

THE WALL STREET JOURNAL.

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★★★★ \$4.00

DJIA 22085.34 ▼ 33.08 0.15% NASDAQ 6370.46 ▼ 0.2% STOXX 600 382.65 ▲ 0.2% 10-YR. TREAS. ▼ 7/32, yield 2.282% OIL \$49.17 ▼ \$0.22 GOLD \$1,256.40 ▼ \$1.80 EURO \$1.1752 YEN 110.31

What's News

Business & Finance

Disney said it is starting two online streaming services to offer its content directly to consumers and that it would pull future movies from Netflix. **A1**

◆ **Google's firing** of an employee who wrote a memo denouncing the firm's diversity push drew a whirlwind of both criticism and support. **A1**

◆ **Public pensions** earned double-digit returns in fiscal 2017 as stocks rose, but many of them remain severely underfunded. **B1**

◆ **Uber is winding down** its U.S. auto-leasing business after finding it was losing more money per vehicle than previously thought. **B1**

◆ **SoftBank** and its Vision Fund are closing a \$1 billion investment in online sports retailer Fanatics. **B1**

◆ **J.P. Morgan** has ended a program that allowed customers to replace lost debit cards at many of its branches. **B1**

◆ **Wells Fargo** is facing additional regulatory scrutiny related to auto-insurance practices. **B14**

◆ **Ralph Lauren** and Michael Kors reported better-than-expected profits despite sales declines. **B3**

◆ **Federal prosecutors** dropped the securities-fraud case against Wall Street financier Benjamin Wey. **B14**

◆ **The Dow industrials** edged down 33.08 points to 22085.34, bringing a streak of records to an end. **B15**

◆ **Nissan agreed** to sell its battery business, including its U.S. operations, to Chinese investment firm GSR Capital. **B4**

World-Wide

◆ **Trump warned** North Korea against making any more threats to the U.S., saying it would face "fire and fury." Pyongyang countered with its most specific threat yet. **A1**

◆ **The president pledged** a tougher law-enforcement response to an epidemic of opioid addiction. **A3**

◆ **Arrests of people** caught trying to illegally enter the U.S. from Mexico rose in July for a third month. **A4**

◆ **U.S. demand** for Mexican temporary workers is surging as the administration moves to curb immigration. **A16**

◆ **The White House** has identified its leading choices for two top federal prosecutors in New York. **A4**

◆ **Kenya's hailed** a peaceful day of voting for a new president after a bitter campaign stoked fears of violence. **A5**

◆ **South Africa's president** survived his eighth no-confidence motion in the face of corruption allegations. **A5**

◆ **Governments across** Latin America agreed not to recognize Venezuela's new constituent assembly. **A16**

◆ **Pakistan's ousted premier** said the country is headed toward tragedy if elected leaders keep being removed. **A16**

◆ **Cities around the U.S.** are dropping efforts to regulate panhandling, as courts overturn local restrictions. **A3**

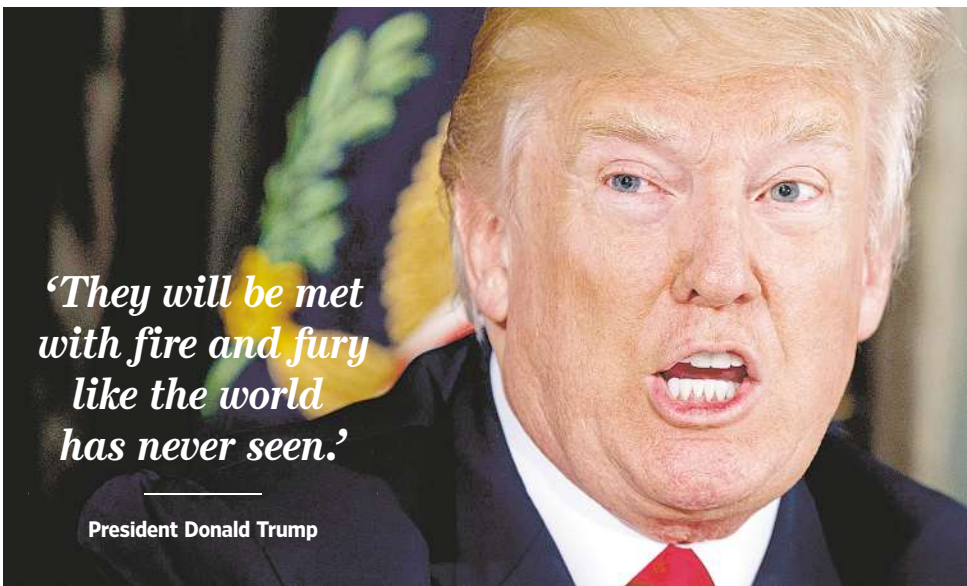
◆ **South Carolina** is suing the federal government over plutonium stored in the state. **A3**

◆ **Died: Glen Campbell**, 81, chart-topping musician and entertainer. **A3**

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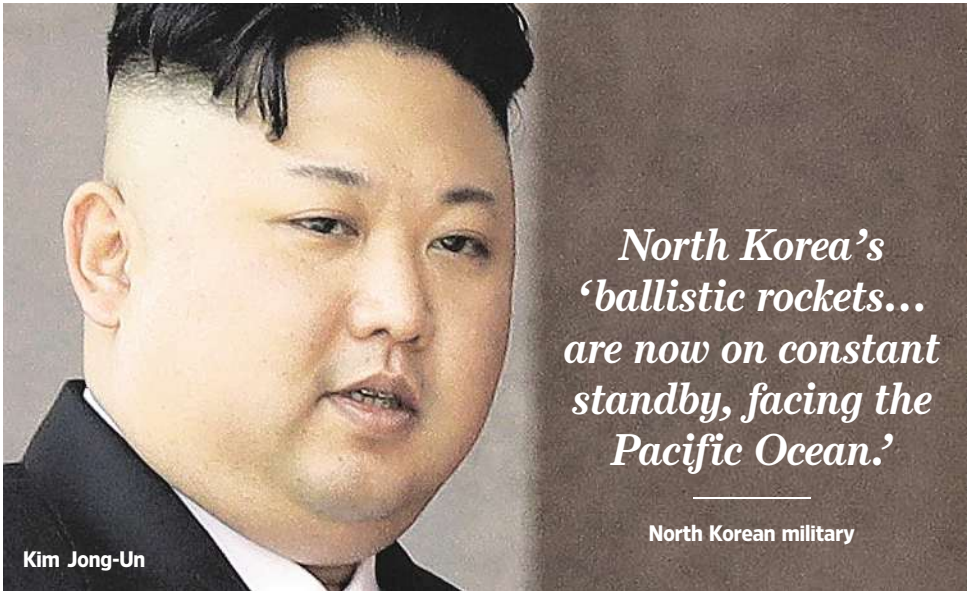


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'They will be met with fire and fury like the world has never seen.'

President Donald Trump



North Korea's 'ballistic rockets... are now on constant standby, facing the Pacific Ocean.'

Kim Jong-Un

Trump Warns North Korea: Stop Threats

Regime says it is considering firing missiles at U.S. military base in Guam

President Donald Trump bluntly warned North Korea against making any more threats to the U.S., saying the country "will be met with fire and fury like the world has never seen."

By Paul Sonne and Shane Harris in Washington and Jonathan Cheng in Seoul

Within hours of Mr. Trump's comments, North Korea made its most specific threat against the U.S. yet. Through its official media, North Korea said it was considering firing missiles at Guam, a U.S. territory in the Pacific, and making the U.S. "the first to experience the might of the strategic weapons

of the DPRK"—the Democratic People's Republic of Korea, North Korea's formal name.

Mr. Trump's stark comments reflect deep concern in the administration about the progress North Korea has made in recent months on its nuclear-weapons program, as well as provocative statements this week that seemingly rejected negotiations over curbing that program.

The president's brief remarks at his golf resort in New Jersey likely were aimed both at North Korea, which this week openly threatened to use nuclear weapons, and at China, in hopes of alarming the Chinese into doing their part to enforce new United Nations economic sanctions against North Korea.

Meanwhile, a senior Trump administration official said

Please see TRUMP page A6

◆ **President promises tough response to opioid crisis.... A3**

◆ **Trump considers candidates for N.Y. prosecutor posts.... A4**

Disney Seeks to Pull Plug on Netflix

By ERICH SCHWARTZEL AND JOE FLINT

Walt Disney Co. just became the biggest cord-cutter Hollywood has ever seen.

The world's largest entertainment company said Tuesday it is starting two online subscription streaming services to offer its sports, movies and television programming directly to consumers, a broadside at distributors old and new, including cable providers and Netflix Inc.

As part of the strategy, Disney said it would pull future

movies from Netflix, an announcement that sent shares for the streaming service down 7% in after-hours trading.

Disney will start one streaming service for its ESPN sports unit early next year, and another in 2019 that is to carry other Disney entertainment, including original material available only on the new service.

The moves represent a gamble that in the long run it will be more lucrative for Disney to sell its entertainment—which includes some of Hollywood's most valuable stories and characters—directly to con-

sumers, rather than through services that offer large, upfront payments but also serve as gatekeepers to audiences.

Disney has dominated the film industry in recent years, thanks to acquisitions that have placed the "Star Wars" franchise, Pixar Animation and Marvel Studios under one roof.

The shift also signals rising confidence at media companies that they can take control of distributing their content online, without relying on Netflix or others as much as they now do. CBS Corp.'s earnings this week included a strong

report on the early performance of its direct-to-consumer offering CBS All Access, one of the drivers of its subscription revenue.

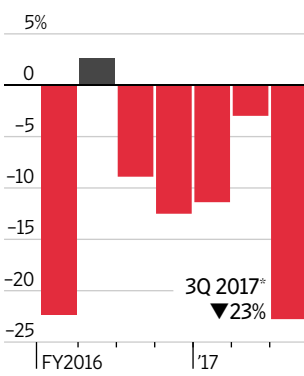
Disney and other media companies have come to rely on the licensing revenue from Netflix deals, but they have been looking for ways to wrest back control, as it has become apparent that such arrangements mean decreased visibility and ratings for them and

Please see DISNEY page A6

◆ **Heard on the Street: Disney thinks it's better off alone... B16**

Cable Woes

Cable networks operating income at Disney, change from a year ago



*Ended July 1, 2017
Source: the company
THE WALL STREET JOURNAL.

Memo Sparks Google Firestorm

By JACK NICAS AND YOREE KOH

Google found itself under fire Tuesday, with critics saying the company squelched free speech by firing a male employee who wrote a divisive memo denouncing its diversity push, while others said his views showed that the company's diversity policies were needed.

The company elaborated on its reasons for firing software engineer James Damore, saying he violated company policies banning harassment and discrimination by writing and distributing a lengthy memo that criticized the search giant's efforts to attract more women and minority engineers. Among other things, Mr. Damore, whose Facebook profile says he is 28, wrote that biological differences explain some of the gap between male and female tech workers and that the company's approach to diversity itself reflected biases.

Mr. Damore initially shared the memo in a Google Doc with a limited number of colleagues, and for several weeks it was passed around at the company under the radar of senior management, a Google spokesman said. Criticism of the memo gained steam internally on Friday and eventually spilled into public view with several employees denouncing it on Twitter and portions leaked to a tech news site.

Google Chief Executive Sundar Pichai said in a Monday email to employees that the memo advanced "harmful gender stereotypes in our workplace," and that to suggest "colleagues have traits that

Please see MEMO page A2

INSIDE



'RHINESTONE COWBOY' GLEN CAMPBELL, 81

OBITUARY, A3

BILL FORD THINKS FORD NEEDS A VISION—HIS

Chairman wants company to shift faster into electric, self-driving cars

By CHRISTINA ROGERS AND JOANN S. LUBLIN

Two decades ago, when Bill Ford took the helm of his family's auto company, he was ready to talk about the coming shift to electric vehicles and the eventual demise of car ownership.

His ideas were dismissed. At one point, when he wanted Ford Motor Co. to invest in developing alternative transportation, "the board kind of looked at me like once again I was over my ski tips," Mr. Ford said in an interview.

As years went by, other auto makers and tech companies got on board with his think-

ing. They overtook Ford in electric and self-driving technologies, and in April, Tesla Inc., which sells stylish electric cars, passed Ford in investor value, a dashboard warning signaling Wall Street's skepticism about the growth prospects of traditional car makers.

Ford was being left behind, and the man with his name on the door, who for years had largely deferred to management, decided to intervene.

In the past, the family heir let CEOs take the center stage. But what was leading the industry forward—new concepts in fuel efficiency and transportation—had been his focus

Please see FORD page A8

Sorry to Miss Your Wedding—I Was Wearing Eclipse Glasses

Couples tying the knot on Aug. 21 will issue safety specs, dance to Bonnie Tyler

By DANIELA HERNANDEZ

During most weddings, all eyes are on the bride.

Halfway through the ceremony joining Haley Cohen and Phil Schembri in Wilson, Wyo., however, the couple expects everybody to turn away. For at least two minutes and 15 seconds.

Ms. Cohen and Mr. Schembri are among the couples who have gone to great lengths to schedule their nuptials during the Aug. 21 solar eclipse, which will cast a shadow of darkness across the U.S., from Oregon to the Carolinas as the moon passes directly between the Earth and the sun. And, yes, they all

hope it's a good omen.

"Weddings are so cookie-cutter now," Ms. Cohen said, "you have to make sure it's something special."

Some couples are astronomy nerds. Others just want a bit of solar flair. The last eclipse to traverse the continental U.S. was in 1918.

The once-in-a-lifetime opportunity does present some logistical challenges: corraling guests to a Monday wedding for one, repeated calls for the DJ to play the 1980s song "Total Eclipse of the Heart" and dark wedding photos featuring guests in near-blackout eclipse glasses.

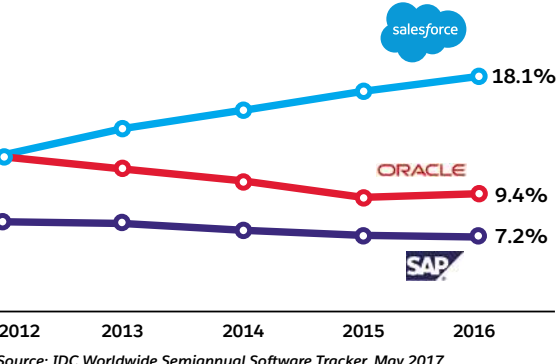
Please see MOON page A8



A bride and groom

Salesforce. #1 CRM.

Salesforce ranked #1 for CRM based on IDC 2016 Market Share Revenue Worldwide.



Source: IDC Worldwide Semiannual Software Tracker, May 2017



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