"All the News That's Fit to Print"

The New York Times

National Edition
Upper Midwest: Sunshine mixed with clouds. Showers will linger in the south. Highs 70s to lower 80s. Lows middle to upper 60s. Weather map appears on Page A20.

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Pope Expresses Grief in Alberta Over Brutality

Apologizes for Abuse of Indigenous Children

By JASON HOROWITZ and IAN AUSTEN

MASKWACIS, Alberta — Pope Francis offered a sweeping apology directly to Indigenous people on their land in Canada on Monday, fulfilling a critical demand of many of the survivors of church-run residential schools that became gruesome centers of abuse, forced assimilation, cultural devastation and death for over a century.

"I humbly beg forgiveness for the evil committed by so many Christians against the Indigenous peoples," Francis said to a crowd made up largely of Indigenous people, some wearing traditional clothing and headdresses, in Alberta, near the site of a former residential school.

The pope delivered his message in a powwow circle, a covered ring surrounding an open space used for traditional dancing and drumming circles. Around it were teepees, campfires and booths labeled "Mental Health and Cultural Support."

Francis added that his remarks were intended for "every Native community and person" and said that a feeling of "shame" had lingered since he apologized to representatives of Indigenous people in April at the Vatican.

Before his speech, Francis visited a cemetery where local Indigenous people believe children were buried in unmarked graves.

He said he was "deeply sorry" — a remark that triggered applause and approving shouts — for the ways in which "many Christians supported the colonizing mentality of the powers that oppressed the Indigenous peoples."

"I am sorry," he continued. "I ask forgiveness, in particular, for the ways in which many members of the church and of religious communities cooperated, not least through their indifference, in projects of cultural destruction and forced assimilation promoted by the governments of that time, which culminated in the system of residential schools."

The pope's six-day visit to Canada, which will include a visit Tuesday to Lac Ste. Anne, a pilgrimage site that is sacred to many Indigenous people, and meetings with Indigenous and church representatives in Quebec City and the Arctic city of Iqaluit, came after years of pleas from Indigenous leaders and leading politicians for a Vatican apology for the abusive schools.

The school system was designed to erase Indigenous culture and language by forcibly separating children from their families and assimilating them into Western ways.

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IAN WILLMS FOR THE NEW YORK TIMES

Pope Francis on Monday at a cemetery in western Canada where children who died at a church-run residential school were buried.

2 Pence Aides Have Testified In Jan. 6 Case

By ALAN FEUER and MAGGIE HABERMAN

Two top aides to former Vice President Mike Pence testified last week to a federal grand jury in Washington investigating the events surrounding the Jan. 6 attack on the Capitol, the highest-ranking officials of the Trump administration so far known to have cooperated with the Justice Department's widening inquiry into the events leading up to the assault.

The appearances before the grand jury of the men — Marc Short, who was Mr. Pence's chief of staff, and Greg Jacob, who was his counsel — were the latest indication that the Justice Department's criminal investigation into the events surrounding and preceding the riot is intensifying after weeks of growing questions about the urgency the department has put on examining former President Donald J. Trump's potential criminal liability.

The testimony of the two Pence aides marked the first time it has become publicly known that figures with firsthand knowledge of what took place inside the White House in the tumultuous days before the attack have cooperated with federal prosecutors.

Mr. Short and Mr. Jacob played important roles in describing to a

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Soaring Prices Pile More Suffering on Ukraine

By LIZ ALDERMAN

LVIV, Ukraine — At his compact stall in Lviv's main outdoor food market, Ihor Korpii arranged jars of blueberries that he and his wife had picked from a nearby forest into an attractive display. Fragrant dill and fresh peas harvested from their garden lay in neat piles on a table.

A schoolteacher surviving on modest pay, Mr. Korpii peddles produce during summers to supplement his family's income. But this year, he has had to raise prices by over 10 percent to make up for a surge in fuel and fertilizer costs brought on by Russia's invasion. Now, buyers are scarce, and sales have slumped by more than half.

"War has driven up the cost of almost everything, and people are buying much, much less," Mr. Korpii said, pointing with weather-beaten hands to a heap of unsold carrots. "Everyone, including us, is tightening their belts," he added. "They're trying to save money because they don't know what the future will bring."

War's Economic Havoc Is Pushing Food and Fuel Out of Reach

Since Russia invaded Ukraine, food, energy and commodity prices have climbed around the world, worsening global inflation and inflicting financial hardship on millions of vulnerable people.

Few countries are feeling the bite as much as Ukraine itself, where Russia's deadly campaign of attrition is piling economic havoc atop a devastating humanitarian toll.

Prices here have jumped more than 21 percent from a year ago, one of the highest rates in Europe, as Russian attacks on critical infrastructure and occupation of major industrial and agriculture-producing regions in the southeast have sown chaos in supply chains. Fuel prices are up 99 percent from a year ago, while food costs have surged more than 35 percent, according to the National Bank of Ukraine.

The economy is expected to contract by over a third this year, and the government has warned that it faces a budget shortfall of over $5 billion a month because of the war. Ukraine narrowly

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DANIEL BEREHULAK FOR THE NEW YORK TIMES

OUTSIDE KHERSON Ukraine's ambitious plan to retake the southern city carries risks. Page A8.

As Monkeypox Spread in U.S., Vaccine Sat in Limbo Abroad

By JOSEPH GOLDSTEIN and SHARON OTTERMAN

On the Thursday before Pride Weekend last month, hundreds of men dropped what they were doing and raced to a city-run health clinic in Manhattan. Finally, more than a month after monkeypox appeared in New York City, a vaccine was being made available to sexually active gay and bisexual men, among whom the virus was rapidly spreading.

But there was a catch: Only 1,000 doses were available. Within two hours, the only clinic offering the shots began turning people away.

At that same moment, some 300,000 doses of a ready-to-use vaccine owned by the United States sat in a facility in Denmark. American officials had waited weeks as the virus spread in New York and beyond before deciding to ship those doses to the United States.

Even then, there was little apparent urgency: The doses were flown piecemeal, arriving in shipments spread out over more than a week. Many didn't arrive until this month, more than six weeks after the first case was identified in New York City.

By holding back the doses, an early opportunity to contain or slow the largest monkeypox outbreak in the country appears to

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Drug Cartels Are Making Billions of Dollars Smuggling Migrants

By MIRIAM JORDAN

CARRIZO SPRINGS, Texas — From the street, the little brown house was unremarkable yet pleasant. A bright yellow toy school bus and red truck hung on the hog-wire fence, and the home's facade featured a large Texas lone star. But in the backyard was a gutted mobile home that a prosecutor later described as a "house of horrors."

It was discovered one day in 2014, when a man called from Maryland to report that his stepfather, Moises Ferrera, a migrant from Honduras, was being held there and tortured by the smugglers who had brought him into the United States. His captors wanted more money, the stepson said, and were pounding Mr. Ferrera's hands repeatedly with a hammer, vowing to continue until his family sent it.

When federal agents and sheriff's deputies descended on the

Violence and Extortion as Death Toll Climbs

house, they discovered that Mr. Ferrara was not the sole victim. Smugglers had held hundreds of migrants for ransom there, their investigation found. They had mutilated limbs and raped women.

"What transpired there is the subject of science fiction, of a horror movie — and something we simply don't see in the United States," the prosecutor, Matthew Watters, told a jury when the accused smugglers went on trial. Organized crime cartels, he said, had "brought this terror across the border."

But if it was one of the first such cases, it was not the last. Migrant smuggling on the U.S. southern border has evolved over the past 10 years from a scattered network

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CHINA'S POSTURE ON TAIWAN PUTS THE U.S. ON EDGE

WORRY OVER BLOCKADE

Administration Officials Urge Pelosi to Cancel Visit to the Island

This article is by Edward Wong, David E. Sanger and Amy Qin.

WASHINGTON — The Biden administration has grown increasingly anxious this summer about China's statements and actions regarding Taiwan, with some officials fearing that Chinese leaders might try to move against the self-governing island over the next year and a half — perhaps by trying to cut off access to all or part of the Taiwan Strait, through which U.S. naval ships regularly pass.

The internal worries have sharpened in recent days, as the administration quietly works to try to dissuade House Speaker Nancy Pelosi from going through with a proposed visit to Taiwan next month, U.S. officials say. Ms. Pelosi, Democrat of California, would be the first speaker to visit Taiwan since 1997, and the Chinese government has repeatedly denounced her reported plans and threatened retaliation.

U.S. officials see a greater risk of conflict and miscalculation over Ms. Pelosi's trip as President Xi Jinping of China and other Communist Party leaders prepare in the coming weeks for an important political meeting in which Mr. Xi is expected to extend his rule.

Chinese officials have strongly asserted this summer that no part of the Taiwan Strait can be considered international waters, contrary to the views of the United States and other nations. A Chinese Foreign Ministry spokesman said in June that "China has sovereignty, sovereign rights and jurisdiction over the Taiwan Strait."

American officials do not know whether China plans to enforce that claim. But Senator Chris Coons of Delaware, who is close to President Biden and deals with the administration often on issues involving Taiwan, said "there is a lot of attention being paid" to what lessons China, its military and Mr. Xi might be learning from events in Ukraine.

"And one school of thought is that the lesson is 'go early and go strong' before there is time to strengthen Taiwan's defenses," Mr. Coons said in an interview on Sunday. "And we may be heading to an earlier confrontation — more a squeeze than an invasion — than we thought."

Chinese officials are aware that Biden administration officials, also applying lessons learned from Russia's invasion of Ukraine, are trying to shape their weapons sales to Taiwan to turn the democratic island into what some call a

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SHIFT IN FOCUS Beijing began a wave of diplomacy in Africa, where it dominates trade. PAGE A4

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What's News

Business & Finance

Walmart warned that higher prices for food and fuel were causing consumers to pull back, an ominous sign for a U.S. economy that has relied on resilient household spending to power through rising inflation. **A1**

◆ **Wall Street investors** are betting that Fed officials will raise rates aggressively through the end of the year and then start cutting them about six months later. **A1**

◆ **Major U.S. stock indexes** ended Monday's session mixed, with the S&P 500 and Dow gaining 0.1% and 0.3%, respectively, and the Nasdaq losing 0.4%. **B1**

◆ **A rise in Covid-19** absences in recent weeks, combined with planned time off, has left a range of workplaces struggling to keep operations running. **A1**

◆ **New federal probes** into the hush-money scandal enveloping WWE hastened the retirement of CEO Mc-Mahon, according to people familiar with the matter. **B1**

◆ **Alibaba will pursue** a primary listing of its stock in Hong Kong, hedging its bets as regulatory pressure on Chinese companies grows on both sides of the Pacific. **B1**

◆ **A former Goldman** vice president was one of nine defendants charged in four unrelated insider-trading cases announced Monday by federal prosecutors in Manhattan. **B1**

◆ **Shell PLC said** it is moving forward with its Jackdaw natural-gas development in the North Sea, a project that has been opposed by environmental groups. **B2**

World-Wide

◆ **Russia said** it would further reduce natural-gas supplies to Europe this week, lobbing another volley in its economic war with the West and raising new questions about Europe's ability to avoid shutting down factories and leaving homes cold this winter. **A1**

◆ **Russian strikes continued** in Ukraine as the Kremlin called on Kyiv to resume shipments of grain despite a Russian missile attack over the weekend that risked derailing a key deal aimed at easing a blockade on Ukraine's ports. **A7**

◆ **The Justice Department** has pressed top advisers to Pence in recent weeks about efforts by several lawyers for former President Trump to overturn the 2020 election results, according to people familiar with the matter. **A4**

◆ **The Senate is set** to vote this week to advance a far-reaching $280 billion package of subsidies and research funding to shore up U.S. competitiveness in advanced technology. **A4**

◆ **House lawmakers** are declaring consideration of a bipartisan bill to curb potential risks posed by so-called stablecoins, according to people familiar with the matter. **A4**

◆ **Myanmar executed** four prisoners, including two well-known democracy activists, as the country's military junta continues its campaign to crush opposition. **A9**

◆ **Died: Paul Sorvino**, 83, actor known for "Goodfellas" and "Law & Order." **A6**

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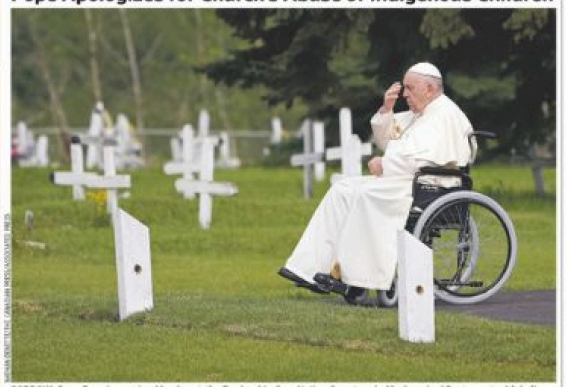
Pope Apologizes for Church's Abuse of Indigenous Children



NATHAN DENETTE/THE CANADIAN PRESS/ASSOCIATED PRESS

SORROW: Pope Francis, praying Monday at the Ermineskin Cree Nation Cemetery in Maskwacis, Alberta, met with indigenous leaders in Canada and apologized for abuses at residential schools where indigenous children were enrolled. **A8**

Russia to Reduce Nord Stream Flow of Gas to Europe to 20%

By Joe Wallace And George Kantchev

Russia said it would further reduce natural-gas supplies to Europe this week, lobbing another volley in its economic war with the West and raising new questions about Europe's ability to avoid shutting down factories and leaving homes cold this winter.

Russian state-owned energy producer Gazprom PJSC said gas exports through the vital Nord Stream pipeline to Germany would drop to about a fifth of the pipe's capacity, blaming sanctions-related problems with turbines that have already reduced flows. The fresh reduction in the pipeline's capacity—from 40% currently to 20%—is expected to take effect Wednesday, Gazprom said.

Wholesale European gas prices jumped 12% Monday to €179, or about $183, a megawatt-hour. They have more than doubled this year and are expected by analysts to keep rising as winter approaches, adding to inflation that is straining economies, governments and financial markets in the region.

European officials and analysts said President Vladimir Putin of Russia is weaponizing gas deliveries, aiming to retaliate for economic sanctions imposed on Russia and weaken the West's resolve to give military and financial assistance to Ukraine. By keeping some gas flowing, they said, Moscow is keeping Europe guessing and maximizing the leverage it has over Europe's energy security to sow political fissures.

"Russia is playing a strategic game here," said Simone Tagliapietra, a senior fellow at Brussels-based economic think tank Bruegel. "Fluctuating already low flows is better than a full cutoff, as it manipulates the market and optimizes gro-

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◆ **Russia strikes school in Kharkiv, presses attacks** ... A7
◆ **Shell to proceed with North Sea natural-gas project** ... B2

Walmart Cuts Its Outlook, Rattling Investors

Retailer warns sales curbed by inflation in latest report to highlight economy risk

By Sarah Nassauer

Walmart Inc. warned that higher prices for food and fuel were causing consumers to pull back, an ominous sign for the U.S. economy that has relied on resilient household spending to power through rising inflation.

The country's largest retailer, which warned in May that it was stuck with too much unsold goods, said Monday it was having to cut prices to reduce mounting inventory levels at its flagship chain and Sam's Club warehouse chain. The markdowns are expected to cause the company's profits to fall in the second quarter and fiscal year.

The announcement sent Walmart's shares down nearly 10% in after-hours trading Monday and also pressured other stocks, with Amazon.com Inc. falling about 4%. Walmart's e-commerce rival is slated to report its latest results on Thursday.

The warning casts a cloud over a week when a raft of global brands and multinational companies—from McDonald's Corp. and Procter & Gamble Co. to Visa Inc. and General Motors Co.—are slated to update investors on their latest quarterly results and the outlook for the rest of the year.

Inflation has been running near the highest levels in de-

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Covid-19, Vacations Squeeze Employers

By Lauren Weber And Chip Cutter

This summer is proving to be a season of staffing headaches.

A rise in Covid-19 absences in recent weeks amid the spread of the BA.5 subvariant, combined with planned time off, has left restaurants, hotel chains, manufacturers and other workplaces struggling to keep operations running this summer. At some companies, bosses said, staffing is harder now than at any previous stage in the pandemic.

For the period from June 29 to July 11, 3.9 million people in the U.S. said they didn't work because they were sick with Covid-19 or were caring for someone with it, according to Census Bureau data. In the comparable period last year, 1.8 million people missed work for those reasons.

Many workers also are taking vacations that they put off over the previous two years. According to the Labor Department, 4.8 million workers took vacation or personal days during the week of the Census Bureau's June household survey this year, compared with 3.7 million workers who were taking time off in the comparable period last year.

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BUSINESS & FINANCE
The NFL is entering the streaming wars with its own subscription service. **B1**

PERSONAL JOURNAL
Steps to take to clear your personal information on the internet. **A12**

Investors Bet Fed Will Need to Trim Rates Next Year

By Sam Goldfarb

As the Federal Reserve prepares to meet this week, Wall Street investors are betting that officials will raise interest rates aggressively through the end of the year—and then turn around and start cutting them about six months later.

The unusual wager reflects investors' growing sense that the Fed is driving the economy into a recession as it tries to fight inflation, analysts said. At the same time, by constraining longer-term borrowing costs, it makes a recession slightly less likely to happen soon. That is a boost to riskier assets such as stocks, compared with a more traditional bet that rates wouldn't boomerang so quickly.

Bets on the future of short-term interest rates play a decisive role in determining yields on U.S. government bonds. Those in turn set a floor on borrowing costs across the economy, with higher yields curbing growth and lower yields boosting it.

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◆ **Economy pinches upper middle class** ... A2
◆ **U.S. stocks take a pause ahead of Fed, earnings** ... B1

High Yoga Classes Are All the Buzz

* * *

'Inhale and exhale' takes on a new meaning

By Olivia Riland

NEW YORK—Soothing music wafted through the brick-walled studio. Legging-clad students rolled out their mats and a Monday evening yoga class got under way at "Bend & Blaze" in Brooklyn.

True to the name, the routine yoga instructions of "inhale and exhale" took on a whole new meaning here.

The class touts "a higher yoga experience" and it means that quite literally. Participants are invited to smoke marijuana during the session.

"People want the community, they want to find their

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Hospitals Lag Behind In Charity Care

Despite billions in tax breaks, nonprofits often trail for-profit peers in providing financial aid

Nonprofit hospitals get billions of dollars in tax breaks in exchange for providing support to their communities. A Wall Street Journal

By Anna Wilde Mathews, Tom McGinty and Melanie Evans

analysis shows they are often not particularly generous.

These charitable organizations, which comprise the majority of hospitals in the U.S., wrote off in aggregate 2.3% of their patient revenue on financial aid for patients' medical bills. Their for-profit competitors, a category including publicly traded giants such as HCA Healthcare Inc., wrote off 3.4%, the Journal found in an analysis of the most-recent annual reports hospitals file with the federal government.

Among nonprofits with the smallest shares of patient revenue going toward charity care—well under 1%—were high-profile institutions including the biggest hospitals of California's Stanford Medicine and Louisiana's Ochsner Health systems. At Avera Health, a major hospital system in South Dakota, charity care was roughly half of 1% of patient revenue across all its 18 hospitals.

A spokeswoman for Stanford Health Care, the Stanford system's biggest hospital, said it provides generous charity care and many other outlays for community bene-

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