

What's News

Business & Finance

China's economy stumbled in July as a two-month boost from easing lockdowns faded, prompting the country's central bank to unexpectedly cut two key interest rates in an effort to shore up faltering growth. **A1**

◆ **The FTC is questioning mergers** that likely would have gone unchallenged in years past, a change Chairwoman Khan has said is needed to prevent companies from building up too much power and stifling competition. **A1**

◆ **Third Point** has bought a new stake in Disney and is calling on the company to cut costs, but the rest of Hulu, explore spinning off ESPN and refresh its board. **A1**

◆ **Elliott Management** has a large position in Cardinal Health and is seeking a handful of seats on the company's board, according to people familiar with the matter. **B1**

◆ **U.S. stocks ended higher**, with the S&P 500 and Dow both rising 0.4%, while the Nasdaq gained 0.6%. Commodity prices fell on worries about growth in China. **B11**

◆ **Andreessen Horowitz** is investing in Flow, a real-estate startup led by former WeWork executive and co-founder Adam Neumann. **B1**

◆ **The Fed said it would** adopt a tiered approach for determining whether to grant financial institutions access to its payment systems. **A2**

◆ **An investigation by AWE's** board into allegations of sexual misconduct against Vince McMahon is "substantially complete," the company said in a securities filing. **B1**

World-Wide

◆ **Record numbers of migrants** are being arrested while crossing the southern U.S. border with Mexico, a sustained surge of single men and families from across Latin America either seeking asylum or work, according to new figures from U.S. Customs and Border Protection. **A1**

◆ **Garland deliberated** for weeks over whether to approve the application for a warrant to search Trump's Florida home, people familiar with the matter said, a sign of a cautious approach that will be tested in coming months. **A3**

◆ **Giuliani was named** a target of a Fulton County, Ga., investigation into efforts by Trump and his supporters to overturn the 2020 election in the state, one of his lawyers said. **A3**

◆ **Weisselberg, the Trump Organization's ex-CFO,** is expected to plead guilty to criminal charges stemming from his indictment on tax-fraud offenses, according to people familiar with the matter. **A3**

◆ **William Ruto was declared** the winner of Kenya's presidential race, which descended into chaos moments before the national electoral commission announced the results. **A5**

◆ **China's military responded** to the surprise arrival in Taiwan of a new delegation of U.S. lawmakers by announcing a resumption of military drills around the island. **A7**

◆ **Iran denied involvement** in the attack on Salman Rushdie, saying the novelist was to blame for the stabbing that left him hospitalized. **A7**

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Taliban Mark One-Year Anniversary of Afghanistan Takeover



SHOW OF FORCE: Taliban fighters in Kabul Monday celebrate one year since they seized the Afghan capital. The Biden administration has decided it won't release \$7 billion in foreign assets held by Afghanistan's central bank on U.S. soil. **A16**

FTC's Antitrust Posture Spurs Companies to Rethink Mergers

BY DAVE MICHAELS AND RYAN TRACY

WASHINGTON—The Biden administration's antitrust enforcers are throwing sand in the gears of Wall Street's deal machine.

Under Chairwoman Lina Khan, the Federal Trade Commission is questioning mergers that likely would have gone unchallenged in years past—a change Ms. Khan has said is needed to prevent companies from building up too much power and stifling competition. “In all too many areas of

our economy, including agriculture, airlines, healthcare, we've seen significant consolidation and reduction of competition,” Ms. Khan said in an interview. “Mergers have played a role in that.”

The FTC issued 42 letters of investigation over mergers or similar transactions during the 2021 fiscal year, according to the latest available data, almost double the number for 2020 and the highest in more than 10 years. Deal makers, antitrust attorneys and Republicans complain that in some cases the FTC is trying to slow

down deals where there isn't a credible threat to competition.

“The emphasis is on using process to make doing deals more expensive and to heighten the risk, delay and uncertainty of doing those deals,” said Christine Wilson, a Republican commissioner who has been critical of Ms. Khan's management.

Bankers and boards of directors are now more aware of the risk that antitrust enforcers will investigate, which has sometimes led companies to postpone merger plans, said Eric Swedenburg, co-head of

the M&A practice at Simpson Thacher LLP.

“Boards are well aware of the aggressive antitrust enforcement regime right now,” Mr. Swedenburg said. “You have to assume you're not going to get a pass on anything.” Companies will still pursue deals, Pfizer Inc. Chief Executive Albert Bourla said at a recent conference. “But I foresee challenges, particularly large-scale acquisitions,” he said. Pfizer has agreed to a \$54-billion deal for another drugmaker, while Amazon.com Inc. Please turn to page A2

Beijing Cuts Rates As Growth Pace Slows

Unexpected move follows data showing spending, factory output losing steam

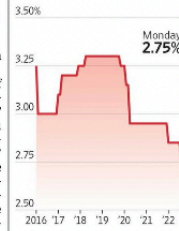
BY JASON DOUGLAS

SINGAPORE—China's economy stumbled in July as a two-month boost from easing lockdowns faded, prompting the country's central bank to unexpectedly cut two key interest rates in an effort to shore up faltering growth.

A raft of data released Monday showed economic activity slowed across the board in July, including factory output, investment, consumer spending, youth hiring and real estate, highlighting the breadth of the economic challenge facing policy makers in a politically sensitive year for leader Xi Jinping, who is expected to break with recent precedent and seek a third term in power this fall.

Economists said Monday's policy moves would probably do little to spur more borrowing. Please turn to page A6

The People's Bank of China 1-year nominal lending rate



Sources: PBOC (historical data); People's Bank of China (August)

◆ China to resume drills as U.S. group visits Taiwan... **A7**

Nexus of Airline Misery: Florida

Congestion there cascades across the U.S.

BY MICAH MAIDENBERG AND ALISON SIDER

Airlines flying in and out of Florida one recent weekend had a lot to navigate.

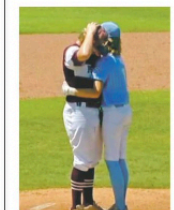
Over the Gulf of Mexico, military exercises restricted airspace for flights trying to go east and west. A thunderstorm encroached, threatening an important route over the Gulf. Short staffing at an air-traffic-control center near Jacksonville limited north-

south traffic. And a space rocket prepared to launch over the Atlantic, temporarily cutting off routes to the east.

Such is the Florida obstacle course, jamming up airspace over some of the most popular vacation spots in the U.S.—and cascading travel problems across the rest of the country.

Every major airline serves Florida, and some say more than a third of their flights

INSIDE



JASON GAY Little League opponents set example in moment that goes viral. **A12**

Migrant Arrests at Border Hit Record

BY SANTIAGO PÉREZ AND MICHELLE HACKMAN

Record numbers of migrants are being arrested while crossing the southern U.S. border with Mexico, a sustained surge of single men and families from across Latin America either seeking asylum

or work, according to new figures Monday from U.S. Customs and Border Protection. Border Patrol agents have made about 1.82 million arrests at the southern border so far in the government's fiscal year, which runs from October to the

end of September. The number beats the record set last fiscal year, which was 1.66 million apprehensions in the year ending September 2021.

With about two months left in the agency's fiscal year, full-year arrests are expected to break the two million mark for the first time, analysts said. “We're apprehending people left and right,” said Border Patrol agent Jesus Vasquez, surveying a section of border fencing in downtown Nogales, Ariz., on a recent day.

The surge comes amid rising Please turn to page A4

Super Contestants Hit the Fair

Repeat ribbon winners sweep competitions

BY SCOTT CALVERT

This summer Larry Smith grew kohlrabi, lima beans, black cherry tomatoes, zucchini, five kinds of string beans, six types of peppers and more on a plot in Portland, Ore. Now he hopes the bounty is good enough to make him a champion gardener—once again.

The 65-year-old has won that title at the Clackamas County Fair every year since 1999, except for 2020 when the pandemic prompted the event's cancellation. “Obsessiveness” explains his long-running success, he

Third Point Buys Stake In Disney, Seeks Spinoff

BY ROBBIE WHELAN

Activist investor Dan Loeb's Third Point LLC has bought a new stake in Walt Disney Co. and is calling on the company to cut costs, but the rest of Hulu, explore spinning off ESPN and refresh its board.

Mr. Loeb said on Monday his firm, which liquidated a large Disney stake earlier this year, repurchased a “significant stake” in the company and sent a letter to Disney Chief Executive Bob Chapek urging the company to engage with Third Point on a number of issues.

Third Point's new stake consists of less than 1% of Disney's shares outstanding, valued today at around \$1 billion, according to a person familiar with the matter.

Mr. Loeb praised growth in Disney's streaming-subscriber base, but wanted Disney to more aggressively cut costs and consider a number of

steps to shake up its portfolio. “We welcome the views of all our investors,” Disney said in response to Third Point's letter. It said its board has been continuously refreshed, “with an average tenure of four years.”

The investor's calls come at an inflection point for Disney and the streaming industry at large, which enjoyed explosive growth during Covid-19 but now face headwinds that include financial losses, domestic-subscriber saturation and churn as well as inflation pressures on consumers.

News of the new investment comes days after Disney reported strong earnings for its fiscal third quarter. It added 14.4 million subscribers to its Disney+ streaming service and flexed its pricing.

Streamers see more switching by subscribers... **B1**

DELL Technologies
Ignite the innovator in you.
Work with confidence from anywhere and bring your ideas to life faster with intelligent technology.
Dell.com/IntelligentInnovation