

DJIA 32245.70 ▼ 653.67 2.0% NASDAQ 11623.25 ▼ 4.3% STOXX 600 417.46 ▼ 2.9% 10-YR. TREAS. ▲ 11/32, yield 3.080% OIL \$103.09 ▼ \$6.68 GOLD \$1,857.10 ▼ \$24.10 EURO \$1.0562 YEN 130.30

What's News

Business & Finance

The most punishing market selloff in years showed no signs of abating, with U.S. stock indexes sliding to new lows for 2022 and other assets, like oil and bitcoin, falling as well. The S&P 500, Nasdaq and Dow lost 3.2%, 4.3% and 2%, respectively. **A1, B12**

◆ **Philip Morris** is in advanced talks to acquire smokeless-products maker Swedish Match, according to people familiar with the matter, in a deal that could be valued at \$15 billion or more. **A1**

◆ **Apple's China-based** engineers have shouldered greater responsibilities in maintaining the company's product cycle as Covid-19 keeps out U.S. staff. **A1**

◆ **Longer-term inflation** expectations ticked higher in April, according to a New York Fed survey, challenging the central bank's efforts to bring price pressures down. **A2, B12**

◆ **Uber will cut its** spending on marketing and scale back on hiring as it focuses on turning a profit, its CEO told staff. **B1**

◆ **Tyson Foods reported** soaring profit as the company raised prices for beef, chicken and pork, citing higher costs. **B1**

◆ **Ford sold about 8%** of its holdings in Rivian, according to people familiar with the matter, pushing shares of the electric-vehicle startup to an all-time low. **B1**

◆ **China's trade with** the rest of the world withered in April under pressure from Covid-19 lockdowns and sagging overseas demand. **A8**

World-Wide

◆ **Russian President** Putin used the annual commemoration of the victory over Nazi Germany in World War II as an occasion to voice his justifications for the Kremlin's attack on Ukraine, saying it was the only way to prevent what he said was a planned assault on Russia. **A1, A6-7**

◆ **Some places that** have avoided the worst of the pandemic, including Puerto Rico and northern New England states, are coping with elevated Covid-19 cases and hospitalizations as the latest highly contagious iterations of the virus circulate. **A3**

◆ **Twenty internet** providers, including AT&T, Comcast and Verizon, agreed to improve subsidized high-speed internet plans they offer to millions of unconnected households under a program in the infrastructure law passed last year. **A4**

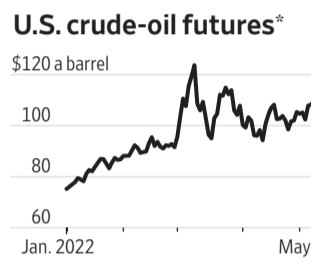
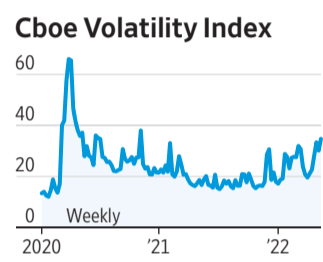
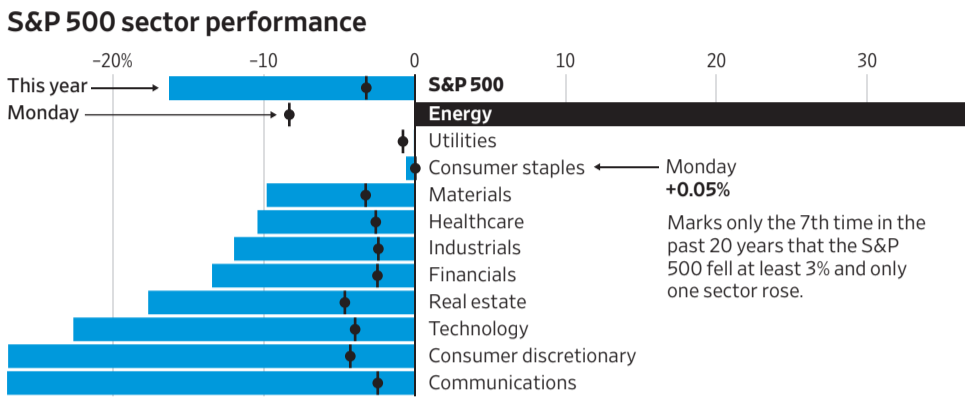
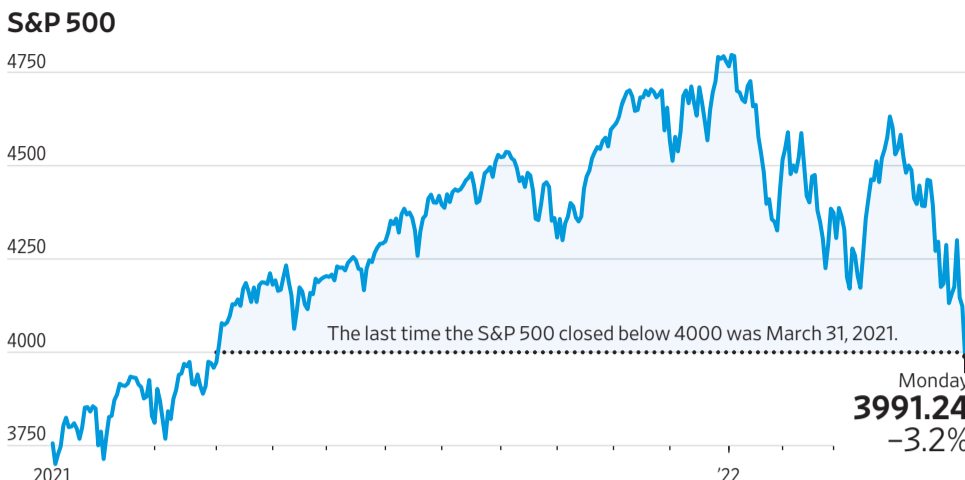
◆ **New York's attorney** general and state lawmakers called for the creation of a fund to pay for abortion access for New Yorkers and out-of-state residents who could travel to the state for the procedure. **A4**

◆ **A former Alabama** corrections officer died apparently from a self-inflicted gunshot wound after she and an escaped inmate were captured, ending a 10-day search for the fugitive pair. **A3**

◆ **Sri Lankan Prime** Minister Mahinda Rajapaksa resigned after months of mass protests against his government's handling of an economic crisis. **A8**

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Stocks Fall to Year's Lows as Selloff Persists

S&P closes below 4000 for first time since March 2021; other assets plummet

By AKANE OTANI AND CAITLIN OSTROFF

The most punishing market selloff in years showed no signs of abating on Monday, with U.S. stock indexes sliding to new lows for 2022 and other assets, like oil and bitcoin, tumbling as well.

Markets have been shaken this year by a flood of investor worries. Inflation is running at its fastest pace in decades, threatening to eat into corporate profits and rein in consumer spending. Economic growth is slowing. And the Federal Reserve is kicking off what analysts anticipate will be its most aggressive monetary-policy tightening campaign since the 1980s—something many investors worry may tip the economy over the edge into recession.

imminent. The labor market continues to add jobs at a rapid clip. Wages are climbing, and the unemployment rate remains near a 50-year low. But economists say there is a growing probability of a slowdown in the coming year, with those surveyed by The Wall Street Journal estimating a 28% probability of a recession some time in the next 12 months—up from 18% in January.

The outlook for the global economy is also looking increasingly murky, investors say. Supply chains were snarled heading into this year. Lockdowns in China aimed at containing the spread of Covid-19 and Russia's war against Ukraine have heightened fears about how growth will hold up around the rest of the world. In the face of so much uncertainty, it is little wonder that markets have been as volatile as they have

◆ Bank shares decline despite Fed moves to raise rates.... B1
◆ Chinese companies boost stock payouts..... B4

Tobacco Giant Eyes Smokeless Rival for \$15 Billion

By BEN DUMMETT AND CARA LOMBARDO

Philip Morris International Inc. is in advanced talks to acquire Swedish Match AB, according to people familiar with the matter, in a deal that could be valued at \$15 billion or more and bolster the tobacco giant's exposure to the rapidly growing market for smoke-free brands.

The talks between U.S.-based Philip Morris and Stockholm-based Swedish Match could yield a deal as soon as this week, the people said, cautioning that the talks could still fall apart. The potential terms and contours of any deal couldn't be learned.

The companies confirmed the talks in separate statements after The Wall Street Journal reported on the potential deal Monday morning.

Swedish Match was valued at about 117 billion Swedish krona, or almost \$12 billion. *Please turn to page A9*

◆ Heard on the Street: Tobacco needs help to kick menthol... B13

Mired in Ukraine, Putin Blames West

By ANN M. SIMMONS

MOSCOW—Russian President Vladimir Putin used the annual commemoration of the victory over Nazi Germany in World War II as an occasion to voice his justifications for the Kremlin's attack on Ukraine, saying it was the only way to prevent what he said was a planned assault on Russia.

Speaking to the nation from Red Square ahead of the annual military parade here Monday, the Russian leader

said Moscow had been forced to act because it believed that a clash with Ukraine, which he says is led by U.S.-backed neo-Nazis, was inevitable.

"The danger was growing day by day, so Russia gave a pre-emptive response to the aggression. It was a forced, timely and only correct decision, a decision made by the sovereign, strong and independent country," Mr. Putin said as he stood on a podium near Lenin's Mausoleum. "We saw how the military infrastructure was being

developed, how hundreds of foreign advisers began to work, regular deliveries of the most modern weapons from [the North Atlantic Treaty Organization] countries were occurring."

Some Western officials and analysts had expected Mr. Putin to use the commemoration of victory in World War II to potentially declare victory in Ukraine, or to call for a mass mobilization of Russia's army and its citizens, but he did neither. Mr. Putin lauded Russian

soldiers fighting in Ukraine, telling them that "you are fighting for our motherland, its future, so that nobody forgets the lessons of World War II, so that there is no place in the world for torturers, death squads and Nazis."

◆ Gerald F. Seib: Putin uncorks the nuclear genie..... A4
◆ Tycoons, pop stars pitch in on Ukraine's front lines..... A6
◆ War drives interest in China-Taiwan risk insurance..... B6

Marcos Far Ahead in Philippines



Ferdinand Marcos Jr., the son of the Philippines's late dictator, was on track to win the country's presidential election. **A9**

Covid-19 Forces Apple To Rely on China Staff

By YOKO KUBOTA

BEIJING—Before the pandemic, Apple Inc. sent hundreds of U.S. engineers each month to China to oversee the contract manufacturers that build most of its products.

Now, in a shift, the global technology giant relies more on local engineers.

Most U.S.-based Apple engineers have been shut out of China for the past two years by rigid border controls intended to keep the Covid-19 virus at bay. New iPhone models in 2020 were delayed, but since then Apple has largely kept up with its annual product cycle thanks to focusing on

localization, people familiar with the matter said.

Apple's China-based engineers have taken on greater responsibilities to keep the cycle going, the people said. The transfer of power underscores the growing technical expertise of China's workforce, honed over decades as Apple and other foreign companies have trained generations of engineers and technicians.

The iPhone maker has also adopted some technology, including live-streaming, that helps staff based at its headquarters in Cupertino, Calif., remotely follow what's happening on China's factory floor. *Please turn to page A9*

Three Friends' Chats Fed the Steele Dossier

The report of supposed Trump-Kremlin ties often echoed pals' gossip and hearsay

By ALAN CULLISON AND ARUNA VISWANATHA

Hours after the publication in early 2017 of a dossier claiming President-elect Donald Trump conspired with Russia to steer the U.S. election, a public relations executive in Washington tapped out an email to a client whose company was cited in the document, cast as a villain.

"I'm hoping that this is exposed as fake news," Charles Dolan Jr. wrote. "I will check with some folks in the intel world to see if they know who produced this." The dossier, published by BuzzFeed News, used code names to conceal its sources. Some were close to Kremlin

corridors of power, it said. The dossier proceeded to rivet the U.S. political class, win credibility within the Federal Bureau of Investigation, cast a shadow over the first two years of the Trump presidency and cost millions of dollars for investigations and lawsuits, only to eventually be mostly discredited. One reason was where much of the dossier's information came from—anything but Kremlin insiders.

Instead, a Wall Street Journal review found, many of the dossier's key details originated with a few people gossiping after they had been brought together over a minor corporate publicity contract. *Please turn to page A12*

Good Boy, Now Fetch The Sheep

* * *

Canines compete to be Farm Dog of the Year

By JIM CARLTON

Fit is good at a lot of things: catching Frisbees, taking a running dive off a dock, lounging on a couch. But the 33-pound border collie is indisputably best at her main job—bossing the sheep around on a Florida farm.

"She knows more about livestock than I'll ever know," marvels owner Cindy Deak.

Fit is the reigning Farm Dog of the Year. She beat out 100 contestants for a title that carries a \$5,000 cash prize, a year's supply of dog chow—and recognition for the scrappy pooches that serve as

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U.S. NEWS

Inflation Expectations Challenge Fed

By MICHAEL S. DERBY

Longer-term inflation expectations ticked higher in April, according to a survey released by the Federal Reserve Bank of New York on Monday, challenging the central bank's efforts to bring price pressures down.

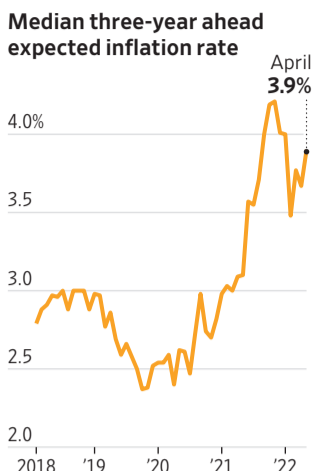
Respondents to a poll by the New York Fed see inflation rising by 3.9% three years from now, up from a 3.7% rise they predicted in the March survey. Meanwhile, respondents believe inflation one year from now will rise by 6.3%, down from March's 6.6% level.

While survey respondents reported a record high near-term level of uncertainty about the inflation outlook, they also reported that some key costs will increase at slower rates over coming months. The expected rise of gasoline prices a year from now hit 5.2%, a sharp drop from the 9.6% rise seen in March. Food and medical care costs 12 months from

now were seen up by a smaller degree relative to the prior month, while the 10.3% increase seen for rent was the highest reading in a report that goes back to 2013. Home-price increases a year from now held steady at an expected 6% gain.

The New York Fed report arrived in the wake of the Fed's pivotal monetary-policy meeting last week. Then, officials ramped up the rate rise campaign they started in March, raising their short-term target rate by half a percentage point, while announcing details to help draw down their massive holdings of bonds.

In his press conference following the Fed meeting, Fed leader Jerome Powell said more half-percentage-point rate rises were on the table as the central bank deals with some of the worst inflation readings seen in 40 years. "Inflation is much too high and we understand the hardship it is causing, and we're moving



Note: Internet-based survey of a rotating panel of approximately 1,300 household heads. Source: Federal Reserve Bank of New York survey of consumer expectations

expeditiously to bring it back down," Mr. Powell said Wednesday.

Fed officials have expressed some level of confidence that they can bring inflation back toward their 2% target because of how inflation expectations

data have been performing. While short-term inflation expectations data has surged, and in recent New York Fed reports has hit record highs, longer-term expectation levels have been more stable.

For central bankers, the data shows confidence by the public that over time the Fed will achieve its mission to lower inflation.

The Fed cares about inflation expectations because it believes that where the public expects inflation to go in the future exerts a strong influence on where it is now. Mr. Powell said last week that "we have to be sure that inflation expectations remain anchored" as part of the effort to lower price pressures.

Omar Sharif, president of research firm Inflation Insights LLC, said the decline in near-term inflation expectations shown in the report was likely to be tied to the big drop in the expected path of gasoline costs.

"Unfortunately, the drop in the one-year ahead inflation figure is likely to prove short-lived given that gasoline prices bottomed in mid-April and have since bounced back to near a record-high in nominal terms," he said in a report. Fed officials have leaned against the idea that to control inflation they'll need to move to an even more aggressive pace of rate rises than those now on the table, as former central bankers worry the necessary path of central bank action will send the overall economy into a downturn.

In the report, the New York Fed said survey respondents "remained positive about their labor market prospects, with earnings growth expectations stable at its series high and job loss expectations hovering near its series low." It said household spending expectations hit a new high in April, even as expectations about future access to credit worsened.

SEC Adds Time for Comments On 3 Rules

By PAUL KIERNAN

WASHINGTON—The Securities and Exchange Commission said Monday that it has extended the public-comment period on three major rule proposals after receiving widespread complaints from interest groups that it wasn't allowing enough time for analysis.

The SEC said it would accept comments until June 17 on proposed requirements for private funds, climate-related disclosures by companies and trading platforms for Treasury debt. The content of the proposals remains unchanged.

"Commenters with diverse views have noted that they would benefit from additional time to review these three proposals," SEC Chairman Gary Gensler said.

Before completing any major regulatory changes, agencies such as the SEC are required by law to issue a proposal and seek feedback from the public, among other steps. In recent years, the SEC has typically accepted comments for up to 60 days after a proposal was published in the official journal of daily government actions, known as the Federal Register. But Mr. Gensler, whom President Biden tapped to lead the agency last year, has generally allowed comment periods of just 30 days—the minimum allowed under federal law.

The change created a virtual state of emergency among Washington lobbyists, who complain about the workload that the deadlines have generated. Trade associations representing big companies, private-equity firms, hedge funds, broker-dealers and others have urged the SEC to lengthen the comment periods for the proposals, all of which are hundreds of pages long.

Progressives say much of the criticism about comment periods has come from groups that oppose the SEC's proposals for other reasons. They say the tight deadlines and the blitz of roughly two dozen rules the SEC has proposed in the past six months are a strategy designed to limit industry groups' ability to organize opposition.

Mr. Gensler has justified the shorter comment periods by noting that the Federal Register sometimes takes weeks to publish SEC rules. For instance, the SEC issued its proposal to regulate more Treasury-bond trading platforms on Jan. 26 with a 30-day comment period. In practice, the comment period remained open until April 18. Mr. Gensler noted in January that the SEC sometimes receives thousands of comments for a rule proposal that agency staff must analyze.

U.S. WATCH

BAHAMAS

Deaths of Three Americans Probed

Three U.S. citizens have been found dead and one has been hospitalized after falling ill at a resort in the Bahamas, according to the Royal Bahamas Police Force.

Bahamian police are investigating the deaths and hospitalization at the Sandals Emerald Bay resort on Great Exuma. The Americans experienced similar symptoms, including vomiting and convulsions, Royal Bahamas Police Commissioner Paul Rolle said Monday in an interview.

Mr. Rolle said foul play isn't suspected and causes of death haven't been determined. Officers at the scene found no signs of trauma, according to police.

The hospitalized woman, who was in serious condition, was airlifted to a hospital in Miami after being taken to a local hospital, Mr. Rolle said.

Bahamian police found one man on the ground in a bedroom Friday morning. In a second villa, a man was found slumped against a bathroom wall and a woman was found unresponsive in a bed, according to police. At least two of the deceased received medical treatment a night earlier, police said.

Sandals Emerald Bay said it is cooperating with authorities. "We are actively working to support both the investigation as well as the guests' families in every way possible during this difficult time," a spokeswoman said.

—Omar Abdel-Baqui

LAKE MEAD

Drought Exposes Human Remains

As water levels in the U.S.'s largest reservoir continue to fall, people visiting Lake Mead are making grim discoveries: human remains.

A visitor found human skeletal remains at Callville Bay in Lake Mead National Recreation Area over the weekend, according to the National Park Service. The Las Vegas Metropolitan Police Department said there is no evidence to suggest foul play, but it would investigate the inci-



The lives of three children who were found dead in a Los Angeles home Sunday were honored Monday in the San Fernando Valley.

dent if the Clark County Coroner's Office determines the death was a homicide or suspicious.

The Clark County Coroner's Office said it hasn't made a determination yet.

Lake Mead, located in Nevada and Arizona, provides water to Arizona, California, Nevada and Mexico. The U.S. Bureau of Reclamation declared a water shortage for the reservoir in 2021 because of an ongoing drought.

—Joseph De Avila

CALIFORNIA

Children Found Dead, Mother Arrested

Three children were found dead at a Los Angeles home over the weekend, and their mother and a teenager were arrested, police said Monday.

Officers responded to a call reporting an assault at the home in the San Fernando Valley on Sunday morning and found three unresponsive children, said Officer Lizeth Lomeli, a Los Angeles

Police Department spokesperson.

Police said in a statement that the children ranged in age from 8 to 12. The victims were two boys and a girl, the Los Angeles County Department of Medical Examiner-Coroner said.

Police identified the children's mother as Angela Flores, 38. A 16-year-old was also detained. Ms. Flores "admitted to killing her children," the police statement said.

It wasn't immediately known whether she had a lawyer who could speak on her behalf.

—Associated Press

NEW YORK CITY

Police Staffer Killed, Suspect at Large

A civilian New York City police employee was killed and her neighbor was critically wounded Monday in an apparent domestic violence incident in Queens, police said.

The women were shot around 8:15 a.m. in apartments

above a row of stores in the borough's Ridgewood neighborhood, New York Police Department Deputy Chief Julie Morrill said.

The slain woman, 51, worked for the NYPD for 11 years, Ms. Morrill said. She was shot in the head in a third-floor apartment.

A second-floor neighbor, 48, was shot twice in the torso as she went to check on the commotion. She is hospitalized in critical but stable condition, Ms. Morrill said. Ms. Morrill said the shooter, a 55-year-old man, followed the second-floor neighbor as she retreated to her apartment and then fled the scene. He remained at large as of Monday afternoon, Ms. Morrill said.

—Associated Press

NEW MEXICO

Firefighters Clear Brush to Halt Blaze

Firefighters in northern New Mexico worked Monday in rugged terrain ahead of a large

wildfire, trying to position crews to clear brush and stop the blaze from burning more homes in the Rocky Mountain foothills.

The wildfire has charred about 300 square miles of tinder-dry ponderosa forests, making it the largest blaze burning in the U.S. during what has been an early start to the fire season. Thousands of people have been evacuated.

Nearly 1,700 firefighters were battling the blaze burning northeast of Santa Fe. It was nearly 50% contained but has destroyed hundreds of homes and other structures. The region's largest population center—Las Vegas, N.M., home to 13,000 people—remained largely safe from the flames and some area residents were allowed to return over the weekend.

Crews in Arizona, meanwhile, were dealing with strong winds Monday as they battled a fire near the U.S.-Mexico border that forced several dozen people from their homes.

—Associated Press

Stocks Fall As Selloff Persists

Continued from Page One

been over the past several weeks, investors say.

"The days of market whiplash are just beginning," said Andy Kapyrin, co-chief investment officer at RegentAtlantic, a registered investment advisor based in New Jersey and New York.

The S&P 500 fell 132.10 points, or 3.2%, to 3991.24, adding to losses after closing out its longest streak of weekly declines since 2011. Monday marked the first time the index closed below the 4000 level since March 2021. The Nasdaq Composite tumbled 521.41 points, or 4.3%, to 11623.25, and the Dow Jones Industrial Average shed 653.67 points, or 2%, to 32245.70.

Later this week, investors

will get another read on inflation when the Bureau of Labor Statistics releases its consumer-price index. Economists are expecting data to show inflation fell from March's level, which marked a four-decade high.

An unexpectedly big inflation reading could spur fresh volatility across markets, analysts say. Investors initially were relieved last week when the Fed, which raised interest rates by half a percentage point, said it wasn't looking at larger rate increases. That feeling soon gave way to anxiety as investors grappled with the reality that the Fed may be forced to rethink its plans if inflation fails to ease up in the coming months.

"The market doesn't know how high the Fed has to go to control inflation, and we have the sense of a global slowdown," said Sebastien Galy, a macro strategist at Nordea Asset Management. "There's a wall of negatives that are happening in the market."

Selling hit most sectors of the S&P 500 on Monday.

Shares of everything from manufacturers to banks to even energy producers, a relative bright spot this year, ended the day lower.

Facebook parent Meta Platforms fell \$7.56, or 3.7%, to \$196.21, while Amazon.com lost \$119.57, or 5.2%, to \$2175.78 and Apple shed \$5.22, or 3.3%, to \$152.06.

Technology stocks have been particularly hard hit by this year's selling because ris-

The S&P 500 energy sector saw its biggest one-day decline since June 2020.

ing rates have made many investors reluctant to put money in parts of the market that look expensive.

Industrial stocks took a hit as well. Investors tend to view the group as an economic bellwether, since its profits tend to be particularly sensitive to

changes in the growth outlook. Caterpillar fell \$8.36, or 3.9%, to \$206.29 and Boeing lost \$15.59, or 10%, to \$133.31.

Even parts of the market that have held up relatively well this year retreated on Monday.

The S&P 500 energy sector slumped 8.3%, posting its biggest one-day decline since June 2020.

Energy shares had soared for the past few months alongside oil prices. But lately, some traders have begun to worry that lockdowns to contain the spread of Covid-19 in China will sap global demand for the commodity. That took some steam out of the rally. U.S. crude oil fell 6.1% to \$103.09, logging its worst day since March.

Meanwhile, a selloff in cryptocurrencies accelerated, sending the price of bitcoin tumbling to around \$30,000. Bitcoin, along with other cryptocurrencies, surged the past few years as rock-bottom interest rates encouraged investors to seek out riskier markets with poten-

tially bigger returns.

The swift rise in interest rates this year has brought that rally to a halt. Now, investors say they are being forced to rethink the attractiveness of many trades that had flourished in a low-rate, low-growth environment.

The yield on the benchmark 10-year Treasury note was at 3.080% on Monday, compared with 3.124% on Friday. The 10-year yield, which rises as bond prices fall, has risen nearly 1.6 percentage points since the end of 2021.

Overseas, the pan-continental Stoxx Europe 600 fell 2.9% in its fourth consecutive session of declines. Monday marked the index's worst day since March.

In Asia, Japan's Nikkei 225 dropped 2.5%, while Australia's S&P/ASX 200 fell 1.2%.

China's CSI 300 index, tracking the largest companies listed in Shanghai or Shenzhen, declined 0.8%. Hong Kong markets were closed for a public holiday.

—Serena Ng

contributed to this article.

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U.S. NEWS

Covid-19 Cases Rise in Areas Once Safer

BY JON KAMP
AND ARIAN CAMPO-FLORES

Some of the places that have avoided the worst of the Covid-19 pandemic, including Puerto Rico and northern New England states, are coping with elevated cases and hospitalizations as the latest highly contagious iterations of the virus circulate.

Most counties in Vermont, as well as a growing number in Maine and southern New England, now have community Covid-19 levels categorized as “high” by the Centers for Disease Control and Prevention based on case and hospitalization trends. Puerto Rico recently has had the highest rate of newly reported Covid-19 cases in the U.S., along with climbing hospitalizations.

Some of these places, including Puerto Rico and Vermont, have below-average rates of prior infections, recent CDC data show. Epidemiologists and health officials believe immunity from vaccines and heavy exposure to the vi-

rus at the national level may be limiting severe illness from the latest subvariants. The New England region and Puerto Rico have among the highest vaccination rates in the U.S.

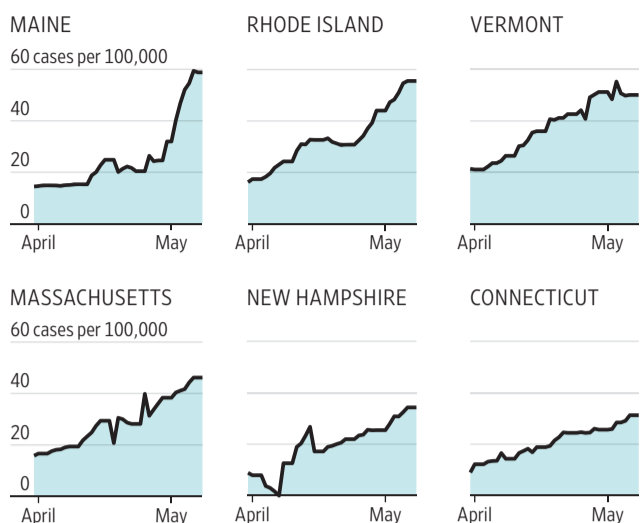
“This is starting to affect our ability to care for individuals outside of Covid,” said James Jarvis, senior physician executive of incident command at Northern Light Health, a system in Maine with 10 hospitals.

State data recently showed 205 hospitalized Covid-19 patients in Maine, more than double the number in mid-April, though still less than half the peaks hit during the Omicron surge in January. Dr. Jarvis said few patients have been requiring intensive care.

Yet the uptick demonstrates the continuing challenge of fending off the coronavirus more than two years into the pandemic. The Northeastern U.S. has been hit hard by the Omicron BA.2 subvariant. The even more transmissible BA.2.12.1 version was first identified in upstate New York.

Mark Levine, Vermont’s

Covid-19 cases per 100,000, seven-day moving average



Source: Johns Hopkins University

Note: As of May 8

health commissioner, said it may be contributing to rising cases in a state that shares its western border with New York.

Nationally, Johns Hopkins University data show the seven-day moving average for new Covid-19 cases recently topped 73,000, up from near

27,000 a month earlier, though authorities acknowledge case counts are widely missing at-home test results. The average number of hospitalized patients with confirmed Covid-19, about 14,500, is up 44% from a mid-April low, according to federal data. Hospitalizations, a lag-

ging indicator, also reflect patients who are being treated for other reasons and test positive after they are admitted. These numbers are far below Omicron-surge peaks in January.

The fact that most Vermonters appear not to have been infected before may be contributing to recent case and hospitalization increases, said Dr. Levine, who credited efforts in the state to limit the virus. The CDC estimates 29% of Vermont’s population had detectable, infection-induced antibodies by February compared with about 58% nationally. Vermont has 81% of its population fully vaccinated, compared with 66% nationally, and one of the lowest Covid-19 mortality rates.

Nationally, epidemiologists believe heavy exposure to the virus during the record-breaking Omicron surge this winter may have boosted immune defenses and blunted the impact of the latest virus versions. But higher exposure to the virus isn’t a guarantee of protection. The CDC estimates nearly 62% of New Yorkers exhibited signs

of previous infection as of February.

In Puerto Rico, BA.2.12.1 makes up a significant and rising number of infections, said Dr. Iris Cardona, chief medical officer at the Puerto Rico Department of Health. Known Covid-19 cases as of Saturday reached 950 per 100,000 in the prior week—higher than any state—and the test positivity rate hit 25%, according to CDC and local data. Hospitalizations recently climbed to 281 people, the highest since early February.

About 83% of Puerto Rico’s population is fully vaccinated, higher than any state, CDC data show. One possible factor is that Puerto Rico was one of the earliest places to vaccinate a large proportion of the population, creating more time for immunity from the shots to wane, said Kenira Thompson, president of the Scientific Coalition, which advises the governor on Covid-19 policy.

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◆ Help for long Covid..... A16

Alabama Fugitives Captured, Corrections Officer Dies

BY GINGER ADAMS OTIS

Former Alabama corrections officer Vicky White died after she and escaped inmate Casey White were captured by U.S. marshals in Indiana Monday, ending a 10-day search for the fugitive pair.

Ms. White, 56 years old, was injured during the capture and taken to a hospital, authorities said. U.S. Marshal Marty Keely said Ms. White appeared to have a self-inflicted gunshot wound.

“No shots were fired by law enforcement,” he said.

Ms. White died Monday evening, according to the Vanderburgh County, Ind., coroner’s office. An autopsy was scheduled for Tuesday.

Mr. White, 38, surrendered and was back in custody, according to Lauderdale County, Ala., Sheriff Rick Singleton.

The two were caught after a high-speed chase that resulted in a crash, authorities said. Mr. White was driving the black pickup truck but wasn’t injured, officials said. No other vehicles were involved.

U.S. marshals traced the two to Evansville, Ind., after receiving a tip late Sunday that they were spotted in the area, Sheriff Singleton said.

Ms. White was the assistant director of corrections at the Lauderdale County Sheriff’s office and worked at the Florence, Ala., jail, where Mr. White had been held on murder charges. The two weren’t related.

She left the jail with Mr. White on April 29 and said she was taking him to court, authorities said. Their disappearance sparked a multistate search. Lauderdale County Sheriff’s Office investigators have said they learned through inmate interviews that Ms. White had developed a relationship with Mr. White.

Mr. White had been awaiting trial at the jail after being charged in 2020 with two counts of capital murder in the 2015 stabbing death of a 58-year-old woman.



An Afghan family from Kabul breaking their fast last month at their new home in Manassas, Va. Some 76,000 Afghans were evacuated to the U.S. after Kabul fell.

Afghans Resettled in U.S. Struggle for the Basics

BY JESSICA DONATI

WASHINGTON—Newly resettled Afghans are experiencing a rough start in America as delays in obtaining documents and slow help from overburdened case workers are leading them to miss rent payments, hospital visits and other key obligations.

One Afghan and his family who were evacuated from Kabul airport last August when the Taliban seized power were resettled in Virginia. His wife is recovering from open-heart surgery but can’t buy critical medication because of a problem with her health insurance.

He worked with the U.S. coalition for a decade in Afghanistan but hasn’t been able to find a job in America, and is worried about eviction when his housing allowance runs out next month. “I am completely tired of life,” he said. “I don’t know how to do it. I have lost my way.”

Some 76,000 Afghans were evacuated to the U.S. after Kabul collapsed. Months later, thousands are still waiting for work permits and Social Security cards to arrive before they can start jobs and pay their bills. Others are experiencing problems with their health in-

surance, denied food stamps, lost vaccination records for children and a range of other issues hampering access to basic necessities.

A U.S. government official familiar with the matter acknowledged that thousands of resettled Afghans “have experienced some delay or problem in accessing their benefits,” and “we and our resettlement agency partners are working hard to address” those challenges.

Issues with documentation and benefits are the latest problems to emerge after a shortage of housing pushed thousands into roadside motels, a problem that has now been resolved for most evacuees.

Refugee resettlement agencies that work with the government say they have successfully scaled up their workforce in recent months to meet the surge in demand. But many Afghans say case workers are slow to respond. Meanwhile, some staff say they are nearing a breaking point.

One official with a resettlement agency described working around the clock to respond to the needs of some 250 families. The official said some colleagues coped by ignoring calls and requests.

“I’m overwhelmed,” said the official, whose phone rang every 10 minutes with calls from Afghans needing help during a two-hour interview.

The Council on American-Islamic Relations, a Muslim civil rights and advocacy group, said it had followed numerous cases in which families had been left in motels for long periods and without contact from their case workers. It also received complaints about the lack of information

Thousands are still waiting for work permits before they can start jobs.

about support, benefits, and job placement.

“Part of it is the process takes time and a lot of families need assistance,” said Zainab Chaudry, an office director at CAIR. “But the lack of response from case workers and follow-up with families is problematic.”

The Afghans are on a tight schedule to become self-sufficient. The government,

through the State Department, provides a one-time per capita amount of \$1,225 for agencies to use to directly fund critical needs including housing. In many areas, this isn’t enough to cover the first month’s rent and security deposit.

Families can pool resources, and agencies are grouping single people together to help their allowances stretch further. There is also funding at the federal level, administered through the states, to help buy food, diapers and other basic goods.

“It is a tight timeline in the best of circumstances to be able to make rent two or three months down the line,” said Ruben Chandrasekar, executive director of the International Rescue Committee in Maryland.

Some Afghans are turning to networks of friends and family, either American or Afghan, to help them navigate their new lives in the U.S. and cover expenses. A group of American friends helped a 25-year-old, single Afghan woman find new housing after the one she rented without inspecting it first turned out to be full of insects and in an unsafe area.

She said her resettlement case worker pressured her to sign the first lease. “At one point, I was wishing that I had

never come to the U.S.,” said the woman, who had worked as an attorney alongside the U.S.-led coalition in Afghanistan.

The Afghans are also worried about their refugee status. The Afghanistan Adjustment Act, which would give the evacuees permanent legal status in the U.S., was discussed in the summer but has yet to pass in Congress. “We are on a two-year humanitarian visa; it is not clear whether we can get our green card or not,” said Dawood Ehsani. The 21-year-old university student evacuated with his sister who served in the Afghan special forces, and resettled in Maryland.

J.C. Hendickson, senior director for Refugee and Asylum Policy and Advocacy at the International Rescue Committee, said asylum requests could still take years or even be denied despite recent changes to speed up processing by adding case officers and tweaking the process to ease bottlenecks.

“People were evacuated on military flights and then, because we have a broken asylum system, there’s a risk that we’re going to send them back” he said. “It’s crazy.”

—Jalal Nazari in Toronto contributed to this article.

Warhol Portrait of Marilyn Monroe Sells for Record \$195 Million

BY KELLY CROW

An iconic Andy Warhol silk-screen portrait of movie star Marilyn Monroe sold for \$195 million at Christie’s on Monday, establishing a record for any American artwork at auction.

The sale kicked off New York’s major spring auctions and underscored the global strength of the high-end art market at a time of volatility in broader financial markets. Collectors often regard fine art as an investment hedge because art values don’t necessarily move in tandem with securities.

Warhol’s 3-foot square silk-screen from 1964, called “Shot Sage Blue Marilyn,” depicts a promotional photo from the actress’s 1953 film “Niagara.” The artist transformed Monroe into a pop-art icon by giving her a bubblegum-pink face, ruby lips and blue eye shadow set against a sage-blue background.

At least four bidders vied for the work, with dealer Larry Gagosian winning it after a roughly four-minute-long bidding battle in Christie’s Rockefeller Center salesroom in Manhattan. Heading into the latest sale, Christie’s had high expectations for the

work, giving it a \$200 million estimate.

In terms of blockbuster paintings, the Warhol now ranks among the most expensive artworks ever sold. The sale surpassed the \$110.5 million paid in 2017 for a skull painting by Warhol’s protégé, Jean-Michel Basquiat. The sale also eclipsed Warhol’s previous, \$105.4 million record set in 2013 for his wall-size, metallic diptych featuring a man slumped in his wrecked automobile, “Silver Car Crash (Double Disaster).”

The overall titleholder remains Leonardo da Vinci’s \$450 million “Salvator

Mundi,” which Christie’s sold to Saudi Arabia’s crown prince in 2017.

The seller of “Shot Sage Blue Marilyn” was an eponymous foundation created by Doris Ammann, a well-known Zurich dealer who died at age 76 last year, and her brother, Thomas, a dealer who died in 1993.

The Ammanns bought the work from publishing magnate Si Newhouse. Proceeds from its resale will go to charities selected by the Ammanns’ foundation—with input from Mr. Gagosian or the anonymous client he was potentially buying for, Christie’s said.



At least four bidders vied for ‘Shot Sage Blue Marilyn,’ which now ranks among the most expensive artworks ever sold.

U.S. NEWS



Russian Yars intercontinental ballistic missile launchers were paraded through Red Square in central Moscow on Monday.

Putin Uncorks Nuclear Genies



As the war in Ukraine enters a dangerous new phase, the damage Russian leader Vladimir Putin is doing isn't limited to violating a sovereign nation, reducing the city of Mariupol to rubble or shelling civilian apartment complexes. He also is unleashing some dangerous nuclear genies from the bottles in which they had been contained for the past three decades. Those genies include the risk of nuclear war itself, the return of nuclear blackmail as a tool of statecraft and the emergence of new incentives for other nations to acquire nuclear arms.

Regardless of when and how the conflict in Ukraine ends, the world will be living with these risks for years to come. If Mr. Putin fails in Ukraine the effects will be reduced, but even then they won't be eliminated. The gravest risk, of course, is that a Russian mil-

itary that is either failing or hopelessly bogged down in Ukraine would turn to a nuclear strike—perhaps with a small-scale tactical nuclear weapon—to reverse the tide. That risk appeared particularly stark when Russian Foreign Minister Sergei Lavrov warned two weeks ago of “considerable” danger of nuclear conflict.

Still, U.S. officials say they don't see signs the Russians are considering or preparing for a turn to nuclear arms, and Russian officials continue to repeat their traditional position that a nuclear war can't be won and must not be fought, and would be considered only if the Russian state itself were under threat.

The more subtle risk is of nuclear blackmail, which was a periodic X factor in Cold War struggles between the U.S. and the Soviet Union. Then, as now, the idea was simple enough: Washington or Moscow hoped it could get the other side to back away in a geopolitical confrontation by merely implying that the disagreement could lead to a nuclear attack.

“Nuclear blackmail was always a pretty subtle and ambiguous thing,” says Richard Betts, a national security professor at Columbia University whose book on the topic in the 1980s found such nuclear threats had been used in at least a dozen cases. “It was more the raising of the specter of the possibility than the clear threat. That's what we

have now with Putin.”

Today part of that specter is that the U.S. will be so “traumatized by the risk of a nuclear exchange” that it backs away from stopping Mr. Putin's designs on Ukraine, says Stephen Hadley, national security adviser for President George W. Bush and a veteran of nuclear policies.

So far, the blackmail doesn't seem to be working. U.S. officials note that they actually have stepped up aid to Ukraine since Russian officials began hinting more directly about the potential of nuclear-weapons use.

Still, there is a long way to go. Depending on how this conflict turns out, Mr. Putin could end up showing China how to use nuclear blackmail to get the world to back off if and when it chooses to move on Taiwan. Similarly, North Korean leader Kim Jong Un could use his burgeoning nuclear arsenal to do the same if he chooses to intimidate South Korea or Japan. India and Pakistan are watching as well.

Yet there is an even more subtle risk: the possibility that countries currently on the edge of nuclear-weapons capability, or considering going there, will conclude that the best way to avoid being the next Ukraine is to actually acquire nuclear weapons.

That would be a logical conclusion given Ukraine's unique history. Ukraine once had nuclear weapons—a lot of them. When Ukraine

achieved independence from the former Soviet Union in 1991, it was home to some 1,900 Soviet nuclear warheads, the third-largest nuclear arsenal in the world.

Ukraine won the cheers of the world by agreeing to give them up, in return for promises that the U.S. and Russia would assure its security. Ukraine's reward was to see Russia invade instead.

Other nations now may well ask: Would Russia have taken the risk if Ukraine had retained those nuclear weapons? That thought has to be on the minds of Iranian leaders as they contemplate signing a new international agreement limiting their nuclear program. But it isn't just Iran. Similar thoughts may be occurring to Iran's foes in Saudi Arabia and the United Arab Emirates. Thus, Mr. Putin may well be ushering in a new period of nuclear proliferation.

That risk is reduced if he falls short in Ukraine. “If he fails, notwithstanding his nuclear threats, it shows that nuclear weapons and the threat of their use cannot save you from conventional defeat,” says Mr. Hadley.

But it's tricky. How does the West calibrate the struggle so Mr. Putin is defeated, thereby showing that nuclear blackmail doesn't work, yet do so without so humiliating him that he pulls the nuclear trigger? That's why the period ahead is so dangerous.

Bill to Boost Security For Justices Advances

By SIOBHAN HUGHES

WASHINGTON—The Senate swiftly passed a bill to expand police protections for Supreme Court justices to include their immediate family members, in the wake of protests following a leaked draft ruling that indicated the court could overturn Roe v. Wade.

The measure passed late Monday by unanimous consent. The broad support in the Senate suggests a clear pathway to passage in the House, but no immediate plan was set.

A leaked draft opinion published last week by Politico suggested that the conservative wing of the court was preparing to undo the 1973 Roe decision, which established abortion as a constitutional right, in a Mississippi abortion case the justices are currently considering. Chief Justice John Roberts confirmed the draft was authentic but cautioned it wasn't final.

The Supreme Court is currently surrounded by security fencing to guard against potential threats.

Over the weekend, some protesters demonstrated outside the home of Supreme Court Justice Brett Kavanaugh in Chevy Chase, Md.

Senate Minority Leader Mitch McConnell (R., Ky.) accused progressives of trying to harass justices at their homes to achieve a desired judicial outcome, saying they were trying to “replace the rule of law with the rule of mobs.” He said the White House had been slow to condemn such protests.

White House press secretary Jen Psaki said protesters “should never resort to violence, to threats, to intimidation in any way, shape, or form.”

The Senate is scheduled to vote Wednesday on whether to take up legislation to assert healthcare providers' right to provide an abortion before a fetus is viable and to say that a patient has a right to receive one, in line with current Supreme Court precedent.

In a 50-50 Senate where most legislation requires a 60-vote majority to advance, the bill is expected to be blocked.

IRS Pays Billions On Delayed Refunds

By RICHARD RUBIN

WASHINGTON—Americans can earn guaranteed 4% interest when money-market funds and savings accounts aren't paying even half that. The catch: The IRS has to be sitting on your tax refund.

That 4% rate for individuals took effect in April—up a percentage point from the prior quarter. The rate for large corporate refunds is 1.5%, up from 0.5%. Generally, the Internal Revenue Service has 45 days to process a tax return and pay a refund. After that, interest starts accruing in amounts tied to federal short-term interest rates and adjusted each quarter.

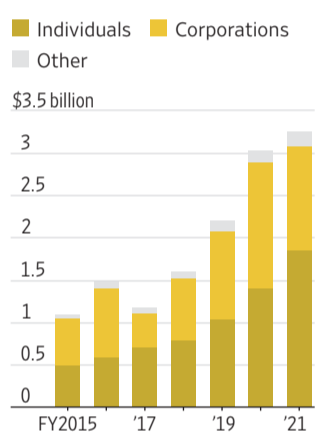
Those interest payments have real costs for the public: In fiscal year 2021, the IRS paid \$3.3 billion in interest to tax filers, more than triple what it paid in 2015, according to a Government Accountability Office report. For the fiscal year that started in October, refund interest payments through March are down 11% but still well above 2019 levels, according to Treasury Department data.

The IRS has been moving slower than usual to process tax returns. Administration officials say that is the result of years of Republican-backed budget cuts. Republicans say the agency hasn't given priority to taxpayer service. Some recent years have been particularly difficult. In fiscal 2019, the aftermath of a government shutdown caused a backlog. The IRS slowed again when the coronavirus pandemic began in 2020 and is still months behind schedule in processing paper returns.

As of April 29, the IRS has 9.6 million unprocessed individual tax returns, some from tax year 2020 and some from 2021. The agency says it is taking more than 20 weeks to handle amended tax returns and hopes to catch up on all of its processing backlogs by the end of 2022.

The \$3.3 billion in interest payments is a tiny fraction of total federal spending, but the amount is equal to about one-quarter of what it costs to run

Interest Paid by IRS on Delayed Tax Refunds



Note: FY '21 started 10/1/20. Source: GAO analysis of Internal Revenue Service data

the tax agency. Interest payments don't come out of the IRS budget.

For taxpayers who need their refunds for living expenses, the interest might not amount to much consolation for the long waits. And the payments are taxable income. But for companies and those individuals who can afford to wait, the money can add up. This also works in reverse. Taxpayers who owe the IRS money are charged interest by the government.

The GAO says the IRS isn't doing enough to limit interest payments. “IRS does not fully understand the causes for refund interest payments—both within and outside of its control—and therefore cannot communicate this information to Treasury and Congress,” GAO wrote.

The IRS, in its official response to the report, said refund interest payments can't be analyzed in a vacuum, and that some costs aren't its fault but are required under the law. The agency also noted that interest rates vary over time and the government does actually have use of the money while it processes refunds.

“Our role is to administer the Tax Code as it is enacted,” wrote Douglas O'Donnell, deputy commissioner for services and enforcement. “We do not believe the amount of interest paid is a reliable or meaningful business measure.”

More to Gain Subsidized Broadband

By KEN THOMAS AND DREW FITZGERALD

WASHINGTON—Twenty internet providers, including AT&T Inc., Comcast Corp. and Verizon Communications Inc., agreed to improve subsidized high-speed internet plans they offer to millions of unconnected households, part of a Biden administration push to advertise a program created in last year's bipartisan infrastructure law.

The moves would boost the roughly year-old Affordable Connectivity Program, which hasn't reached all its eligible subscribers in part because many of the neediest users aren't online in the first place. Other consumers aren't aware that more than a third of the country is eligible for the \$30-a-month discount. Additional sign-ups would be a boon for providers, analysts say.

President Biden and Vice President Kamala Harris announced the providers' enhanced plans at the White House on Monday alongside telecom executives and mem-



President Biden, who called high-speed internet a necessity, and Vice President Kamala Harris announced the program on Monday.

bers of Congress.

“High-speed internet is not a luxury any longer—it's a necessity,” Mr. Biden said. He said people can call (877) 384-2575 or visit getinternet.gov to find out if they qualify for the program.

Many of the companies, which cover more than 80% of the U.S. population, agreed Monday to either boost the internet speeds that they offer through the program or to cut

their rates to \$30 a month for low-income and other households that qualify.

At that price, a high-speed internet plan is effectively free for households that qualify for the subsidy, said a spokesman for AT&T, which offers such a plan.

Other internet providers said their subsidized broadband plans already met those criteria but committed to make it easier to sign up for

service in stores and by phone.

In addition to AT&T, Comcast and Verizon's Fios service, other participating providers include Cox Communications Inc., Charter Communications Inc., Frontier Communications Corp. and regional providers such as Jackson Energy Authority in Tennessee, Comporium Inc. in the Carolinas and Vermont Telephone Co.

During his Monday remarks, Mr. Biden spoke about broadband services as a necessity and pointed to the plight of families who park in fast-food parking lots to access wireless internet during the pandemic. “It's just not right,” he said.

The lower rates are backed by a \$65 billion program to build up the country's broadband network through the roughly \$1 trillion infrastructure law approved by Congress in 2021. While most of the broadband funds will be awarded to states and territories for fiber-optic-cable projects, the law also provides \$14 billion to pay for the Affordable Connectivity Program.

New York State Aims to Create Fund to Pay for Abortion Access



New York Attorney General Letitia James leads the push.

By DEANNA PAUL AND JIMMY VIELKIND

New York Attorney General Letitia James and state lawmakers on Monday called for the creation of a state fund to pay for abortion access for both New Yorkers and out-of-state residents who could travel to the state for the procedure.

Ms. James, a Democrat, said the state should continue to be a leader in providing abortion access if the Supreme Court overrules Roe v. Wade, the 1973 decision that established a constitutional right to an abortion.

“Make no mistake: New York will not go back to the dark times when people were

unable to control their own bodies or make their own choices,” she said.

Assemblywoman Jessica González-Rojas, a Democratic sponsor of the proposal who appeared with the attorney general, said the fund should be set at \$50 million.

The proposal comes as states on both sides of the abortion debate are girding for a Supreme Court decision on abortion rights by the end of June in a case from Mississippi. An early draft majority opinion by Justice Samuel Alito, leaked last week, indicated the court was preparing to overturn Roe, a move that would give states wide lati-

Other states have passed or are considering similar proposals.

tude to restrict or allow abortion as they see fit. The court cautioned that the draft was far from final.

The New York proposal would establish a program to provide funding through the state Department of Health to abortion providers and non-profit organizations, aimed at providing access to the proce-

sure, as well as travel and child care, for uninsured and low-income women.

If the Supreme Court overrules Roe, roughly half the states could eliminate or severely restrict abortions within their borders.

Other Democratic-led states have passed or are considering proposals similar to New York's. Oregon's legislature this spring allocated \$15 million to go toward expanding abortion access around the state, including travel expenses and lodging.

A spokesman for Senate Majority Leader Andrea Stewart-Cousins, a Democrat, said senators plan to take up a

package of bills that would provide additional funding, protections and help for women seeking abortions. A spokesman for Democratic Assembly Speaker Carl Heastie said he was “horrified by the news of the potential decision” and was discussing legislative options.

Gerard Kassara, chairman of the New York State Conservative Party, said he opposed Ms. James's proposal. “That is an incredible misuse of government funds, and as such, she might want to spend more time focusing on the issues of most concern to New Yorkers: crime, the economy and inflation,” he said.

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THE UKRAINE CRISIS

Pop Stars, Tycoons Pitch In on Front Lines

Civilian volunteers are trying to make up with motivation what they lack in experience

By Yaroslav Trofimov

RUSKA LOZOVA, Ukraine—When Russia invaded Ukraine, Vsevolod Kozhemiako, one of Ukraine's leading businessmen, was skiing with his family in the Austrian Alps.

This weekend, in his role as military commander, he sprinted between courtyards of this front-line village north of Kharkiv, trying to avoid being seen by a Russian tank that operated from a nearby tree line.

"For me it was natural. There was no other way," Mr. Kozhemiako, 49 years old, said about his decision to take up arms for Ukraine. "All my friends are here. I didn't see any other options."

The farming entrepreneur was ranked by Forbes magazine's Ukrainian edition as the 88th wealthiest Ukrainian for 2020, with a net worth of around \$100 million. Together with other Kharkiv businesspeople, he has poured personal funds into helping stand up a company-size special unit of the Ukrainian Territorial Defense's 127th Brigade.

These days, Mr. Kozhemiako's unit is fighting on its first combat mission in Ruska Lozova, just north of Ukraine's second-largest city of Kharkiv. The village, along the main highway to Russia, was recaptured from the Russians on April 29, at the start of the Ukrainian counteroffensive in this part of the country.

As fighting rages across eastern and southern Ukraine, Ukrainian forces have liberated several towns and villages in the Kharkiv region this month even as they were forced to retreat under Russian fire from

towns like Popasna in Donbas. Russian troops are still shelling Ruska Lozova, with tank incursions from Russian positions down the road probing Ukrainian defenses. Virtually all the civilians are gone. One of the few buildings that was still intact Saturday morning caught fire after being hit by a tank round by the afternoon.

"Our task is to enter the liberated areas, dig in, and prepare for a counterattack so that the enemy doesn't return," Mr. Kozhemiako said as he hunkered down in a cellar that has become an improvised bunker. He reprimanded some men who got too close to the entrance, and scolded others for taking off their helmets. A Russian shell had just landed outside.

While Mr. Kozhemiako himself didn't have a military background before the war, some 20% of the unit's troops are combat veterans who have served in Donbas, fighting Russian-backed forces that created the Donetsk and Luhansk statelets in 2014. That is similar to the proportion of experienced troops in Territorial Defense units across Ukraine, military officials say.

"Our discipline is severe, maybe even stricter than in some army units," Mr. Kozhemiako said. "You can't relax when you're at war."

Established in January, Territorial Defense forces are part of the military, following the overall chain of command and operating jointly with other services in the battlefield. Unlike the regular army, they recruited civilians through a simplified procedure once the war began. The force's membership cuts across class lines, ranging from business tycoons like Mr. Kozhemiako to teachers, cabdrivers and music stars.

While some of these Territorial Defense units mostly operate checkpoints in the rear,



Vsevolod Kozhemiako, one of Ukraine's wealthiest men and member of a Ukrainian Territorial Defense unit, drives by a burning house in Ruska Lozova. Below, Taras Topolia, a popular Ukrainian singer and paramedic in the unit, at a military position in Kharkiv on Saturday.



other, better-trained ones are fighting on the front lines—particularly here in the Kharkiv region, whose two Territorial Defense brigades have spearheaded some of the recent Ukrainian advances, and in the capital, Kyiv, when the Russians were trying to seize it in February and March.

"We find time to keep teaching our troops about everything from small-arms fire to artillery systems," said Col. Roman Hryshchenko, the commander of the Kharkiv-based 127th Territorial Defense Brigade, who served before the war as a military prosecutor and as governor of the neigh-

boring Sumy region. "These people are motivated, and because of that they learn much faster than the programs envisage. They know that they will need all these skills tomorrow, and not in a year or two."

The soldiers in recent days destroyed an ultramodern T-90 Russian tank northeast of Kharkiv using a Swedish-supplied Carl-Gustaf recoilless rifle, the first such documented success since the war began, Col. Hryshchenko said.

Recent legislation has allowed Ukraine's Territorial Defense troops to be moved from their home region across the country, and the forces deployed on the Kharkiv front now include the 130th battalion of the Territorial Defense from Kyiv. Among its soldiers are Taras Topolia, the lead singer of Ukraine's music band Antytilya, or Antibodies, and fellow band members, who joined the force in Kyiv as combat

medics when the war began.

Mr. Topolia said he sent his wife, also a singer, and three children to New Jersey when the Russians invaded on Feb. 24, and then immediately joined the force. On day four of the war, his company commander, a historian by training who goes by the call sign Historian, was injured in a firefight with a Russian infiltrator group in Kyiv. He has recovered and now is also serving in Kharkiv.

Ukraine's resilience against a much stronger enemy lies in a sense of community that has emerged in times of trouble throughout the nation's history, Mr. Topolia said. "It's like bees. Everyone does their own thing, collects their own honey—until a bear with its bloody paws comes in," he explained.

The 130th battalion fought Russian forces in Bucha and Irpin, where Mr. Topolia recorded part of a recent clip released in collaboration with British pop star Ed Sheeran. After Russian forces withdrew from the Kyiv region in late March, the battalion redeployed to protect the northern and eastern approaches to Kharkiv, including the north Saltivka district that until Ukrainian advances this weekend was in the immediate vicinity of Russian positions in the town of Tsyrukun. On Sunday, Mr. Topolia took a brief leave to perform with Bono, the frontman of the band U2, in a Kyiv subway station.

Mr. Kozhemiako joined the volunteer movement in 2014, helping Ukrainian forces in Donbas. He says he has found some frustrations in the transition from corporate life to military service. "My business is built in a Western way. The company is smaller and decisions are made quickly by one man, the entrepreneur," he said. "The army is a big organization with its own bureaucracy."

Protesters Douse Russian Envoy With Red Paint in Warsaw

Protesters in Poland drenched Moscow's ambassador to Warsaw in red paint after swarming a local cemetery for Soviet soldiers who died in World War II, chasing the diplomat away and disrupting his embassy's attempts to commemorate the end of the conflict.

Several hundred Ukrainians and Poles surrounded Ambassador Sergey Andreyev as he attempted to lay a wreath in front of a 115-foot-tall, Soviet-star-topped obelisk, built by authorities in 1949, just as Moscow was imposing Communist rule in Poland. The grounds hold the remains of about 20,000 Soviet soldiers who died defeating Nazi Germany, a sacrifice Russia marks on its May 9 Victory Day.

Mr. Andreyev was blocked by the crowd shouting "murderers" and "fascists" as several flung blood-colored paint into his face and eyes. Demonstrators held up photos from the Ukrainian town

of Bucha, whose brief occupation by the Russian military in March saw hundreds of civilians killed.

Russia's embassy said Poland opposed a ceremony that "is about the celebration of the anniversary of the victory over Fascism, thanks to which the Polish state exists today!"

The Soviet Union lost about 27 million people in the war: about 14 million of them Russian, and seven million more Ukrainian. To advocate for his invasion of Ukraine, Russian President Vladimir Putin has reached back into that history, which Russians broadly see as a sacrifice that, among other outcomes, freed Poland from Nazis.

But few Poles feel the Soviet Union liberated them when—after first carving up Poland in a 1939 pact with Nazi Germany—it returned, five years later, and imposed nearly a half-century of Communist rule.

—Drew Hinshaw

Putin Says Invasion Is Justified

Continued from Page One

Western and Ukrainian officials say Russia's invasion of Ukraine, which began on Feb. 24, was unprovoked and is unjustified.

Since the start of the war, Moscow has falsely claimed that the government in Kyiv is run by Nazis. Ukrainian President Volodymyr Zelensky, who is Jewish, has said that given the loss of more than eight million Ukrainians during World War II, his people could never support such an ideology.

Mr. Zelensky delivered a videotaped address to mark the Victory Day holiday, sending a message of defiance and confidence. "Very soon there will be two Victory Days in Ukraine. And someone won't have any," he said in the video as he sauntered down a quiet Kyiv boulevard dotted with antitank barriers. The video was intercut with images of a martial parade on Aug. 24, when Kyiv celebrated the 30th anniversary of Ukraine's declaration of independence from the Soviet Union.

Washington officials and lawmakers rejected Mr. Putin's contention that Russia's invasion of Ukraine was defensive in nature, a view State Department spokesman Ned Price called "divorced from reality."

"What we didn't hear—not that we expected to—but what we should have heard is plans for how he's going to end the war," said Pentagon spokesman John Kirby.

"Due to the bravery and resilience of the Ukrainian people, Vladimir Putin does not have one single victory to tout on Victory Day," said Rep. Michael

McCaul (R., Texas), a member of the House Foreign Affairs Committee. "Putin has failed to subjugate Ukraine, meanwhile the Putin regime has never looked weaker and NATO has never been more united."

Hours before Mr. Putin began his speech on Red Square, Russian state television and the Rutube video platform were hacked, with antiwar slogans replacing program titles and channel descriptions, according to several social-media posts.

"On your hands is the blood of thousands of Ukrainians and hundreds of murdered children.

TV and authorities are lying. No to war," read one message on Russia's flagship Channel One.

Channel One made no comment on the hacking. Rutube, Russia's version of YouTube, said it had been subjected to a "powerful cyberattack."

According to independent and state polls, many Russians believe the Kremlin's narrative on the conflict in Ukraine and support Mr. Putin's war.

"People have such an attitude because everyone is pro-Russia," said Leonid Belykh, 71 years old, as he hurried to Red Square to attend the parade.

"Russia must distinguish itself in some way, by its successes. The most important thing is for us to achieve peace in Ukraine."

Vitaly Sidorov, 47, a laborer who came out to see the parade, echoed the sentiment.

"This is a just cause and Russia now, as always, is defending the Russian world," said Mr. Sidorov, who said his grandfather served in World War II, participated in the Red Army's capture of Berlin and returned home alive. He blamed the U.S. for fueling the crisis in Ukraine.

Mr. Putin didn't declare victory in Ukraine on Monday, as some analysts had anticipated, but he did emphasize his claim that what the Kremlin has described as a special military operation was in response to an existential threat.

"The defense of the motherland, when its fate was being decided, has always been sacred," Mr. Putin said, drawing parallels between World War II and the war in Ukraine.

The Kremlin leader criticized the West for ignoring Russia's demands for security guarantees, for rejecting Moscow's stipulations that NATO stop its eastern expansion and for failing to agree to the establishment of a security system that guarantees equal protection for all nations.

"Russia urged the West to hold an honest dialogue in

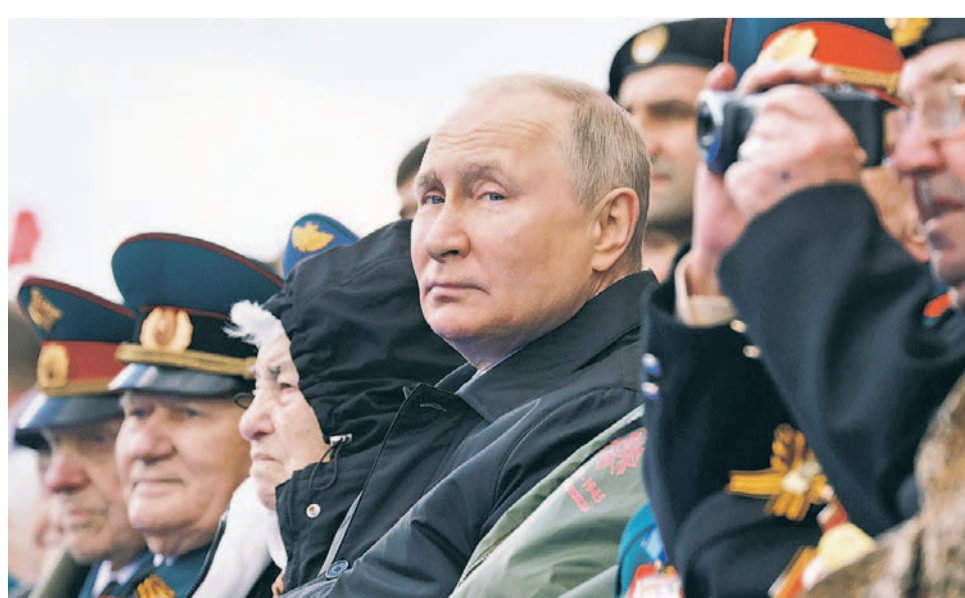
search for meaningful and agreeable solutions, and to take account of each other's interests," Mr. Putin said. "All in vain. NATO countries did not want to heed us, which means they had totally different plans. And we saw it."

The U.S. and NATO have rejected Mr. Putin's demands that the alliance halt expansion and bar Kyiv entry, saying they firmly support the alliance's open-door policy. Before the war, the U.S. and its allies had expressed a willingness to continue negotiations with Russia with the goal of improving security.

Monday's parade saw Russia's military strength on display, with the column of mechanized hardware led onto Red Square by Russia's Soviet-era T-34 tanks. More than 10,000 service personnel marched in formation across the open square.

Defense Minister Sergei Shoigu, clad in full dress uniform, saluted the soldiers as he drove past in a black convertible.

—William Mauldin contributed to this article.



Russian President Vladimir Putin attended the Victory Day parade Monday in Moscow's Red Square.

Watch a Video

Scan this code for a video on Putin's speech at Russia's Victory Parade.

THE UKRAINE CRISIS

EU Finds Oil Ban Hard to Deliver

BY LAURENCE NORMAN

European Commission President Ursula von der Leyen failed to reach agreement with Hungary on Monday to secure the country's backing for an oil embargo on Russia, as talks among European Union members over energy sanctions drag on.

Ms. von der Leyen's trip to see Hungarian Prime Minister Viktor Orban came after days of negotiations between Hungary and the commission, the European Union's executive body, over the help Brussels would provide to reboot Hungary's energy system so that it no longer needs Russian oil.

Slovakia, the Czech Republic, Bulgaria and Croatia are also making their acceptance of an oil embargo conditional on assistance from Brussels.

EU officials and diplomats say they remain confident a deal to phase in a ban on Russian oil will come together.

On Monday, Hungary's foreign minister said his government can't support the EU's oil embargo because it would "destroy our stable energy supply," a government spokesman said.

The commission is prepared to offer Hungary more time to stop importing Russian oil, and guarantees and assistance to ensure Hungary can find energy alternatives.

Last Tuesday, the European Commission proposed that EU member states stop importing Russian crude oil in six months and stop importing refined oil products by year-end. The sanctions need the backing of all 27 member states.

The commission offered Hungary and Slovakia 20 months to stop importing Russian oil. The commission is also offering the Czech Republic two years to wean itself off Russian oil. Bulgaria and Croatia are also both seeking EU assistance or more time.

Red Army Veteran Turns Against Putin

BY JAMES MARSON

VINNYTSIA, Ukraine—Olha Tverdokhlibova is the kind of Ukrainian who Vladimir Putin counted on to side with Russia.

A decorated Red Army veteran who fought the Nazis in World War II, she was indifferent to Ukraine's independence when the Soviet Union broke up in 1991.

But after the Russians invaded in February, she called the Ukrainian enlistment office here and offered her sharpshooting skills.

The recruiter sounded enthusiastic, Ms. Tverdokhlibova recalled, until she revealed her age: 98.

Ms. Tverdokhlibova has long been a familiar face locally and on national TV for her tales of wartime derring-do, when she says she served as a scout behind Nazi German lines and fought her way to Berlin.

Now, she has a new message for her public appearances: that Ukraine's war for survival against the Russians feels like the one the nations fought side by side against the Nazis.

She recorded an appeal to Russian women not to send their sons and husbands to war. She gave a pep talk in a uniform, brimming with medals, to new Ukrainian recruits, telling how she lost her father and brother in World War II but that the Nazis were beaten in the end.

"In 1941 we were defending our motherland, the Soviet Union," she said in an interview. "Now we are defending our homes, our children."

Ms. Tverdokhlibova's loyalty to Ukraine helps explain what many believe Mr. Putin, Russia's president, got so wrong about the country that he calls a "brother nation" unjustly cleaved from Russia.

In a speech Monday at the Moscow military parade marking the Soviet victory in World War II, Mr. Putin compared his war in Ukraine to the fight against the Nazis.

Ms. Tverdokhlibova remembers the Nazis: She fought them. In her view, Mr. Putin is



Olha Tverdokhlibova, a scout behind Nazi German lines, uses her story to galvanize Ukrainians.

the one who broke the spirit of unity between Russia and Ukraine.

"How could we imagine that Putin, Russia would attack us, when we went to Berlin together, when we ate from one mess tin together?" said Ms. Tverdokhlibova, a dainty woman with a mischievous

smile who complains that the war has made her look old.

Ms. Tverdokhlibova first turned up at a recruiting office in 1941. She had traveled from her native Vinnytsia to Leningrad, now called St. Petersburg, for college. After the Germans invaded, she enlisted at the Military Signals Acad-

emy instead.

She was an ideal recruit. The daughter of a Red Army major, she was a star gymnast, member of the Communist youth organization, and had earned the title of Voroshilov Sharpshooter as a skilled marksman.

After a year's training, she

parachuted into Nazi-occupied Poland on her first mission: to locate a German ammunition factory.

She located the suspected plant beneath a hospital, surrounded by barbed wire and frequented by trucks. She confirmed the location after befriending an elderly German guard, she said, who offered candies to the childish girl with two thin pigtails. The Soviets bombed the plant.

A later mission quickly went wrong. Ms. Tverdokhlibova was crossing the front lines with two comrades when they were caught between shelling. The others were killed. Ms. Tverdokhlibova regained consciousness 10 days later in a hospital. Soviet authorities, presuming her dead, had awarded a military decoration posthumously.

Her wartime exploits couldn't be independently confirmed, but were lent veracity by her detailed recollections of events, medals awarded by at least three countries, including Poland, and a smattering of Japanese she picked up during training.

With feet firmly in both Russian and Ukrainian culture, Ms. Tverdokhlibova has been shaken by the current conflict. "I don't know who I am," she said.

But her allegiance to Ukraine was never in question. Officials rebuffed her tongue-in-cheek offer to enlist, so instead she has used her personal story to galvanize Ukrainians, she said. She has also tried to persuade Russians to change course—in vain, she said.

One recent morning, she recalled through tears seeing a 2-year-old on television without any legs after a bombing, then hearing intercepted phone calls from Russian women asking their husbands in the Russian army to steal electrical appliances from Ukrainians.

"If they are as zombified as that idiot," she said, referring to Mr. Putin, "how can I appeal to them?"

—Oksana Grytsenko contributed to this article.

Amazing is running a marathon 3 months after shattering your shoulder.

Dan Levinsohn dreamed of running the NYC Marathon. While training, he was hit by a car, breaking his shoulder in three places. Dan met with Dr. William Levine and his orthopedic team at NewYork-Presbyterian, who operated on his shoulder and designed a physical therapy plan to get him to the marathon. Just months after it seemed impossible, Dan crossed the finish line.

Learn more at nyp.org/orthopedics

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WORLD NEWS

China's Trade Slows as Demand Falters

Sharply lower export growth reflects impact of inflation on foreign consumers

By Jason Douglas

SINGAPORE—China's trade with the rest of the world withered in April under pressure from Covid-19 lockdowns and sagging demand from overseas, signaling the global economy is losing steam as high inflation eats into consumer spending.

The pullback in exports that have helped power China's growth is compounding worries over a world economy already shaken by war in Ukraine and rising interest rates in the U.S. and Europe.

China's exports rose 3.9% from a year earlier in April, data from China's customs bureau showed Monday, tumbling from 14.7% growth a month earlier. That was the weakest increase in nearly two years and matched a median forecast made by economists polled by The Wall Street Journal.

Imports were flat in April from a year earlier, easing from a 0.1% decline in March. That was a better performance than the 3% decline expected by the polled economists.

The data come on the heels of disappointing manufacturing figures from Germany and weakening export growth in South Korea and Taiwan, all of which point to a slowdown in world trade and global manufacturing. The Bank of England last week warned surging energy prices would drive annual inflation in the U.K. to 10% this year, pushing the British economy close to stagnation.

These and other headwinds have put investors, company executives and policy makers on high alert. Some economists fret the U.S. may tip into

recession if the U.S. Federal Reserve squeezes consumer and business spending too much in its battle to wring inflation from the economy.

Europe's prospects are gloomier still, with the 19-nation eurozone at risk of its third recession in two years as household incomes collapse thanks to the rising cost of energy, a consequence of Russia's invasion of Ukraine and Western sanctions in response.

A slowdown in China, the world's second-largest economy after the U.S., represents another big risk, economists say. China accounted for 18% of global gross domestic product in 2021, behind the U.S. at 24% but ahead of the European Union, at 17%, according to HSBC. It accounted for 15% of all global goods exports, according to the World Trade Organization, and in 2020 accounted for 29% of global manufacturing output, according to United Nations data. Shanghai, which has been locked down for more than a month, is the world's busiest container port, according to the World Shipping Council.

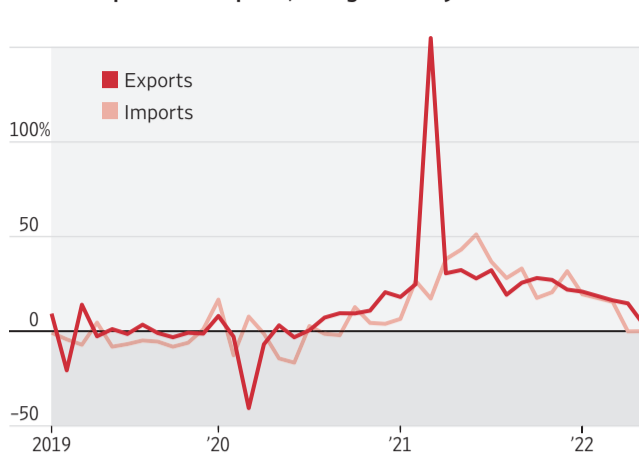
China's weakness "is a massive headwind for global growth," said Rory Green, head of China and Asia research at consulting firm TS Lombard in London.

Compared with March, however, exports fell 0.9% in April, while imports dropped 2.7%, highlighting the pinch on trade as lockdowns reached important cities like Shanghai.

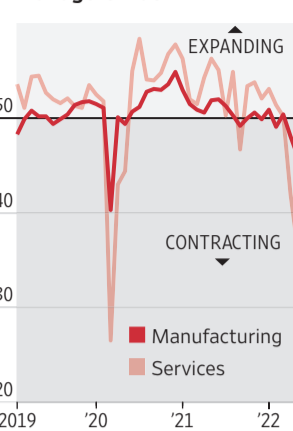
The metropolis of 25 million people has been under heavy restrictions for more than a month as authorities try to bring caseloads down.

Highlighting the global impact, electric-vehicle maker Tesla Inc. shut its factory in the city for three weeks in April, while auto-parts supplier Robert Bosch GmbH and chemicals

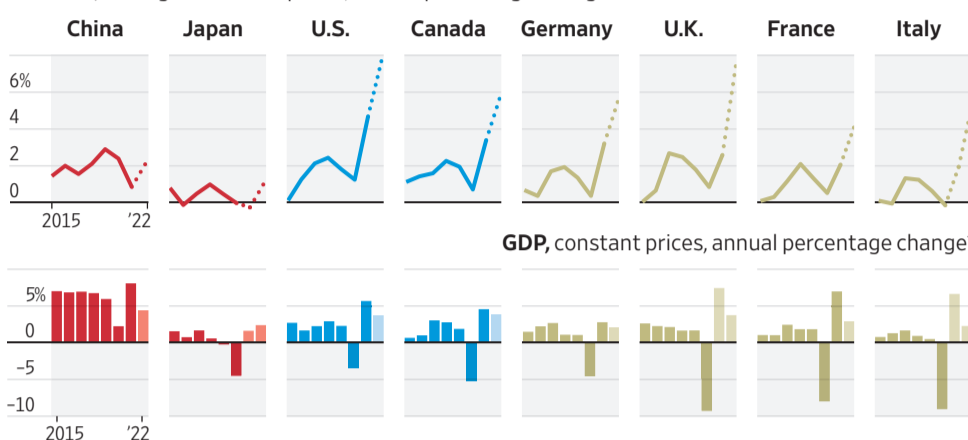
China's imports and exports, change from a year earlier



China purchasing managers index



Inflation, average consumer prices, annual percentage change¹



¹2022 are estimates except Italy, Japan and U.K. (2021 is also an estimate) ²2022 are estimates except Italy and Japan (2021 is also an estimate) Sources: Wind (imports, exports); Caixin Insight Group (PMI); International Monetary Fund (GDP, inflation)

producer BASF SE reported difficulties sourcing components due to trucking shortages and supplier closures.

It isn't just Shanghai that has been affected by Beijing's zero-tolerance approach to the virus, with dozens of cities experiencing some degree of restriction on economic activity and daily life.

Guangdong Yinrun Industry Co., which makes and sells sports bottles and toys at home and abroad, was able to keep its plants in Shantou in southern China's Guangdong prov-

ince running in April despite Covid-19 outbreaks in nearby cities like Guangzhou and Shenzhen, said Cai Yongyong, a sales manager at the company.

But output was hit by transportation delays and production suspensions at key suppliers in China's eastern Zhejiang province, she said.

"Some goods can't be produced because of a lack of parts," she said.

Monday's data adds to a string of downbeat reports on China's economy. Surveys of managers in the services and

manufacturing sectors pointed to a sharp slowdown last month.

In a survey of 121 of its members conducted in late April and early May that was published Monday, the American Chamber of Commerce in China said more than half have delayed or reduced investment in China in response to the latest Covid-19 outbreaks and 58% expect revenue this year to be weaker than forecast.

Almost 60% of those surveyed said they are still not operating at full capacity, citing

staffing shortages and logistical difficulties.

Some economists say official data underplays the extent of China's trade slowdown. Adjusting for inflation and seasonal effects, economists at consulting firm Capital Economics estimate Chinese export volumes were down 3.3% in April, while imports slipped 4.9%.

Julian Evans-Pritchard, senior China economist at Capital Economics, said in a note to clients he is doubtful exports will recover much even if virus-related restrictions ease. He said demand for consumer goods will continue to drop as consumers tilt spending back toward eating out, vacations and other services, while high inflation and rising interest rates in the U.S. and other key markets will weigh on household incomes.

On Monday, China's central bank said it would step up support to the economy while holding off from flooding it with excessive liquidity. The People's Bank of China said it would divert liquidity toward weaker parts of the economy as well as companies that have been hit hard by the pandemic. It also said it would carry out interest-rate reforms to guide financing costs down for businesses.

Rene Ruan, a manager at New Tec Integration Xiamen Co., which sells folding chairs and tables to other parts of Asia and Europe, said she is cautious about the outlook after a spell of quick expansion after the initial pandemic shock in 2020. She said orders started to slow in April, adding that she expects sales to dip in the second half of the year as the global recovery wanes.

"It's pretty hard to keep the fast growth forever," Ms. Ruan said.

—Grace Zhu in Beijing contributed to this article.



A delivery worker in Shanghai on Monday looked over barriers in a residential area in which greater Covid-19 restrictions had been imposed.

Shanghai Steps Up Its Lockdown

By Cao Li

HONG KONG—After six weeks of strict lockdown, Shanghai authorities are again tightening Covid-19 restrictions amid a renewed push by central-government officials to eradicate the virus, sparking a new wave of frustration in the coastal city of 25 million people.

Though Shanghai officials haven't formally announced any new citywide measures, residential communities and grass-roots authorities have expanded the scope of people being taken into centralized quarantine while cutting off deliveries of nonessentials to swaths of the city, according to half a dozen Shanghai residents who have received no-

tices and shared them with The Wall Street Journal.

On Sunday and Monday, many residents received written statements and messages from neighborhood committees that manage residential communities announcing a "quiet period," effective immediately and lasting between three and seven days, depending on the neighborhood, during which most deliveries would be halted and residents would be barred from stepping outside.

The abrupt halt in deliveries is a blow to the city's homebound residents, tens of millions of whom have relied on deliveries as a lifeline during the extended lockdown. One residential community in Shanghai's Xuhui district

halted the distribution of medicine to residents during its three-day quiet period, according to a notice seen by the Journal. Authorities at another community in Huangpu district asked residents to inform them if they had any essential medicine deliveries so that they could make alternate arrangements, according to the notice, which was seen by the Journal.

Separately, Shanghai residents over the weekend began sharing their experiences of having been forced into temporary isolation facilities or hotels after their neighbors tested positive for Covid-19. A hashtag on China's Twitter-like social-media platform Weibo reading: "If one person tests positive, the whole building isolates,"

has garnered more than five million views since Saturday.

Some said their apartment units were either next to, above or below the apartment of someone who had tested positive for Covid-19. Some said they live on the same floor and some in the same building. Two Shanghai residents said they knew people who had been taken away to quarantine after a neighbor had tested positive. The Journal couldn't independently verify those claims.

The Shanghai government didn't respond to a request for comment.

The tightened measures come as daily Covid-19 cases in the city have dropped after six weeks of severe restrictions on people's movement.

Prime Minister Quits in Sri Lanka

By Philip Wen

Sri Lankan Prime Minister Mahinda Rajapaksa resigned after months of mass protests against his government's handling of an economic crisis that has led to double-digit inflation, rolling blackouts and acute shortages in fuel and medicines.

The war in Ukraine and the pandemic have heaped pressure on one of the world's most vulnerable economies. Rising commodity prices and the loss of tourism revenue have proven too much to bear for a country that was already hobbled financially from high levels of foreign debt and sweeping tax cuts that decimated revenues.

The result has been the country's worst economic crisis since it gained independence in 1948, prompting protesters to call on President Gotabaya Rajapaksa to step down. The resignation on Monday of Mahinda Rajapaksa, his older brother and a former president, deals a blow to a family that has held a tight grip on politics over much of the past two decades.

"The president can't survive also, the people are looking for change," said Eran Wickramaratne, a senior opposition figure who attended Monday's protests with opposition leader Sajith Premadasa. He said the pair were threatened by pro-government protesters before they hastily retreated in a car.

Both Rajapaksa brothers once had wide appeal among Sri Lanka's Sinhalese majority for ending a decadeslong civil war against insurgents from the ethnic Tamil minority. Gotabaya served as defense secretary when his brother was president, overseeing the bru-

tal end of the war.

Last month, Sri Lanka suspended foreign debt repayments as it sought to conserve dwindling foreign reserves for fuel and food imports. The government said it has approached the International Monetary Fund for emergency financial assistance.

The IMF has pointed to high debt levels in emerging markets as a sign many economies would be vulnerable as central banks in advanced economies begin raising rates to tame inflation. Average government debts in emerging markets had reached 64% of GDP at the end of 2021, up almost 10 percentage points since 2019, the IMF said in February.

Sri Lanka carried approximately \$35 billion in foreign debt outstanding as of the end of 2021, roughly half of which are owed to international sovereign bondholders, according to central-bank data. It also owes about \$20 billion to other nations who have extended Sri Lanka lines of credit, such as India and China, as well as lending institutions like the IMF and Asian Development Bank.

The pandemic and Ukraine conflict played a role in Sri Lanka's crisis, but economists and investors say most of its financial troubles were set in motion long ago.

"Sri Lanka has been a ticking time bomb, given its high levels of foreign public debt, and the latest surge in inflation simply was the tipping point," said Edwin Gutierrez, head of emerging-market sovereign debt at Abridn PLC, a global asset management firm based in Edinburgh.

South Korea Leader Gives Offer to North

By Dasl Yoon

SEOUL—South Korea's new president said he would keep the door open for dialogue with North Korea and provide support for its fragile economy if Pyongyang drops its development of nuclear weapons.

Speaking at his inauguration ceremony on Tuesday, Yoon Suk-yeol, a former prosecutor and newcomer to politics, sought to balance a tough stance against North Korea with the prospect of a breakthrough in the nuclear standoff with the North Korean regime.

"If North Korea suspends nuclear development and shifts to substantial denuclearization, I will work cooperatively with

international society and prepare a bold plan to radically improve North Korea's economy and the lives of the North Korean people," he said.

Mr. Yoon begins his presidency facing an array of diplomatic challenges, including North Korea's nuclear threat and strained ties with neighboring China and Japan. He takes office for a single five-year term as the leader of the world's 10th largest economy.

Later this month, President Biden will visit South Korea for talks with Mr. Yoon. The North Korean issue will be at the "front and center" of discussions, White House spokeswoman Jen Psaki said Monday. During his campaign, Mr.

Yoon emphasized military deterrence against North Korea in close alignment with the U.S., a departure from his predecessor Moon Jae-in, who gave priority to dialogue and diplomatic engagement with Pyongyang, and held three summit meetings with North Korean leader Kim Jong Un.

Inter-Korean tensions have been rising again this year, however, after North Korea conducted more than a dozen missile tests, including an intercontinental ballistic missile launch in March and a submarine-launched ballistic missile test over the weekend.

During a recent military parade, Mr. Kim vowed to accelerate North Korea's nuclear

weapons development. American and South Korean government officials say North Korea appears to be making preparations for its seventh nuclear test as early as this month.

Under previous South Korean presidents, the North has shown little interest in offers of economic help in exchange for denuclearization, and Pyongyang has rebuffed repeated overtures for talks from South Korea and the U.S.

Mr. Yoon has also said more field training between the U.S. and South Korea to bolster deterrence is needed after many major exercises were replaced with computer simulations since 2018 to try to coax the North into diplomacy.



Security forces carry away an injured antigovernment protester near the prime minister's house in Sri Lanka's capital Colombo.

WORLD WATCH

HAITI

Turkish Citizens Kidnapped From Bus

Eight Turkish citizens were kidnapped in Haiti's capital, an official said Monday, apparently the latest in a string of high-profile kidnappings by powerful gangs.

Hugues Josue, Turkey's honorary consul in Haiti, said the group had boarded a bus in the neighboring Dominican Republic and were kidnapped late Sunday afternoon in the Croix-des-Bouquets neighborhood of Port-au-Prince. Mr. Josue said he didn't have any details on a potential ransom request.

Croix-des-Bouquets is controlled by the 400 Mawozo gang, which kidnapped 17 members of a U.S.-based missionary group in the same area in October. The gang demanded \$1 million in ransom and held most of them until December.

—Associated Press

NORTHERN IRELAND

Unionist Party Balks At New Government

Northern Ireland's largest unionist party, which lost last week's local elections, refused Monday to return to a power-sharing government saying it won't do so until its demands over post-Brexit customs arrangements are met.

Democratic Unionist Party leader Jeffrey Donaldson was among political leaders that met with Britain's Northern Ireland Secretary Brandon Lewis, who urged them to resurrect a paralyzed Northern Irish government.

The talks came after nationalist party Sinn Féin, which seeks union with Ireland, scored a historic victory in last week's Northern Ireland Assembly elections. Sinn Féin overtook the rival DUP to become the first Irish

nationalist party to top the voting in Northern Ireland's history.

Sinn Féin has the right to the position of Northern Ireland's first minister, but a functioning executive cannot be formed unless the DUP, as the largest unionist party, agrees to take the role of deputy minister under mandatory power-sharing rules.

—Associated Press

LEBANON

Pope Postpones Visit For Health Reasons

Pope Francis postponed a planned visit to Lebanon next month because of health reasons, a Lebanese cabinet minister said Monday.

Minister of Tourism Walid Nassar didn't specify the ailment, but the pope is known to be suffering acute knee pain that has greatly curtailed his mobility in recent months. He has recently appeared in public using a wheelchair.

The visit, planned for mid-June, was announced by the Lebanese president's office last month but was never confirmed by the Vatican.

—Associated Press

UNITED KINGDOM

Queen Won't Attend Parliament Opening

Queen Elizabeth II will not attend the opening of Parliament on Tuesday amid ongoing mobility issues. Buckingham Palace said that the decision was made in consultation with her doctors and that she had "reluctantly" decided not to attend. It will mark only the third time during her reign the queen, 96 years old, hasn't opened Parliament. She missed the opening in 1959 and 1963 when she was pregnant.

—Associated Press



ECUADOR PRISON RIOT: An inmate was loaded into an ambulance Monday after a clash between rival gangs at a prison in Santo Domingo de los Tschilas left 43 inmates dead, officials said.

Apple Lets China Staff Take Lead

Continued from Page One
floors, the people said. Apple has used iPads to communicate and augmented-reality tools to help technical experts in Cupertino check factory issues, one of the people said.

Most Apple products are made at plants scattered across China by manufacturers such as Foxconn Technology Group and Pegatron Corp.

Key decisions and core tasks such as product design still remain centered in Cupertino, the people said. And some engineers have managed to visit China, if only a fraction of previous numbers, one of the people said.

Apple didn't respond to requests for comment.

Last month, Apple cautioned that the resurgence of

Covid-19 in China threatens to reduce sales by as much as \$8 billion in the current quarter. With many suppliers based in and around Shanghai—the city has been under lockdown for more than a month and nearby areas also face stringent Covid-control measures and logistical snarls—Apple's supply chain in China has been disrupted for weeks.

China continues to limit visas for foreigners and require weeks in quarantine at government facilities for those who do make it in. That has deterred many companies from sending as many employees into the country as they used to, either for business travel or for longer employment stints.

In a survey released Monday by the American Chamber of Commerce in China, 74% of members that responded said the nation's stringent Covid-19 policies had affected their ability to attract or retain skilled foreign staff. A third also said senior executives or essential foreign talent had declined China assignments because of

the latest outbreak there.

The difficulty in bringing in employees, often still needed for specific technical expertise, may also have another effect, industry veterans say—driving Western businesses that are considering investing in new projects or production lines to look for places that are easier for executives or employees to access.

Still, a localization policy is notable for Apple, known for centralized decision-making. Other manufacturers taking steps to localize more jobs include Volkswagen AG, the biggest foreign auto maker in China.

VW plans a 30% cut in China-based expat employees over the next two to three years, to around 1,000, its China CEO, Stephan Wöllenstein, said in January. The car maker still relies on expat expertise to bring in new technologies or to get factories up and running, he said, but China's travel restrictions mean not so many are eager to come these days, he said.

A late April survey of al-

lowed by Scandinavia—the company's ZYN nicotine-pouch brand dominates a market that includes rival offerings from Altria Group Inc. and British American Tobacco PLC, according to Swedish Match's website. The U.S. Food and Drug Administration in 2019 authorized Swedish Match to market its General Snus smokeless-tobacco products as presenting a lower risk of mouth cancer, heart disease and lung cancer than cigarettes.

Swedish Match posted double-digit sales growth last year, led by its smoke-free division in the U.S., where ZYN is its fastest-growing product.

Philip Morris International traces its history to 2008, when Altria decided to split off its in-

ternational tobacco business from Philip Morris USA, providing investors direct access to the faster-growing foreign operations. Philip Morris International sells Marlboro cigarettes outside the U.S. as well as brands including Chesterfield, L&M, Lark and Philip Morris, and is one of the world's biggest tobacco companies.

Cigarette sales have been declining almost unabated for years because of the health hazards and the stigma attached to smoking. That is pushing PMI and its rivals to seek new revenue sources by investing billions of dollars into e-cigarettes, heated-tobacco devices and other products the companies say are less harmful and can be used

more discreetly.

Demand in the U.S. is growing for next-generation tobacco alternatives. Vaping-product sales in U.S. stores tracked by Nielsen increased 11% in the 52

Declining cigarette sales push tobacco firms to seek new revenue sources.

weeks ended April 23 compared with the previous year, according to Goldman Sachs analyst Bonnie Herzog. The U.S. vaping market is led by Juul Labs Inc. and Reynolds American Inc., a

subsidiary of British American Tobacco.

Meanwhile, "modern-oral" products such as nicotine pouches and lozenges are driving growth in the oral-tobacco category, which includes traditional chewing tobacco and moist snuff. Sales of Altria's On! nicotine pouches increased 122% over the same period and Reynolds's Velo pouches and lozenges were up 47%.

Philip Morris aims to generate more than 50% of net revenue from smoke-free products by 2025. Last year its smoke-free portfolio, led by the company's IQOS devices that heat rather than burn tobacco, accounted for about 29% of net revenue, or \$31.4 billion.

The company generates rev-

enue through international sales of its cigarettes, e-cigarettes, heated-tobacco products and nicotine pouches. Nicotine pouches are small packets containing nicotine and flavorings, without any tobacco, that are placed between the lip and gum.

Swedish Match's other U.S. smokeless-tobacco brands include Longhorn, a type of moist snuff brand, and America's Best Chew, a chewing-tobacco product.

Swedish Match's share of the nicotine-pouch market in the U.S. fell to 64% last year from almost 75% in 2020, suggesting competition is making inroads.

—Jennifer Maloney contributed to this article.

WORLD NEWS



Voters wait outside a Manila polling station on Monday in presidential elections that heavily favor Ferdinand Marcos Jr.

Son of Ex-Philippines Dictator Marcos Headed for Presidency

Ferdinand Marcos Jr., the son and namesake of the Philippines' late dictator, appeared certain to win the country's presidential election, completing the stunning comeback of a powerful political dynasty more than three and a half decades after his father's regime was overthrown in a popular uprising.

Results from the Philip-

By Feliz Solomon in Singapore and Bella Perez-Rubio in Manila

ippines's election commission, aggregated by local broadcaster GMA News, showed that Mr. Marcos had secured 30.5 million of about 67 million potential votes by the early hours of Tuesday local time, more than double that of his closest challenger, departing Vice President Maria Leonor Robredo, who had 14.5 million votes. With nearly 96% of votes counted, Mr. Marcos was headed for one of the biggest electoral victories in the nation's history.

The results from the election commission are considered preliminary until confirmed by lawmakers in late May.

Mr. Marcos, 64 years old, will succeed President Rodrigo Duterte, a populist who steered the U.S. ally closer to China and oversaw a brutal war on drugs that left thousands dead. Mr. Duterte's daughter, Sara Duterte-Carpio, secured the vice presidency alongside Mr. Marcos. Their jobs are elected separately in the Philippines, but the candidates endorsed each other as running mates.

The new leader will inherit a delicate diplomatic balancing act, as the Southeast Asian archipelago has a strong strategic relationship with the U.S. and deep economic ties with neighboring China. Manila drew closer to Beijing under Mr. Duterte despite the countries' opposing territorial claims in the South China Sea. Mr. Marcos has given little indication of how he plans to navigate these relationships.

In a 2016 speech, Mr. Marcos expressed distrust of Washington and said it was prescient of Mr. Duterte to seek closer ties with China and Russia. "I think we are moving in the right direction," he said. "But don't make the mistake of counting America out."

Mr. Marcos's expected victory caps a decadeslong effort to return his family to the height of national politics and cleanse their name. Critics say the Marcoses sought to whitewash the country's authoritarian past by promoting a narrative that the late Mr. Marcos, who was elected president twice before declaring martial law and extending his rule for an additional 14 years, was a visionary leader who heralded a golden age of development and prosperity.

Government investigators say the Marcoses and crony associates stole between \$5 billion and \$10 billion from state coffers. Human-rights groups say thousands of suspected dissidents were killed and many more were arrested and tortured under martial law. In 1983, opposition leader Benigno Aquino Jr. was assassinated, precipitating the People Power Revolution that overthrew the Marcos regime in 1986 and forced the family into exile in Hawaii.

The elder Mr. Marcos died in Honolulu in 1989. His wife, Imelda Marcos, was allowed to return to the Philippines with her children in the early 1990s,

where she was to face criminal charges. In the decades since, three generations of Marcoses restored the family's place in politics by serving in various roles, mainly in their home province of Ilocos Norte, where they remain popular.

Mrs. Marcos was ultimately convicted of graft in 2018 but remains free on bail as she appeals the verdict. The younger Mr. Marcos was convicted of tax evasion in 1995 but never served time in prison because his sentence was reduced to fines by an appeals court. He has denied having knowledge of or benefiting from ill-gotten wealth and hasn't acknowledged allegations of human-rights abuses under his father's regime.

Mr. Marcos's success in Monday's election drew heavily on nostalgia for his father's rule, which many Filipinos associate with massive infrastructure spending. According to the International Monetary Fund, the country's debt ballooned from about \$2.5 billion in the early 1970s, when the late Mr. Marcos declared martial law, to about \$26 billion in the mid-1980s, when he was overthrown.

FROM PAGE ONE



Apple has used iPads to remotely follow plant activity in China.

most 400 members of the European Union Chamber of Commerce in China, released last week, found that over the coming year 65% plan to localize midlevel staff, 62% senior staff and 60% junior staff.

In a survey by the German Chamber of Commerce in China released in January, 30% of members who responded said their China-based subsidiaries' decision-making has increased over the past two years. Eight percent said that power has decreased.

adding that companies are dealing with other, more significant risks, such as China's requirements that they disclose information to authorities when shipping data overseas.

Apple used to book 50 business-class seats daily between San Francisco and Shanghai, according to posters from United Airlines Holdings Inc. that circulated on Twitter in 2019 and were confirmed by the carrier at the time. The route accounted for \$35 million of United's annual revenue.

But after Covid-19 broke out in early 2020, Apple gave up sending in battalions of engineers. That year's new iPhone models came out a month to two months later than usual.

To cope, Apple adopted technology to remotely manage manufacturing processes, people familiar with the matter said. In 2020, Apple's U.S. engineering team used video calls to guide Chinese colleagues through iPhone-prototype assembly at factories in Asia, The Wall Street Journal has reported.

PMI Is in Talks to Buy Rival

Continued from Page One
With a typical premium, it could be valued at \$15 billion, or more. Philip Morris has a market value of about \$155 billion. Shares in Philip Morris closed up less than 1% on a day when the markets swooned. U.S.-listed shares of Swedish Match jumped about 20%, trading in Stockholm was closed.

In the U.S.—Swedish Match's largest market, fol-

lowed by Scandinavia—the company's ZYN nicotine-pouch brand dominates a market that includes rival offerings from Altria Group Inc. and British American Tobacco PLC, according to Swedish Match's website. The U.S. Food and Drug Administration in 2019 authorized Swedish Match to market its General Snus smokeless-tobacco products as presenting a lower risk of mouth cancer, heart disease and lung cancer than cigarettes.

Swedish Match posted double-digit sales growth last year, led by its smoke-free division in the U.S., where ZYN is its fastest-growing product.

Philip Morris International traces its history to 2008, when Altria decided to split off its in-

ternational tobacco business from Philip Morris USA, providing investors direct access to the faster-growing foreign operations. Philip Morris International sells Marlboro cigarettes outside the U.S. as well as brands including Chesterfield, L&M, Lark and Philip Morris, and is one of the world's biggest tobacco companies.

Cigarette sales have been declining almost unabated for years because of the health hazards and the stigma attached to smoking. That is pushing PMI and its rivals to seek new revenue sources by investing billions of dollars into e-cigarettes, heated-tobacco devices and other products the companies say are less harmful and can be used

more discreetly.

Demand in the U.S. is growing for next-generation tobacco alternatives. Vaping-product sales in U.S. stores tracked by Nielsen increased 11% in the 52

Declining cigarette sales push tobacco firms to seek new revenue sources.

weeks ended April 23 compared with the previous year, according to Goldman Sachs analyst Bonnie Herzog. The U.S. vaping market is led by Juul Labs Inc. and Reynolds American Inc., a

subsidiary of British American Tobacco.

Meanwhile, "modern-oral" products such as nicotine pouches and lozenges are driving growth in the oral-tobacco category, which includes traditional chewing tobacco and moist snuff. Sales of Altria's On! nicotine pouches increased 122% over the same period and Reynolds's Velo pouches and lozenges were up 47%.

Philip Morris aims to generate more than 50% of net revenue from smoke-free products by 2025. Last year its smoke-free portfolio, led by the company's IQOS devices that heat rather than burn tobacco, accounted for about 29% of net revenue, or \$31.4 billion.

The company generates rev-

enue through international sales of its cigarettes, e-cigarettes, heated-tobacco products and nicotine pouches. Nicotine pouches are small packets containing nicotine and flavorings, without any tobacco, that are placed between the lip and gum.

Swedish Match's other U.S. smokeless-tobacco brands include Longhorn, a type of moist snuff brand, and America's Best Chew, a chewing-tobacco product.

Swedish Match's share of the nicotine-pouch market in the U.S. fell to 64% last year from almost 75% in 2020, suggesting competition is making inroads.

—Jennifer Maloney contributed to this article.



How Cambridge Health Alliance cares for their community



Avail. Items	Quantity	Date
Brown rice	1400 5 lb bags	8/3-5
Almonds	260 48 oz packs	8/7 Dane
Chicken thighs	Tina 119 5 lbs	8/23



is how World Central Kitchen feeds neighborhoods in need. 56

Google Workspace brings together all the tools teams need to connect, create, and collaborate. It's a single, integrated home to the apps more than 3 billion people know and love—Gmail, Calendar, Docs, Drive, Meet, and more. Whether you're going above and beyond for your patients or mobilizing the moment disaster strikes, Google Workspace is **how it's done.**

Learn more at workspace.google.com



FROM PAGE ONE

FROM PAGE ONE

The Chats Of Friends Fed Dossier



Continued from Page One The dossier's author, former British spy Christopher Steele, relied mainly on a Washington researcher to gather information. According to FBI notes of an interview with that researcher, Igor Danchenko, he said he wasn't comfortable with the assignment and some of his sources were old friends—one a former schoolmate—whose information Mr. Steele exaggerated.

It wasn't until last November that prosecutors identified a man they pinpoint as one of Mr. Danchenko's most important sources. Based on an indictment of Mr. Danchenko for lying to the FBI about whom he'd talked to, one of his key sources was none other than Mr. Dolan, the PR executive who tried to reassure a client.

The indictment says Mr. Danchenko relied on "PR Executive-1" for what became a dossier note about upheaval on Mr. Trump's campaign staff. The indictment also suggests that Mr. Danchenko drew on PR Executive-1—since confirmed to be Mr. Dolan—for part of the dossier's most lurid allegation, that Russian agents once secretly videotaped prostitutes cavorting in Mr. Trump's Moscow hotel room.

Mr. Trump has denied that ever happened, and denied other allegations in the dossier as well. Special Counsel Robert Mueller included no evidence of such a hotel episode in the lengthy report of his investigation of Russian election meddling.

Mr. Danchenko has pleaded not guilty to lying to the FBI, and his attorney didn't respond to requests for comment. Mr. Dolan declined to comment, saying through an attorney it would be inappropriate to speak as long as Mr. Danchenko faces charges. Mr. Steele, who has said the dossier was meant as raw intelligence and never intended for public consumption, didn't respond to a request for comment.

How someone like a Washington PR operative could be conflated with a Trump or Kremlin insider goes to the heart of the story behind the dossier. It is one that can be told in greater detail today thanks to particulars of the Danchenko indictment and documents associated with Mr. Dolan's work, as well as to interviews with acquaintances of Mr. Dolan and Mr. Danchenko, which provided the basis for the reporting.

Couched in the language of conspiracy and professional sycrafit, the dossier quickly became the lexicon of opposition to Mr. Trump, and was devoured by a country hungry for information about a Kremlin effort to influence elections that was real. But the dossier was wrong in nearly all its salient details, and the way it was compiled was far more random, haphazard and amateurish than anyone knew.

investigate. One remaining riddle is whether the dossier's misinformation was purely careless or might have included disinformation sown by the Kremlin itself. By spring 2016, Mr. Danchenko and Mr. Dolan moved in the same social and business circles in Washington, where both worked as consultants. As the presidential campaign gathered steam, they and a third friend overseas, Olga Galkina, spent hours trading the sort of gossip and purported inside knowledge that greases the skids of commercial deals and social interactions in political circles.

Mr. Danchenko passed some of this chatter on to his boss, Mr. Steele. In short order, versions of it appeared in the dossier, which Mr. Steele filed in a series of dated memos through the rest of 2016.

Mr. Danchenko told the FBI of other people he also spoke to in gathering information for Mr. Steele. Many of his details, however, came through this route, the Journal's review shows. What brought Mr. Danchenko, Mr. Dolan and Ms. Galkina together was a marketing campaign—funded by the Dolan client whose company was cited in the dossier.

He was Aleksej Gubarev, a Russian internet entrepreneur living in Cyprus, who decided in early 2016 to launch a U.S. marketing campaign to burnish the image of his cloud server company.

A computer-science prodigy from the Siberian city of Ust-Ilimsk, Mr. Gubarev founded his first company at age 24 and a decade later formed a new one, Servers.com, which he hoped would leapfrog competitors with state-of-the-art hardware and a global VPN system.

He hired Ms. Galkina, also Russian-born, as his press secretary and in early 2016 sent her to Washington to seek someone to promote his business in the U.S. In D.C., Ms. Galkina sought help from Mr. Danchenko, with whom she once attended an elite school

was in the country at Kremlin invitation.

Mr. Dolan and Ms. Galkina discussed a marketing campaign for her employer. "I was very impressed with the level of your professionalism and skills," Ms. Galkina emailed Mr. Dolan after she returned to Cyprus. "For me it was like a 3rd grader from the math school to see the professor from MIT."

Mr. Gubarev's company flew Mr. Dolan and two KGlobal colleagues to Cyprus in July 2016 and put them up at the Four Seasons hotel so they could deliver a sales pitch, Mr. Gubarev said. With Mr. Trump clinching the Republican nomination in the U.S., the talk in Cyprus wandered into politics. The Danchenko indictment says Mr. Dolan brought Ms. Galina a book by Mrs. Clinton he inscribed "To my good friend Olga, A Great Democrat."

Mr. Dolan signed a three-month contract to help Servers.com with "message development" and outreach in the U.S. for \$25,000 a month. Mr. Danchenko's work for Mr. Steele, which had mostly involved business intelligence, also took a turn toward politics. Mr. Steele, a former agent in Russia for the British intelligence agency MI-6, asked Mr. Danchenko to work on a new assignment Mr. Steele had accepted: to look for compromising material on Mr. Trump in Russia.

The assignment came from Fusion GPS, a Washington firm that does investigations for private clients. Republicans opposed to Mr. Trump's bid for the GOP nomination initially hired Fusion, but by this time it was employed by Perkins Coie, a law firm representing Mrs. Clinton's primary campaign and the Democratic National Committee.

A lawyer for the firm, which was founded by former Wall Street Journal reporters, didn't respond to a request for comment. Executives of Fusion have said in the past they retained Mr. Steele based on his Moscow experience and blue-chip Russian source network.

Mr. Danchenko, interviewed by the FBI in 2017 after his role became known to investigators, expressed surprise at how specific and conclusive some of the information he gave Mr. Steele looked later in the dossier, according to a report by the Justice Department's inspector general's office. He said some of the dossier's assertions were based on "word of mouth and hearsay" or "conversation that he had with friends over beers," the IG said an FBI agent told it.

Mr. Danchenko also told the FBI that Mr. Steele had told him it was a security risk to take notes, so he kept none, other than "scribbles" or "chicken scratch notes here and there." He said he gave "verbal debriefs" to Mr. Steele, who he said didn't press him on who his sources were.

One of Mr. Danchenko's chats with Mr. Dolan appeared to figure in the dossier's most inflammatory entry. Mr. Dolan was helping to organize a fall 2016 conference in Moscow to drum up foreign investment. While in Moscow in June to lay the groundwork, he stayed at the Ritz-Carlton, a few hundred yards from the Kremlin. He met with the hotel's general manager and got a tour of the hotel, including the presidential suite, according to the indictment of Mr. Danchenko. It says he also met with Mr. Danchenko, who was in town.

Less than a week later, Mr. Steele's first dossier chapter alleged that a "Source D," described as a close associate of Mr. Trump, had said Mr. Trump once hired prostitutes to urinate on the bed when he stayed in the Ritz-Carlton's presidential suite, because former President Barack Obama, whom the dossier said Mr. Trump detested, had stayed there.

The dossier said the Kremlin had video and was holding it as *kompromat*, or compromising material. It said the episode had been confirmed by a senior member of the hotel staff and a female hotel staffer.

Prosecutors noted that the dossier reflected some details Mr. Dolan had learned on the hotel tour, such as that Mr. Trump had stayed at the hotel's presidential suite.

Mr. Danchenko told the FBI he had gotten the prostitute story from a friend. He said that he heard it told in jest and that he described it to Mr. Steele as rumor and specula-



Donald Trump denied the dossier's allegations. He met the press as president-elect a day after its publication.

interference. The Justice Department's inspector general later criticized the FBI for taking the dossier reference at face value.

Mr. Danchenko said he didn't ask Ms. Galkina for her source because he had no reason to doubt her, according to FBI interview notes.

Ms. Galkina couldn't be reached for comment. In a statement filed in a related civil lawsuit in Washington last June, she said she talked to Mr. Danchenko over the years but never gave him permission to disclose their discussions. After the Wall Street Journal revealed her role as a dossier source in October 2020, Russia's state-owned RIA Novosti news agency quoted her as saying that was "not true."

The indictment also states that in August 2016, "PR Executive-1"—Mr. Dolan—told Mr. Danchenko he'd "had a drink with a GOP friend of mine" who said Paul Manafort was forced out as Mr. Trump's campaign manager after alienating others on the team. The indictment refers to Mr. Manafort as "Campaign Manager-1."

A dossier chapter two days later stated: "Several senior players close to TRUMP had wanted MANAFORT out, primarily to loosen his control on strategy and policy formulation." The dossier attributed this to an "American political figure associated with Donald TRUMP"

Mr. Dolan later told the FBI he hadn't met with any GOP friend but got his information from public news sources, according to the indictment.

As Mr. Dolan prepared for the fall investment conference in Moscow, he was in touch with the chief of the Russian Embassy's economic section in Washington, Mikhail Kalugin. In an Aug. 19 email to Mr. Dolan that is described in the Danchenko indictment, Mr. Kalugin told Mr. Dolan he was returning to Russia and would be replaced.

In a dossier report dated Sept. 14, 2016, which was one day after Mr. Dolan called Mr. Danchenko, according to pros-



Mr. Gubarev said he learned about the report when a friend sent him a link to the BuzzFeed article. Mr. Gubarev said that at first he didn't take it seriously, writing an email to Mr. Dolan with a smiling emotion in the subject line and saying "need to found out who is make this stupid report."

ecutors, Mr. Steele wrote that Mr. Kalugin was being withdrawn at short notice because of his alleged involvement in the Kremlin's election-interference operation and would be replaced.

The Russian embassy in Washington said Mr. Kalugin's departure was part of a regular diplomatic rotation and had "no connection with the alleged election interference operation whatsoever."

In October, Messrs. Dolan and Danchenko flew to Moscow for the investment conference, dubbed "Inside the Kremlin," which featured a prominent Russian legislator, Russian diplomats, a foreign business delegation and a lecture by Mr. Dolan on the U.S. presidential race.

The dossier called its sources Kremlin insiders. Most were far from that.

By October, bits of the dossier were being leaked to reporters and government officials in Washington, where one news article said that Mr. Page's supposed meetings made him a possible back channel to the Kremlin. Mr. Page called this "complete garbage" and denied he met with senior Kremlin officials.

In October, Ms. Galkina gave Mr. Danchenko a new story, he told the FBI—that the Kremlin had reshuffled its channels with the Trump campaign to cover its tracks. She said Mr. Page had been replaced as intermediary by Michael Cohen, then a Trump lawyer, and Mr. Cohen had met with Kremlin officials somewhere in Europe and discussed ways to minimize the appearance of contacts between Trump aides and Russia.

The dossier later cited this supposed meeting in two reports. On Oct. 20, it said: "Speaking to a compatriot and friend on 19 October 2016, a Kremlin insider provided further details of reported clan-

destine meeting / s between Mr. Gubarev was a significant player in this operation after being "recruited under duress by the FSB," the Russian security agency.

Mr. Gubarev denied any connection to Russian hacking or Russian security services. The dossier said another significant player in the hacking was Seva Kapsugovich. The allegation originated with Ms. Galkina, Mr. Danchenko told the FBI, according to its notes of an interview with him. The name didn't appear in a search of Russian names, but a Seva Kapsugovich, spelled with a "T," was a notorious convicted child molester in Perm, the home city of Mr. Danchenko and Ms. Galkina as well as of her former supervisor in Cyprus. Seva Kapsugovich, imprisoned in 2013, couldn't be reached.

As portions of the dossier spread around Washington, it set off alarm bells. At a late-2016 security conference in Halifax, Nova Scotia, a Steele associate approached a senior director of the McCain Institute—named for the late Arizona Sen. John McCain—and said Mr. Steele had a report detailing collusion between Russia and the Trump campaign.

The McCain Institute official, David Kramer, described the approach in a lawsuit deposition in London and said he flew to London and met with Mr. Steele. On his return to Washington, Mr. Kramer met with Glenn Simpson, one of the founders of Fusion GPS, who handed over two paper copies of the Steele memos to deliver to Mr. McCain, according to Mr. Kramer's deposition.

Mr. McCain gave the FBI's then-director James Comey 16 of the dossier's memos, five of which the FBI hadn't previously seen, according to the Justice Department IG.

National security officials debated whether to include the material in the intelligence community's formal assessment of Russian interference in the 2016 election. Central Intelligence Agency officials argued against, describing it as internet rumor. Mr. Comey argued for, saying that while the FBI couldn't vouch for the material, Mr. Steele appeared to be credible.

At Trump Tower in Manhattan, Mr. Comey and other officials briefed the incoming president and his team on the intelligence assessment, mentioning an assertion by Mr. Steele that Russia had files of derogatory information on both 2016 candidates.

Mr. Comey then stayed behind to brief Mr. Trump on the allegations involving prostitutes, telling him the FBI didn't know whether the allegations were true and wasn't investigating them, Mr. Comey later told the inspector general's office.

Mr. Comey suggested tweaking a planned statement from the Director of National Intelligence to cite the dossier and say that intelligence officials hadn't made any judgment about whether it was reliable. "Much of what he reports in the current document is consistent with and corroborative of other reporting," Mr. Comey wrote in an email at the time, according to

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the inspector general's report. The statement wasn't changed. On Jan. 10, 2017, less than two weeks before the presidential inauguration, BuzzFeed News published the full dossier.

Mr. Gubarev said he learned about the report when a friend sent him a link to the BuzzFeed article. Mr. Gubarev said that at first he didn't take it seriously, writing an email to Mr. Dolan with a smiling emotion in the subject line and saying "need to found out who is make this stupid report."

Mr. Dolan told him he thought the report might get traction in public. "It will have some legs with the sex allegations," he wrote.

Mr. Gubarev had declined to renew the publicity campaign for which he hired Mr. Dolan, saying he expected more for the \$75,000 his company spent. But after the dossier's publication, Mr. Gubarev hired Mr. Dolan again, this time to fight off the bad press, as Western banks were moving to cut his credit lines.

Mr. Gubarev said Mr. Dolan told him that Mr. Danchenko likely had compiled the dossier for Mr. Steele.

Good Boy, Now Fetch The Sheep

Continued from Page One work dynamos on farms and ranches across the country. These aren't the preening canines who get shampoo baths, nails trimmed and their fur groomed to a gorgeous sheen for the professional dog shows such as the Westminster Kennel Club Dog Show. In this contest, good looks are actually a drawback.

"Honestly, if I saw a dog that was exceptionally well-groomed or coiffed, I would probably question whether they're really doing their job," said Deron Johnson, chief brand officer of an agricultural marketing firm, who has served as a judge at the competition.

Mr. Gubarev said Mr. Dolan told him that Mr. Danchenko likely had compiled the dossier for Mr. Steele.

Gubarev Sues

Mr. Gubarev sued BuzzFeed and Mr. Steele, lodging defamation claims in Florida and at the High Court in London.

According to a filings in his suit against BuzzFeed, that organization's law firm paid \$4 million to hire Anthony Ferrante, a former director for cyber-incident response for the U.S. National Security Council.

Mr. Ferrante wrote in a May 2018 report that an examination of "technical evidence" suggested Russian cyber espionage groups had used Mr. Gubarev's company "to support malicious spear phishing campaigns against the Democratic Party leadership which resulted" in the theft of Clinton campaign-related emails.

The Mueller investigation didn't link the breach to Mr. Gubarev's companies, saying only that Russian military intelligence leased servers from third-party providers around the world.

Mr. Ferrante didn't respond to requests for comment. BuzzFeed declined to comment.

A judge in Florida ruled against Mr. Gubarev, saying BuzzFeed couldn't be held liable for publishing a document that was the subject of official government conduct. A judge in London said Mr. Steele couldn't be held liable either, as he wasn't involved in the decision to make the dossier public.

Mr. Gubarev said he isn't appealing the rulings because the court process was expensive and giving him "bad karma."

In May 2019, then-Attorney General William Barr assigned Mr. Durham, then U.S. Attorney for Connecticut, to investigate the Justice Department's handling of the dossier and related issues. Just before the 2020 election, Mr. Barr made Mr. Durham a special counsel, ensuring his investigation would continue no matter who won.

Mr. Durham brought the indictment of Mr. Danchenko in early November. A trial is scheduled for October, six years after Mr. Danchenko met Mr. Dolan and reunited with his school pal Ms. Galkina.

Mr. Gubarev said he was shocked that the indictment pointed to Mr. Dolan as an important source for the dossier. He said Mr. Dolan did a good job helping him fight to clear his name. "He is a nice guy, he did his best," Mr. Gubarev said. "Washington is a strange place that I don't understand."

Mr. Gubarev said he resigned from Servers.com in 2018 because he believed his presence there was creating problems with banks worried about the allegation he was tied to election hacking. Lately he has been investing in artificial-intelligence-enabled mobile phone applications from his home in Cyprus.

Mr. Danchenko recently posted a lament on Twitter, without specifying to whom it was addressed: "So... what is it that you wanted to do? You unveiled my identity, ridiculed me, made sure I can't work or travel... as I spend all of my and my family money to the penny... And what's your endgame? (Asking for a friend comment.)



Olga Galkina, a former classmate of Mr. Danchenko in Russia, told him things during their chats that turned up, in some form, in the dossier. She was a press aide to a firm in Cyprus, and to find it a U.S. publicist she went to Washington, where she met Charles Dolan.



Charles Dolan Jr. is a Washington PR executive Ms. Galkina found via her former classmate Mr. Danchenko. Like her, Mr. Dolan had chats with Mr. Danchenko and told him things that later ended up in some form in the dossier memos filed by Mr. Steele.

Linking with Dolan Ms. Hill, who later became a top National Security Council Russia expert—and later still a witness at Mr. Trump's first impeachment hearings—forwarded the email to Mr. Dolan, the PR executive. After Ms. Galkina arrived in Washington, Mr. Danchenko took her shopping and to a restaurant, say FBI notes of a later interview with the researcher.

Mr. Dolan, who goes by Chuck, had spent much of his career in Democratic politics, as a Virginia state chairman in former President Bill Clinton's two presidential campaigns and an adviser on Hillary Clinton's 2008 primary campaign in Iowa and New Hampshire.

By 2016 he was working for KGlobal, a communications firm with Republican ties that was trying to develop its international business.

He hired him in part for his Russia expertise, say former colleagues. In a previous job, Mr. Dolan represented the Kremlin in a publicity push, including organizing meetings between President Vladimir Putin and Western journalists and experts, giving him access to some high Russian officials.

Former colleagues at KGlobal, which didn't respond to requests for comment, said he regaled them with tales of his doings in Russia, such as getting through a police stop by showing a rumor and specula-

tion like at 11 o'clock the night before the deadline, so it probably wasn't very good," said Ms. Crandall, 27.

The next year, she carefully selected photos from a Facebook page she had set up for Flint, and wrote about Flint's proudest moment: the time he single-handedly corralled an entire herd.

A few years earlier, she said in the entry, she and her husband got a call from local police: about 150 of their heifers had gotten out and were trotting through the streets of homes nearby. "We grabbed Flint," she said. "I just pointed at them and told Flint, 'Get 'em.' Flint turned them all around and pushed them back in the pasture."

In January 2020, Flint was named top farm dog. "I know that I'm never going to be able to replace him and there's never going to be another Flint in my life," said Ms. Crandall, wearing a cowboy hat as she nuzzles her dog, in a video made for prize winners. "He has definitely completed me."

The contest isn't for everybody. "My bunch not ready for prime time," said Cathy Williams, a Sebring, Fla., rancher who spoke about her playful dogs, Mia, Blue and Belle on Facebook.

"She's not the friendliest with strangers," Ms. Galley said.

The American Farm Bureau Federation started the Farm Dog of the Year contest in 2018, in partnership with Nestlé Purina PetCare, to help the public connect with life on the farm.

"Farmers, just like all pet owners, love their dogs too," said Jack Scott, a Purina executive who came up with the idea.

In Britain, working sheep dogs have showed their skills in the long-running television show, "One Man and His Dog."

Lots of people got pets during the pandemic, with dogs leading the pack. In 2020, 45% of American households owned a dog compared with 38% in 2016, according to a survey by the American Veterinary Medical Association. Interest in the farm dog competition is rising too, from 80 submissions in 2019 to 101 last year.

Rules were drawn up, including that farmers who enter must write a narrative describing how your dog offers companionship and makes farm work a little lighter. "At his ranch in Flatonia, Texas, Joe Sheeran noticed an ad for the contest on Facebook and figured he and his Australian shepherd, Woody, would give it a shot."

"He and I are pretty much a team," said the 71-year-old Mr. Sheeran, who credits Woody with saving his life in one close scrape.

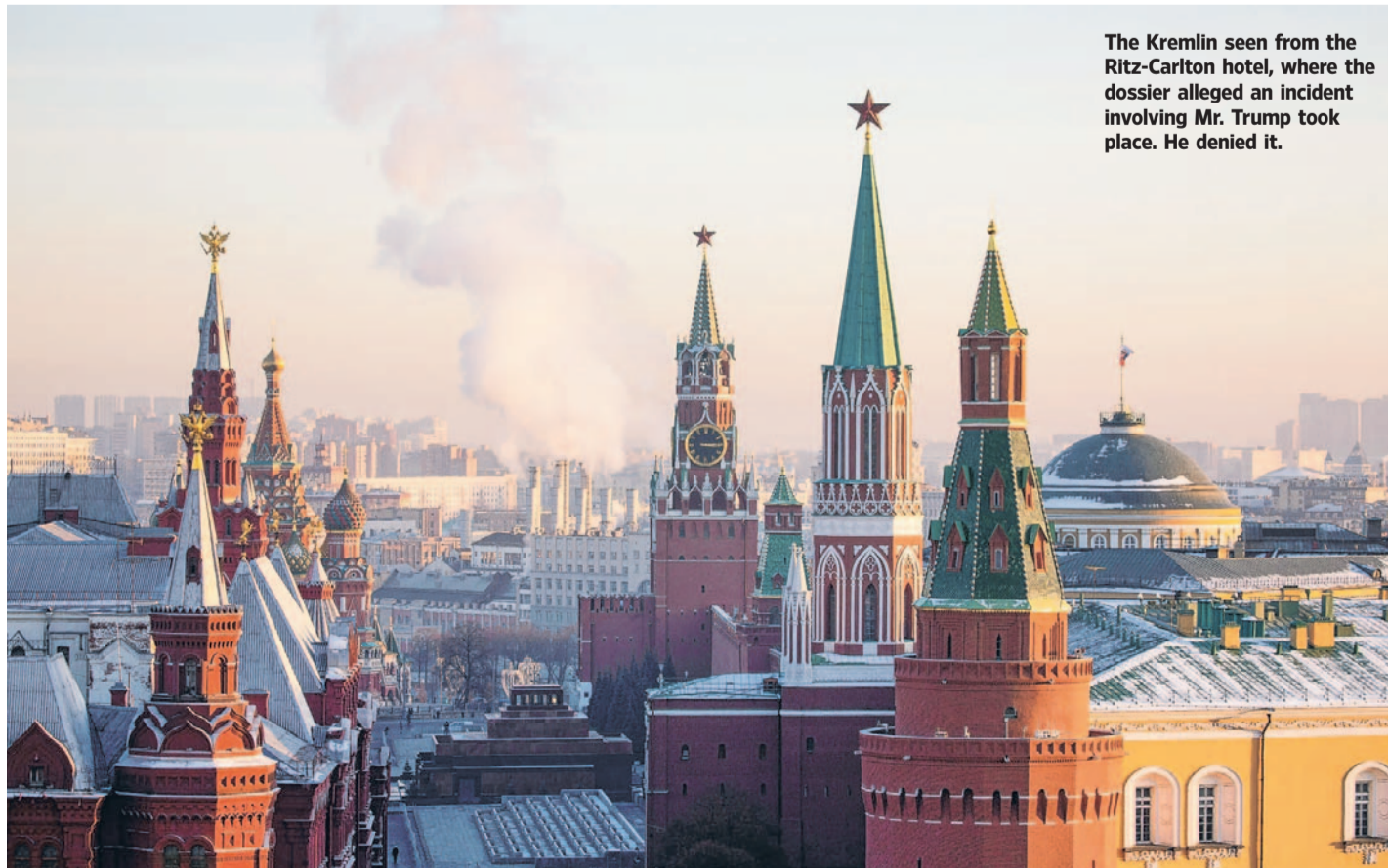
He told the judges how he got attacked by an angry heifer after he tried to rescue her newborn calf from a ditch, and that Woody—then only eight months old—sprang into action. "Woody saw that I was down and got that cow off of me," Mr. Sheeran said. "You know, that's instinct."

Woody was named the first Farm Dog of the Year, beating out nearly 100 nominees. One of the judges that year, Dana Brooks, said the decision wasn't close.

"I'm not gonna lie, I was crying when I read that," Ms. Brooks, president of the Pet Food Institute, said of Woody's submission.

One of the runners-up that year was Flint, an Australian shepherd whose owners, Rhett and Beth Crandall, slapped together an entry at the last-minute extolling the virtues of their ranch dog in Springville, Utah.

"We filled out our applica-



The Kremlin seen from the Ritz-Carlton hotel, where the dossier alleged an incident involving Mr. Trump took place. He denied it.



Fit, a Florida border collie, is the reigning Farm Dog of the Year.

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By ANNE TERGESEN

Many new graduates are holding out hope they might not have to repay all of their student loans. But graduating without a plan to tackle your college debt can cause problems down the road.

Federal student-loan payments are suspended through Aug. 31, with some betting the Biden administration will extend the payment pause until after the November midterm election. Government leaders, including President Biden, have discussed forgiving about \$10,000 in student debt for some borrowers.

While it might be tempting to wait to see what happens, there are benefits to getting organized now. For one thing, with about \$30,000 in student loans at graduation, the average borrower is unlikely to see his or her entire balance eliminated.

Figuring out the best way to pay off your loans can be complicated. Borrowers have about a dozen repayment plans to choose from, and should consider factors including their likely profession, what they can afford to pay, and how their incomes might change over time. They should also weigh competing financial goals, including some that might seem far in the future, such as the need to save for retirement.

"It's important to figure out a repayment strategy and it's not too early to think about it," said Betsy Mayotte, president of the nonprofit Institute of Student Loan Advisors, which helps borrowers

5 Steps to Take To Move Past College Debt

with college debt.

Your approach can evolve over time. "Get in the habit of re-evaluating your strategy every year," Ms. Mayotte said.

Here are five steps graduates should take:

1 Update your contact information

Make sure your contact information is up-to-date on your loan servicer's website and on your profile at the U.S. Department of Education's studentaid.gov.

That will enable you to receive the notices loan-servicing companies must send before payments resume.

"This is a time when the rules are changing. It's really important to pay attention," said Heather Jarvis, a lawyer who teaches financial professionals about student loans.

2 Make a list of your loans

Compile a list of your loans, including the loan type, principal amount and interest rate.

There are two basic types of student loans: federal loans, which comprise more than 90% of total student debt, and private loans underwritten by financial firms. To

find your federal loans, log into your account at studentaid.gov. Private loans should be on your credit report at AnnualCreditReport.com.

With federal loans, borrowers can choose from nearly a dozen repayment options, each with a different monthly payment and terms that range from 10 to 30 years. The longer the term, the lower the monthly payment generally is, but borrowers are likely to pay more interest in total. Some options come with the possibility of debt forgiveness.

Because interest rates on federal loans are now zero, call your loan servicer to find out what the rates will be when payments resume.

Payments on federal loans typically start six months after graduation. Some private lenders may require payments to start immediately.

The federal loan-payment suspension is an opportunity for people with private loans to pay those down more aggressively, Ms. Jarvis said.

Borrowers considering refinancing federal loans into private loans should be aware that they will lose benefits, including the flexibility to qualify for partial loan forgiveness

and to suspend payments for reasons including a layoff.

3 Plug your information into a repayment calculator

To see what monthly and total payments would be under the various federal loan-repayment options, borrowers can enter their loan information into the Education Department's online loan simulator.

The default option requires borrowers to make fixed monthly payments for up to 10 years. In comparison with other plans, this typically means paying higher monthly amounts but less in interest over the life of the loan.



Figuring out the best way to pay off your student loans can be complicated.

An income-driven repayment plan might be best for some borrowers. These plans set federal-loan repayments at 10% to 20% of a borrower's annual discretionary income, an amount determined by factors including the borrower's in-

come and family size. Using these plans, a borrower can free up cash for other long-term financial goals, such as repaying private loans.

Income-driven plans also offer the possibility of loan forgiveness after 10 to 25 years of repayments, depending on the plan and the borrower's profession.

Borrowers who can benefit most from an income-driven plan generally have debt in excess of their income, a threshold at which they might eventually see some of their loan balances forgiven, said Mark Kantrowitz, a student-loan expert.

Income-based repayment options are generally more attractive than graduated and extended plans, Ms. Jarvis said.

Graduated plans start with lower payments that increase every two years over 10 to 25 years, depending on the balance. Extended plans lower monthly payments by allowing up to 25 years for repayment. These can make sense for someone with a relatively high income who lives in an expensive city, Ms. Mayotte said.

4 Check whether federal loan-forgiveness programs make sense for you

Borrowers with federal loans who use income-driven repayment plans might be able to have some of their debt forgiven.

Under the federal government's Public Service Loan Forgiveness program, which was recently streamlined to make it easier to qualify, teachers, doctors, nurses and others who work full-time for 10 years for certain types of nonprofits or government are eligible to have their remaining balances forgiven tax-free after 10 years of qualifying payments.

Those not in public-service jobs must typically repay their loans for 20 years or 25 years and owe income tax on any debt that is canceled. Federal tax has been waived for those who qualify for debt forgiveness from Jan. 1, 2021, through Dec. 31, 2025, and Mr. Biden has proposed making that permanent, Mr. Kantrowitz said.

5 Balance your student loans with other financial goals

If payments under a 10-year plan leave too little money to cover other bills or to start saving for retirement, consider an income-driven repayment plan.

Use the cash you free up to build an emergency fund and contribute enough to your employer's 401(k) plan to get the full matching contribution.

"That's free money and it's hard to beat," Mr. Kantrowitz said.

The more you contribute to a traditional 401(k) plan, the lower your taxable income will be, which can help reduce income-driven student-loan payments the next year.

Then pay down any debt you owe that charges a higher interest rate than your student loans. As you get on firmer financial footing, you can extinguish your student loans faster by voluntarily paying more, although if you're on track for loan forgiveness, doing so would result in less debt being wiped away.

Teens Fill Big Gaps In a Hot Job Market

By KATHRYN DILL

Teenagers are coming to the rescue of business owners struggling to find enough workers in one of the hottest job markets in decades.

Teens are now working in greater numbers than they have since before the 2008-09 financial crisis, when summer and part-time jobs were a more common rite of passage into adulthood, government statistics show. They have become particularly essential in the retail, tourism and hospitality industries, which many adults left behind during the pandemic.

Unemployment among 16- to 19-year-old workers was at 10.2% in April, shy of the 68-year low of 9.6% it touched last May, according to figures released by the Bureau of Labor Statistics on Friday. Overall, about a third of U.S. teens in that age group are now working, the federal data show.

Many business owners say finding teen hires can be difficult. They are scouting teen job fairs, making schedules more flexible and increasing training to accommodate and entice youthful recruits.

For teens, the current conditions are shaping up to create one of the best summer job markets in years, complete with more options and, in many cases, better pay.

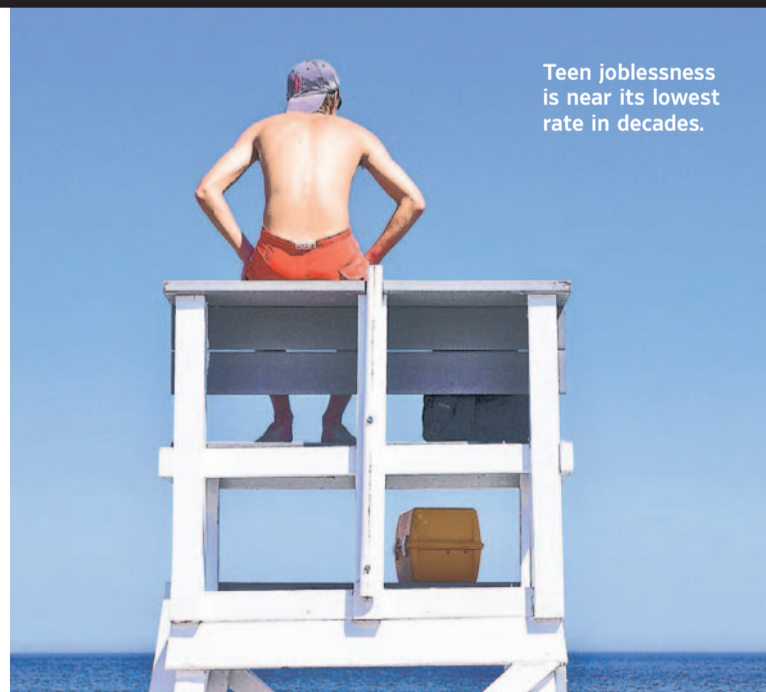
Makayla McDonald, a 17-year-old in Montgomery, Ala., is returning to her lifeguarding job this summer. She first landed it a year ago as part of an effort by the city's mayor to encourage teen work.

"I really like working," said Ms. McDonald, who divides her paychecks between college savings, church contributions, a fund for a loungewear business she hopes to start and spending money to get her hair or nails done. "My mom is a single mom, so I got to see the value of working hard and getting paid for it," she said.

Last summer, Ms. McDonald worked 8 a.m. to 5 p.m. six days a week manning a lifeguard stand in the Alabama heat and reminding swimmers to walk, not run, on the deck. The job had its challenges—frogs from a nearby creek would sometimes find their way into the pool. Still, she bonded with her co-workers and relished the \$10 an hour she earned.

Prepandemic, teen employment had been waning over five decades. Automation eliminated many low-wage jobs, while immigrants assumed others, economists said.

More adults took up certain jobs to make ends meet in the aftermath of the 2008-09 financial crisis, often holding part-time positions that teen workers typically held before, said



Teen joblessness is near its lowest rate in decades.

Alicia Sasser Modestino, a labor economist who studies the youth workforce.

The lives of many teens changed as well. Extracurricular activities, unpaid internships and résumé-building volunteer opportunities filled hours that previously might have been spent stocking shelves or scooping ice cream.

Ms. McDonald, for example, balances attending one of the country's most rigorous high schools with participating in honor societies, student government, the debate team, the step team, softball and a variety of local volunteer positions.

Early pandemic lockdowns drove teen unemployment to a historic high

of 31.9% in April 2020. Now, a tight labor market and rising wages in hourly jobs that teens are more likely to take are creating a jobs bonanza.

"Adult workers said, 'I no longer want this crazy low-wage service job that has a ludicrous schedule, few benefits and rude customers,'" Ms. Modestino said. So "employers suddenly turned to youth."

A summer jobs fair for teens in Arlington, Va., on a recent Saturday drew about 700 attendees, including roughly 100 parents—a more robust crowd than in recent jobs events for adults, organizers said. The event, in person for the first time since 2019, helped teen job seekers connect with 30 employers for positions in

retail, hospitality, restaurants, summer camps and water parks.

Itai Ben Eli, a Houston restaurateur, said being someone's first employer comes with extra responsibilities but has been worth the investment. A nearly all-teen staff, which he said he lured with wage increases, made it possible for him to open a European-style bakery, Badolina, last June when he couldn't find the adult workers he needed.

He adjusted accordingly, expanding a 10-day training process into a month in which his new young hires shadow more-experienced workers, learn the menu, practice using a point-of-sale system and build confidence speaking with customers.

"We could shape and teach them what is important to us," Mr. Ben Eli said. He has since promoted two of the teens he hired at Badolina to shift leader.

Shira Alatin, who is 17, started working at Badolina last summer when the pandemic upended her typical summer plans, such as an annual family trip to Israel. There, she cycled through different responsibilities—clearing tables, delivering food and preparing coffee drinks. Her parents and older sister all started working young, so a job seemed like a natural way to fill time and earn money, she said.

"I like the interactions," said Ms. Alatin, who kept working at the bakery on weekends when school resumed. This month, she also begins a job as a hostess on weeknights at Hamsa, one of Mr. Ben Eli's other restaurants. "A lot of Israelis come in; I'd speak to them in Hebrew, and they'd be really surprised," she said.

PERSONAL JOURNAL.

By J.J. McCORVEY

With the stock market selling off and inflation at a four-decade high, it is human nature to want to take action to protect your shrinking account balances. But human nature has a lousy track record.

We tend to act rashly in times of financial stress, and often in our own worst interest, behavioral economists and financial planners say. The smarter move may be to take ourselves out of the equation and switch on the autopilot.

From robo advisers to AI-powered savings accounts, there are many tools and apps to automate spending, saving, and investing moves and protect us from some of the worst instincts and emotions of humans under duress. Automation of day to day spending and savings decisions can help people manage household budgets feeling the pinch from higher prices. Some 75% of adults say rising prices are negatively affecting their personal finances, a recent survey by Bankrate.com found.

"You don't even have to worry about making those decisions, which I think can feel really challenging when the environment around you is changing," said Heidi Johnson, director of behavioral economics at the Financial Health Network.

That doesn't mean letting algorithms dictate all of your financial moves.

Ms. Johnson cautions that there is no replacement for being actively engaged with your money. She points to research showing that people who have easy access to monitoring their accounts are more likely to avoid things like overdraft fees.

Here's how automating your money can help navigate your spending, saving, and investing

Automate Market Advice? Aye, Robot



This is no time to rely on human judgment alone, behavioral economists and financial planners say

to stay on track with your financial goals.

Automation can reduce anxiety and raise returns

Figuring out how much to save and following through with those plans can be especially challenging in uncertain economic times, said Ms. Johnson. She advises people not to get discouraged if they notice rising prices starting to erode progress toward their savings goals.

Apps and automated services that can analyze your spending habits and stash money away for you can take a lot of the guesswork and grunt work out of saving money, Ms. Johnson added.

To save money in a more strategic way, she suggested people try apps like Digit, which calculates your continuing expenses and transaction patterns to find out how much you can actually afford to save, and then moves the money in incremental ways you might not notice. Digit says the average user saves \$2,200 a year.

Another option is Albert, a sort of digital-banking service that similarly automates your savings. Albert operates by algorithm, but there is an option to talk to a human "genius," who can field questions about topics like budgeting, student loans or credit cards.

\$2,200

Annual savings to users of the Digit financial-planning app

It is important to note that these tools and the guidance aren't intended to completely replace the need for professional advice, Ms. Johnson said.

AI-powered accounts can help put every penny to better use

You can't optimize your spending if you don't know what you're

spending, as financial advisers say. Automated personal-finance tech can not only provide you with insight into what's happening with your money, but it can also suggest actions you can take based on that information.

Alight Worklife, an AI-powered human-resources platform, will analyze a user's payroll trends and then make suggestions on, say, how much more they can contribute to their 401(k) or health-savings account.

"It's a really hard process for people to connect a gross income dollar to a net income dollar," said Stephan Scholl, chief executive officer of Alight Solutions. "We know a lot about who you are, which makes the conversation a bit easier to help you through that process."

Mint, a budgeting app, for example, is probably most known for helping consumers track every cent that comes in and out of their accounts. In recent years, however, the service, which is owned by Intuit, has layered on a number of algorithm-based features that sniff

out ways to free up cash for emergency savings or help you avoid paying unnecessary fees.

Such features include early overdraft warnings and subscription monitoring, which alerts users when streaming services like Netflix raise monthly fees, for example. From there, users can unsubscribe from these services. For other recurring bills, customers can use the company's bill-renegotiation feature to see if it can get a better rate. The company said it has saved users an aggregate of \$1 million since launching the feature in January. Among the most popular subscription-management services include Truebill and Trim.

Varun Krishna, senior vice president and head of consumer finance at Intuit, said the average Mint user has about nine subscriptions, and most of those increase over time.

"We saw this explosion and we're like, we have access to this information. What can we do to enlighten customers?" Mr. Krishna said.

Automation can keep investors' emotions in check

Financial planners and advisers say they are focused on easing clients' concerns about investment decisions. Investors are terrible at timing the market on their own, behavioral economists say: They buy at the peak and often sell just as things turn around. Automated tools like robo advisers can help counteract these human instincts by delegating the judgment calls to algorithms.

"People tend to make bad decisions when they're making these snap judgments, especially when it's a really complex scenario," said Zarak Khan, senior behavioral researcher at Common Cents Lab.

Anyone can make a financial plan, but automation makes it easier to stick to one, said Kevin Mahoney, certified financial planner and founder of Illumint, a planning firm targeted toward millennials.

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YOUR HEALTH SUMATHI REDDY

How to Get Help With Long Covid

You had Covid-19 weeks or months ago, yet you still aren't back to normal.

You can't exercise the way you used to do. You're depleted after a day of work. Or you may have unusual sensations, like a racing heartbeat when you stand up and difficulty concentrating at times.

Could it be long Covid? And if so, how can you find out and get the medical care you need?

As many as 23 million Americans are affected by long Covid, a March federal government report estimated, which occurs when people experience persistent and often worsening or new symptoms more than a month after a Covid-19 infection. Even those who had mild cases with their initial infection can experience symptoms weeks later.

Many people find it difficult to get care, with doctors dismissing symptoms, not knowing what to do or even giving damaging advice, patients and doctors say. For now, there is no cure for long Covid, but finding the right doctors and tests can give you a better chance of improving and learning to manage your symptoms.

Here are care-seeking strategies long Covid doctors and patients recommend.

It's been more than four weeks and I still haven't fully recovered from my Covid-19 infection. Do I have long Covid?

Not necessarily. Doctors say some people take longer to fully recover from a viral illness but eventually do without needing any kind of specialized care.

There is no standard definition of long Covid. Some doctors say if

you're still feeling sick four to six weeks after Covid-19 you should see your primary-care doctor. Common long Covid symptoms can include cognitive issues, a racing heartbeat when you change position and extreme fatigue, particularly after physical or mental exertion.

What if I'm still not feeling better after three months?

This is the time frame when you might want to look for a long Covid clinic or find a doctor who is familiar with

gist, who can perform more-detailed and granular blood work, she says.

What tests and screenings should I ask my doctor to do?

Most clinics conduct blood work to look at indicators such as blood counts, vitamin levels, virus reactivations and inflammatory markers. Many centers also do pulmonary function tests, echocardiograms and EKGs to look for lung or heart abnormalities.

Physical-therapy evalua-



A doctor should keep investigating persistent symptoms.

long Covid and has treated other patients.

What kind of doctor should I see?

There are more than 60 hospitals and healthcare systems that have started long Covid clinics and programs, according to Becker's Hospital Review. Survivor Corps, a long Covid advocacy group, also has a list of centers, as well as "Covid-friendly" doctors.

A good primary-care doctor will refer you to specialists based on your symptoms. You want to find someone with experience in treating postviral illnesses, recommends Lauren Nichols, vice president of Body Politic, a patient-advocacy group. Another helpful kind of doctor is an immunolo-

tions can also be useful. Patients experiencing brain fog can undergo standard neuropsychology or cognitive tests.

When will I recover?

There is no hard data on recovery trajectories; patient recovery paths vary. If you're sick beyond three months, full recoveries aren't the norm, but some patients report improvements in their symptoms over time. New symptoms can occur and old ones can come back. Recovery isn't linear, Mrs. Nichols notes.

"People need to be aware of the roller-coaster effect which you can have with this disease," says Kristin Englund, an infectious-disease physician at Cleveland Clinic who started the long Covid clinic there last year.

ARTS IN REVIEW

MUSIC REVIEW | MARK RICHARDSON

Jack Harlow Amid a Big-Name Cast

The TikTok celebrity rapper's 'Come Home the Kids Miss You' features Drake, Pharrell Williams and Justin Timberlake



The rise of Louisville-born rapper Jack Harlow has been easy to miss unless you are very young and very online. The 24-year-old has been releasing music in one form or another since he was in middle school, and his career eventually exploded thanks to TikTok. His 2020 song "What's Poppin'" was a viral hit on the platform, and its social-media success propelled it to a Top 10 showing on Billboard's Hot 100. The following year, Lil Nas X, a

Toronto's Drake is without question the younger artist's aesthetic north star.

pop star who knows a thing or two about music on the internet, featured Mr. Harlow on his song "Industry Baby," and that single topped the chart. But he's yet to make a musical statement commensurate with his celebrity profile. Mr. Harlow's most recent full-length release, 2020's "That's What They All Say," was forgettable beyond its singles.

The rapper's new album, "Come Home the Kids Miss You" (Generation Now/Atlantic), out now, casts him as a serious and respected artist, with features from massive stars, consistently strong production, and careful sequencing. The record puts his voice and worldview at the center of the frame, and there's an ease and confidence here not found on his earlier work. He sounds hungry, ready to take his place alongside his genre's elite. While Mr. Harlow has cited Eminem and Lil Wayne as influences, Toronto's Drake is without question his aesthetic north star. The younger rapper's nimble flow, casual delivery and ear for melody are clearly in the earlier superstar's lineage, as is Mr. Harlow's laser-like focus on money, sex and fame, mixed with the occasional aside where he grows nostalgic for the worry-free days of childhood.

The second track on "Come Home," "Young Harleezy," is pure Drake in style and substance, as Mr. Harlow raps in an effortlessly catchy singsong cadence over a sharp and sparse beat about being a heartthrob and wearing designer clothes. Despite a tossed-off and awkward cameo from Snoop Dogg—"Jack is the Mack, and he's back," he raps, which

had to be the first phrase to pop into his head—it's a solid and memorable statement of purpose. Another winner is "First Class," an advance single that is Mr. Harlow's first solo No. 1 hit, on which he raps over a sample of the 2007 song "Glamorous" by Black Eyed Peas singer Fergie. It's pure pop-rap ear candy, thick with surface pleasure even if Mr. Harlow has nothing especially interesting to say—"This lifestyle don't got many downsides / 'Cept for the lack of time I get 'round my family" is about as profound as it gets.

This lack of tension makes it hard for Mr. Harlow to sustain interest for several songs in a row. The record drags in the middle as he drops names of potential conquests—he mentions actresses Cameron Diaz, Angelina Jolie and Margot Robbie in asides, and the song "Dua Lipa" is named

for the pop singer—and talks about how much the world loves him. Superstar guest spots don't help. The sung hook from Pharrell Williams on "Movie Star" isn't up to his usual standards, nor is the weak chorus from Justin Timberlake on "Parent Trap."

Only Drake's feature on "Churchill Downs" feels significant. Mr. Harlow seems inspired by the presence of his hero, offering some of the album's most clever lines, as he compares his schoolboy life to that of his mentor—"I know in Toronto they got salt for the roads / But schools closed in Kentucky, so I like when it snowed." Even so, Drake outshines his progeny when he takes over in the song's second half, reminding us what's missing most of all on this record—a sense of humor. Lines by Drake like "Therapy sessions, I'm in the

waiting room, readin' Forbes / Abandonment issues I'm gettin' treated for" have a level of detail far beyond anything his host can manage.

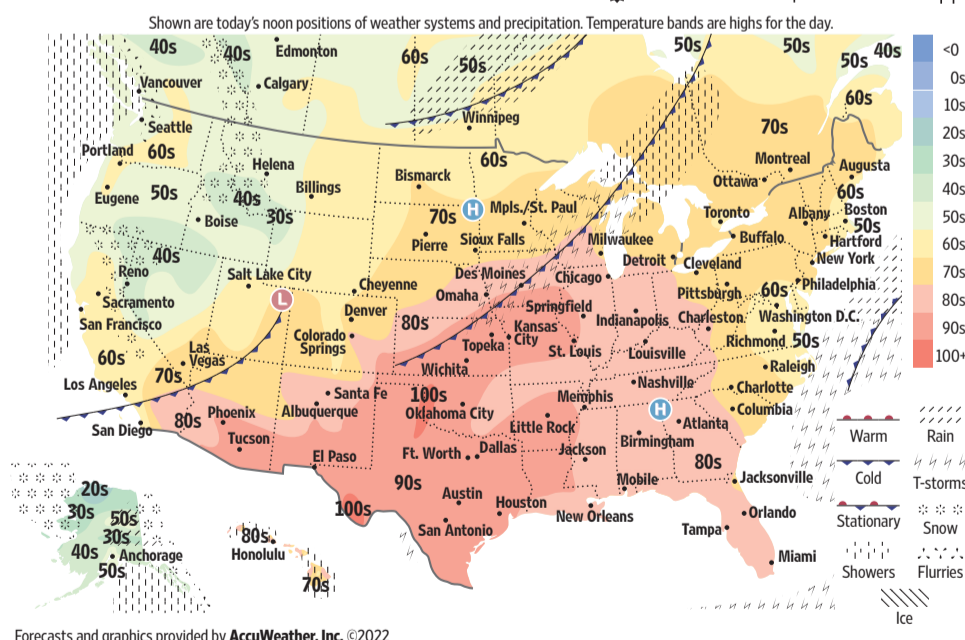
Mr. Harlow sketches out a fantasy and asks that we live inside it. He is the product; there's virtually nothing about his lyrics that doesn't involve the listener's relationship to him as a personality. If you don't particularly care about his journey or his place in music, there's not much here to latch onto. Though he occasionally boasts about how far he has come and how hard he had to work, he's a white kid born into a middle-class family and, relative to most of his peers, had it easy. There's no feeling of redemption in his music, and the stakes remain low. Though "Come Home the Kids Miss You" improves on what came before—sharp production makes this his first release that is listenable front-to-back—he's got a lot of living and reflection to do before anyone outside of his core demographic will want to hear what's on his mind for 45 minutes at a stretch.

Mr. Richardson is the Journal's rock and pop music critic. Follow him on Twitter @MarkRichardson.



Jack Harlow in April, top, and the cover of his new album, above.

Weather



U.S. Forecasts

s...sunny; pc...partly cloudy; c...cloudy; sh...showers; t...tstorms; r...rain; sf...snow flurries; sn...snow; l...like

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Anchorage	55	39	pc	51	41	pc
Atlanta	80	60	s	83	61	pc
Austin	92	71	pc	94	67	pc
Baltimore	70	46	pc	72	55	s
Boise	54	34	pc	60	38	pc
Boston	57	46	s	57	50	pc
Burlington	74	48	s	78	53	s
Charlotte	78	52	s	79	54	s
Chicago	88	69	pc	86	68	pc
Cleveland	76	55	s	78	53	pc
Dallas	92	72	pc	93	70	pc
Denver	78	49	s	87	53	pc
Detroit	76	60	pc	74	55	pc
Honolulu	84	73	s	86	72	s
Houston	92	73	pc	93	71	s
Indianapolis	84	67	pc	86	60	pc
Kansas City	93	74	s	91	72	pc
Las Vegas	73	51	pc	70	53	s
Little Rock	92	70	s	93	71	s
Los Angeles	69	50	pc	71	52	s
Miami	86	69	s	84	70	t
Milwaukee	78	60	pc	67	58	c
Minneapolis	73	58	pc	82	68	t
Nashville	85	65	s	87	63	pc
New Orleans	87	71	s	88	71	s
New York City	70	48	s	70	53	s
Oklahoma City	90	69	c	87	70	pc

International

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Amsterdam	70	54	c	65	51	c
Athens	74	56	s	76	59	s
Baghdad	96	68	pc	92	68	s
Bangkok	88	78	t	90	79	t
Beijing	66	50	r	68	49	r
Berlin	78	60	c	80	56	c
Brussels	76	54	c	73	52	pc
Buenos Aires	68	54	pc	64	55	c
Dubai	92	78	s	98	80	s
Dublin	61	47	sh	58	41	pc
Edinburgh	59	48	pc	58	43	sh

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Frankfurt	79	58	pc	83	59	pc
Geneva	75	53	sh	78	55	pc
Havana	85	68	s	83	65	pc
Hong Kong	83	77	r	83	77	sh
Istanbul	68	52	s	67	51	c
Jakarta	92	80	c	92	78	t
Jerusalem	75	56	s	71	56	s
Johannesburg	68	49	s	70	50	pc
London	67	53	c	62	48	r
Madrid	85	57	pc	87	58	c
Manila	97	82	pc	97	82	pc
Melbourne	65	51	pc	66	58	pc
Mexico City	84	55	pc	79	51	t
Milan	78	57	sh	81	60	pc
Moscow	55	43	r	66	51	r
Mumbai	91	85	pc	91	85	s
Paris	80	55	pc	78	54	pc
Rio de Janeiro	77	67	s	83	71	s
Riyadh	99	79	s	104	78	s
Rome	74	54	t	74	54	s
San Juan	87	75	pc	86	77	pc
Seoul	78	55	pc	73	53	pc
Shanghai	69	64	c	74	65	r
Singapore	90	80	t	89	80	t
Sydney	69	63	sh	70	65	sh
Taipei City	91	72	t	86	73	t
Tokyo	70	59	pc	69	64	pc
Toronto	66	47	s	71	52	pc
Vancouver	55	45	pc	56	45	r
Warsaw	66	50	pc	78	62	c
Zurich	74	52	sh	79	55	pc

The WSJ Daily Crossword | Edited by Mike Shenk

THIS WASN'T MY ORDER!
By Hoang-Kim Vu & Jessica Zetzman

1	2	3	4	5	6	7	8	9	10	11	12	13	
14			15						16				
17			18						19				
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23				24			25	26	27			28	
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42				43				44			45	46	47
48				49				50	51		52		
			53					54		55		56	
57								58	59		60		
61								62				63	
64								65				66	

Across

- 1 Aired of
- 4 Person who splits the bill
- 10 Come to rest
- 14 Resource in a Catan game
- 15 Shark down
- 16 Chrysalis, e.g.
- 17 Frozen food?
- 19 "Time ___ My Side" (Rolling Stones hit)
- 20 Hostile to
- 21 Seek relief, in a way
- 22 Synagogue chests
- 23 To-dos
- 25 Super food?
- 29 Like a crammed schedule
- 31 Agreement from Macron
- 32 Astronaut Grissom
- 33 Han Solo's preferred weapon
- 36 Diadem sparklers
- 37 Baby food?
- 40 Antlered animal
- 41 Lift, as a mood
- 42 Online address
- 43 Street, in Strasburg
- 44 Says "I need space," say
- 48 Junk food?
- 52 Summer of song
- 53 Six years, for a senator
- 54 Regulus is in it
- 56 They're drawn at raffles
- 57 Cinematic clownfish
- 58 Spoiled food?
- 61 A seeming eternity
- 62 Undergo
- 63 Earlier, in odes
- 64 Put to sleep, so to speak
- 65 Overflowed
- 66 1-Across' mainstay for 46 yrs.

Down

- 1 Sign at some retailers
- 2 Charlotte, Emily or Anne
- 3 Bird, for his entire playing career
- 4 Op. ___ (footnote abbr.)
- 5 Responsibility
- 6 Landscaper's planting
- 7 George who played Sulu
- 8 It may be brown or blonde
- 9 Hero of "The Last Jedi"
- 10 Chapel topper
- 11 School whose staff has included George Washington Carver and Booker T. Washington
- 12 American marsupials
- 13 Scathing review
- 18 Scuzzball
- 22 Sushi bar tuna
- 24 Flowerpot spot
- 26 "Thy fierce wrath ___ over me": Psalm
- 27 Artfully select, as a gallery owner might do
- 28 Curvy shape
- 30 Promote from the minors
- 34 Pitch
- 35 Dress (up)
- 36 Venetian transport
- 37 Board game with marshals, spies and bombs
- 38 Ocean motion may cause it
- 39 Take care of
- 40 Hero
- 43 Dash initialism
- 45 Myth-debunking website
- 46 Office helper
- 47 Mortarboard attachment
- 49 Came up
- 50 Avoid
- 51 Hospital fluid
- 55 Shrek or Fiona, e.g.
- 57 Apprehend
- 58 Solidify
- 59 Count start
- 60 Color you don't want to see

► Solve this puzzle online and discuss it at [WSJ.com/Puzzles](https://www.wsj.com/puzzles).

Previous Puzzle's Solution

A	L	F	A	S	N	O	B	R	E	D	S
R	A	I	T	T	C	O	P	A	A	L	O
M	O	N	T	A	A	L	E	C	T	O	N
S	N	A	D	C	R	A	C	K	E	P	O
C	E	O									
P	A	R	K	O	N	G	M	E	T	E	R
O	C	E	A	N							
S	H	E	D								
T	E	D									
I	N	E									
H	O	L	E	T	A	S	O	C	K	O	N
I	N	B	E	T	A	S	O	C	K	O	N
O	V	A	L								
P	A	I	R								
E	K	E	D								

SPORTS

Steve Cohen's Mets Have a Secret Weapon

Some employees from the billionaire's hedge fund, Point72, are moonlighting in crucial roles for the baseball team

BY JULIET CHUNG AND JARED DIAMOND

In the 18 months since billionaire hedge-fund manager Steve Cohen bought the New York Mets, the baseball world has wondered how the sport's wealthiest owner would use his vast resources and financial acumen to fix a historically hapless organization. The answer was both simple and revolutionary: He brought his hedge fund to the Mets—literally.

Some senior employees from Cohen's firm, Point72 Asset Management, have been moonlighting as Mets employees in crucial roles, according to staffers' LinkedIn pages, the Mets' website and people familiar with the matter. Many are tasked with improving the team's once-outdated infrastructure, data-analytics capabilities and technological prowess.

Longtime Mets fan Mark Brubaker, who oversees a staff of hundreds as Point72's chief technology officer, is listed on the Mets' front-office roster as their CTO. Steve Canna, Point72's head of tax, is the Mets' CFO and treasurer. Point72's heads of human resources, data solutions and data engineering also work for the Mets, and other employees have been temporarily loaned out to the team for specific projects.

Cohen is paying for their time on Mets-related duties out of his own pocket in a bid to make the team not just MLB's richest club—but also its smartest. Point72 says the work does not impact the hedge fund's investing in any way.

These employees are helping beef up some of the Mets' biggest shortcomings. Since Cohen took over, the number of people working in data and analytics has grown from eight full-time employees to 35, some of them from Point72, a person familiar with the matter said. Cohen has embedded data scientists in the Mets' scouting departments. A new data-engineering group is also stocked with people from Point72.

These investments are helping to make the Mets one of the best teams in baseball, where they are seen as significant World Series contenders this season. Point72 is a key reason why.

"They have been an exemplar for us of what constitutes best-in-class, which is Steve's aspiration for the Mets," said Sandy Alderson, the veteran baseball executive Cohen tapped as the Mets' president. "It's raised the bar for us."

Cohen's Mets ownership is separate from his hedge fund. "No Mets-related costs are passed through to P72 investors in any way," Point72



Steve Cohen, above, speaks at the Tom Seaver statue unveiling ceremony at Citi Field. The Mets are currently in first place in the NL East.



spokeswoman Tiffany Galvin-Cohen said in a statement. She said the crossover employees aren't investment professionals and their Mets work doesn't impact Point72's investing activities.

The overlap has grown recently as more Point72 employees have wanted to spend time on the Mets, people familiar with the matter said. Cohen, who isn't related to Galvin-Cohen, declined to be interviewed through Point72.

Cohen, 65 years old, made it clear from the start that he would spare no expense in pursuit of a championship, something the Mets haven't accomplished since 1986.

He has done that. Cohen committed \$254.5 million to four free agents

this past offseason, including \$130 million over three years to star pitcher Max Scherzer—a record average annual salary of \$43.3 million. The \$341 million deal shortstop Francisco Lindor signed with the Mets last year is one of the largest in baseball history. The Mets' payroll ranks among the highest in the major leagues.

But much of what Cohen has changed is largely out of public view and not measured by the size of the budget allocated for the Mets' roster. Though the Point72 employees aren't the ones deciding which players the Mets should acquire or how they should deploy their bullpen—general manager Billy Eppler and manager Buck Showalter do that—they are

helping to create systems designed to assist in the decision-making process.

"The bigger our technical foundation, the more baseball systems we can accommodate," Alderson said. "One of the things we've benefited from Point72 is a very precise understanding of how this technology needs to work."

A person familiar with Point72 said employee overlap exists between other MLB teams and their owners' businesses; the Wilpon family, which previously owned the Mets, also had employees from their real-estate investment firm working for the team, said people familiar with the matter.

Several Point72 investors contacted by The Wall Street Journal in recent weeks said they were unhappy about the moonlighting or unaware of it altogether. Some said they withdrew their money from Point72 after Cohen bought the team partly because they viewed him as distracted by the Mets.

Cohen's chief-of-staff, Michael Sullivan, said Cohen hasn't missed a day of trading since he bought the Mets and continues to work seven days a week.

"Some members of his senior leadership team that were hoping he'd be distracted by the Mets on weekends have been horribly disappointed," Sullivan said.

Other longtime investors said they believed Cohen remains engaged; one said Cohen was up trading at 4:30 a.m. PT during the Milken Institute Global Conference in Los Angeles last week.

Redemptions from Point72 have averaged about 1% of assets each quarter and haven't increased since Cohen bought the team, Galvin-Cohen said. She also said Point72 had grown in size by more than \$5 billion since he bought the team, to \$24.4 billion at the end of March. The firm is unaware of any investor discontent about the employee overlap, she said.

During a fireside chat earlier this year at an investing conference in Manhattan, Cohen said running Point72 and the Mets was similar because both were talent businesses reliant on hiring and developing the right people and because data analytics were important to both.

"I've got three jobs. I run my firm, I run the Mets and I trade a portfolio at my firm," said Cohen, who is also an avid art collector and crypto enthusiast. "That's why we're only doing this for 35 minutes, you know? Actually, I've got to go over to Citi Field."

Warsaw-based data engineer Mateusz Tomżyński, who was hired away from Accenture by Point72, wrote in a December LinkedIn post announcing his move: "I'm happy to join Point72 and New York Mets Teams! Data, cloud technology, sport and finance are those fields that I'm really interested in. I always wanted to work with at least one of those fields (like I used to), but working with all of them at one company, at the same time, it just went beyond my expectations!"

Cohen has been a force in the \$4 trillion hedge-fund industry, building one of the biggest platforms for portfolio managers despite his prior firm's settlement of insider-trading charges. SAC Capital Advisors pleaded guilty to insider-trading charges in 2013, paid \$1.8 billion in penalties and agreed to cease managing outside money for two years. Cohen was never criminally charged. Point72, SAC's successor, now employs nearly 2,000 people and manages billions more than SAC did at its peak.

While the Mets are soaring, Point72's recent performance has lagged behind its competitors. It averaged a roughly 12% return a year after fees for the three-year period ended in December, compared to about 23% by Citadel's flagship multistrategy fund, 16% by Millennium Management and 16.7% by Balyasny Asset Management, said people familiar with the firms. This year through April, Point72 gained roughly 3.5% while the S&P 500 over that period lost 12.9%, including dividends.

JASON GAY

The Auspicious Rise Of Carlos Alcaraz



THIS SPORTS column is going to spend the next 800 or so words going bonkers about the teenage men's tennis phenom Carlos Alcaraz, so in the interest of restraint, I want to start with a few, sensible *yeah, but* caveats.

Yeah, but: Alcaraz is young, and tennis has a terrible habit of prematurely elevating young players, which creates unfair burdens on athletes who should be allowed to grind and fail and slowly grow into themselves (or not). I don't believe this column is that kind of overshoot—it's pretty clear Carlos Alcaraz has arrived as a tennis

home country, but let's not lose our minds. For the greats like Rafa and Nole, it's the major tournaments—the snakepits of five-set tennis—that define a champion's career the most.

OK, that's really it for the *yeah buts*. Let's go bonkers.

CARLOSSSSSS ALCARAAZZZ!!! If you're not on this bus, get on this bus. The guy is riveting.

I know there are NBA and NHL playoffs right now, and there was a high-speed automobile conclave in Miami, and the horse that nobody thought would win won the horsey race. But to my mind, the auspicious rise of Carlos Alcaraz might be the most stirring story in sports right now.

What Alcaraz did over the weekend on the red dirt felt like a fuel injection for a sport still clinging to the Nadal/Djokovic/Roger Federer "Big Three" era.

Friday: Alcaraz powered past countryman/idol Nadal in three sets, 6-2, 1-6, 6-3, outmuscling the 35-year-old lefty on his preferred surface.

Saturday: Alcaraz won a rollicking semi over an impressively on-form, crafty Djokovic, 6-7 (5), 7-5, 7-6 (5).

Sunday: In what feels like a polite aperitif, Alcaraz won the tournament with a 6-3, 6-1 smush of a helpless world No. 3, Alexander Zverev.

As tennis blitzes go, it's historic. Alcaraz (who also beat top 10 Cameron Norrie earlier in the week) is the first player to ever beat Nadal and Djokovic at the same clay-court tournament. It's



Carlos Alcaraz beat Rafael Nadal, Novak Djokovic and Alexander Zverev at the Madrid Open.

his fourth victory of the year, following wins in Rio, Miami and Barcelona. Alcaraz is 28-3 on the season and has beaten the *last seven* top 10 opponents he's faced.

"Right now, you are the best player in the world," Zverev said to Alcaraz after losing Sunday.

"We're seeing a supernova," Jim Courier said on the Tennis Channel.

This is the part where I underline that Carlos Alcaraz is 19 years old. And he turned 19...this past Thursday.

Alcaraz isn't a comet out of nowhere. Tennis nuts have been on the El Palmar, Murcia, right-hander for a while. Coached by the former No. 1 Juan Carlos Ferrero, Alcaraz is a 6-foot assembly of wicked ground strokes and potent serving combined with a dexterous net game, and over the past year, he's ascended the rankings into the men's ATP top 10.

But over the past couple of months, Alcaraz has taken it to another level. His performance in Madrid wasn't a case of an inconsistent young player suddenly catching fire, or feasting on the competition's poor form. Even against Nadal and Djokovic, Alcaraz played confidently, dictating the action. He played 10 years older than his age. It was staggering to watch.

"The guy goes from defense to offense as well as I've ever seen," Andy Roddick said on the Tennis Channel after Sunday's final. He called Alcaraz's drop shot "the best drop shot I've ever seen."

Oh yes. Let's talk about Alcaraz's drop shot for a second.

It's a cruel stroke, placed from the baseline, from either side, well disguised, thick with spin, either unreturnable, or, if returnable, impossible to parry with any pace. It gave Nadal fits. It gave Djokovic

fits. It made Zverev look like he wanted to retire. Alcaraz's drop shot is my new favorite shot in tennis, and I look forward to never hitting one like it in my life.

The obvious easy comparison here is Nadal, who, a generation ago, was the teenage, Capri-panted sensation from Spain, preternaturally gifted on clay, and soon everything else. Men's tennis hasn't had a comparable wonder-kind since, and so the temptation to create some kind of Jordan-to-LeBron segue of Spanish tennis stars is unavoidable. If Alcaraz (who just opted out of a tournament in Rome) can keep momentum rolling into Nadal's idyll of Roland Garros, the buzz is going to get

very loud.

To this, I say: Let Carlos be Carlos.

Despite the parallels, Nadal is an impossible measurement for a player who hasn't collected a single major, or felt the high beams of the spotlight. It will be interesting how Alcaraz holds up over five sets—that's when Nadal can really get you—or how he handles fame as the attention ratchets up. It will be telling to see him endure the inevitable disappointments and heartbreaks.

That's how you know if he's built for this. If the Big Three generation has shown anything, it's that even the most triumphant tennis careers contain stumbles, setbacks and long walks in the wilderness. Carlos Alcaraz is as talented a young player as men's tennis has seen in a long time, but the road is long. Let him take his own path.

OPINION

Biden's Mideast Opportunity



GLOBAL VIEW
By **Walter Russell Mead**

Nowhere outside the former Soviet Union did Vladimir Putin have more success in rebuilding Russia's great power position than in the Middle East. Now, however, as Mr. Putin counts the costs of his bungled Ukraine adventure, it is not clear whether Russia's Middle East gains can survive.

Capitalizing on American errors like President Obama's failure to enforce his threats of a military response to Bashar al-Assad's use of chemical weapons in the Syrian civil war, Russia inserted itself into Middle Eastern politics and defended the Assad regime from its domestic opponents. The success, ugly but real, of that Russian intervention seriously damaged American prestige, increased Moscow's leverage over Turkey, supported Russia's outreach to oil-rich Arab states, and forced Israel to ask Russia's permission to carry out operations against Iranian proxies in Syria.

The Biden administration spent its first year making matters worse, centering its Middle East policies on the revival of the nuclear deal with Iran, moral disdain for real and perceived shortcomings of both the Gulf Arabs and the Israelis, hostility toward fossil-fuel production, and a continuing shift in American strategic priorities away from

the region as part of a larger "pivot" to Asia. The fruits of this strategy became apparent when American efforts to push Israel into a strong anti-Russia position fell almost as flat as U.S. efforts to persuade the Arabs to support America's Ukraine policy by boosting oil and gas production to keep world prices low.

That was in February. Since then, the war in Ukraine has been hurting Russia in the Middle East and helping the U.S. It hurts Russia first and foremost because Mr. Putin's failure to crush Ukraine makes him look like a loser, and weakness is the one unforgivable sin in Middle East politics. Every day that Russia fails to make significant progress, and every day that the Western response to Russian aggression grows more robust, Mr. Putin looks weaker and America looks stronger.

Beyond that, the war seems to be injecting a needed dose of realism into Biden administration thinking. The Wilsonian democracy promoters in the Biden administration might like to continue hectoring Saudi Crown Prince Mohammed bin Salman with bracing moral lectures, but they need his help to tame surging energy prices that threaten the world economy—and the future of the Democratic Party.

The U.S.-Israel relationship, one of the most intimate and effective partnerships in the world, was also under pressure before Mr. Putin invaded Ukraine. The integration of Israeli and American

defense and tech industries contributes substantially to the security and the prosperity of both countries, and widespread public support for Israel among American voters helps inoculate American foreign policy against isolationism. Yet American qualms about an increasingly right-leaning Israel's policies toward the Palestinians and Israeli concerns about America's Iran policy and our long-term commitment to the region are seriously testing the relationship.

Putin's failing war is a chance for the U.S. to rebuild an alliance crucial to its security.

Americans sometimes underestimate the power of the forces that pull Israel toward Russia. Roughly 1.2 million Israelis emigrated from the former Soviet Union (including Ukraine), and many have personal, cultural and economic ties to families and friends left behind. Ideologically, an increasingly "woke" and anti-Zionist Western liberalism alienates many Israelis. At the start of the Russian invasion, Israeli leaders clearly were trying to balance their need for good relations with Russia and their commitment to the troubled American alliance.

But since then, events seem to be driving the two old allies back together. The Biden administration's reluctance, so

far, to accept maximalist Iranian demands as the price for reinstating the Obama-era nuclear deal leaves many Israelis hoping for a more robust American policy in the region. The example of Ukraine's Jewish president electrifies many Israelis. And as Mr. Putin seeks to rally Russian nationalism behind him in his struggle with the West, his henchmen are revisiting anti-Semitic tropes—like the legend of Adolf Hitler's alleged Jewish blood—that resonate in Russian nationalist circles but remind Jews about the deep roots of anti-Semitism in Russian history and culture.

The creation of a Middle East alliance network including both Arabs and Israelis that preserved vital American interests at limited cost was one of the great American achievements of the Cold War. Grave 21st-century errors by Republican and Democratic presidents alike endangered that achievement. Mr. Putin's war gives President Biden a historic opportunity to rebuild—at a price.

The war in Ukraine has reminded the administration that the Middle East is vital to American security and to the health of the global system Americans hope to defend. The question is whether the administration can break from the failed Obama and early Biden policies and construct a realistic framework for renewed American primacy in the Middle East.

William McGurn is away.

BOOKSHELF | By John Bolton

Keeping The Peace

A Sacred Oath

By **Mark T. Esper**
(Morrow, 735 pages, \$35)

"I want to go in," said the commander in chief. "We need to show them force." He was disturbed by events that, he said, "make us look weak," "stupid" and "pathetic." These hawkish comments to Defense Secretary Mark Esper did not refer to sending U.S. forces into combat overseas, but to subduing rioters in Portland, Ore.

Why violate conservative principles of federalism, under which state and local officials handle lawless mobs? Why not allow governors, who are accountable to their states' voters, to decide whether to mobilize National Guard units if law-enforcement capabilities prove inadequate?

For President Trump, the answer was simple. "I'm running for reelection and we have cities burning down. . . . We have to go and do something. . . . You need to shoot that person [that throws a rock at you]."

This is Donald Trump *simplifier*. Issue: Riots undercutting his political prospects. Answer: The Pentagon must use force to set things right.

Portland was hardly unique, as Mr. Esper documents in "A Sacred Oath," another important brick in the wall of evidence that Mr. Trump should never again be president. In roughly 16 months as secretary of defense, Mr. Esper experienced enough of Mr. Trump to choose being fired rather than retreating from his oath of office.

Mr. Esper details the all-consuming task of managing America's largest and most vital cabinet department—instructive reading for those unfamiliar with what operationalizing national security policy decisions involves. Time and again, he shows how presidential inattention, ignorance, incuriosity, duplicity and unwillingness to take responsibility for hard decisions all put the United States at risk. Mr. Trump's "views on the use of force swung back and forth like a pendulum," he writes, "though even a pendulum has some predictability. The president rarely gave us much at all."

Consider Mr. Trump's unvarnished view of the military. He loved pomp and pageantry, such as July 4 military flyovers in Washington, which Mr. Esper and others struggled to keep within commonsense limits. Behind closed doors, however, Mr. Trump's views were shockingly unlike any prior U.S. president's. In a May 2020 meeting with the Joint Chiefs of Staff, Mr. Trump, unprovoked, vented for 20 minutes about how "the great U.S. military isn't as capable as you think" because we couldn't even "win in Afghanistan, a third-rate country." The Chinese military was superior to ours, the president said, because "the U.S. Navy ships are ugly and broken." Then the clincher: "For all the money being spent on the military—\$2.5 trillion that I gave you to rebuild the military—you can't fight. You can't win." Mr. Esper concludes that "in Trump's mind, when it came to defense spending, he was done."

After the first impeachment acquittal, "a darker, more aggressive evolution of the Trump White House" emerged. When, for example, Mr. Trump sought to invoke the Insurrection Act against domestic rioters (who deserved the fullest measure of legal punishment but not U.S. combat forces), Mr. Esper feared the military would become dangerously entangled in domestic politics. To shield the military, he publicly opposed resorting to the act's provisions, thus guaranteeing his dismissal after the 2020 election.

Quitting 'would have made me feel good,' writes the former defense secretary, but 'I didn't think it was the right thing to do for our country.'

Both Democrats and Mr. Trump's most committed supporters are criticizing this memoir without waiting to read it. For some, serving at all in the Trump administration was ignominious, a perspective both unfair and dangerous. They believe Mr. Esper should have resigned, gone public with his stories, and thereby provided instant gratification to Mr. Trump's manifold opponents. By contrast, he calls the remain-or-resign dilemma "the existential question of the Trump administration: Why did good people stay even after the president suggested or pressed us to do things that were reckless, or foolish, or just plain wrong?" While quitting would have made him "feel good in the moment," Mr. Esper worried about who Mr. Trump would name to replace him, thereby risking even more seriously the military's politicization.

For others, the author is disloyal to Mr. Trump, breaching trust with him and colleagues still in public life, revealing behavior and remarks thought to have been private. This criticism is simultaneously cynical and naive. Anyone who thinks life in government is private forever hasn't learned from our history, starting with George Washington's cabinet members anonymously assaulting each other in the press from early in his first term. If this explanation is unsatisfying, please refer to Harry Truman's observations about heat and kitchens.

The memoir's title embodies what Mr. Esper and other national security officials were about, trying to serve their country, not one individual. White House chief of staff Mark Meadows ultimately called to fire Mr. Esper on Nov. 9, 2020, Mr. Trump not having the courage to do it man-to-man. Mr. Esper responded: "That's the president's prerogative. My oath is to the Constitution, not to him." This is critical. Joining a presidential team is not joining the Mafia and its code of omertà. Service is to America, whose people can hardly govern themselves if they don't know what goes on inside their government. (Mr. Esper's manuscript endured the federal government's broken, sometimes corrupt, pre-publication review process, so it presents no issue of classified information.)

Writing at book-length rather than flashing through the ephemeral worlds of TV and social media is more helpful to future generations than virtue signaling for momentary applause. When the memoirs of defense secretary Robert Gates appeared in 2014, I wrote that "former senior officials have virtually an obligation to explain what they did. . . . Press accounts and 'instant histories' are far too often lacking in insight and understanding of the government in operation."

I still believe this. "A Sacred Oath" is not a gratuitous tell-all. It is a work of history. Mr. Esper has his perspectives, to which he is entitled, but his willingness to go on the record at length is invaluable. Look forward to the reaction from Mar-a-Lago.

Mr. Bolton, a former U.S. ambassador to the U.N., served as national security adviser from April 2018 to September 2019.

When Did 'Woman' Become a Dirty Word?

By **Patricia Posner**

During my recent treatment for breast cancer, a nurse assured me that my "chest cancer" prognosis was promising.

"Chest cancer?"
"We try not to make anyone feel uncomfortable," she said. "Everyone has a chest."
"Well, it makes me—as a woman—feel uncomfortable. I have breast cancer."

It was the first time I had personally encountered the effort to "degender" medicine. I thought this woke trend was limited to a small group of far-left politicians. Last year Rep. Cori Bush made a speech about "birthing people," and Rep. Alexandria Ocasio-Cortez referred in an interview to "a menstruating person's body."

The encounter with that nurse prompted me to do a little digging. I was startled to learn that the "degender" movement had gone mainstream. The Biden administration's proposed budget calls mothers "birthing people." So does the National Institutes of Health. Harvard Medical School has been doing it since 2020, declaring that "not all who give birth" are women. Some hospitals call breast milk "human milk."

In my native U.K., a government-funded report recommended that the National Health Service use inclusive terms like "chest feeding" and "body feeding" and "frontal" or "lower" instead of "vaginal" birth. The report concluded that "nonbinary" people might prefer giving birth in a private space in the hospitals, so they don't "have to go to a ward full of women after giving birth."

The movement to 'degender' medicine amounts to erasure of the female sex.

I understand that activists want "trans inclusive" language to describe their bodies. But why force their preferred language on women? Why can't we coexist?

The same politicians who use this dehumanizing jargon will acknowledge women when it's expedient to do so. After last week's leak of a draft Supreme Court decision overturning *Roe v. Wade*, Rep. Carolyn Maloney of New York tweeted: "I was there when we had to fight for *Roe* the first time around and will do anything and everything to

protect abortion rights and women's health." Last May, in a House Oversight Committee hearing on "America's Black Maternal Health Crisis," Mrs. Maloney said that "health equity for black birthing people is attainable as long as we address racial disparities with the urgency, empathy and focus that this issue requires."

Similarly, California Gov. Gavin Newsom signed a bill last year with language repeatedly referring to "pregnant and postpartum people." Last week he said of the abortion debate: "If men could get pregnant, this wouldn't even be a conversation."

There may be no universal female experience, but there are certain biological and physical differences that affect only women. I am sorry if this offends anyone, but men don't menstruate, give birth, experience menopause or develop endometriosis, ovarian cancer or cervical cancer. Men do get breast cancer, but it's extremely rare.

For women like me, it seems as if we are incrementally being erased in a rush of political correctness to ensure no trans person is offended. I respect trans rights, but what about my rights? Isn't it possible that women will feel marginalized if institutions

rely only on gender-neutral language?

There is a death of common sense playing out in real time, and most women are quiet for fear of being attacked as bigots. Many of my female friends and colleagues have privately told me they would like to speak up but they are worried about the public consequences. Self-censorship is one of the reasons that our language is changing to satisfy the demands of a tiny minority. Silence is interpreted as acquiescence.

Just over 100 years ago women were fighting for a right to vote. When I was a girl, my aunt Rose regaled me with stories of public protests demanding suffrage—which England granted in 1928. Rose was only 16 and took to the streets against her immigrant parents' wishes. "There are some things too important to sit back," Rose instilled in me as a child. "We make our own future."

It's Orwellian that today many of us feel compelled to remain silent about our female bodies, motherhood and our health as women.

Ms. Posner is author, most recently, of "The Pharmacist of Auschwitz: The Untold Story."

Nancy Pelosi's Unionization Folly

By **Mary Vought**

Democrats are trying to organize Congress. That sounds like the opening of a joke, but the punch line might not be what you'd expect. House leadership wants to allow collective bargaining for congressional staff, which would do little to improve work conditions, cause a lot of headaches, and solve little.

On Friday, Speaker Nancy Pelosi announced that the House would vote this week on a resolution, introduced in February by Rep. Andy Levin (D., Mich.), which would allow House staffers to bargain collectively.

As a former House and Senate staffer, I know how complicated it would be to organize 435 House offices, to say nothing of leadership and committee staffs. And would staff in a member's district join the same bargaining unit as those in Washington, though they reside in different states and often perform different functions?

Federal law precludes "management officials" and "supervisors" whose positions require "the consistent

exercise of independent judgment" from collectively bargaining. This language likely would preclude most congressional chiefs of staff and potentially other senior staff from joining a union. Some House offices could have only a few staff members who qualify for "collective" bargaining.

She wants collective bargaining for House staffers—a legal and practical conundrum.

Another issue comes from high turnover in many congressional offices. With the tenure of many staffers measured in months, many who want to organize now likely would leave before a bargaining agreement could be finalized. The combination of small bargaining units and frequent turnover could reside in multiple votes to certify or decertify a bargaining unit.

Then there are the implications for congressional autonomy. Would a member's positions on legislation be

subject to collective bargaining? Would a lawmaker be prohibited from terminating a staffer who publicly disagreed with his votes or stated positions? Would staff be permitted to lobby Congress on the union's behalf? The board that issued the 1996 regulations examined all these issues and stated that it lacked authority to adjudicate such matters. Mr. Levin's resolution answers none of them. Democrats should stop trying to pass this resolution and emulate the executive branch, which prohibits collective bargaining for the Executive Office of the President.

In this organizing campaign no one is willing to be seen admitting that the concept is absurd, though an unnamed senior Democratic aide admitted that "I don't think anybody wants to stop unionization" but "no one knows how it would work."

As a practical matter, the congressional unionizing effort may end soon anyway. Mrs. Pelosi may muscle the Levin resolution through the House this week, but if Republicans regain control of the House in November they will likely repeal it. (No

Senate or presidential action is necessary to pass or repeal this resolution because, as per the Constitution, "each house may determine the rules of its proceedings.")

March's omnibus legislation included a 21% increase for representatives' budgets, allowing members to increase staff pay. Mrs. Pelosi went further on Friday, announcing a minimum salary of \$45,000 a year for all House staff.

With the largest source of staff discontent largely addressed, the House's unionization effort looks like a solution in search of a problem. Junior staffers on Capitol Hill already feel squeezed by skyrocketing inflation, and the last thing they need is Democratic leaders pushing them to pay union dues. If Democrats want to engage in virtue signaling while their legislative agenda remains stalled, they should at least avoid "solutions" that would pilfer hard-earned money from House staffers to fund their labor allies.

Ms. Vought is founder of Vought Strategies and a visiting fellow at the Independent Women's Forum.

OPINION

REVIEW & OUTLOOK

Schumer's Radical Abortion Bill

Protesters marched on the homes of conservative Supreme Court Justices over the weekend, an ugly attempt to scare them into saving *Roe v. Wade*. This week the drama moves to the Senate, where Democratic Leader Chuck Schumer plans a vote on a sweeping bill to override state laws and set a national abortion policy.

House Democrats passed the Women's Health Protection Act (WHPA) last year, but it stalled in the Senate. It's expected to fail again this week. But that isn't stopping Mr. Schumer, who is refusing to take up a bill by GOP Sens. Susan Collins and Lisa Murkowski, who have their own proposal to codify *Roe v. Wade*. "I have long supported a woman's right to choose," Ms. Murkowski said, "but my position is not without limits, and this partisan Women's Health Protection Act simply goes too far."

Bill Clinton's artful framing was that abortion should be "safe, legal and rare," but that's ancient history to today's Democrats. The WHPA would guarantee abortion access "at any point or points in time prior to fetal viability," about 23 weeks. Women seeking such services could not be asked to "disclose the patient's reason." Some states have tried to prohibit sex-selective abortion, the practice usually of terminating a girl merely because a boy is desired. The WHPA appears to protect that choice.

After fetal viability, the WHPA would assure a right to an abortion whenever the physician's "good-faith medical judgment" is that "the pregnancy would pose a risk to the pregnant patient's life or health." What counts as "health"? This is sometimes defined to include mental, emotional or familial factors, a loophole that permits elective abortions, more or less, through all nine months of pregnancy.

The legislation also exempts itself from the Religious Freedom Restoration Act, which is why Ms. Collins says it would undercut "basic conscience protections" for religious healthcare providers. In its findings, the bill says abortion access "has been obstructed" by state "parental involvement laws (notification and consent)."

Is the Democratic policy in 2022 that abortion should be safe, legal and don't tell your parents? "Ultimately I feel that young women at a certain age should have the rights to make these

kind of decisions with their doctor," Arizona Sen. Mark Kelly told National Review reporter John McCormack. "I'm not going to be the arbiter of an age and a timeline." Nobody is asking him to be the arbiter. Yet he's voting to nullify state laws.

A national abortion bill is also constitutionally suspect. If the Supreme Court overturns *Roe*, the federal government will lack any 14th Amendment justification to override state abortion laws. The WHPA could be left relying on Congress's power to "regulate Commerce" among the states.

But the Commerce Clause isn't unlimited, and Congress can't overrule the constitutional police powers of the 50 states. It can ban some activity that a state allows, such as marijuana cultivation in California (*Gonzales v. Raich*, 2005) when there is arguably an interstate market in the drug. But abortion is a medical procedure provided and regulated locally or by states.

Some states are likely to ban abortion if *Roe* falls. If Congress can then compel the legality of abortions that are banned by state law, there is no limiting principle to what traditional sphere of state power it can't oversee under the Commerce Clause. Why not local zoning or prostitution laws?

By the way, in voting for a national abortion law, Democrats may be creating an open door for Republicans to do the same when they next hold power. This would be as constitutionally dubious as Mr. Schumer's bill, but Democrats will have made it easier for the GOP to ignore the Constitution too.

Similar logic probably applies to the Partial-Birth Abortion Ban Act that Congress passed in 2003. The Justices upheld that law against a different set of arguments. Yet as Justice Clarence Thomas noted in a concurrence: "Whether the Act constitutes a permissible exercise of Congress' power under the Commerce Clause is not before the Court." If *Roe* falls, it's hard to justify under the Commerce Clause.

As for Democratic calls to kill the Senate filibuster, do they really want abortion policy in 50 states to flip-flop depending on who wins the next Senate race in Georgia or Wisconsin? The wise move is to table the WHPA. Then Democrats can fight it out in the states, the constitutional way, for the abortion policy they want.

The new Democratic policy: Safe, legal and don't tell your parents.

Rivian shares take a header as free money and subsidies ebb.

A High-Speed Electric Vehicle Crash

Companies that rise with the help of political subsidies can also fall by them. Behold how electric vehicle manufacturer Rivian's high-flying stock is crashing to earth.

Rivian shares fell another 20.88% on Monday to \$22.78 after its stock lockup period for early investors expired. The EV startup went public in November with a \$66.5 billion valuation and shares at \$78. Its stock price soon surged to \$172 amid investor euphoria fed by free credit and expectations that Congress would sweeten electric vehicle subsidies.

At one point Rivian commanded a \$153 billion market value—more than every auto maker in the world besides Tesla and Toyota—despite having delivered a mere 156 vehicles before its IPO. But building a new auto maker from scratch isn't easy. Tesla missed production forecasts early on and was only making 20,000 or so cars annually five years after releasing its first model.

Rivian's stock began to slide as it ran into manufacturing problems, and investor hopes that Democrats would pass Build Back Better

faded. In March, Rivian slashed its production guidance this year by half to 25,000 vehicles and raised the price of its pickup truck by \$12,000 to \$79,500, citing increased costs across its supply chain.

Prices of lithium and nickel for batteries have soared as government mandates have fueled an EV manufacturing boom. Traditional auto makers like GM and Ford are electrifying their pickup models, which they hope will be more popular than electric sedans. But bigger EVs require bigger batteries, which require more lithium and nickel.

Higher costs may curb consumer demand. Such risks didn't faze investors when credit was essentially free and more generous subsidies were in the offing. But the Federal Reserve's monetary tightening is causing investors to reassess valuations. Rivian and other EV startups are among the casualties.

Many great companies survive rough markets, and Rivian may ride this one out and prosper. But its stock rise and fall is a warning about too much money chasing too little profit too soon.

Gigi Sohn and the Police

Three Elizabeth Warren acolytes appointed by President Biden have failed to win confirmation in the Senate, and now the White House is scrambling to save another. But the President may be endangering vulnerable Senate Democrats by continuing to push Gigi Sohn for the Federal Communications Commission.

We've described the many reasons Ms. Sohn shouldn't be confirmed. She supports heavy-handed broadband regulation, including reimposing the Obama Title II "net-neutrality" rules. She wants to regulate broadband as Europe does, which would stifle investment. Some 92% of Americans have access to uber-high speed fixed broadband compared to 67% of Europeans.

She's also shown a disregard for copyright protections as when she sat on the board of the now defunct streaming platform Locast, which pirated content of local broadcasters. Asked by Senators about a generous settlement she signed with broadcasters one day after being nominated to the FCC, she dissembled.

She's also shown hostility to conservatives, calling Fox News "dangerous to our democracy" and accusing Senate Republicans of suppressing the vote. Now the Fraternal Order of Police has come out against her because of her seeming animus to cops.

For instance, she liked a tweet noting "Funny how one bad protester labels the whole movement, but a few bad cops are never supposed to represent all cops." She's liked posts by Rep. Alexandria Ocasio-Cortez that have called for defunding police and that have dismissed criticisms of the "defund" police move-

ment as "racial resentment attacks."

Ms. Sohn says her tweets expressed her views as a private citizen and won't bear on how she would carry out her duties at the FCC. But her tweets and policy views matter. The FCC is a bipartisan agency whose effectiveness depends on collegiality, transparency and impartiality. Ms. Sohn lacks all of these.

Our sources say that police opposition to Ms. Sohn has made Sens. Joe Manchin (W. Va.), Mark Kelly (Ariz.) and Catherine Cortez Masto (Nev.) reluctant to back her. But progressives are lobbying hard for her. The Communications Workers of America has launched an ad campaign targeting the three Senators.

"Don't let corporate CEOs and their dark money groups stop the expansion of high-speed broadband access to the entire country," the union's ad says. But high-speed broadband is expanding fast to rural areas thanks to competition and investment, including by Elon Musk's Starlink satellite service. Ms. Sohn's regulatory threats would slow it down.

Business groups haven't come out as strongly against Ms. Sohn as they have some other nominees. Perhaps broadcasters and broadband providers are resigned to more aggressive regulation once a third Democrat joins the FCC. But Ms. Sohn is unfit to serve on the commission, and the White House is putting the three wavering Democratic Senators in a political bind.

The President would do his own party a favor by withdrawing Ms. Sohn's nomination. But if he doesn't, Senators can do the country a favor by defeating her.

LETTERS TO THE EDITOR

Holocaust Museum Denies Banning DeSantis

Elliott Abrams and Eric Cohen's op-ed "Persona Non Grata at a Holocaust Memorial" (May 6) misstates the decision of the Museum of Jewish Heritage to decline to host the Tikvah Fund's conference. This was not about banning or canceling Florida Gov. Ron DeSantis, a proposed speaker at the event. Messrs. Abrams and Cohen leave out that Tikvah, their organization, took months to provide details about its event, and when it finally did, it was clear it would have been too disruptive for the museum.

Tikvah reached out in January about renting our space. For months we sought details. Our charter does not allow rentals for purely political or religious reasons, and this is made clear to anyone who requests to rent our space. In late April, when Tikvah came back to us, it presented a plan that would have required using more of our public space and resources—and requested additional police security—that presented logistical challenges on what is normally our busiest day. The museum must consider the safety of visitors and staff.

We immediately informed Tikvah about those concerns. It then quickly signed the contract and sent it to us, so it could say it had a signed contract when we declined. Had Tikvah notified us back in January about the details of the event, we would have rendered the same decision out of security concerns and to ensure the museum was accessible to the public on the proposed date.

When we declined to host the event, Tikvah resorted to threats, saying we had created an enemy. Tikvah knew that this was not about banning anyone from speaking but decided to make the false claim anyway. We will not respond to such political bullying.

We repeat our offer to Mr. DeSantis and any elected official who wants to bear witness to the horrors of the Holocaust. Please come tour the Museum of Jewish Heritage when our new exhibition "The Holocaust: What Hate Can Do" opens this summer.

JACK KLIGER
President and CEO
The Museum of Jewish Heritage

The decision to ban Mr. DeSantis from speaking at the museum for a conference is a sad mistake that borders on cancel culture. Providing a platform to an organization doesn't mean you endorse the speakers to the event or their views. And even if you think it does, Mr. DeSantis—whatever you make of his other views or actions—is no anti-Semite or Holocaust denier. Sadly, this politicizes a precious institution dedicated to remembering and teaching the lessons of the Holocaust.

ABRAHAM H. FOXMAN
Bergen County, N.J.
Mr. Foxman, a Holocaust survivor and former board member of the Museum of Jewish Heritage, was national director of the Anti-Defamation League (1987-2015).

I helped raise funds for the Museum of Jewish Heritage in the 1990s, and it saddens me to learn that the institution has lost sight of its purpose. Like the ACLU that many of us once supported—even as it defended neo-Nazis' right to march in Skokie, Ill.—wokeness has hijacked the brand. The museum's CEO should know that his denial of Tikvah makes it more comfortable for me and fellow supporters to file his next contribution solicitation into the garbage pail.

PHILIP GOTTHELF
Closter, N.J.

Escaping a Serious Recession Won't Be Easy

Alan Blinder argues, "If We Get a Recession Soon, It'll Be a Mild One" (op-ed, April 29) because policy makers are shooting for a soft landing. But adjusting monetary policy to a specific economic outcome isn't easy. There would never be any recessions or housing bubbles if it were.

Monetary policy has taken an overly accommodative stance for more than a decade. The Fed's promises that money will remain cheap have resulted in enormous leverage. The economy will have a hard time adjusting to a world without cheap money.

The most significant adjustment will occur in finance. Before the 2007-09 recession, the market valuation of domestic companies stood at 1.5 times GDP. Today it is 2.5 times.

The Volcker Fed had to deal with a significant increase in general consumer and producer inflation. The Powell Fed has to deal with that and asset inflation. The odds of a soft landing are low.

JOSEPH CARSON
Westport, Conn.
Mr. Carson was chief economist at Alliance Bernstein.

Why the SEC Needs to Rein in Private Equity

Contrary to Harvey Pitt's assertions in "Sophisticated Private Investors Don't Need the SEC's Protection" (op-ed, April 29), the private-equity industry is a market failure. Supposedly sophisticated institutions throw money at PE funds despite their inability to beat the stock market.

By the industry's own admission, only 25% of funds beat the S&P 500, which leaves three-quarters as non-performers. How does this persist, if such institutions can "fend for them-

selves"? Because the investment managers of these institutions are conflicted and the governance guardrails are nonexistent.

If managers buy an S&P 500 index instead of a PE fund, they make more money for their employer, but they endanger their compensation. What board of trustees will pay a manager \$1 million a year to index?

Institutional trustees lack the financial knowledge and drive to challenge their investment staffs. Thus the need for the SEC to step in and protect the millions of people who don't know the damage done to their pensions by sky-high investment fees. Even so, the proposed rules are toothless. Hard data on PE returns will remain locked up in fund files unless a limited partner or the SEC specifically asks for it.

JEFF HOOKE
Chevy Chase, Md.
Mr. Hooke is author of "The Myth of Private Equity."

Jesus Didn't Say Government

Prof. Alexander William Salter's "Jesus a Socialist? That's a Myth" (Houses of Worship, April 22) is certainly correct. But the reason is even simpler than Mr. Salter's explanation. Nowhere in the Christian scriptures does Jesus teach, urge or even remotely suggest that the power of the state should be enlisted to enforce his teachings about the poor or any other subject. If anything, quite the contrary. While certain clerics may prefer socialism, that is only the socio-political view of individuals.

TERRANCE J. NOLAN
Lynbrook, N.Y.

EPA Does Consumers No Favors With Ethanol Waiver

The Environmental Protection Agency's waiver to sell E15 gasoline this summer is a questionable attempt to help drivers ("Regulators Allow More Ethanol in Gasoline," U.S. News, April 30). The energy content of the added ethanol is significantly less by volume than the gasoline it replaces. Thus drivers will see a reduction in the miles per gallon they get from a fill up. As proof, compare your summer and winter mileage. Depending on pricing, this can eliminate any purported savings from E15 use. Follow the science rather than political gimmickry.

JAMES BRAZDIL
Leland, N.C.

Save the corn and grain to feed hungry people around the world rather than making ethanol.

FRANCIS CARRINGTON
Eureka, Calif.

Equality's Changing Politics

Colin Wright's cartoon ("Elon Musk Tweeted My Cartoon," op-ed, May 3) illustrates Thomas Sowell's point very well. Mr. Sowell observed, "If you have always believed that everyone should play by the same rules and be judged by the same standards, that would have gotten you labeled a radical 60 years ago, a liberal 30 years ago and a racist today."

SAM MIRANDA
Ashburn, Va.

Letters intended for publication should be emailed to wsj.letters@wsj.com. Please include your city, state and telephone number. All letters are subject to editing, and unpublished letters cannot be acknowledged.

Pepper ... And Salt

THE WALL STREET JOURNAL



"I've brought Heather in to help us with Tik-Tok merch."

OPINION

Democrats: When Do You Think Life Begins?

By Rick Scott

I have a simple question for Democrats: When do you believe life begins?

The Republican position on abortion is based on a fundamental belief that life begins at conception. It's a conclusion grounded in faith and values, but also in science.

We know that unborn babies can feel pain very early. We know that after six weeks a baby's heartbeat can be heard in the womb. Modern sonograms show unborn babies smiling, yawning and sucking their thumbs.

Put simply, science has revealed that an unborn baby is a human being, and voters agree. According to recent polling conducted by the National Republican Senatorial Committee, 73% of voters agree that an unborn baby is a human being.

Politicians dodge the question, but the scientific answer is clear: At the moment of conception.

So that raises the question: When do Democrats believe life begins? At conception? At viability? At birth? After birth? They won't say. Even more disconcerting, reporters won't ask them. It's a dereliction of duty by the mainstream media not to push the question, and it's an abdication of their responsibility to inform the American people and spur legitimate debate.

Since the leaked draft opinion in the case of *Dobbs v. Jackson Women's Health Organization*, Democrats have come out as the abortion extremists we've always known they are. They've staked out a position that is simply outside the mainstream of where average American voters are.

Democratic U.S. Senate candidates in swing states such as Pennsylvania, North Carolina and Wisconsin embraced legalizing abortion up until the moment of birth. Some, such as Ohio Rep. Tim Ryan, are refusing to say if there should be any restrictions on abortion whatever.

In response to the leaked Supreme Court opinion, Senate Majority Leader Chuck Schumer announced plans to move forward on yet another vote on the Women's Health Protection Act, which would legalize abortion up until the moment of birth.

Since taking majorities in both houses of Congress, Democrats have also rejected the longstanding bipartisan tradition of including the Hyde and Helms amendments in spending bills, which prevent taxpayer funding of abortions, including abortions overseas.

All of these positions are well outside the mainstream of where American voters are. According to recent National Republican Senatorial Committee polling, 65% of Americans agree that taxpayer money shouldn't be used to pay for abortions, while only 30% disagree. Only 30% of Americans agree that abortion should be legal any time, on demand and without apology, while 61% of voters disagree.

Fifty-seven percent of Americans would be less likely to support abortion laws if the U.S. allows for abortion to be performed for any reason up until the moment of birth, which is the new Democratic Party line.

Meanwhile, Republicans are happy to answer the question of when life begins: We believe life begins at conception because we believe in science and place value in every life, born and unborn.

Once Democrats have an answer, we can have a legitimate debate on the issue.

Mr. Scott, a Republican, is a U.S. senator from Florida.

By Allysia Finley

California Gov. Gavin Newsom handily survived a recall election last fall by smearing his Republican opponents as Donald Trump toadies. While the recall didn't defeat Mr. Newsom, it also didn't make him politically stronger. Frustration with Covid lockdowns has receded, but anger over the state's myriad other problems—crime, homelessness, lousy schools, high energy and housing costs and electricity blackouts, among other things—hasn't waned. Disapproval of Mr. Newsom's job performance, especially among independents, has risen since the recall.

Enter Michael Shellenberger, 50, a former Democrat running for governor as an independent. His political evolution resembles the cartoon recently tweeted by Elon Musk—a stationary guy in the center left of the political spectrum finds himself being pulled to the center right as his fellow liberals sprint the other way. A self-described “eco-modernist,” Mr. Shellenberger has plenty of company in the Golden State. Most Californians aren't nearly as liberal as the state's political class, but Republicans have struggled to win statewide in part because their anti-immigrant rhetoric and cultural conservatism have turned off Hispanics and young people. Mr. Shellenberger is testing whether a political moderate running on quality-of-life issues can break the progressive stranglehold on Sacramento. He needs to place second in the state's jungle primary on June 7 to face off against Mr. Newsom head-to-head in November.

Mr. Shellenberger's bid may seem a long shot. Independents don't benefit from party infrastructure, endorsements and financing. His campaign has raised a mere \$722,000. But California's GOP is weak, and there are no well-known Republican candidates in the field. There hasn't been public polling on the race,



OSCAR GONZALEZ/WEINIKO.COM

though Mr. Shellenberger says his internal polls show equally strong support among Republicans, Democrats and independents.

In California, conservative talk radio can have a greater reach than TV advertisements. Mr. Shellenberger has been a frequent guest on popular radio programs such as “John and Ken,” where he's opined about the state's homelessness, rising crime and crazy climate politics. Yet he isn't a conservative firebrand, and

Michael Shellenberger thinks a little common sense can go a long way in the Golden State.

that may work in his favor. He describes himself in a Zoom interview as a “bleeding-heart liberal when it comes to caring for the vulnerable, a libertarian when it comes to being passionate about freedom, but a conservative when it comes to taking care of our civilization.”

He's also a bona fide environmentalist. In 2004 he rose to prominence by co-authoring an essay criticizing the green movement as arrogant and politically insular. “Environmentalism

is just another special interest,” he wrote. “Environmentalists ask not what we can do for non-environmental constituencies but what non-environmental constituencies can do for environmentalists.”

He became an outspoken advocate for nuclear energy and shale gas fracking to reduce CO2 emissions. After writing a book criticizing climate alarmism, he turned his focus to the social policies that are ruining big cities on the West Coast, especially in California's Bay Area where he has lived for three decades.

“Homelessness is the biggest crisis facing the state,” he says. Two-thirds of voters say Mr. Newsom is doing a poor job handling it. While Democrats blame a shortage of low-cost housing, Mr. Shellenberger says the bigger problem is “untreated mental illness and addiction crisis.”

Democrats' solution is for the state to build more “affordable housing.” That's expensive—the average cost of building a single unit in San Francisco is \$750,000—and it doesn't address the underlying causes of homelessness. Mr. Shellenberger supports building more homeless shelters to get people off the streets. But he argues that state-subsidized housing should be reserved for people who go to rehab and get jobs. He also says that the state's conservatorship

Democrats' 2022 Playbook: Falsehoods and Fear



FREE
EXPRESSION
By Gerard Baker

They're going to do it again, aren't they? It worked so well for them in 2020 that they can hardly be blamed for thinking they can repeat it in 2022.

The modern left's rules for radicals were followed to the letter in the wake of George Floyd's murder two years ago: Seize on an event that attracts national attention to promote their extreme ideological objective; knowingly misrepresent what that event means with the eager help of friendly media to maximize public fear; mobilize a mob to intimidate those who might stand in their way; compel the obeisance of a craven crowd of corporate chiefs, technology leaders and other influential figures; and have it all justified and promoted by Democratic officeholders and candidates.

In 2020 the campaign created enough of a climate of fragile uncertainty that many voters were persuaded to validate it to avoid further turmoil.

We don't know if it will be as successful this time, but we should be under no illusions about what they're up to. The leak last week of a draft Supreme Court opinion in *Dobbs v. Jackson Women's Health Organization*, and the response to it by the left, represents another attempt to subvert the constitutional process to achieve the objective of moving the country more rapidly toward their favored ideological destination.

The Black Lives Matter campaign two years ago ranks as one of the most effective demonstrations of extraconstitutional political activism in at least half a century. The far left, representative of only a tiny strand of opinion in the U.S., succeeded in orchestrating a campaign of disinformation, intimidation, moral blackmail and outright violence to create a political climate favorable to its interest. Seizing on the murder of a black man by a police officer to create a

narrative that the U.S. is institutionally depraved, it managed to turn the blame onto the incumbent Republican president and his party and helped elect a president and Congress that have been eager advocates for their wider cause.

The Campaign to Save Roe is in many ways even more egregious. The Summer of Rage was at least sparked initially by an ugly and murderous incident. This latest chapter in the history of revolutionary action has been ignited by an act of attempted judicial sabotage.

We don't know who leaked to Politico Justice Samuel Alito's tightly argued opinion eviscerating *Roe v. Wade* along with the news that five justices were ready to overturn the 1973 ruling. But we can make an educated inference merely by observing its immediate consequences.

The revelation has damaged the court's standing and its authority, risking its being seen as merely another Washington institution of crumbling reputation. It's hard to see how that favors anyone other than those who oppose its majority.

More important, the disclosure of the outcome of an interim discussion, a five-justice majority, has led to unprecedented pressure on the justices to change their minds.

We know the kind of people who post maps on social media with the home addresses of people they don't like. We know the kind of people who show up outside those homes to intimidate. But what are we to make of

a White House that declines to condemn any of this?

“Silence gives consent” is an old legal maxim, but in this case the Biden administration didn't even remain silent. Jen Psaki, President Biden's press secretary, last week defended the right to “peaceful protest.” Asked specifically whether the White House thinks the location of the weekend's planned demonstrations was improper, she demurred: “I

Will an act of judicial sabotage provoke another summer of rage like the one that helped elect Biden?

don't have an official U.S. government position on where people protest.” She finally backtracked Monday morning, tweeting that Mr. Biden “strongly believes in the Constitutional right to protest. But that should never include violence, threats, or vandalism. Judges perform an incredibly important function in our society, and they must be able to do their jobs without concern for their personal safety.”

The leak itself and especially the demonstrations outside the homes of justices may be federal crimes. Both certainly amount to improper interference in a legitimate judicial process.

All this, by the way, as Democrats

laws may need to be reformed to allow families to compel people with severe mental illness into treatment.

As for the exodus of Californians fleeing the state's exorbitant cost of living, Mr. Shellenberger blames environmentalists who want policies that make energy, water, housing and jobs scarce. They've succeeded. Southern California's main water provider recently announced severe restrictions aimed at cutting consumption by 35%. In recent years Californians have experienced rolling blackouts due to the shutdown of gas and nuclear plants.

Mr. Shellenberger's campaign seems to have gotten the governor's attention. Mr. Newsom recently said he was reconsidering plans to close the state's last nuclear plant, Diablo Canyon, and endorsed building a large desalination plant in Huntington Beach despite opposition from green groups.

Public unions, especially the California Teachers Association, wield almost as much power in Sacramento as environmentalists do. Mr. Shellenberger says he wants to expand school choice and competition and supports a proposed ballot initiative in 2024 to establish education savings accounts to give parents options beyond their local public schools. If he's elected and unions block his reforms in the Legislature, Mr. Shellenberger says he will take his agenda to voters. “Will the union be able to kill things that are supported by 70% to 80% of voters?” They would no doubt spend tens of millions of dollars trying. In 2005 unions defeated two initiatives backed by then-Gov. Arnold Schwarzenegger to reform teacher tenure and union-dues laws.

But Covid school shutdowns and quality-of-life problems that didn't exist in 2005 have shined a light on how the state is misgoverned. That may give Mr. Shellenberger's dark-horse campaign real legs.

Ms. Finley is a member of the Journal's editorial board.

are about to begin their big performance about the Capitol riot of Jan. 6, 2021. Their acquiescence in efforts to undermine the Supreme Court's deliberations make a mockery of their own condemnations of that shameful episode.

The efforts to intimidate the justices into changing their minds will probably fail. But when the final ruling on the case comes down, the wider campaign to stoke fear into a more biddable public will really begin.

Democrats are already propagating multiple fictions about the putative ruling: that it will herald the rolling back of other rights such as interracial marriage, and, above all, the idea that it would mark some kind of judicial fiat in restricting or even banning abortion.

The opposite is true. Justice Alito's opinion makes plain that the intent is to remove the court from decisions about the proper status of abortion and hand them instead to the people and their elected representatives.

Progressives hope their misrepresentation will save their skins in the midterm elections this fall. Given their current woes, that seems a stretch. But their campaign will surely be assisted, as it was two years ago, by an eager chorus of media, corporate and other loud voices raising false alarms with lurid tales designed to frighten voters and promises of new remedies—court packing, abolishing the filibuster—designed to facilitate their radical ambitions.

The stakes have gotten a lot higher.

For Russia, It's All About the Benjamins

By Markos Kounalakis

Most Russians haven't been affected by Western sanctions, but there's one thing the U.S. Treasury can do to put real political pressure on Vladimir Putin—immediately stop circulating and honoring \$100 bills in Russia.

Rather than investing in a retirement fund, ordinary and wealthy Russians alike protect their life savings by converting their rubles to dollars and stashing them at home. Russian ruble volatility and U.S. dollar security and stability have made American currency a preferred savings mechanism. For years, Russians' bill of preference has been the \$100. As of 2019, more than 661,500 pounds of \$100 bills were in Russia—many of them stashed in lumpy mattresses and home-sewn money belts. That's \$31.5 billion.

Messing with the \$100 note at all causes panic in Russia. Millions of Russians were alarmed in 1996 when Washington redesigned the \$100 bill to be less easily counterfeited. Russians, used to dramatic currency reforms, worried their saved dollars were suddenly worthless, with fewer people accepting the dated currency. In those days Russians held more U.S. dollars than any other foreign currency, and

80% of those greenbacks were \$100 bills. Though the U.S. Treasury didn't officially recall the existing \$100 notes, many Russian commercial bankers warned they would likely reject the old version or require a fee to change them out.

So while sanctions have failed to dissuade Mr. Putin's military aims, in part because they do little to affect the well-being of most Russians, rapidly phasing out the \$100 could cause real domestic backlash against the war in Ukraine. In the current Russian banking environment, there wouldn't be an easy way to convert these discontinued bills to other currency. Russians' savings would be reduced to paper.

It would be impossible then to hide the effect of Mr. Putin's war from his base. President Biden should say that the \$100 bill is terminated because of the Russian leader's war in Ukraine and the violence he has inflicted on civilians. Mr. Putin can obscure and spin this all he wants, but Russians will still know that his actions led to their savings being wiped out.

It could even be a good idea to sunset the \$100 world-wide. Almost 80% of U.S. \$100 bills reside overseas and a lot of that fuels bad actors. Easy-to-transport cash is a key to global corruption and crime, as

former Treasury Secretary Larry Summers has argued. Large Western bills like the \$100 are what terrorists and drug traffickers use to conduct much of their trade. This is how the still-circulating €500 bills got their moniker “bin Ladens.” Getting rid of big-denomination currency—the way the U.S. stopped issuing \$500, \$1,000 and \$5,000 bills in 1969—would also hurt autocratic regimes like North Korea by depriving them of an easy way to launder ill-gotten gains.

In the U.S., research suggests that eliminating the \$100 bill could help curtail tax evasion and commercial theft as well as that by employees.

Even opening up a policy debate about eliminating the \$100 bill would stir things up from Russia to Iran to Venezuela. This alone could do more to upset the political status quo for Mr. Putin than many sanctions.

It's worth trying any nonviolent measure that could dissuade Mr. Putin from his imperialistic aims and save lives in Ukraine. Let's get rid of the \$100 bill.

Mr. Kounalakis is a visiting fellow at the Hoover Institution, a former Moscow correspondent for NBC Radio and author of “Freedom isn't Free: The Price of World Order.”

THE WALL STREET JOURNAL.

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Higher Meat Prices Boost Tyson

By Patrick Thomas

Tyson Foods Inc. reported soaring profit as the company raised prices for beef, chicken and pork, citing higher costs. Tyson, the biggest U.S. meat processor by sales, said it increased prices for beef by an average 23.8% over the three months ended April 2, while its chicken prices increased 14.4% and 10.8% for pork. Tyson said its cost of goods sold increased 15% over the quarter as the company paid more for animal feed, freight and labor expenses. Tyson Chief Executive Officer Donnie King said Tyson's

price increases are consistent with inflation. "We do not ask the customer to pay for our inefficiencies," Mr. King said on a call with reporters. "We are asking customers to pay for inflation we see throughout the supply chain."

Meatpackers including Tyson have said that because many of their processing plants remain short-staffed, they can't process as many cattle, hogs and chickens, constraining meat supplies. Demand from groceries and restaurants hasn't let up, executives have said, pushing meat prices higher over the past year.

U.S. inflation surged to a four-decade high of 8.5% in March, according to the Labor Department, driven by surging energy and food costs, supply constraints and strong consumer demand. Food globally is becoming more expensive, with Russia's invasion of Ukraine disrupting one of the world's top grain-producing regions, an important ingredient of animal feed.

Rising food prices are beginning to alter some consumers' shopping habits, industry executives have said, leading some to switch to less expensive cooking oil, frozen food and meat products. Inflation is

eroding brand loyalty among some consumers, as price becomes a bigger factor determining what shoppers put into their carts at supermarkets, and some executives have warned that consumers' inclination to pay higher prices could decline.

The meat industry's rising profit margins have drawn criticism from the White House, lawmakers and regulators, which have accused the industry of using its scale to inflate Americans' food bills. Meat companies have said their results reflect market forces that have arisen from persistent supply-chain prob-

lems and labor shortages.

On Monday, White House press secretary Jen Psaki said in response to a question about Tyson's earnings that the Biden administration is concerned about major meat companies' abilities to raise prices on consumers. She said that she didn't have any comment on specific companies' earnings.

Tyson's volumes of pork and prepared foods sold both fell about 5% in the quarter, while beef and chicken sales volumes increased slightly.

"Every part of our business has been impacted by infla-

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Uber Reduces Spending To Focus On Profit

By Preetika Rana and Gareth Vipers

Uber Technologies Inc. will cut its spending on marketing and scale back on hiring as it focuses on turning a profit, its chief executive told staff, the latest example of corporate caution in the tech sector.

Chief Executive Dara Khosrowshahi said that investors have become less tolerant of companies gaining market share at the expense of their bottom lines.

"We are serving multi-trillion dollar markets, but market size is irrelevant if it doesn't translate into profit," he said in an email late Sunday which talked about his recent discussions with investors. "We need to show them the money."

To do so, he said, the company will reduce its marketing expenses and rein in spending on human resources.

Uber shares fell nearly 12% Monday after CNBC reported on the email. The shares have fallen more than 40% so far this year, outpacing the 25% decline in the Nasdaq Composite Index.

Technology companies that powered the U.S. economy during the pandemic are struggling with some of the biggest challenges they have seen in years.

Concerns about rising interest rates and the reversal of some pandemic trends which bolstered tech revenue have hit the share prices of Uber, **Netflix Inc.**, Facebook parent **Meta Platforms Inc.** and **Amazon.com Inc.** Among the other issues cooling the long-hot sector: Inflation, labor shortages, rising interest rates and supply-chain issues.

In his Sunday email, Mr. Khosrowshahi noted that "the goalposts have changed."

Investors want to see a clearer path to profitability, he said.

"It's clear that the market is experiencing a seismic

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Parts Shortages Slow Down Truck Industry

By Bob Tita

The U.S. trucking industry, at the center of the nation's struggle to move freight efficiently, is caught in its own constricted supply chain.

Production of heavy-duty trucks that haul trailers is bogged down by parts shortages that can't keep up with a long backlog of orders, industry executives said, keeping fleets from replacing and adding trucks at the same time demand for shipping consumer goods and industrial materials is elevated. Dwindling availability of new trucks along with a driver shortage and surging fuel prices are deepening logistics problems that have been dragging on the U.S. economy, pushing up delivery times and increasing transportation costs.

Scarce parts, including semiconductor chips, led truck manufacturers to cancel orders last year for several thousand vehicles they weren't able to build, according to market analysts. So far this year, manufacturers have accepted about 55% fewer orders than during the early months of 2021, according to Indiana-based market forecaster ACT Research Co. Trucking companies rely more on aging fleets amid reduced access to new equipment.

Paul Truman, president of **Truline Corp.**, a 300-truck fleet based in Las Vegas, doesn't expect to buy new trucks this year. In March, Truline received 30 Peterbilt heavy-duty trucks that were ordered in February 2021 and originally scheduled for delivery last August, he said. Trul-



Truline says the inability to get more trucks caused it to turn away business. One of its fleet of trucks in Las Vegas.

ine, which mostly hauls food and beverage products, typically buys at least 60 trucks a year as replacements for older, high-mileage trucks.

Mr. Truman said the inability to get more trucks caused Truline to turn away business recently, when a customer asked for a long-term commitment of 25 trucks and 400 trailers. "It's hard to grow when you can't get equipment," Mr. Truman said.

Market forecasters had expected a rebound this year for production of heavy-duty trucks, the workhorses of the interstate trucking industry. Covid-19-related factory shutdowns clipped production in

2020, and parts shortages limited last year's production to 264,470 vehicles, according to ACT Research. Annual production in North America has exceeded 300,000 during strong markets, and as recently as 2019 the industry produced 344,560 trucks.

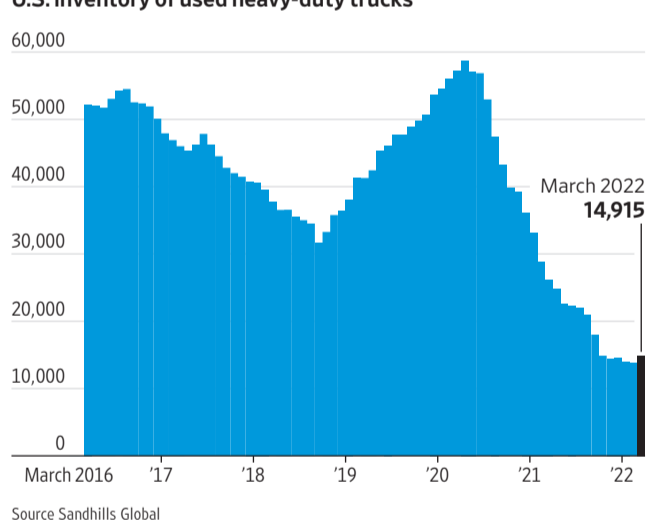
ACT forecasts production of heavy-duty trucks to increase to 296,000 this year, down from an estimate of 300,000 at the start of the year.

"Demand continues to outstrip the industry's ability to build trucks," said Kenny Vieth, ACT's president.

Truck manufacturers also are reluctant to push addi-

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U.S. inventory of used heavy-duty trucks



Ford Unloads Rivian Stock, Sparking Selloff

By Mike Colias

Ford Motor Co. has sold off about 8% of its stockholdings in **Rivian Automotive Inc.**, according to people familiar with the matter, pushing shares of the electric-vehicle startup to an all-time low.

Rivian stock has come under pressure, following news of the Ford stock sale, reported by CNBC on Saturday. Rivian's stock closed down 21% to \$22.78 on Monday, continuing a slide that began this year as the company has curtailed factory production due to supply-chain challenges.

Ford sold about eight million shares between late Sunday and Monday morning through Goldman Sachs Group Inc., the people familiar with the move said. Ford is no longer partnering to develop an EV with Rivian, as had been planned under its initial investment in 2019, and wants to gradually reduce its stake in what has become a rival in the electric-truck market.

Before the sale, Ford held about 102 million shares in Rivian, about 11.4% of the company.

CNBC also reported that

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Bank Shares Decline Despite Fed Moves to Raise Rates

By Charley Grant

Interest rates are going up, but bank stocks aren't.

JPMorgan Chase & Co., **Goldman Sachs Group Inc.**, **Bank of America Corp.** and **Morgan Stanley** have slumped this year after two years of big pandemic gains. All four banks are off their 52-week highs by more than 20%, including a 29% drop at JPMorgan. That compares with a 17% drop in the S&P 500.

Higher rates are supposed to help bank stocks, but they haven't this year. The Federal

Reserve has raised rates twice since March to curb inflation and hinted that more increases are on the way.

Investors worry that rate increases that are too big or too fast could tip the economy into recession.

Broader markets and big-bank stocks jumped Wednesday after the Fed said it would raise rates by half a point. Bank stocks continued to fall on Monday as the realities of a more challenging economic environment set in.

"People are worried that the Fed will push until some-

thing breaks, which could lead to a recession and credit losses," said Citigroup analyst Keith Horowitz, who is mostly bullish on the banking sector and expects any potential credit losses to be manageable.

Higher rates can lead to billions of dollars in additional annual revenue for the banks because they allow banks to charge more on loans while paying depositors only mod-

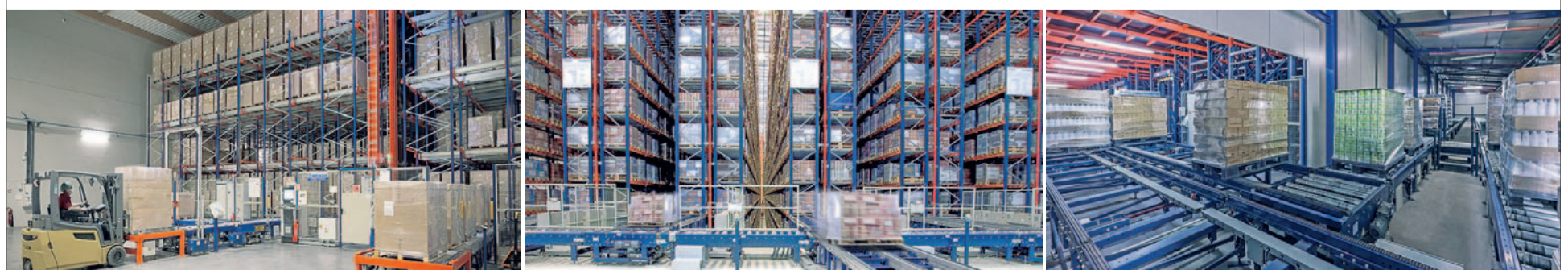
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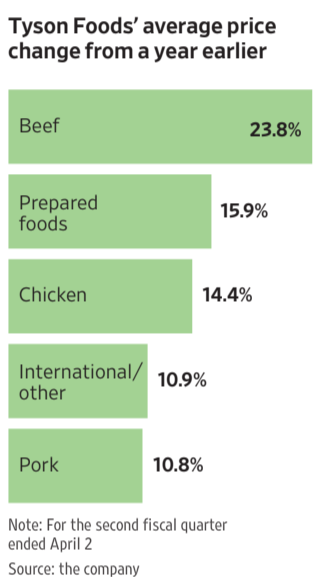
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Tyson Earnings Increase

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 tion," Mr. King said on a conference call with analysts. "We experienced higher costs across our supply chain."
 Arkansas-based Tyson said net income for its second quarter rose to \$829 million from \$476 million a year earlier, propelled by higher profit margins in its beef and chicken divisions. The company reported \$13.1 billion in quarterly sales, compared with \$11.3 billion a year earlier. The results surpassed Wall Street analysts' expectations.
 Tyson said it expects full-year sales of \$52 billion to \$54 billion, compared with its prior estimate for the upper end of a \$49 billion to \$51 billion range.
 Tyson shares rose 2.2% to \$92.84 on Monday.
 The company said that tight supplies of meat, strong demand from restaurants and supermarkets and its own efforts to cut costs were making its operations more profitable.
 Operating-income margins in Tyson's beef business grew to 13% in the most recent quarter from 11% a year earlier. Chicken margins increased to 5% from a flat second quarter last year. Sales volumes in its pork unit declined 5%, shrinking its margins slightly, as the company struggled to staff its plants to keep up with higher demand, company officials said.
 The company expects a stronger performance from its chicken unit in the second half and continued to project strong margins in its beef operations, though cattle are becoming more expensive for Tyson to purchase from feedlots as ranchers cut herd sizes.
 "Drought conditions and grain costs are certainly impacting supply," said Mr. King. "While it's not going to be a record back half, we think it will be a very good one."
 Tyson received a subpoena in April from the New York Attorney General's Bureau of Consumer Frauds and Protection seeking information regarding its sales, prices and



production costs of beef, pork and chicken products, according to its quarterly filing with the Securities and Exchange Commission. Tyson said it is reviewing the scope of the subpoena and will respond appropriately.
 Meatpackers, including Tyson, have faced accusations of price fixing in recent years. Tyson has said it is cooperating with the Justice Department under a corporate leniency program after discovering that some employees were implicated in the alleged scheme. The government's case against several poultry executives ended in a second mistrial in March. Prosecutors intend to try the case a third time.
 The Justice Department opened a civil investigation into human-resources practices at chicken companies this year. Tyson said in its quarterly filing that it is cooperating with the probe.
 Despite labor challenges, Tyson said staffing in its operations has improved and that the company had lower turnover and absenteeism in the most recent quarter. T
 he company said it has invested in higher wages for its workers and other workplace benefits, such as flexible schedules, child care and transportation.
 Tyson is also working to boost its processing capacity, with four new plants expected to come online in the fourth quarter of its fiscal year.
 "We are in a better position today than we have been in a long time," Mr. King said, referring to Tyson's staffing levels.



The Jimmy Dean owner says sales volumes in its pork unit fell.

China Auto Maker Faces Probe

By Yoko Kubota and Clarence Leong

BEIJING—Fast-growing car maker BYD Co. is being investigated by local authorities in the central Chinese city of Changsha, after people living near one of the company's biggest factories raised concerns about its emissions and complained of health problems.
 The city's government said Sunday that it has formed a team to look into gas emissions from BYD's plant, "in response to the public's feedback." It has roped in third-party testing agencies and other relevant experts, according to a statement posted on Chinese social media.
 Last week, some residents who live in compounds surrounding BYD's manufacturing plant on the outskirts of Changsha, the capital of Hunan province, protested in front of the factory, according to local media reports and social-media posts. On Saturday, China Philanthropist, a state-backed magazine, published a story

that quoted residents as saying that some children living near the plant suffered nosebleeds in the past two months. It also said some adults have experienced symptoms such as nausea, vomiting and persistent coughs.
 In response to residents' complaints, BYD said Saturday on social media that its factory follows relevant national regulations and standards, and that it has taken steps to address "a potential odor situation" in residential areas near the plant.
 The company added that messages circulating online suggesting that the plant's "emissions have exceeded limits and led to nosebleeds" are a "malicious fabrication." BYD added it has reported the matter to the police. The company didn't respond to requests for comment Monday.
 The Shenzhen-listed shares of BYD fell 3.9% Monday following news of the local government probe. The shares have dropped 13% in the year to date, but have performed

better than an index of the largest stocks listed in mainland China.
 A unit of billionaire Warren Buffett's Berkshire Hathaway Inc. has owned shares in BYD for more than a decade; its stake recently amounted to about 7.7% of the company.
 The Changsha plant, which started production in 2012, is one of Shenzhen-headquartered BYD's main automotive plants, where around a fifth of its vehicles are produced. They include the electric Yuan sport-utility vehicle, the Song Max seven-seater multipurpose vehicle and its electric "e" product series.
 BYD, one of China's biggest auto makers and a major battery producer, recently reported a 63% year-over-year increase in first-quarter revenue to the equivalent of \$10 billion, thanks to strong sales of its electric vehicles. The company's net profit jumped 241% to the equivalent of \$121.3 million.
 Last year, BYD ranked No. 1

in electric car sales among auto makers in China. It sold 584,020 electric vehicles in the country, more than triple its total in 2020, according to data from the China Passenger Car Association.
 It isn't the first time BYD has faced complaints about its plant emissions. In 2017, a resident living near the same plant filed a complaint to Hunan province's environment department, saying that pungent gas released by the plant made them feel nauseated, according to the environment department's website.
 The environment regulator in Changsha put the factory on a watch list in 2018 after receiving repeated complaints over pollution, and ordered BYD to rectify the problems and close a casting workshop. The plant's emissions met standards in the following four inspections through mid 2019, the regulator said.
 —Qianwei Zhang and Raffaele Huang contributed to this article.

Ford Sells Rivian Shares

Continued from page B1
 JPMorgan Chase & Co. was planning to sell between 13 million and 15 million Rivian shares for an undisclosed stakeholder.

The lockup period for Rivian investors to sell stock after its initial public offering in November expired Sunday. Ford and Rivian declined to comment.
 Ford, an early investor in Rivian, has been aggressive in expanding its own lineup of electric vehicles, having recently started production of its own battery-powered pickup, the F-150 Lightning. The Lightning is a direct competitor to one of Rivian's first models, the all-electric R1T pickup, which went on sale late last year.
 Rivian's debut on the public markets in November helped the company raise about \$12 billion in new capital, at the time the most money raised in any U.S. listing since 2014. Its market capitalization briefly rose above that of Ford last fall, as investors bet the upstart would surpass incumbents in the auto industry's electric-vehicle race.
 Rivian's shares have tumbled this year, down 78% at Monday's close, as the company has encountered challenges executing its plans, including getting its factory fully ramped up. Like other EV makers, it has been under pressure to raise prices to



Rivian blames its production woes on the global semiconductor shortage. Its plant in Normal, Ill.

counter rising raw-materials costs for battery inputs, such as lithium, cobalt and nickel.
 This year has been a tough one for the handful of electric-vehicle startups that went public in recent years. Many of these companies saw their valuations soar in 2021 as investors flocked to their shares because of the growth potential of battery-powered cars. But the mechanics of building a car and getting it to customers are proving difficult.
 Shares of Rivian and luxury EV maker Lucid Group Inc. have fallen after cutting earlier production forecasts amid supply-chain troubles.
 The potential windfall from Ford's stake in Rivian has shrunk since the startup's November IPO. In 2021, Ford said the rise in Rivian's stock price resulted in an \$8.3 billion paper gain. Rivian's stock selloff in recent months was a drag

on Ford's first quarter, shaving \$5.4 billion from its bottom line and resulting in a net loss.
 Ford and Rivian said in November that they mutually decided not to jointly develop a specific electric model, as they had planned under their initial strategic partnership in April 2019, and instead would focus on their own EV projects.
 On March 1, it told customers with reservations for vehicles that it would have to increase prices retroactively, only to later walk back the price increase after the move stoked a backlash. The company still plans to increase prices for future purchasers but only on reservations placed after March 1.
 While Rivian reported around 83,000 reservations at the end of March, it is having trouble getting its factory in Normal, Ill., operating at full speed. The former Mitsubishi

Motors Corp. plant can produce 150,000 vehicles a year but is producing around 1,000 of the vehicles a month.
 Rivian has blamed its production woes on the global semiconductor shortage, which is hamstringing production at nearly every car maker in the world. In March, Rivian slashed its production plans for the year, saying it would aim to produce 25,000 vehicles this year—half of what it would have otherwise been able to build.
 Rivian also has a deal to supply 100,000 battery-powered delivery vans to Amazon.com Inc., another investor in the young car manufacturer. Amazon owned 17.74 million Rivian shares as of Dec. 31, according to FactSet. An Amazon spokesperson declined to comment on its holdings.
 —Sean McLain contributed to this article.

Shortages Slow Down Trucking

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 tional orders into 2023 with the order backlog already at more than 250,000 trucks, about twice the normal level.
 "We're not ready to open up fully the 2023 order board because of the uncertainties of what the parts supply is going to be and the cost," said Preston Feight, chief executive of Paccar Inc., which makes Peterbilt and Kenworth trucks.
 Paccar, based in Washington state, said April 26 it delivered 10% fewer trucks in the U.S. and Canada during the first quarter than during the same period last year. Volvo Group, the maker of Volvo and Mack trucks, said last month its truck orders for North America fell 73% in the first quarter from the year-earlier period.
 In the absence of new vehicles, trucking-company executives said they are putting more miles on older trucks, leading to more frequent breakdowns that contribute to delayed deliveries of products as diverse as frozen chicken and construction materials.
 At Louisiana-based Dupré Logistics LLC, trucks that are usually cycled out of the fleet after 500,000 to 600,000 miles are being kept on the road for an extra 200,000 to 300,000

miles, said Doug Roberie, executive vice president of asset operations for the 550-truck fleet. "Trucks have to be in the shop longer," Mr. Roberie said. "We have to spend more to keep them on the road."
 Older trucks racking up more miles are consuming more parts, too, leaving them susceptible to some of the same parts shortages slowing down new-truck assembly, trucking companies said. Paccar reported a 35% increase in first-quarter profit from parts compared with a year earlier.
 Mr. Truman said repairs that used to take a day or two are now taking a month to complete because of long waits for parts. He said about 5% of Truline's fleet is idle on any given day, because of maintenance and repair work.
 "You need every truck up and running if you can't get more," Mr. Truman said.
 The lack of new trucks is driving up demand for used ones, as trucking companies try to increase their capacity to haul more freight. Used inventories have been shrinking as trucking companies hold on to their equipment longer. Dealers said prices have soared, with used heavy-duty trucks selling for an average of \$100,000, double a year earlier.
 Mike Clark, chief executive of Dobbs Truck Group, a Peterbilt dealer based in Memphis, Tenn., said the overheated used market is becoming increasingly risky. Dealers buying trucks at elevated prices might have difficulty selling them at a profit if the market weakens.

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BUSINESS NEWS

Activist Fund Boosts Its Shell Stake

By Jenny Strasburg

Activist hedge fund **Third Point** LLC told clients it has increased its stake in **Shell** PLC and is still pushing the oil giant to restructure, six months after calling for a breakup of the company.

Daniel Loeb's New York-based hedge fund took a \$750 million stake in Shell last year as of the third quarter, and called on it to separate into multiple companies—one focused on legacy businesses such as fossil-fuel refining and another on renewables and liquefied natural gas.

Third Point said splitting the businesses would help Shell reward and keep investors amid a shift to lower-carbon energy sources. Shell is a market leader in LNG, seen as key to Europe's energy security as it pulls back from Russian gas.

The Shell holding was Third Point's most profitable investment in the first three months of this year, a person close to the hedge fund said. "We have continued to add to our position in Shell," Third Point told clients in a Friday letter, which called for "a different corporate structure" without explicitly describing its goal as a full breakup of the company. The current value of the stake couldn't be learned.

Shell has defended its model, saying it regularly en-

gages with shareholders and evaluates its strategy, including around renewables. Shareholders overwhelmingly supported that strategy last year in a publicly disclosed vote, and this week top executives are meeting in London with investors about Shell's emissions targets and other climate goals ahead of the company's annual shareholder meeting later this month.

The company and other global peers continue to navigate sometimes-conflicting investor expectations that they profit from high commodity prices while also reorienting their carbon-heavy business models toward sustainable energy such as wind and solar.

In November, Shell announced plans to consolidate its dual British-Dutch structure, moving its headquarters to London, dropping "Royal Dutch" from its name and recommitting to a transition to low-carbon energy.

In February, on a year-end results call with analysts, Shell Chief Executive Ben van Beurden congratulated Third Point and Mr. Loeb "for an excellent moment in which they stepped into the stock," calling it a "very smart move."

In the weeks since Russia's invasion of Ukraine, crude has largely remained over \$100 a barrel. Shell has made piles of cash amid the volatility.



The furniture retailer is experimenting with smaller locations in city centers while expanding online offerings. A Burbank, Calif., store.

IKEA to Retool Stores for E-Sales

By Saabira Chaudhuri

IKEA is to invest €3 billion, about \$3.16 billion, in opening city-center stores and outfitting existing big-box locations to act as distribution hubs for online orders as the furniture giant looks to adapt to changing shopping habits.

The retailer has for decades focused on sprawling, out-of-town stores that act as showrooms, storage depots and restaurants. But in recent years, IKEA has been experimenting with new formats, opening smaller, city-center stores and working to build up its online offerings.

Ingka Holding BV, the biggest owner and operator of IKEA stores, on Monday said

the investment in stores would be made by the end of 2023 and was aimed at accelerating its expansion by being more accessible to customers.

"It's all about creating a dual role for our stores," said Tolga Öncü, Ingka's retail-operations manager. The new investment marks an acceleration from the roughly \$2.2 billion Ingka said it spent on stores over the three years from fiscal 2019 to 2021.

The company said it would look to modify between 30% and 40% of its big-box stores so they include new additions like parcel distribution centers. Rather than increase the footprint of existing stores, it plans to redistribute space. Mr. Öncü cited an example.

Rather than build a new central warehouse, the company rebuilt its store in Kuopio, Finland, to include a distribution center that would fulfill online orders. IKEA says the move allows customers to get orders in half the time with a sharp reduction in delivery costs. IKEA is also investing in last-mile delivery services by improving handling capacity in stores.

The retailer said it would use part of the investment to open more city-center stores in places such as Stockholm and Toronto. Mr. Öncü declined to give a number of stores, saying he isn't yet sure.

IKEA said €1.2 billion is being invested in London, including in a new store on Oxford

Street, in the city's central shopping district, and a distribution center that aims to enable 24-hour home deliveries.

The investment comes as IKEA, like other retailers, grapples with surging inflation, leading the company to say previously it would raise prices by 9% on average globally in response.

The company has also faced supply-chain disruptions that have led consumers in many parts of the world to be confronted with out-of-stock notices online.

Mr. Öncü on Monday said some markets are now seeing stock levels return to prepandemic levels, though IKEA still isn't able to offer its full range everywhere.

AMC Revenue Surges as Moviegoers Return to Theaters

By Denny Jacob

AMC Entertainment Holdings Inc. reported first-quarter sales shot up from the year-earlier period, as moviegoers continue to return to theaters amid the Covid-19 pandemic.

The Leewood, Kan.-based company logged \$785.7 million in sales, up from \$148.3 million a year earlier.

Analysts had been expecting \$743.4 million, according to FactSet.

Chief Executive Adam Aron said the results were the company's strongest in two years. The quarter was boosted by highly anticipated releases such as "Spider-Man: No Way Home" and "The Batman."

Shares of AMC, a so-called meme stock, rose 4.6% in after-hours trading. The stock closed Monday at \$12.52 a share, down 9% on the day—amid a broader market sell-off—and 54% in 2022.

The success last weekend of

"Doctor Strange in the Multiverse of Madness," a superhero thriller, has created optimism for the summer movie season. The film raked in \$450 million at the global box office on its opening weekend.

The outlook for the rest of the year is exciting, Mr. Aron said, citing coming releases such as "Top Gun: Maverick," "Jurassic World Dominion," and "Lightyear."

In the years before Covid-19, the summer movie season could account for about 40% of the domestic annual box office.

Mr. Aron said the company is continuing on its pandemic recovery trajectory. Covid-19 cases are starting to rise again in some parts of the country and subvariants of the virus spread.

For the first quarter, AMC narrowed its loss to \$337.4 million from a loss of \$566.9 million in the year-ago period. Adjusted losses were 52 cents a share in the latest quarter; analysts expected an adjusted

loss of 63 cents a share, according to FactSet.

The company said it invested \$28 million in Hycroft Mining Holding Corp. during the quarter. The Wall Street

Journal reported in March that the owner of gold deposits in Nevada was on the verge of bankruptcy before it caught the attention of meme-stock traders online, then of Mr.

Aron. AMC had available liquidity of \$1.38 billion, and cash and cash equivalents of \$1.16 billion, as of March 31, the company said.



The quarter was boosted by releases such as 'The Batman.'

Armstrong Files for Bankruptcy, Squeezed by Increasing Costs

By Becky Yerak and Colin Kellaher

Armstrong Flooring Inc., a publicly traded manufacturer founded in 1860, has filed for bankruptcy, saying it couldn't raise prices enough to counter supply-chain disruptions and higher costs for materials and transportation.

The Lancaster, Pa.-based company, along with subsidiaries **AFI Licensing LLC**, **Armstrong Flooring Latin America Inc.** and **Armstrong Flooring Canada Ltd.**, filed for chapter 11 protection Sunday in the U.S. Bankruptcy Court in Wilmington, Del. In November, Armstrong warned over whether it could continue as a going concern long-term, and earlier this month said it was seeking a buyer and would likely seek bankruptcy protection.

Chief Executive Officer Michel Vermette said in court papers that Armstrong last year sought to raise prices by up to 10% for residential products and 15% for commercial products. But profit margins were still narrowed by product and transportation cost increases of \$85 million in 2021 alone, he said. "The company's increasing costs significantly outpaced its pricing power,"

Mr. Vermette said. Armstrong was cash-flow negative last year and expects to continue to be cash-flow negative this year, Mr. Vermette said. Remaining liquidity under an asset-based lending credit facility would be exhausted by 2023, he added. Armstrong's customers include specialty retailers and wholesale flooring distributors that resell its products, including vinyl tiles, to retailers,

The flooring company couldn't raise prices enough to compensate.

builders, contractors, installers and others. The company last year posted sales of roughly \$650 million.

Armstrong has more than 1,200 U.S. employees, including roughly 280 union employees who work in manufacturing, and has flooring plants in Illinois, Mississippi, Oklahoma and Pennsylvania.

The company's bankruptcy petition showed \$517 million in total assets and \$317.8 million in total liabilities. Secured

debts include \$62.5 million outstanding under an asset-based lending credit facility and \$98 million in term loans. Its biggest unsecured creditors are vendors.

Gamco Investors Inc. owns roughly 9% of Armstrong's shares, a court filing showed. Armstrong's stock lost more than 95% in value in the past 12 months.

Mr. Vermette said Armstrong's situation worsened after bank lenders amended credit agreements in December requiring the company to sell itself within months.

"Vendors began requesting more favorable trade terms, customers reduced their order sizes, and employee attrition increased," he said in a court filing. "Meanwhile, long-term distributors reduced their stock of the company's products, and some took on competitive product lines, which further impacted sales."

Armstrong is seeking court approval for \$30 million from JMB Capital Partners Lending LLC and others to finance its bankruptcy. The company plans to continue to look for a buyer during its reorganization. Its operations in China and Australia aren't part of the bankruptcy but are part of the sale process.

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Chinese Companies Boost Stock Payouts

Alibaba, JD.com among those using buybacks, special dividends in bid to stabilize market

By CLARENCE LEONG

Chinese companies like **Alibaba Group Holding Ltd.** are embracing buybacks and one-off dividends, handing cash to shareholders as they seek to shore up their battered stock prices and signal confidence in the long-term outlook.

The dividend payouts and stock repurchases could help support a market that has been rattled by a series of challenges, which range from the economic impact of Beijing's Covid-19 policies and sweeping regulatory crackdowns to concerns about U.S. delistings and heightened geopolitical tensions.

JD.com Inc. last week said it would pay a special cash dividend totaling about \$2 billion to holders of its American depositary receipts and its Hong Kong-listed shares, after late last year boosting its existing buyback program to \$3 billion. Meanwhile, the offshore oil giant **Cnooc Ltd.** said on April 28 it would pay an anniversary special dividend of 1.18 Hong Kong dollars per share, or the equivalent of

about 15 cents. That is a sizable payout for a company whose stock closed the same day at HK\$10.84 per share.

Alibaba boosted its buyback program by \$10 billion to a maximum of \$25 billion in March. Others introducing or expanding similar plans include smartphone maker **Xiaomi Corp.**, fast-food giant **Yum China Holdings Inc.**, car maker **BYD Co.** and smaller technology companies such as **Bilibili Inc.**, **Vipshop Holdings Ltd.** and **Weibo Corp.**

Chinese stock valuations have fallen sharply compared with international peers, with the price-to-earnings ratio of the MSCI China index dropping to just 67% that of the global MSCI ACWI index as of the end of April, data from Refinitiv shows. Lower valuations tend to make buybacks more appealing.

As of Friday, the MSCI China, which includes shares listed in the U.S., Hong Kong and onshore, had fallen about 40% in dollar terms over the past year, Refinitiv data show.

Handing cash to shareholders could also dovetail with government priorities. China's securities regulator has encouraged the use of buybacks and called on major shareholders in listed companies to increase their stakes when shares slump to stabilize prices.

Those calls were part of Beijing's efforts to bolster a sluggish economy and lift market sentiment, said **Rory Green**, chief China economist at **TS Lombard**. "It's a symptom of weakness in China, rather than a positive buy sign," he said.

Given regulatory uncertainty, spending cash on stocks is a relatively safe option for companies that lets them show their willingness to work toward government targets, he added.

In addition, companies have less incentive to spend on business expansion as China's lockdowns cause short-term logistical and labor disruptions, said **Kinger Lau**, the chief China equity strategist at **Goldman Sachs**.

Buybacks are a relatively new tool for Chinese companies, especially onshore, where their use was tightly restricted until 2018. Even in Hong Kong, buyback volumes are modest compared with those in the U.S., although the volumes in the Asian city are increasing.

As of May 5, 128 companies had bought back the equivalent of about \$2.6 billion of stock in Hong Kong so far this year, more than double the tally in the same period a year earlier, **Wind** data show. The **Wind** figures reflect actual repurchases, rather than potential program



Chinese industries have been rattled by sweeping Covid-19 crackdowns. Beijing last month.

totals. For all of 2021, the figure was nearly \$5 billion, a record for the market.

A major contributor to this year's total is **Tencent Holdings Ltd.**, which has bought back more than \$800 million worth of shares, filings show. Tencent hasn't detailed any particular repurchase target but has an open-ended mandate permitting the buyback of up to 10% of its stock.

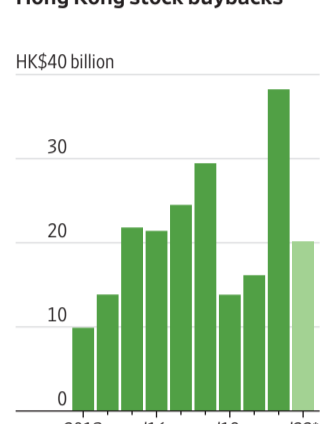
Some expect the trend to gain yet more momentum. Buybacks will become a more important use of cash for Chinese companies, said **Mr. Lau** at **Goldman Sachs**. He said they made sense economically, given low valuations.

Price/earnings ratio for MSCI indexes, next 12 months



*Through May 5
Note: HK\$10 billion=\$1.27 billion
Sources: MSCI via Refinitiv (P/E ratio); Wind (buybacks)

Hong Kong stock buybacks



*Through May 5
Note: HK\$10 billion=\$1.27 billion
Sources: MSCI via Refinitiv (P/E ratio); Wind (buybacks)

Palantir Dives 21% On Weaker Forecast

By WILL FEUER

Palantir Technologies Inc. shares fell more than 20% after the company forecast that its sales growth is slowing as its government business drags down growth.

The data-mining company on Monday projected sales of \$470 million in the current quarter, up 25% from a year earlier. That would be the slowest growth rate since the company made its public market debut in 2020. Analysts had projected sales of \$484 million, according to **FactSet**.

Palantir said there is potential upside to that view, including as it responds to developing geopolitical events. Still, the outlook spooked investors, and Palantir became the latest tech company whose shares were battered by projections of a business slowdown.

The view came as Palantir reported that sales in the first quarter rose 31% to \$446.4 million, slightly beating analysts' expectations. The company posted a loss of \$101.4 million, or 5 cents a share, narrowing from the company's loss of \$123.5 million, or 7 cents a share, a year earlier.

Palantir stock fell 21.3% to \$746 after earlier hitting a 52-week low. The stock is down 59% so far this year.

◆ **Heard on the Street: The future turns insecure..... B13**

Uber Cuts Marketing Spending

Continued from page B1
shift and we need to react accordingly," he said.

For the three months through March, Uber's net loss widened to \$5.93 billion from \$108 million a year earlier, driven by losses on its investments in Chinese ride-hailing company **Didi Global Inc.** and others. Uber hasn't said when it expects to post a net profit.

Uber's revenue more than doubled in the March quarter, as demand for rides rebounded from the downturn caused by the Covid-19 surge late last year and the company's food-delivery business grew despite restaurant reopenings.

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BUSINESS NEWS

Businesses See New Peril in Taiwan

Ukraine war drives interest in buying insurance for potential conflict in East Asia

By RICHARD VANDERFORD

Russia's invasion of Ukraine has made companies more aware of the potential for upheaval overseas, driving interest in political risk insurance for two other potential hot spots: China and Taiwan.

A self-ruled island about 100 miles from China, Taiwan had long been regarded by

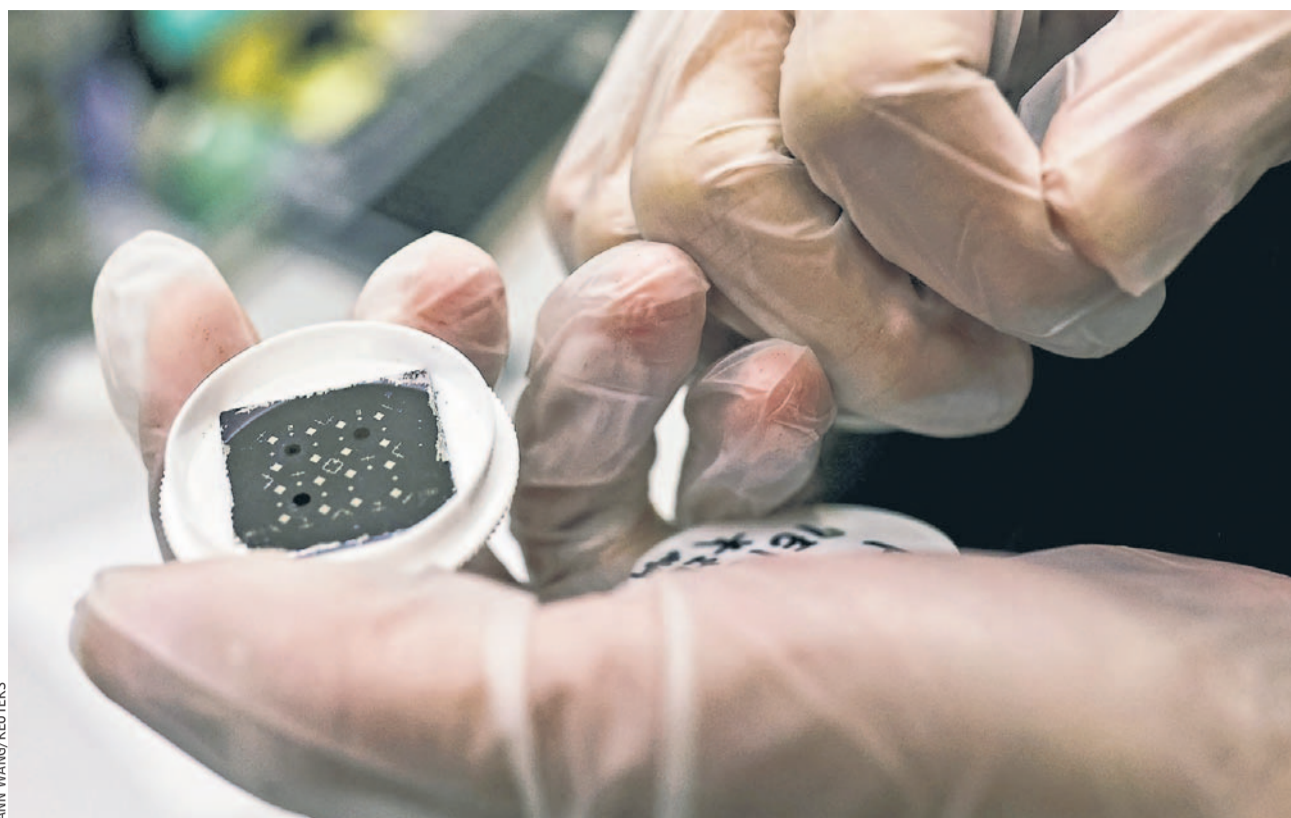
companies as a safe bet. But companies have become increasingly concerned about a potential conflict between China and Taiwan, and have begun to express interest in insuring their operations in both places against potential violence and disruption, experts said.

A full-scale war like that in Ukraine has been particularly jarring.

"What recently has happened in Eastern Europe, Russia and Ukraine has just raised great awareness about political risks in general," said Daniel Riordan, the global head of political risk and credit at insurer **Vantage Group Holdings Ltd.**

"They're concerned about the potential for China getting even more aggressive with Taiwan, particularly in the wake of Russia's invading Ukraine," said Mr. Riordan, adding that his political risk business has seen an influx of new clients. "We're seeing boards who are saying, 'OK, where's our political risk insurance?'" he said.

Mr. Riordan said his political risk business—measured in the volume of new insurance proposals submitted to underwriters—jumped about 25% from the last quarter of 2021 to the first quarter of 2022, driven in part by China-related concerns. The increase bucked a normal trend of business



Microchip manufacturing is a key industry in Taiwan, where the prospect of a war with China now seems less remote.

slowdown over that time frame, he said.

Beijing regards Taiwan as an integral part of the People's Republic of China, while Taiwan views itself as a sovereign and independent state. Tensions between the two have risen in recent years, as China has suppressed Hong Kong's democratic aspirations and repeatedly dispatched military aircraft into Taiwan's air-defense zone.

Political risk insurance pays companies when conflicts boil over. A relatively niche category of insurance, it covers a variety of hazards other insurance types tend not to touch: a missile slamming into a factory, the nationalization of private assets following a coup or currency stranded in a country by a government action.

Today, about 60 insurance carriers offer policies, including American International Group Inc., Chubb Ltd., Swiss Re AG and several Lloyd's of London insurers.

Policies run for periods of several years and can't be canceled by insurance companies once issued.

Much of the Taiwan-related political risk insurance in particular has been bought to cover operations in the technology and power sectors, several experts said. Taiwan is the world's foremost producer of semiconductors and has a growing offshore wind-power industry. In mainland China, companies with manufacturing operations often seek political risk insurance.

China and Taiwan political risk has become more expensive to insure amid escalating U.S.-China tensions, said Laura Burns, the political risk product leader for the Americas at insurance broker WTW. Larger policies are also somewhat harder to source, as companies have recently sought to ensure potential losses of more than \$1 billion, straining capacity, she said.

"Pricing has gone up a bit,

and we have seen a shrinkage of capacity," Ms. Burns said. "A few underwriters have just said they're not writing any more China risk...it would suggest that the pricing is going to continue to rise."

Companies and their insurance carriers have grown more leery as former President Donald Trump's relatively tough stance toward China was largely retained under President Biden, Ms. Burns said.

Insurance for political risk typically runs between 30 and 300 basis points, or hundredths of a percentage point, a year, according to WTW. For example, insuring \$100 million at 100 basis points would cost \$1 million annually. China-related risk could be bought as cheaply as 30 basis points before 2015, a figure that has now about doubled, Ms. Burns said.

Underwriters tend not to comment on their specific proprietary pricing data.

"A few years ago, Taiwan

would have been considered a very low-risk country that you wouldn't even buy political risk cover on," said David Anderson, a former top political risk head underwriter for Zurich Insurance Group Ltd. who now heads Anderson Risk Consultants LLC. "Now it's got a higher profile—it's something policyholders want to cover."

Some companies are concerned about risks short of war, such as being caught in the crosshairs of a U.S.-China sanctions tiff, Ms. Burns said.

Localized conflict can also spill over, she said. Russia's war in Ukraine has raised the price of many commodities, which can fuel knock-on instability elsewhere.

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Musk Says Twitter Plans Align With EU

By KIM MACKRAEL

Elon Musk said his plans for **Twitter Inc.** are aligned with new European Union rules aimed at compelling social-media companies to do more to police illegal content, after his initial vision for the platform raised concerns among regulators in Europe.

Mr. Musk made the comments in a video posted Monday to the Twitter account of Europe's commissioner for the internal market, Thierry Breton. Mr. Breton met Mr. Musk during a visit to Austin, Texas, where the two discussed the EU's new Digital Services Act, which lawmakers agreed to last month.

"I think we're very much of the same mind," Mr. Musk said in the video, in which he is standing with Mr. Breton. "Anything that my companies can do that would be beneficial to Europe, we want to do that."

The new rules, which aren't yet in effect, would require major social-media platforms to swiftly address illegal content and conduct regular risk assessments, among other measures, or face hefty fines.

Mr. Musk, chief executive of Austin-based Tesla Inc. whose \$44 billion bid to buy Twitter was accepted last month, has said that he views the company as an important platform for free speech, leading to speculation that he intends to relax Twitter's content moderation rules. Mr. Musk has said Twitter should be more cautious about removing content and permanently banning users but hasn't detailed how the company's policies could change.

Twitter declined to comment. Mr. Musk didn't respond to a request for comment.

—Rebecca Elliott and Meghan Bobrowsky contributed to this article.

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BUSINESS NEWS

Washington Post, New York Times Win Pulitzer Prizes

BY ALLISON PRANG

The Washington Post and the **New York Times** were among several news outlets awarded Pulitzer Prizes on Monday for their coverage last year, honoring journalism that covered topics from the attack on the U.S. Capitol to fatal traffic stops.

The Wall Street Journal was named a finalist for explanatory reporting for its coverage of the Tulsa race massacre 100 years later. The Journal, and specifically its chief foreign-affairs correspondent, Yaroslav Trofimov, were collectively named a finalist for international reporting for the news outlet's coverage of Afghanistan.

Ukraine's journalists were honored for their coverage of Russia's invasion.

The Pulitzer board also awarded the journalists of Ukraine a special citation for their coverage of Russia's invasion. "Despite bombardment, abductions, occupation

and even deaths in their ranks, they have persisted in their effort to provide an accurate picture of a terrible reality, doing honor to Ukraine and to journalists around the world," said Pulitzer Prizes Administrator Marjorie Miller.

Several metro newspapers took home awards. The Miami Herald won the Pulitzer for breaking news for its coverage of the Surfside, Fla., condo collapse. The Tampa Bay Times won the Pulitzer for investigative reporting for its coverage of toxic hazards in Florida's lone battery recycling plant.

The Better Government Association's Madison Hopkins and the Chicago Tribune's Cecilia Reyes won for local reporting for their work about Chicago's failed fire safety and building code enforcement. The Houston Chronicle won the editorial-writing Pulitzer for coverage of voter suppression.

The Pulitzer for illustrated reporting and commentary was awarded to Insider for its coverage of China's treatment of Uyghurs.

Two Pulitzers were awarded for breaking news photography: to Marcus Yam of the Los Angeles Times for coverage of the U.S. leaving Afghanistan, and to Getty Images photographers for their coverage of the attack on the U.S. Capitol. Reuters won the Pulitzer for feature photography for its coverage of the toll Covid-19 took in India.

In fiction, the Pulitzer was awarded to "The Netanyahus: An Account of a Minor and Ultimately Even Negligible Episode in the History of a Very Famous Family," a novel by Joshua Cohen, published by New York Review Books.

The drama Pulitzer went to James Ijames for his play "Fat Ham," a reinvention of Shakespeare's "Hamlet."

'Stakeholder Capitalism' Criticized

Firm backed by Thiel, Ackman wants companies to focus on profits, not stands

BY LIZ HOFFMAN AND CHARLEY GRANT

An upstart financial firm backed by Peter Thiel and Bill Ackman has a message for American corporations: Focus on making money, not taking stands.

Vivek Ramaswamy, who made his fortune in pharmaceutical startups before writing a book last year called "Woke, Inc.," said he has raised \$20 million to start a fund manager that would urge companies not to wade into hot-button social or environmental issues. Mr. Thiel invested both personally and through his Founders Fund, joined by **Palantir Technologies** Inc. co-founder Joe Lons-

dale and other investors.

Mr. Ramaswamy's ambitions speak to the culture wars nipping at U.S. corporate executives. Under growing pressure from employees, investors and customers, many have taken public positions on political issues only to face criticism from the other side. Walt Disney Co. CEO Bob Chapek recently flipped on whether to weigh in on a Florida law, angering both camps. Coca-Cola Co. and Delta Air Lines Inc. received blowback last year for criticizing changes to election rules in Georgia.

The firm, called Strive, will be based far from Wall Street in Mr. Ramaswamy's home state of Ohio. In an interview Monday, the 36-year-old dubbed his approach "excellence capitalism," focused on letting companies do what they do best—and nothing else—and inveighed against what he sees as a creeping liberal bias inside

BlackRock Inc. and its peers, **Vanguard Group** and **State Street Corp.**, which he called an "ideological cartel."

Those three firms in recent years have become almost unimaginably large, managing \$20 trillion of assets. They have pushed companies to improve diversity, cut their climate emissions and embrace other changes—largely under the banner of "stakeholder capitalism," which considers other outcomes, not just profits.

In one high-profile example, all three sided against Exxon Mobil Corp. in its fight against a small hedge fund that had criticized its climate-change strategy and was seeking board seats.

Mr. Ramaswamy said he wouldn't have. "We will tell oil companies to be excellent oil companies and coal companies to be excellent coal companies and solar companies to be excellent solar companies," he

said. Mr. Ramaswamy has written for The Wall Street Journal's opinion pages.

Representatives for BlackRock, State Street and Vanguard couldn't be reached for comment.

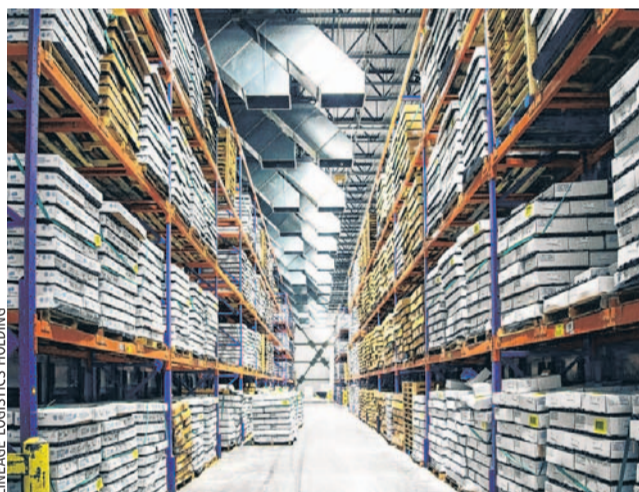
BlackRock Chief Executive Larry Fink has publicly pushed back on the idea that his personal politics have clouded the judgment his firm exercises when it votes its funds' shares on behalf of investors. "Stakeholder capitalism is not politics," he wrote in January. "It is not a social or ideological agenda. It is not 'woke.'"

Mr. Ramaswamy's project began under cover months ago, code-named "Whitestone" to capture its aim of being the anti-Blackrock, people familiar with the matter said. It isn't known what products it will offer, and it has a long way to go to rival the combined market power of the financial giants it seeks to challenge.

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A Lineage Logistics cold-storage warehouse in South Carolina.

Private Equity Hunts Supply-Chain Deals

BY CHRIS CUMMING

The supply-chain crisis has become a profit opportunity for private-equity firms, which have increased their investments in the sector as companies spend more to transport and distribute goods in the wake of the pandemic.

Globally, private equity invested \$50.6 billion in logistics in 2021, according to PitchBook Data Inc., a company that collects information on private-fund investments.

That is more than three times the amount invested in 2020 and 34% higher than the 2019 sum. PitchBook data show firms have invested a further \$9.1 billion in 74 deals this year through early May despite the global slowdown in private-equity deal making amid macroeconomic anxiety.

Continuing supply-chain issues are "creating huge opportunities" for private-equity firms with expertise in the sector, said Saleel Kulkarni, a partner with consulting firm Bain & Co., which advises private-equity managers.

Mr. Kulkarni said firms are moving to invest where they see supply-chain issues creating an unmet demand—like warehouse automation or other logistical operations suffering from labor shortages.

Supply-chain and logistics businesses remain a relatively niche investment play for buy-out firms. Historically, the segment hasn't produced the growth rates that have attracted investors to the technology and healthcare sectors. And

it involves hands-on experience and expertise that, for smaller firms or those without backgrounds in the industry, can be hard to acquire, said Paul Pollock, a partner at Crowell & Moring LLP who specializes in mergers and acquisitions.

For established firms that specialize in the sector, however, the disruption that began with the Covid-19 pandemic created a rare opportunity, experts say. As demand for logistics and distribution services returned and began to outpace supply, costs and spending went up, creating profit opportunities for companies that sit at key points on the supply chain and can raise their prices.

In addition, firms are looking to back services providers that customers fall back on to cope with supply-chain disruptions—such as storage for goods that can't be shipped, automation for processes slowed by staffing issues and transport to meet demand for shipping created by the pandemic shift to online shopping.

Storage businesses figure among the largest supply-chain investments by private equity since 2021. Lineage Logistics Holdings LLC, an operator of cold-storage facilities backed principally by Bay Grove Capital, has taken on several rounds of new investment, including private-equity money, to fuel its expansion. Bain Capital and property developer Barber Partners LLC plan a \$500 million push to develop their own line of cold-storage facilities, The Wall Street Journal reported this month.

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BIGGEST 1,000 STOCKS

Table of the 1,000 largest U.S. stocks by market capitalization. Columns include Stock, Sym, Close, Net Chg, and various industry groupings like Technology, Healthcare, Financials, etc.

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Name of Debtor: Centurion Funding SPV II, LLC

Names of Secured Parties: Telexis LS Holdings V DE, LLC; Telexis LS Holdings IV DE, LLC

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Nothing contained herein, or any action or inaction by the Secured Parties, shall be construed as a waiver, modification, or limitation of any of the Loan Documents or Preferred Units Documents or as a waiver, modification, or limitation of any such indebtedness or obligations...

Dated: May 6, 2022. TELEIOS HOLDINGS V DE, LLC, as Lender, By: /s/ Justin Finemel, Name: Justin Finemel, Title: Authorized Signatory -and- TELEIOS HOLDINGS IV DE, LLC as Preferred Units Holder, By: /s/ Justin Finemel, Name: Justin Finemel, Title: AUTHORIZED SIGNATORY -and- Carey D. Schreiber, Winston & Strawn LLP, 200 Park Avenue, New York, NY 10166

This Notice is intended to comply with the procedural requirements of the New York Uniform Commercial Code (the "NYUCC") § 9-601 et seq. Nothing herein shall be deemed an admission that the Secured Parties (as defined herein) are required under the NYUCC, or otherwise, to provide notification of disposition to the parties receiving this Notice.

As used herein, Secured Party shall include such party's successors and permitted assigns under the Credit Agreement, the Pledge and Security Agreement, the Preferred Units Agreement, the Subordinated Pledge and Security Agreement and the Control Agreement (each as defined below), as applicable.

Capitalized terms used herein and not otherwise defined herein shall have the meanings applicable to those terms in the applicable Loan Document and Preferred Units Documents (each as defined below).

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Midwest US—Near Major Population Centers

Our firm has been retained to sell a 40-year-old senior living campus with 115-bed skilled nursing / long-term care facility, and 59-bed assisted/independent living facility (built in '99), currently owned and operated by a not-for-profit organization.

Projected 2022 operating revenue for combined operation is \$11,500,000. Will consider offers for both facilities together or individually.

Contact: Debbie Beall (443) 951-4854 dbeall@scshgroup.com

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DISHNET CHANGES

Table with columns: Company, Symbol, Yld%, Amount New/Old, Frq, Payable/Record

Increased

Table with columns: Company, Symbol, Yld%, Amount New/Old, Frq, Payable/Record

Reduced

Table with columns: Company, Symbol, Yld%, Amount New/Old, Frq, Payable/Record

Initial

Table with columns: Company, Symbol, Yld%, Amount New/Old, Frq, Payable/Record

Stocks

Table with columns: Company, Symbol, Yld%, Amount New/Old, Frq, Payable/Record

Foreign

Table with columns: Company, Symbol, Yld%, Amount New/Old, Frq, Payable/Record

Special

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Sources: FactSet; Dow Jones Market Data

KEY: A: annual; M: monthly; Q: quarterly; revised; SA: semiannual; S21: stock split and ratio; SO: spin-off.

Borrowing Benchmarks

wsj.com/market-data/bonds/benchmarks

Money Rates

Key annual interest rates paid to borrow or lend money in U.S. and international markets.

Table with columns: Week Latest, -52-Week-High, -52-Week-Low

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Other short-term rates

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Call money

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Commercial paper (AA financial)

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Libor

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DTCC GCF Repo Index

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Fannie Mae

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U.S. prime rate

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U.S. government rates

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U.S. consumer price index

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COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures						
	Open	High	Low	Settle	Chg	Open interest
Copper-High (CMX) -25,000 lbs.; \$ per lb.						
May	4.2300	4.2300	▼	4.1265	4.1930	-0.0685 3,897
July	4.2380	4.2450	▼	4.1240	4.1935	-0.0735 110,651
Gold (CMX) -100 troy oz.; \$ per troy oz.						
May	1866.60	1867.50	1854.00	1857.10	-24.10	736
June	1883.70	1885.60	1851.00	1858.60	-24.20	382,426
July	1883.60	1883.60	▼	1858.00	1862.00	-24.20 153
Aug	1890.90	1891.80	1858.60	1865.90	-24.30	118,577
Oct	1891.90	1898.40	1867.20	1873.10	-24.60	13,112
Dec	1907.10	1907.10	1874.30	1881.40	-24.70	31,644
Palladium (NYM) -50 troy oz.; \$ per troy oz.						
May				2059.80	38.60	1
June	2050.50	2125.00	1987.00	2061.50	38.30	5,465
Platinum (NYM) -50 troy oz.; \$ per troy oz.						
May	949.80	949.80	912.90	938.50	-17.50	56,614
May	22.170	22.190	▼	21.665	21.782	-0.543 2,006
July	22.395	22.395	▼	21.650	21.820	-0.547 114,641
Crude Oil, Light Sweet (NYM) -1,000 bbls.; \$ per bbl.						
June	110.43	110.49	102.13	103.09	-6.68	214,692
July	108.97	109.00	100.81	101.77	-6.56	185,481
Sept	104.98	105.10	97.49	98.35	-6.10	108,997
Dec	99.40	99.40	92.87	93.53	-5.20	250,387
June*23	90.11	90.74	85.47	86.28	-3.92	124,627
Dec	84.69	85.19	80.64	81.41	-3.36	130,942
NY Harbor ULS (NYM) -42,000 gal.; \$ per gal.						
June	4.0000	4.0043	3.7974	3.8349	-1.194	54,618
July	3.8254	3.8303	3.6167	3.6539	-1.349	54,060
Gasoline-NY RB (NYM) -42,000 gal.; \$ per gal.						
June	3.8129	3.8312	▲	3.6151	3.6419	-1.171 102,282
July	3.7036	3.7036	3.5032	3.5296	-1.314	64,450
Natural Gas (NYM) -10,000 MMBtu.; \$ per MMBtu.						
June	7.843	8.287	6.962	7.026	-1.017	106,262

Agriculture Futures						
	Open	High	Low	Settle	Chg	Open interest
Corn (CBT) -5,000 bu.; cents per bu.						
July	7.945	8.370	7.045	7.106	-1.022	171,249
Sept	7.884	8.283	7.000	7.054	-1.014	83,825
Oct	7.902	8.275	6.995	7.052	-1.017	95,881
Jan*23	8.184	8.562	7.300	7.362	-1.018	63,598
May	4.740	4.838	4.382	4.412	-3.30	61,312
Soybeans (CBT) -5,000 bu.; cents per bu.						
May	792.25	792.25	782.00	784.50	-7.75	2,472
July	781.25	785.00	769.00	772.00	-12.75	642,956
Oats (CBT) -5,000 bu.; cents per bu.						
May	632.50	634.75	585.75	615.50	-12.00	1
Soybean Meal (CBT) -5,000 bu.; cents per bu.						
May	1652.50	1652.50	1615.25	1621.00	-34.50	979
July	1623.75	1626.00	1578.00	1585.25	-36.75	318,462
Soybean Meal (CBT) -100 tons; \$ per ton.						
May	423.10	423.10	409.10	411.10	-12.30	454
July	413.60	415.10	402.10	402.80	-10.80	176,166
Soybean Oil (CBT) -60,000 lbs.; cents per lb.						
May				87.18	-1.22	104
July	81.09	81.20	79.10	79.74	-1.16	157,200
Rough Rice (CBT) -2,000 cwt.; \$ per cwt.						
May	16.69	16.69	16.61	16.50	-13	2
July	17.02	17.10	16.83	16.85	-15	7,820
Wheat (CBT) -5,000 bu.; cents per bu.						
May				1083.25	-13.75	298
July	1120.75	1135.00	1090.00	1092.75	-15.75	170,909
Wheat (KC) -5,000 bu.; cents per bu.						
May				1153.25	-6.00	27
July	1186.00	1200.00	1161.25	1164.25	-6.25	96,540
Cattle-Feeder (CME) -50,000 lbs.; cents per lb.						
May	159.750	159.950	157.325	159.800	.250	4,058
Aug	175.025	175.300	171.850	174.225	-4.75	25,171
Cattle-Live (CME) -40,000 lbs.; cents per lb.						
June	132.250	133.875	131.025	133.550	.800	106,037
Aug	135.000	135.600	133.275	135.375	.025	103,667

Interest Rate Futures						
	Open	High	Low	Settle	Chg	Open interest
Hogs-Lean (CME) -40,000 lbs.; cents per lb.						
May	101.425	101.425	100.275	100.875	-1.325	1,636
June	103.100	103.350	100.550	101.300	-2.800	63,614
Lumber (CME) -110,000 bd ft., \$ per 1,000 bd ft.						
May	1000.10	1015.00	975.00	1009.00	8.90	237
July	810.70	815.30	780.00	807.70	-19.40	1,681
Milk (CME) -200,000 lbs.; cents per lb.						
May	24.95	25.02	24.71	24.77	-24	5,581
June	24.50	24.50	23.74	23.78	-68	4,993
Cocoa (ICE-US) -10 metric tons; \$ per ton.						
May				2,483	-17	25
July	2,479	2,479	▼	2,428	2,455	-37 108,642
Coffee (ICE-US) -37,500 lbs.; cents per lb.						
May	212.00	212.00	▼	204.55	206.30	-5.30 83
July	210.00	212.00	▼	203.35	206.10	-4.35 98,369
Sugar-World (ICE-US) -112,000 lbs.; cents per lb.						
July	19.00	19.03	18.56	18.66	-50	343,774
Oct	19.07	19.12	18.68	18.80	-46	183,345
Sugar-Domestic (ICE-US) -112,000 lbs.; cents per lb.						
July				36.30	-20	888
Cotton (ICE-US) -50,000 lbs.; cents per lb.						
July	143.48	148.17	142.61	142.93	-68	90,788
Dec	123.74	125.95	122.84	123.63	-11	79,397
Orange Juice (ICE-US) -15,000 lbs.; cents per lb.						
May				185.80	-4.35	688
July	176.00	176.30	171.30	171.75	-4.40	9,871

Ultra Treasury Bonds (CBT) - \$100,000; pts 32nds of 100%						
	Open	High	Low	Settle	Chg	Open interest
June	151.140	152.210	149.090	152.020	15.0	1,269,406
Sept				151.220	28.0	42
Treasury Bonds (CBT) -\$100,000; pts 32nds of 100%						
June	136.070	137.240	134.300	136.300	20.0	1,171,866
Sept				135.310	20.0	25,751
Treasury Notes (CBT) -\$100,000; pts 32nds of 100%						
June	117.200	118.195	117.085	118.060	12.5	3,694,500
Sept	117.005	118.000	116.210	117.185	13.0	41,023
5 Yr. Treasury Notes (CBT) -\$100,000; pts 32nds of 100%						
June	112.010	112.257	111.295	112.175	10.2	3,846,202
Sept	111.202	112.100	111.137	112.020	10.7	16,619
2 Yr. Treasury Notes (CBT) -\$200,000; pts 32nds of 100%						
June	105.121	105.223	105.101	105.197	5.4	2,244,395
Sept				105.072	6.7	3,015
30 Day Federal Funds (CBT) -5,000,000; 100 - daily avg.						
May	99.2325	99.2325	99.2300	99.2300	-0.025	364,974
July	98.5550	98.5850	98.5500	98.5750	.0150	325,084
10 Yr. Del. Int. Rate Swaps (CBT) -\$100,000; pts 32nds of 100%						
June				85-180	14.5	13,185
Three-Month SOFR (CME) -\$1,000,000; 100 - daily avg.						
March	99.4900	99.4925	99.4875	99.4925	.0000	526,202
June*23	96.6600	96.9100	96.6150	96.8400	.1450	651,245

Eurodollar (CME) - \$1,000,000; pts of 100%						
	Open	High	Low	Settle	Chg	Open interest
May	98.475	98.5400	98.4750	98.5275	.0250	129,712
June	98.1650	98.2100	98.1550	98.1900	.0300	1,000,748
Dec	96.7900	96.9950	96.7700	96.9550	.1350	1,349,316
Dec*23	96.5500	96.7750	96.5200	96.7150	.1250	1,180,715
Currency Futures						
Japanese Yen (CME) - ¥125,000,000; \$ per 100¥						
May	.7651	.7687	▼	.7616	.7675	.0015 510
June	.7667	.7694	▼	.7622	.7682	.0016 243,988
Canadian Dollar (CME) - CAD 100,000; \$ per CAD						
May	.7728	.7748	▼	.7683	.7700	-0.049 628
June	.7747	.7747	▼	.7682	.7698	-0.049 134,815
British Pound (CME) - £62,500; \$ per £						
May	1.2329	1.2405	▼	1.2262	1.2344	.0012 941
June	1.2344	1.2406	▼	1.2261	1.2343	.0012 257,374
Swiss Franc (CME) - CHF 125,000; \$ per CHF						
June	1.0136	1.0138	▼	1.0051	1.0088	-0.0050 50,884
Sept	1.0178	1.0206	▼	1.0119	1.0156	-0.0051 226
Australian Dollar (CME) - AUD 100,000; \$ per AUD						
May	.7027	.7071	▼	.6947	.6959	-0.0118 191
June	.7074	.7075	▼	.6949	.6961	-0.0117 146,685
Mexican Peso (CME) - MXN 500,000; \$ per MXN						
May	.04932	.04952	.04904	.04908	-0.0051 151	
June	.04926	.04928	.04869	.04883	-0.0051 102,166	
Euro (CME) - €125,000; \$ per €						
May	1.0517	1.0595	1.0499	1.0569	.0018 1,707	
June	1.0560	1.0608	1.0511	1.0581	.0018 685,185	

Index Futures						
	Open	High	Low	Settle	Chg	Open interest
Mini DJ Industrial Average (CBT) -55 index						
June	32624	32690	▼	32037	32161	-648 80,334
Sept	32600	32680	▼	32044	32152	-652 723
Mini S&P 500 (CME) -550 index						
June	4087.25	4099.00	▼	3970.00	3987.50	-132.00 2,165,675
Sept	4091.75	4101.50	▼	3973.25	3990.00	-133.00 21,913
Mini S&P Midcap 400 (CME) -100 index						
June	2516.00	2516.00	▼	2381.20	2391.30	-84.20 57,782
Sept				2391.10	-84.20	3
Mini Nasdaq 100 (CME) -520 index						
June	12605.00	12637.25	▼	12135.25	12193.75	-502.00 236,729
Sept	12637.25	12667.25	▼	12172.50	12227.00	-503.00 2,907
Mini Russell 2000 (CME) -550 index						
June	1821.60	1828.00	▼	1750.80	1760.40	-75.20 512,141
Sept	1820.00	1830.00	▼	1753.20	1761.50	-76.90 490
Mini Russell 1000 (CME) -550 index						
June	2228.40	2262.80	▼	2177.10	2186.10	-76.90 13,982
U.S. Dollar Index (ICE-US) -1,000 index						
June	103.69	104.21	▲	103.42	103.69	-0.1 58,448
Sept	103.64	104.02	▲	103.29	103.50	.02 556

Source: FactSet

Bonds | wsj.com/market-data/bonds/benchmarks

Tracking Bond Benchmarks

Return on investment and spreads over Treasuries and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

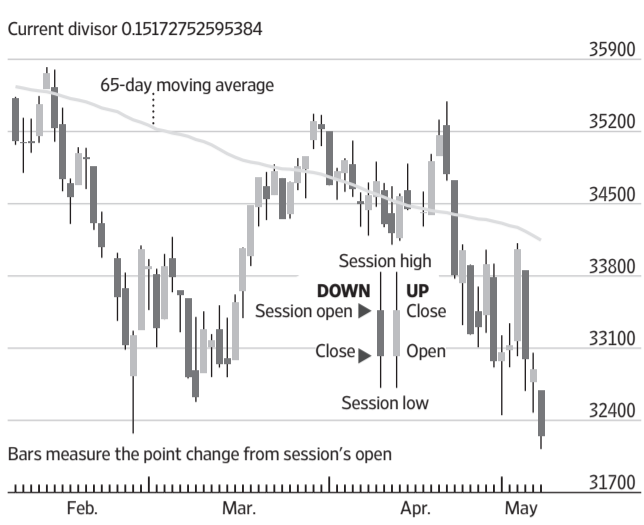
Total return close	YTD total return (%)
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MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

32245.70 ▼53.67, or 1.99%
 Last 18.32 Year ago 29.98
 Trailing P/E ratio 17.39 P/E estimate * 20.73
 High, low, open and close for each trading day of the past three months.
 Dividend yield 2.20 1.72
 All-time high 36799.65, 01/04/22



S&P 500 Index

3991.24 ▼132.10, or 3.20%
 Last 22.58 Year ago 37.89
 Trailing P/E ratio * 18.25 P/E estimate * 22.97
 High, low, open and close for each trading day of the past three months.
 Dividend yield * 1.49 1.37
 All-time high 4796.56, 01/03/22



Nasdaq Composite Index

11623.25 ▼ 521.41, or 4.29%
 Last 28.96 Year ago 36.73
 Trailing P/E ratio ** 22.86 P/E estimate ** 28.79
 High, low, open and close for each trading day of the past three months.
 Dividend yield ** 0.82 0.71
 All-time high: 16057.44, 11/19/21



Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
Dow Jones									
Industrial Average	32685.17	32121.98	32245.70	-653.67	-1.99	36799.65	32245.70	-7.2	11.3
Transportation Avg	14863.99	14405.20	14470.36	-430.49	-2.89	17039.38	14000.78	-9.2	12.2
Utility Average	1008.22	990.48	998.05	-9.11	-0.90	1071.75	869.74	8.5	1.8
Total Stock Market	40901.48	39825.15	39985.99	-1447.23	-3.49	48929.18	39985.99	-8.0	17.8
Barron's 400	952.74	915.00	918.73	-34.02	-3.57	1127.20	918.73	-8.7	17.0
Nasdaq Stock Market									
Nasdaq Composite	11990.61	11574.94	11623.25	-521.41	-4.29	16057.44	11623.25	-13.3	25.7
Nasdaq-100	12542.32	12136.19	12187.72	-505.81	-3.98	16573.34	12187.72	-8.8	25.3
S&P									
500 Index	4081.27	3975.48	3991.24	-132.10	-3.20	4796.56	3991.24	-4.7	16.3
MidCap 400	2458.68	2386.84	2396.94	-84.01	-3.39	2910.70	2396.94	-12.4	15.7
SmallCap 600	1197.81	1169.23	1174.41	-34.34	-2.84	1466.02	1174.41	-12.6	16.2

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
Other Indexes									
Russell 2000	1833.48	1754.21	1762.08	-77.48	-4.21	2442.74	1762.08	-20.4	-21.5
NYSE Composite	15566.56	15005.95	15057.87	-508.68	-3.27	17353.76	15057.87	-8.8	-12.3
Value Line	577.87	554.09	556.09	-21.78	-3.77	696.40	556.09	-16.5	-17.2
NYSE Arca Biotech	4533.15	4251.29	4265.88	-267.27	-5.90	6022.37	4265.88	-21.6	-22.7
NYSE Arca Pharma	822.81	805.39	807.81	-15.01	-1.82	887.27	714.12	11.4	-2.4
KBW Bank	111.67	109.39	110.36	-2.14	-1.90	147.56	110.06	-16.7	-16.5
PHLX ^S Gold/Silver	135.55	129.76	129.96	-8.55	-6.18	167.76	117.06	-16.0	-1.9
PHLX ^S Oil Service	75.68	69.24	69.46	-8.45	-10.84	87.06	48.31	-16.0	31.8
PHLX ^S Semiconductor	2949.92	2817.21	2829.10	-152.96	-5.13	4039.51	2829.10	-4.7	-28.3
Cboe Volatility	35.48	31.90	34.75	4.56	15.10	36.45	15.01	76.8	101.8

*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; *Based on Nasdaq-100 Index
 \$Nasdaq PHLX Sources: FactSet; Dow Jones Market Data

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

Company	Symbol	Volume (000)	Last	Net chg	After-Hours % chg	High	Low
SPDR S&P 500 Hi Div	SPYD	27,158.7	42.98	-0.11	-0.26	43.62	42.85
SPDR S&P 500	SPY	13,044.9	398.39	0.22	0.06	422.60	398.07
Upstart Holdings	UPST	7,174.9	42.49	-34.64	-44.91	78.98	42.32
Infosys ADR	INFY	4,776.6	19.80	-0.02	-0.10	19.89	19.80
Pinterest	PINS	4,596.8	20.73	-0.35	-1.66	21.39	20.51
Invesco QQQ Trust I	QQQ	4,445.1	297.13	-0.02	-0.01	312.95	297.00
Microsoft	MSFT	4,361.5	264.13	-0.45	-0.17	278.44	263.00
Goldman Sachs ActBt USLC	GSLC	4,252.7	79.44	0.47	0.60	79.44	79.44

Percentage gainers...

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Clover Health Investments	CLOV	2,825.9	2.79	0.38	15.77	2.95	2.41
AMC Entertainment Hldgs	AMC	1,525.3	13.15	0.63	5.03	13.50	12.50
SK Telecom ADR	SKM	93.6	26.52	1.26	4.99	26.52	25.26
Volaris ADR	VLRS	61.1	14.17	0.67	4.96	14.17	13.50
Hut 8 Mining	HUT	67.1	2.97	0.14	4.95	3.03	2.78

...And losers

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Upstart Holdings	UPST	7,174.9	42.49	-34.64	-44.91	78.98	42.32
GoodRx Holdings	GDRX	1,180.9	7.25	-3.50	-32.56	10.87	6.59
FutureFuel	FF	53.2	7.00	-2.88	-29.15	9.88	6.47
Novavax	NVAX	503.2	44.40	-8.86	-16.64	54.89	42.79
Affirm Holdings	AFRM	741.1	17.69	-2.90	-14.08	20.70	17.23

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	1,235,974,685	21,542,919
Adv. volume*	87,649,794	666,361
Decl. volume*	1,144,477,412	20,870,510
Issues traded	3,532	286
Advances	407	28
Declines	3,033	255
Unchanged	92	3
New highs	12	0
New lows	1,063	87
Closing Arms*	2.16	3.62
Block trades*	5,519	196

*Primary market NYSE, NYSE American NYSE Arca only.
 *(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World	MSCI ACWI	623.77	-19.90	-3.09	-17.4
	MSCI ACWI ex-USA	285.15	-7.68	-2.62	-17.2
	MSCI World	2671.83	-90.38	-3.27	-17.3
	MSCI Emerging Markets	1014.68	-16.82	-1.63	-17.6
Americas	MSCI AC Americas	1519.67	-53.44	-3.40	-16.8
Canada	S&P/TSX Comp	19999.69	-633.59	-3.07	-5.8
Latin Amer.	MSCI EM Latin America	2166.38	-71.77	-3.21	-1.7
Brazil	BOVESPA	103250.02	-1884.71	-1.79	1.5
Chile	S&P IPSA	2979.55	-67.01	-2.20	6.2
Mexico	S&P/BMV IPC	49057.46	-484.35	-0.98	-7.9
EMEA	STOXX Europe 600	417.46	-12.45	-2.90	-14.4
Eurozone	Euro STOXX	396.18	-11.47	-2.81	-17.3
Belgium	Bel-20	3883.77	-137.51	-3.42	-9.9
Denmark	OMX Copenhagen 20	1618.43	-74.86	-4.42	-13.2
France	CAC 40	6086.02	-172.34	-2.75	-14.9
Germany	DAX	13380.67	-293.62	-2.15	-15.8
Israel	Tel Aviv	1857.27	-23.92	-1.27	-6.1
Italy	FTSE MIB	22832.56	-643.16	-2.74	-16.5
Netherlands	AEX	666.17	-16.02	-2.35	-16.5
Russia	RTS Index	1088.02	...	Closed	-31.8
South Africa	FTSE/JSE All-Share	66769.12	-1209.02	-1.78	-9.4
Spain	IBEX 35	8139.20	-182.80	-2.20	-6.6
Sweden	OMX Stockholm	767.50	-26.22	-3.30	-26.0
Switzerland	Swiss Market	11444.18	-286.24	-2.44	-11.1
Turkey	BIST 100	2465.71	6.99	0.28	32.7
U.K.	FTSE 100	7216.58	-171.36	-2.32	-2.3
U.K.	FTSE 250	19306.72	-512.95	-2.59	-17.8
Asia-Pacific	MSCI AC Asia Pacific	161.21	-2.98	-1.82	-16.5
Australia	S&P/ASX 200	7120.60	-85.04	-1.18	-4.4
China	Shanghai Composite	3004.14	2.58	0.09	-17.5
Hong Kong	Hang Seng	20001.96	...	Closed	-14.5
India	S&P BSE Sensex	54470.67	-364.91	-0.67	-6.5
Japan	NIKKEI 225	26319.34	-684.22	-2.53	-8.6
Singapore	Straits Times	3275.07	-16.82	-0.51	4.8
South Korea	KOSPI	2610.81	-33.70	-1.27	-12.3
Taiwan	TAIEX	16048.92	-359.28	-2.19	-11.9
Thailand	SET	1604.49	-25.09	-1.54	-3.2

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Close	Net chg	% chg	52-Week High	52-Week Low
Hemisphere Media Grp Cl A	HMTV	6.74	2.97	78.78	14.04	3.58
Blue Water Vaccines	BWV	5.42	1.66	44.15	90.90	3.26
Points.com	PCOM	24.46	7.29	42.46	24.62	13.98
DecisionPoint Systems	DPSI	8.77	2.08	31.09	14.22	3.10
Micro Oil Gas -3x Inv	OILD	6.80	1.40	25.93	33.42	5.40
MicSec US Big Oil 3X InLvr	NRGD	90.11	18.51	25.84	990.22	71.53
Tenon Medical	TNON	49.80	10.07	25.35	50.63	13.00
Direxion S&P Biotech Bear	LABD	79.29	15.59	24.47	80.12	16.67
PS UI Sh Bloomberg Nat Gas	KOLD	8.43	1.61	23.61	171.20	5.87
Direxion S&P Oil Gas Br	DRIP	24.84	4.29	20.88	120.00	19.65
Emerald Holding	EEX	3.02	0.48	18.90	5.99	2.42
MicroSectors Gold 3X Invr	GDXX	13.59	2.15	18.79	29.26	6.63
IN8bio	INAB	3.08	0.47	18.18	10.32	2.00
Cyngn	CYN	4.25	0.65	18.06	9.91	1.08
Direxion Hi Beta Bear 3X	HBSB	12.23	1.82	17.48	15.81	7.05

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	52-Week Low
ProShares UltraPro QQQ	TQQQ	208,929	75.7	30.52	-11.82	91.68	30.01
Palantir Technologies	PLTR	169,624	258.8	7.46	-21.31	29.29	7.32
ProSh UltraPro Shrt QQQ	SQQQ	164,428	61.3	55.61	11.64	65.85	28.15
SPDR S&P 500	SPY	155,152	43.6	398.17	-3.		

NEW HIGGS ANALYSIS

WSJ.com/newhigs

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that had a new 52-week intraday high or low in the latest session. % CHG: Daily percentage change from the previous trading session.

Main table of stock prices with columns for Stock, 52-Wk % High/Low, and % Change. Includes sections for 'Highs' and 'Lows'.

Biggest 1,000 Stocks WSJ.com/stocks

Table listing the top 1,000 stocks by market cap, with columns for Stock, Net Change, and % Change.

Mutual Funds

Table listing various mutual funds with columns for Fund Name, Net Change, and % Change.

MARKETS

TerraUSD Coin Falls Below the Dollar

The break in its fixed peg to the U.S. currency prompted a selloff in the stablecoin

By Caitlin Ostroff and Alexander Osipovich

One type of cryptocurrency, a stablecoin, is meant to keep its value at \$1. On Monday, the third-biggest stablecoin, TerraUSD, fell as low as 69 cents, causing a flood of investors to sell their holdings.

Stablecoins get their name from their being tied to the value of government-issued currencies, such as the dollar.

These \$1 pegs are usually backed by Treasuries, cash and other dollar debt that is easily sold in times of market stress.

More than \$18 billion was invested in TerraUSD as of this weekend, making it the third-largest stablecoin, according to crypto data provider The Block. But unlike traditional stablecoins, TerraUSD is an algorithmic stablecoin.

Such designs have been criticized by market observers as risky because they rely on traders to push its value back to \$1 rather than having assets that continuously support the price.

In TerraUSD's case, if its price falls below \$1, traders can "burn" the coin—or permanently remove it from circulation—in exchange for \$1 worth of new units of another cryptocurrency called Luna.

duces the supply of TerraUSD and raises its price. Conversely, if TerraUSD climbs above \$1, traders can burn Luna and create new TerraUSD.

The break in the peg, which began over the weekend, started with a series of large withdrawals of TerraUSD from Anchor Protocol, a sort of decentralized bank for crypto investors, said Ian Solot, a partner at crypto hedge fund Tagus Capital LLP.

network that TerraUSD is based on, had been a major factor in the growth of the stablecoin in recent months, by allowing crypto investors to earn yields of nearly 20% annually by lending out their TerraUSD holdings.

In tandem with the big withdrawals, TerraUSD was also being sold for other stablecoins backed by traditional assets through various liquidity pools that contribute to the stability of the peg, as well as through cryptocurrency exchanges.

The dislocation of TerraUSD from its peg caused some traders to panic and sell. To rein-

state the peg, others began selling ether and buying TerraUSD, weighing on the dollar value of the second-largest cryptocurrency by market value.

TerraUSD in Monday evening trading was at about 80 cents, after touching the low of 69 cents earlier, according to CoinMarketCap.

Fed Sees Risks in Inflation, Sharp Rate Rise

By Andrew Ackerman

Elevated and persistent inflation, coupled with a sharp rise in interest rates, are among the greatest near-term risks to the U.S. economic system, the Federal Reserve said Monday, while warning that Russia's invasion of Ukraine could also affect financial stability.

"Further adverse surprises in inflation and interest rates, particularly if accompanied by a decline in economic activity, could negatively affect the financial system," the central bank said in its latest semiannual Financial Stability Report.

Near-term risks highlighted in the report reflect a survey by staff from the Federal Reserve Bank of New York with a range of contacts, including academics, community groups and domestic and international policy-makers, the Fed said.

A combination of higher inflation and rising interest rates could weaken the bal-

ance sheets of households and businesses, leading to an increase in delinquencies, bankruptcies, and other forms of financial distress, the Fed said. Households could be affected by job losses, higher interest payments, and a reduction in house prices caused by higher mortgage rates and decreased housing demand.

Meanwhile, business credit quality could be eroded by a steep rise in rates that would increase business borrowing costs, which in turn could have negative consequences on employment and business investment, the Fed said.

The report's purpose is to identify risks to the financial system, and the scenarios the Fed warns about aren't necessarily the central bank's forecast path for the economy.

The Fed said that vulnerabilities from business and household debt are moderate. The financial position of many households continued to improve since the previous strategy report in late 2021, supported in part by a strong

labor market, high personal savings, remaining pandemic relief programs and rising house prices, the Fed said.

The report also warned that a prolonged conflict in Russia could have adverse consequences to U.S. financial markets, particularly through exposures to tumult in commodities markets, the Fed said.

Investors are trying to figure out how high the Fed might raise rates.

Russia's war in Ukraine has sparked large price movements and margin calls in commodities markets and highlighted a potential channel through which large financial institutions could be exposed to contagion, Fed governor Lael Brainard said in a written statement.

Bitcoin Price Plumets 54% From Its High

By Jenna Telesca

The cryptocurrency market continued its slide from last week, mirroring the fall of the broader stock market.

The world's largest cryptocurrency, bitcoin, fell to \$31,075.70 on Monday, a 10% drop from Sunday at 5 p.m. EDT, according to prices from CoinDesk. Bitcoin's price has fallen 54% from its record of \$67,802 in November.

Ethereum, the second-largest cryptocurrency, fell to \$2,286.10, 10% below the price Sunday evening.

Bitcoin and cryptocurrencies more widely are known for their violent price swings. Individual investors controlled the market for years but institutional investors, such as hedge funds and money managers, have started to dominate it.

With more professional investors trading crypto, the market has increasingly moved in tandem with traditional markets. Many institutional investors that buy cryptocurrencies treat them as risk assets, similar to technology stocks.

The tech-heavy Nasdaq Composite has fallen almost 26% year to date. Crypto prices have been stagnant for much of 2022 as investors started bracing for rising interest rates.

The crypto market has been active over the past 24 hours, with almost \$155 billion in market volume in that period, according to CoinMarketCap. The global crypto market fell to \$1.4 trillion.

Cryptocurrency companies have been working to become household names. Flush with venture-capital investment, crypto platforms have been spending more cash on lobbying efforts and marketing directly to consumers.

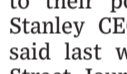
eral Reserve is working with domestic and international regulators to better understand the exposures of commodity market participants and their linkages with the core financial system," she said.

At present, financial market stresses don't appear to have significantly disrupted broader economic activity or created substantial pressure on key financial intermediaries, including banks, the Fed added.

Monday's report comes as the Fed is getting more aggressive in its efforts to tamp down inflation, which was rising as the pandemic eased, and has since been exacerbated by the war in Ukraine lifting prices for fuel and food.

Fed officials approved a rare half-percentage-point interest-rate increase—the largest since 2000—at its rate-setting committee's meeting last week. The move raised the central bank's benchmark federal-funds rate to a target range between 0.75% and 1% and comes after the Fed lifted

Listen to a Podcast



Scan this code for a podcast on how inflation is pushing retirees back to work.

Bank Stocks Tumble

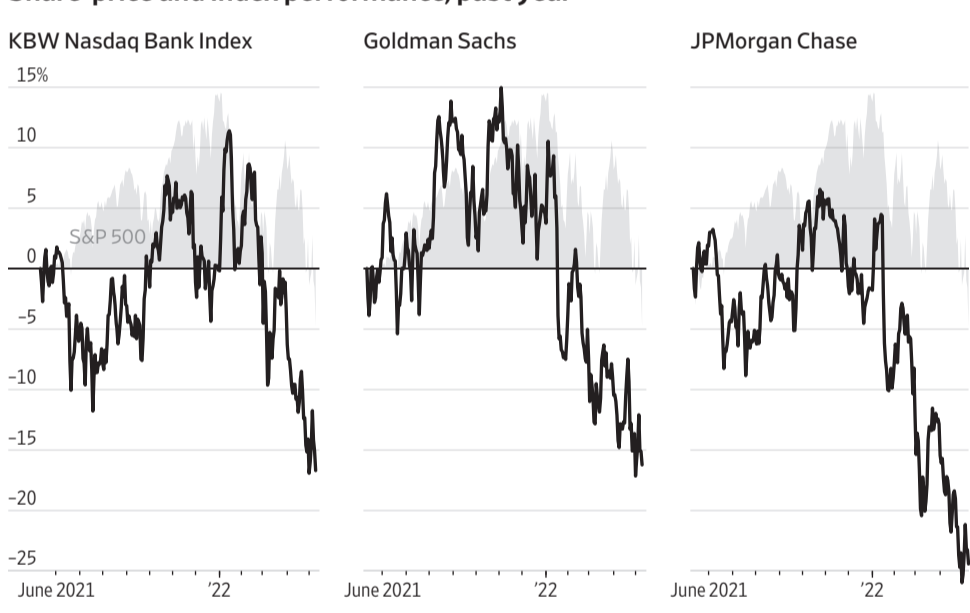
Continued from page B1. estly more. Banks can also earn more interest on cash than previously sat idle.

Analysts at KBW, a unit of Stifel Financial Corp., project net interest income will rise 18% at Bank of America and 17% at JPMorgan Chase

Still, investors are parsing disparate data about the financial health of consumers and businesses. The U.S. economy shrank by 1.4% in the first quarter, the worst showing since early in the pandemic, in spring 2020. However, consumer and business spending remained strong.

Bank executives have pointed to high spending in categories like travel and en-

Share-price and index performance, past year



Source: FactSet

tainment as reasons for loss of interest.

Market volatility resulting from higher interest rates and the war in Ukraine have

dinged big banks' deal-making businesses. The market for initial public offerings has been largely shut down over the past several months.

Despite the selloffs, bank executives are striking an upbeat tone.

"Bank stocks have been largely undervalued...relative

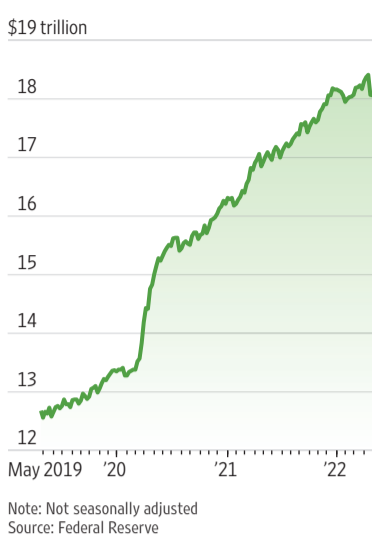
New Highs and Lows

Table with columns for Stock, 52-Wk % High/Low Change, and Stock, 52-Wk % High/Low Change. Lists various stocks and their performance metrics.

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Deposits, all commercial banks in the U.S., weekly



Fed Move Sets Off Deposit Rate Spree

Tightening spurs hunt to earn more on cash

It is natural for people to want more for their savings as rates increase. The question is how willing banks are to give it to them.

The Federal Reserve's most recent move to raise rates is surely beginning to catch the attention of people who have money deposited in banks earning minuscule interest. The prospect of inflation is likely to make people even more attuned to their cash, too.

A recent survey of about 2,000 U.S. consumers, published by Morgan Stanley analysts on Monday, found that concern about inflation was the highest ever in the history of their survey. More than 40% of respondents said they would consider opening a new savings account for a rate of 1%, and over 60% would consider it for 2%.

Importantly, too, 57% of consumers believe that opening a new account is "simple and worth the effort," perhaps reflecting the success of financial technology in making action less painful than in past eras.

The initial reaction of some banks might be to tell consumers to go for it. Deposits across U.S. commercial banks are about 40% higher than they were at this point in 2019, following a pandemic surge in Fed balance sheet growth and consumer and business savings.

Many big banks have even struggled with their size, facing tighter capital constraints, and could be eager to let certain deposits leave, such as ones that don't usually lead to other business.

But in addition to the temptation of rising interest rates on vehicles such as money-market funds outside of bank deposits, the pace at which the central bank is shrinking its balance sheet via quantitative tightening also may have the effect of pressuring the growth of deposits in the system—which could at some point push banks to compete more.

In the most recent data, through the week ended April 27, unadjusted for seasonal patterns, deposits across all commercial banks in the U.S. were down slightly from the week ended Dec. 29, according to Fed figures.

That is a contrast to roughly 4% and 12% growth in 2021 and 2020 by a similar point in the year, respectively.

This could soon be reflected in competition for business deposits that tend to move aggressively. Though the increase for rates on commercial deposits was only "modest" after the initial March Fed interest-rate increase, "the faster pace of quantitative tightening will accelerate balance competition systemwide," according to a note last week by Curinos, which provides data, technology and analysis to financial institutions.

Banks with any deposit outflows might "likely pull the rate lever sooner," they wrote.

It is still early in the rate cycle, but investors in banks, brokerages and asset managers should be watching weekly tracking figures, online savings rates and even window stickers in bank branches very closely.

—Telis Demos

Tobacco Needs Help to Kick Menthol

Murky vaping regulations make it harder for U.S. smokers to switch to smoke-free alternatives

Smokers might respond better to a ban on menthol cigarettes if they had clear alternatives. Much the same goes for tobacco companies.

The Food and Drug Administration wants to remove menthols from the U.S. market. The agency said at the end of April that putting the minty flavor in cigarettes can increase nicotine's addictiveness and make it harder to quit smoking.

Menthols are huge in the U.S., accounting for around a third of all cigarettes sold, compared with just 7% in the European Union in 2020, when the bloc banned them. It is a lucrative category in particular for **British American Tobacco**, which generates an estimated 30% of group operating profit from U.S. menthol cigarettes. Altria's menthol brands contribute around a fifth of its operating profit.

When Canada banned menthols in 2017, average annual declines in the number of cigarette smokers accelerated to twice the previous rate in the three years afterward. But total nicotine users, which include smokeless products like e-cigarettes, fell 0.4%, a Jefferies analysis shows.

This suggests a menthol ban can speed up how quickly smokers switch to cigarette alternatives. Based on what happened when Canada and the EU outlawed menthol, Jefferies estimates 45% of U.S. menthol smokers could switch to regular cigarettes, 35% to smoke-free alternatives like vape pens and around 5% may use the opportunity to quit altogether. A certain share may turn to the black market.

This switching could help BAT to achieve its 2025 target to make £5 billion a year, equivalent to \$6.16 billion at today's exchange rates, from so-called reduced risk products like e-cigarettes. Currently, it is less than half way to



Menthols account for about a third of cigarettes sold in the U.S., compared with 7% in the European Union in 2020.

this goal, making £2 billion, or 8% of sales, in 2021 from vape brands and other new categories.

Marlboro's U.S. owner **Altria** makes just a small minority of its overall sales from noncombustible products like on! Oral nicotine pouches. Although it owns a 35% stake in e-cigarette brand Juul Labs, Altria's wholly owned vape and heated-tobacco brands have a minor share of the U.S. cigarette alternatives market. This limited offer means Altria may find it harder to offset the hit to profits from a ban than BAT, even though the latter has a bigger menthol business.

However, it isn't certain that menthol smokers in the U.S. will have a good smokeless alternative to their usual brand. The FDA is currently reviewing all e-cigarette brands to decide whether or not they can stay on the market. So far, no menthol-flavored e-cigarettes

have been approved. Without this option, menthol smokers may be tempted to tap the illicit market or self-mentholate regular cigarettes.

This should hopefully all be clearer by the time a ban lands. Analysts and tobacco companies don't expect any new menthol rules to be enforced until at least 2026. First the FDA must hold public hearings, respond to comments and deal with any legal challenges. As a reminder of how long these changes can take, Morgan Stanley points out that the FDA's rule to put health-warning images on packs of cigarettes first proposed in 2010 still hasn't been implemented.

As tobacco companies need the proceeds of lucrative combustible cigarette sales to fund innovation in their smokeless portfolios, they do have an incentive to delay a ban until the heated tobacco and e-ciga-

rette markets are more mature.

Still, they shouldn't resist for longer than absolutely necessary. Investors show a clear preference for companies that are shifting away from traditional smokes. Shares in **Philip Morris International**, which sells Marlboro outside the U.S., and pouch maker **Swedish Match** trade at around 17 times their projected earnings, a sizable premium to BAT and Altria on 9 times and 11 times, respectively. Philip Morris makes 31% of revenue from smoke-free products and this will increase if talks to acquire Swedish Match, reported Monday by The Wall Street Journal, are successful.

A U.S. menthol ban could nudge the tobacco industry's transformation along, but only if cigarette companies are allowed to offer a smokeless alternative.

—Carol Ryan

For Starbucks CEO, Third Time Has Pitfalls

"New Starbucks Opens in Restroom Of Existing Starbucks" was a satirical headline back in 1998 when the coffee chain already seemed ubiquitous. As of a month ago, the day Howard Schultz returned for his third stint as chief executive officer, it had nearly 10 times as many shops in North America.

When Mr. Schultz revealed that store count along with the chain's spectacular fiscal second-quarter results, the chain's shares were down more than 40% from their high last summer. Cost and wage pressures along with a bitterly contested unionization drive at home, and a recent sales collapse in China, the chain's second-largest market, all weighed on sentiment. But this past Wednesday, the first trading session following the release, the shares surged nearly 10% in their best day since a sharp rebound in March 2020 following the Covid-19 market panic. That came despite that the company suspended financial guidance for this year.

The jump was a vote of confidence in Mr. Schultz's plans. His strategic shift has plenty of pitfalls, though. One bold move was to halt the company's multibillion-dollar share buyback program when the stock was in the doldrums. Since recently departed Chief Executive Kevin Johnson took over in 2017, the chain repurchased about a quar-



The coffee chain plans to install drive-thrus in 90% of new locations.

ter of its shares outstanding. That move was responsible for most of its earnings-per-share growth over that time, including projections for 2022. Mr. Schultz said on the company's call that, while buybacks deliver a good return, Starbucks could do better reinvesting the cash.

He spelled out some sensible-sounding efficiency investments that risk damaging the chain's brand cachet. They include installing drive-thrus in 90% of new locations and machinery that will allow baristas to handle increasingly complex customer orders more quickly. Starbucks is less and less

the "third place" between the office and home for customers to socialize, relax or mooch off free Wi-Fi while nursing a caramel macchiato.

If customers are just picking up a paper cup of foamy brown water possibly made by a machine, why pay what analyst Lauren Silberman of Credit Suisse says is a 43.5% premium on average compared with similar beverages at quick-service restaurant peers like **McDonald's**? The environment at a Starbucks is more inviting and upscale, but only 30% of customers consume their purchases on premises. In a sign of its fading brand value, a similar

beverage at Starbucks is about 11% to 12% cheaper than at other specialty coffee shops.

What isn't cheaper is running a Starbucks these days. In the most recent quarter, the chain said product and distribution costs rose 24% and store-operating expenses by 17% year-over-year, even as net revenue rose 15%. There are more price increases on tap. In the U.S., more than half of Starbucks's sales gain was a function of higher ticket sizes, largely a result of price increases, as opposed to more foot traffic.

If costs are the problem, drive-thrus are almost certainly cheaper to operate, though Starbucks didn't respond to questions as to how much cheaper. Investors should consider what Starbucks management reportedly feared when it first invested in drive-thrus—that it was a bad look for the chain. After all, part of its appeal is being a more refined place with prices to match, compared with, say, **Dunkin'**.

It will be a delicate balance—especially if high inflation pinches consumer pocketbooks to the point that people think twice about affordable luxuries like expensive takeout coffee. Automation and more-efficient store formats could help keep Starbucks cheap enough to retain loyal customers. Or they could cheapen the experience, sending some to rivals. —Spencer Jakob

Palantir's Crystal Ball Needs a Polish

The world should really be going more **Palantir's** way right now.

The company made its name with data-mining software tools used by the military and others involved in national security—an image Palantir leans into hard.

Chief Executive Officer Alex Karp brought up the threat of nuclear war twice in the company's latest quarterly call Monday. "We have built a company for the world that is, not the world that ought to be," Mr. Karp said. "And it is instability, not its absence, that makes our software all the more essential."

Even a world reeling from Russia's invasion of Ukraine didn't seem to get that memo. Palantir's first-quarter revenue grew 31% year over year to about \$470 million, exceeding the company's forecast by less than 1%—its smallest beat on record. Palantir also projected a

record-low revenue growth rate of 25% year over year for the current quarter, which also is short of Wall Street's forecasts for 29% growth.

Palantir's shares slid 21% Monday following the results, bringing the stock's loss for the year to 59%.

Palantir is hardly the first software company to come under the market's harsh glare recently. The S&P 500 Software & Services Group shed 23% so far this year while the BVP Nasdaq Emerging Cloud Index is down 44%. Palantir's heavy government exposure—56% of trailing 12-month revenue—provides a hedge against the less predictable corporate market.

But government contractors aren't typically valued at the 57 times forward earnings that Palantir averaged over the past three months before Monday's slide. And the company's commercial side in-

Palantir's share price since direct listing



cludes revenue from companies in which Palantir has invested—a practice some have questioned.

Such "commercial contracts" totaled \$39 million in the latest quarter.

Palantir said Monday that sum will represent the peak of revenue from that program, which it has since decided to wind down. The company maintained its forecast for 30% or greater revenue growth for the full year—meaning that business will need to pick up in the second half. But with the stock now below even the opening price of its first trading day following its direct listing in late 2020, Palantir might need to dig deep to keep its talent happy.

The company's stock-based compensation totaled 50% of revenue in 2021—the third highest in a group of 55 software stocks tracked by Citigroup. A restive workforce would make Palantir's world very unstable.

—Dan Gallagher



Meet the ↻ New Creators

The visionaries creatively applying technology in business to drive change.

From left to right →

Jay Jordan, Co-Founder & COO, Strella Biotechnology
Katherine Sizov, Co-Founder & CEO, Strella Biotechnology
George Boateng, Co-Founder, SuaCode.ai
Aparna Sharma, Cloud Transformation Leader, IBM Consulting
Dr. Rania Khalaf, CIO & CDO, Inari
Stephanie “Snow” Carruthers, Chief People Hacker for X-Force, IBM
Bryan Young, Co-Founder & CEO, Home Lending Pal

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