that U.S. consumer prices were 9.1 percent higher in June than a year earlier, the biggest annual in-crease in four decades. But now gas prices have fallen 28 days in a row, the longest decline since the collapse in energy demand in early 2020 as the Covid-19 pan demic paralyzed the economy. Energy analysts say American consurers are spending \$140 million less on gasoline daily than they were a month ago. The trend could easily reverse

again, especially if a hurricane knocks out a refinery on the Gulf Coast, since global oil supplies remain fairly tight. But for the mogovernment from its strategic oil serves and reduced consump-

gallon of regular gasoline on Wednesday was \$4.63, a drop of more than 2 cents from Tuesday, according to the AAA auto club. Prices have fallen 15 cents over the last week and 38 cents from

Depleting Rainforest, Branch by Branch, for Fuel arly sharp in Texas, Ohio, Illinois and California, all economically tions of people who have no means to prepare food other than to cook it over open fires, but also and California, all economically important states, where prices have fallen by 16 cents or more over the last week. President Biden was quick to

for the entire planet as the carbon-absorbing forests so critical for herald the reduction in gas prices. slowing global warming are taken. since their rise has been a political apart tree by tree and in some basard for him

apart tree by tree and in some cases branch by branch. The logging industry in Congo uproots precious old-growth trees for use in furniture and home con-"In the past 30 days, the aver-age price of gas has dropped by 40 cents a gallon," he said on Twitter. "That's breathing room for Ameri can families." Noting that oil struction, contributing to the de-struction of forests — particularly when not regulated properly. On top of that, swaths of forest are burned to make way for farming. prices had declined more rapidly than fuel prices, he urged oil com-panies to pass on their savings to

onsumers. Gasoline prices are particularly mportant for lower-income famlies, who generally drive longer tances to work and own older essuances to work and own once, less efficient vehicles. But prices at the pump also frame con-sumers' perceptions of inflation more widely because they ob-serve the ups and downs on street

Drivers are beginning to notice

"There's always the fear that prices will rise but never fall," said Melanie Wilson-Lawson, a health science professor, as she filled un science protessor, as see ninea up her tank at a gas station outside Houston. "But I see a significant difference now. It's huge." That helps case her financial insecuri-ty, which had prompted her to cut back on dining out in recent

Ms. Wilson-Lawson said she hoped Mr. Biden's discussions on his current trip to the Middle East Continued on Page A16

New York's City Workers Are Quitting in Droves | Top Colleges Cling to Favoring Alumni's Children Affirmative Action Case

> also used at other elite instituefforts to end the preference that have been waged by progressive

SOARING INFLATION TIGHTENS SQUEEZE ON U.S. CONSUMERS

Ray of Hope as Price | Pressure Is on Fed for Bigger Rate Jump

By JEANNA SMIALEK

Prices surged 9.1 percent i rising costs for gas, food and rent, a higher-than-expected reading and bad news for Americans at a moment when their wages are falling further behind the nation's soaring cost of living.

The fresh Consumer Price In-dex report released on Wednes-day contained particularly worry-ing signs for the Federal Reserve, essures are broad and stub in ways that may make them diffs

oult to wrestle under control.

Overall, inflation is likely to moderate in July because gas prices have failen this month — a gallon of regular gas hit an averare of about \$5 in June, and the ost is now hovering around \$4.63. But fuel prices are volatile, mak inflation pressures remained in

In particular, a core inflation in That measure climbed 5.9 percent over the year through June, barely a slowdown from last month's 6 percent increase. Core

whose approval ratings have tak-en a hit amid climbing costs, and could require continued forceful action from the Fed. The central bank is raising rates to slow the economy and to try to restrain inflation, and it is likely to continue adjusting policy quickly — even if doing so risks tipping the econ-

The global economy has been

buffeted by a series of shocks that have pushed inflation higher since

the outset of the pandemic. Fac-tory shutdowns and shipping shortages have rolled supply chains, and worker shortages are

making it harder for airlines to fly

at capacity and for hotels to rent

out rooms. Russia's invasion of Ukraine has disrupted gas and

food supplies.

While economic policymakers initially hoped that the disruptions would fade and that prices

would ease on their own, they

have stopped waiting for that to happen — especially as price in-creases prove not only pro-nounced but also widespread, ris-

ing rapidly across an array of goods and services.

The Fed has been raising inter-

Continued on Page A16

the outset of the pandemic. Fac-

doing so risks tipping use econ-omy into a recession — as inflation looks increasingly out of control. "It's an ugly report," said Julia Coronado, the founder of MacroPelicy Perspectives. "I don't think there is anything good about this report, as far as the Fed is con-cerned, as far as the U.S. con-sumer is concerned."

· Bides arrived in Israel ion hopes will bolster U.S. ties in the region, but could yield limited progress on American priorities. A8

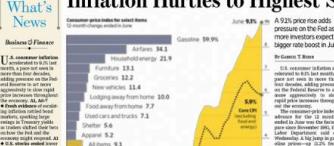
. The FDA authorized the vaccine, providing a pew vaccines, but at a time who overall demand is low. A2

York convicted a former CIA software engineer of leaking a trove of classified decuments to the website WikiLeaks. A3

> ◆ The Eiden administration violate federal protections against discrimination. A3



Inflation Hurtles to Highest Since '81



later this mouth. Slowing de-mand is key to the Fed's goal of restoring price stability in an economy that is still strug-gling with supply issues, but raising interest rates also elemore aggressively to slow rapid price increases through-out the economy. Core prices, which exclude vobitle food and energy com-ponents, showed little sign they were moderating. While The consumer-price index's ended in June was the fastest they increased by 5.9% in June pace since November 1981, the Labor Department said on day. A his jump in gasoline prices-up 11.2% from the previous month and nearly

 Greg lp: Beware wishful thinking on the economy... A2
 Inflation clouds prospects for

vates the risk of a rec-

Price Data Set Off More Bond Volatility

large swings in Treasury yields as traders shifted their bets on how the Federal Reserve and the economy might respond. Treasury yields, which rise when bond prices full, jumped immediately after the govern-ment released new consumer-

price index data, which showed broad-based inflation reaching surys, however, quickly gave up those gains and major stock indexes fell, reflecting a

CPI data.

**revestors have also focused of slowing Investors have also focused on mounting signs of slowing economic growth over the part meeth, causing many to bet that a larger inferest-rate increase from the Fed now would just lead more quickly

INSIDE

WORLD

President Biden arrives

of his trip to the

Middle East A8

PERSONAL JOURNAL

Miracle League

baseball returns.

ringing joy to players

and their families. A12

Sri Lanka's president fled the country and ap-pointed the prime minister as acting leader, the speaker of Paritament said, as protesties breached the prime minister's office. AIO

Officials from Russia,
Ukraine, Turiog, and the U.N.
agreed on key aspects of a
plan to reszarse experts of:
Ukrainian grain through the
Black Sea, senior Turioth
and U.N. leaders and. As

**Ukrainian forces struck
as air-defense system in

in the east of the country. A to kick off a trip to the Mid-dle East that his adminis-

A federal jury in New

Poor Nations' Debt Crisis Tests China

Largest lender to developing world now confronts meltdowns in places such as Sri Lanka

in Israel on the first leg

obvenible under a mountain of debt early in the Coeff of parademic, tome offi-cials argued it was time to ask for a subject from the International Mone-tury Fund, a politically fraught move that traditionally comes with painful international form that traditionally comes with painful international form of the mountain of the mount



Free Pizza Didn't Get Employees Back to the Office, but AC Will

Workers re-confront the hot mess of commuting in sweltering weather

When Gregory Sarafan, a 23-year-old litigator, started commuting from Jersey City, N.J., to his job in Manhattan's commenting from Jereye City,
No, to his job in Mechantarra
Tribeca neighborinood in Moy,
which is the word a during set
would also leave 30 minutes as
would have time to cot off in
his private effice before heading to court one bleds away.
"I sat under the vertei in my
off my face with none paper
thoreth," he says. "There's resale you trouble to the country of the country of
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stashing a suit, dress shirts, a handful of ties and dress shoes

in his office to change into. For his commute in, which in-

A LONG BET

Bankruptcy Protection Cryptocurrency lender Cel-sius Nemoric LLC filed for colleteral, leaving itself little bankruptcy protection cultion in the event of a mar-Wednesday, a month after ket downturn. The company was caught in the chain reaction rippling

Celsius Network Seeks

Gladstone, Vicky Ge Huang and Soma Biswas

wake of a collapse in digital

the platform's business model lost fall in its latest venture part the breaking point.

For hollows weeks of market for the projectation above Cebias, any separation above the projectation above Cebias, and which built itself into one of Wethershay. 'I am confident underfor on a pitch that it was lesser in the projectation of the project of the proj

ries this year, and it from cies this year, and it from withdrawals, swaps and framsfers last month. Founded in 2017 by entrepreneur Alex Mashinaky, Celsins was val-ued at more than 53 billion last fall in its latest venture round.

By DANA RUBINSTEIN and EMMA G. FITZSIMMONS Many Lured by Pay in

New York City, the largest mufacing an exodus of city worker that has led to a surge in job va-cancies and difficulties delivering basic municipal services.

The wave of departures has inemployees, police officers and child protective service workers. Some are high-ranking officials with decades of experience; oth-

cluded health care workers, parks ers are younger employees, some

Private-Sector Jobs

of whom typassed higher-paying private sector jobs because they wanted to make a difference. The city's overall job vacancy rate was 7.7 percent as of March -

A charcoal kiln in the Democratic Republic of Congo, where the fuel is widely used for cooking.

five times as high in recent years, according to the most recent data

The labor shortage has affected Continued on Page A29

By STEPHANIE SAUL Describing its incoming class of 2025. Yale boasted that its students hailed from 48 states, 68 countries and 1,221 high schools. What's more, the university an-nounced last year, 51 percent of the class identified as students of

the college has clung to an admis-sions tradition — legacy prefer-ences — that mostly benefits stu-Yet even as Yale promotes the dents who are white, wealthy and

May Shift Ground