

THE WALL STREET JOURNAL.

What's News

Business & Finance

- ◆ **Americans this summer** are enduring longer job searches in a labor market where the unemployment rate is relatively low at 4.2%, but businesses are cautious about hiring. **A1**
- ◆ **A sudden rebound** in corporate dealmaking delivered the highest-volume week for mergers and acquisitions for U.S. companies since 2021. **A1**
- ◆ **A chief White House** economic adviser said Trump wants his allies placed in the BLS after the statistics agency published a dismal jobs report and the president fired its commissioner. **A2**
- ◆ **Delta Air Lines'** testing of AI to potentially boost revenue raised privacy objections from observers who fear the tool could be used to tailor fares to individuals' circumstances. **A1**
- ◆ **Artificial-intelligence** is changing the ways McKinsey works with clients, how it hires and what projects it takes on, with profound implications for the consulting firm's future. **B1**
- ◆ **Boeing's leaders** were set to face another picket line after machinists in the company's St. Louis-area defense business rejected their latest contract offer. **B3**
- ◆ **Berkshire Hathaway** reported a 4% drop in quarterly earnings after results from the conglomerate's insurance businesses weakened from a year earlier. **B3**
- ◆ **Colgate-Palmolive** said it needs to further raise prices and adjust product sizes to hit the low end of its full-year organic sales outlook. **B3**

World-Wide

- ◆ **China limited the flow** of critical minerals to Western defense manufacturers, delaying production and forcing companies to scour the world for other sources of supply. **A1**
- ◆ **The U.S. and China** face the first test of their plans for artificial-intelligence dominance this week when the superpowers pitch Asian countries on their variety of the technology. **A3**
- ◆ **Democrats in the** Texas state House fled the state in an attempt to thwart plans by Trump and Gov. Greg Abbott to redraw the state's congressional districts to add five new Republican seats. **A3**
- ◆ **Provisions of Trump's** tax-and-spending bill mean that thousands of Medicare recipients will have to wait longer to get some price relief on the expensive cancer drugs they depend on. **A3**
- ◆ **Businesses worldwide** are still seeking clarity on the barriers they will face as exporters to the U.S., with many pausing big decisions, the International Chamber of Commerce's deputy chief said. **A7**
- ◆ **Israeli hostage** Evyatar David was filmed by his Hamas captors digging his own grave in a tunnel in Gaza in a video released as talks with Israel for a temporary cease-fire broke down. **A8**
- ◆ **An executive-branch** ethics watchdog opened a probe into former special counsel Jack Smith for possible violations of the Hatch Act. **A4**
- ◆ **Died: Loni Anderson**, 79, popular 1980s actress. **A6**

JOURNAL REPORT

Wealth Management: Is an advanced degree worth it? **R1-6**

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Women's Tour Winner Reaches a New Pinnacle



JULIEN DE ROSA/AP/GETTY IMAGES

ROLLING IN: French rider Pauline Ferrand-Prévot, 33, won the Women's Tour de France cycling race on Sunday, the Olympic champion's first Tour victory a decade after dominating road cycling, mountain biking and cyclocross. **A12**

For Unemployed Americans, Job Searches Take Longer

Number of people looking for work for at least 27 weeks exceeds 1.8 million

By TE-PING CHEN
AND HARRIET TORRY

Job seekers are out in the cold this summer. Especially the ones who have been hunting for a while. Beyond the headline-grabbing top-line numbers in Friday's jobs report for July was another striking piece of data: The number of people unemployed for at least 27

weeks topped 1.8 million, the highest level since 2017, not counting the pandemic's unemployment surge. The median length of unemployment in the U.S. has also ticked up, from a seasonally adjusted 9.5 weeks in July 2024 to 10.2 weeks last month. This job-hunting struggle highlights a significant undercurrent in a labor market jolted by tariff uncertainty and cautious businesses. The latest numbers show job growth has been sluggish for months. While the unemployment rate, at 4.2%, remains low by historical standards, companies aren't hiring

much. The rate of people in jobs or actively looking for work has tumbled to the lowest level since 2022. Economists say lower participation in the labor force is helping keep the unemployment rate low, but also masking an increasingly dismal climate for job seekers. Jennifer Smith, 46 years old, says she has applied for 900 jobs since being laid off last September from a financial-services provider in the Tampa, Fla., area, where she led the user-experience department. She has landed just one interview and no of-

fers. This has left Smith, who has three children, increasingly anxious about her finances. Smith decided last week to sell her five-bedroom home and trade down to a smaller house. While severance pay has helped, it is about to run out, and Smith has been paying soaring premiums to keep her health insurance. "I'm just trying to alleviate the financial stress, and hopefully it will help me not feel so hopeless," she says. *Please turn to page A4*

◆ **The Outlook: A wild week in America's economy....** **A2**

Delta Gets Blowback For Using AI to Set Airfares

By ALISON SIDER

Delta Air Lines has boasted about its new "super analyst" that can work around the clock, process massive amounts of data and help it maximize revenue. It is AI. For months, the Atlanta-based carrier has been working with Fetcherr, a startup that aims to transform airline pricing the way that algorithmic trading upended financial markets. Executives in July said they were pleased with the progress of testing and that the airline's new tool could help set up to 20% of its domestic fares by the end of the year. Artificial intelligence is used in setting about 3% of domestic fares now. "We like it a lot," Delta President Glen Hauenstein said. Now Delta is trying to calm a firestorm of objections from lawmakers and consumer advocates who fear airlines could use AI to reach into customers' browser histories or dig up other personal information to jack up fares. What if, for example, the airline could guess a customer was traveling home for a funeral? "Prices could be dictated not by supply and demand, but by individual need," Sens. Ruben Gallego (D., Ariz.), Richard Blumenthal (D., Conn.) and Mark Warner (D., Va.) wrote in a letter to Ed Bastian, the *Please turn to page A6*

INSIDE

WORLD NEWS
North Korea's new beach resort is open to foreigners, as long as they're Russian. **A16**

BUSINESS & FINANCE
A Volvo fan's terrifying brake failure prompts warnings over software update. **B1**

Videos of Cute Dolls Misbehaving Stir Up Real-Life Trouble

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Calico Critters maker sues over popular skits full of drinking hedgehogs, bad bunnies

By MEG TANAKA

The videos feature tiny animal dolls getting drunk, dealing drugs, cheating on their partners, going to jail and breaking out of jail. Scenes include a meerkat mother commenting on her elephant daughter's weight, a hedgehog drinking before a driving test, and a cat consuming bleach to cope with her cheating husband. This is Sylvanian Drama, a social-media account with over 3.5 million followers on Instagram and TikTok and a fan base of adults who can't get enough of the R-rated skits. The problem: The videos star the Calico Critters, a beloved line of fuzzy dolls also known as Sylvanian Family. (Think "South Park.") And Epoch, the Japanese toy giant that makes the dolls, doesn't find anything funny about the adaptation. Epoch is suing Thea Von *Please turn to page A8*

Fuzzy chaos

It's a Hot Summer For Making Deals

By LAUREN THOMAS
AND BEN GLICKMAN

Late summer is typically one of the slowest times for dealmakers. Not this one. A sudden rebound in corporate tie-ups has bankers and lawyers scrambling. Vacation homes are sitting empty, families are being left in the lurch—and dealmakers are more energized than they have been in years. The past week alone was the highest-volume week for mergers and acquisitions for U.S. companies since 2021, according to LSEG. "There's a lot of dialogue

taking place on large transactions that had been a glimmer in people's eyes for a long while," said Tony Kim, co-president of Centerview Partners. He said this is likely going to be the busiest August the firm has had in years. Dealmakers are known to be an optimistic bunch, perennially citing "green shoots" for early-stage deals in the pipeline. After predicting a deal bonanza in President Trump's second administration, many found themselves eating their words when activity was underwhelming in the first several months of his term. *Please turn to page A5*

Trump's Trade Wars Ensnare Switzerland

MEZZOVICO-VIRA, Switzerland—When Nicola Tettamanti looked at his phone Friday morning, his first reaction was disbelief: Overnight, President Trump had slapped Switzerland with close to the highest tariffs of any country in the world.

By Georgi Kantchev,
Chelsey Dulaney
and Margot Patrick

Tettamanti is the chief executive of a 55-year-old precision toolmaking business nestled in this mountain-hugged town. He had planned in the near future to expand further into the U.S. by opening an office in Indiana. His company, Tecnopinz, counts on the American market for as much as a fifth of

the demand for its components for industrial machines that make cars, planes and watches. "I had to check my phone twice, I thought it was fake news," said Tettamanti on the company's factory floor, about two scenic hours by train south of Zurich. "This is a catastrophic scenario." In a land famed for its neutrality and order, the Swiss reacted with shock and confusion to Trump's decision to impose a 39% tariff—higher than all but three nations on last week's executive order: Laos, Myanmar and Syria. Switzerland is one of the few nations whose Aug. 1 tariff rate *Please turn to page A7*

◆ **Businesses face uncertainty amid latest tariff blitz....** **A7**