

What's News

Business & Finance

Twitter is in talks to sell itself to Elon Musk and could finalize a deal as soon as this week, a dramatic turn of events just 10 days after the billionaire unveiled his \$43 billion bid for the social-media company. **A1**

◆ **Job-switchers** are often reaping double-digit pay increases, a new survey shows, a phenomenon that is demonstrating bargaining power for workers while threatening to keep inflation high. **A1**

◆ **Credit Suisse** is preparing for another management shuffle after a year of crisis, people familiar with the matter said. **B1**

◆ **Cathie Wood's ARK** Innovation has fallen 45% year to date, but investors continue to funnel money into the exchange-traded fund. **B1**

◆ **The yen**, the world's third-most-traded currency, has dropped to a 20-year low against the U.S. dollar, potentially signaling bad news for the U.S. Treasuries market. **B1**

◆ **After union victories** by workers at some of the most prominent U.S. companies, Apple Inc. retail employees are mobilizing in hopes of their own organizing success. **B1**

◆ **Piers Morgan is set** to return to television screens Monday with a new show whose debut episode features an interview with former President Trump. **B2**

◆ **Tech giants** including Apple, Amazon.com and Microsoft are among the companies headlining a busy earnings week. **B3**

World-Wide

◆ **French President Emmanuel Macron** was re-elected by a wide margin, according to projections based on early ballot counts, overcoming deep divisions among voters worried about inflation, the war in Ukraine and the impact of immigration on France's national identity. **A1**

◆ **Secretary of State Blinken** and Defense chief Austin met with Zelensky in Kyiv, and said the U.S. will return an embassy presence in Ukraine and provide an additional \$322 million in military assistance. **A1, A6-A8**

◆ **Russia has stopped** publishing economic data, part of an effort to protect its economy and domestic companies from further sanctions by the West. **A7**

◆ **The Supreme Court** Monday will turn to the question of prayer in public school, with the religious rights of a high-school football coach clashing with the district's obligation to avoid endorsing any particular creed. **A3**

◆ **Orrin Hatch**, a former Republican Senator who played a pivotal role in major tax, civil-rights and healthcare legislation over more than four decades, died at 88. **A4**

◆ **Saudi princes** have sold more than \$600 million of real estate, yachts and artwork in the U.S. and Europe since the kingdom's crown prince tightened the ruling family's purse strings. **A18**

◆ **Israel closed** its civilian border crossing with the Gaza Strip in an effort to pressure Hamas to halt rocket attacks against southern Israel. **A9**

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French President Emmanuel Macron in Paris on Sunday after early vote results showed he beat far-right leader Marine Le Pen.

Macron Defeats Le Pen to Win New Term as French President

BY NOEMIE BISSEBIE AND STACY MEICHTRY

PARIS—President Emmanuel Macron of France was re-elected by a wide margin, according to projections based on early ballot counts, overcoming deep divisions among voters worried about inflation, the war in Ukraine and the impact of immigration on France's national identity.

Mr. Macron garnered 58.8% of the estimated vote on Sunday, while far-right leader Marine Le Pen won 41.2%, accord-

ing to a projection from polling firm Ipsos.

Mr. Macron, 44 years-old, becomes the first French president to secure a second term in office since 2002, when then-President Jacques Chirac beat Ms. Le Pen's father, Jean-Marie Le Pen, in a 64-point landslide. Since then, however, the country has fractured along economic, generational and geographical lines, with wealthier urban voters gravitating toward Mr. Macron and younger working-class voters in France's rural areas backing Ms. Le Pen.

Mr. Macron is now under pressure to unite millions of French who cast ballots for his rivals in the election's first-round of voting, when more than 50% of the vote went to candidates on the far-right and far-left. At stake is Mr. Macron's drive to consolidate years of pro-business overhauls to the French economy—from tax cuts to his loosening of rules on hiring and firing employees—that have fueled discontent.

"I know that many of our compatriots voted today for me—not in support of the

ideas I defend—but to block those of the far-right," Mr. Macron told hundreds of supporters gathered at the foot of a resplendent Eiffel Tower.

Small protests cropped up around France with students and others in the southern city of Toulouse marching behind a banner that read: "Neither Le Pen, Nor Macron." The U.S. Embassy in Paris warned the protests risked turning violent.

Mr. Macron's win was wider than expected. Still, Ms. Le Pen managed to significantly

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Putin's Reputed Girlfriend Spared U.S. Sanctions

Officials weigh the potential backlash for blacklisting the 39-year-old woman

Several weeks have passed since the U.S. and its allies first imposed sanctions on Russia's biggest companies and its business and political leaders, all the way up to President Vladimir Putin.

By Vivian Salama, Joe Parkinson and Drew Hinshaw

Yet one person has been spared, in a last-minute decision: Alina Kabaeva, the woman the U.S. government believes to be Mr. Putin's girlfriend and the mother of at least three of his children.

Ms. Kabaeva, a former Olympic champion rhythmic gymnast known in the sport for her extreme flexibility and an international doping scandal, is suspected of playing a role in hiding Mr. Putin's personal wealth overseas, U.S. officials said, and remains a potential sanc-

tions target.

The belief among U.S. officials debating the move is that sanctioning Ms. Kabaeva would be deemed so personal a blow to Mr. Putin that it could further escalate tensions between Russia and the U.S. The 69-year-old Mr. Putin has never acknowledged a relationship with Ms. Kabaeva, a 39-year-old former cover model for Russian Vogue.

The U.S. Treasury Department, which according to U.S. officials prepared the sanctions package against Ms. Kabaeva, now on hold, declined to comment. U.S. officials said that the action against Ms. Kabaeva isn't off the table.

The Kremlin has long denied any relationship between Mr. Putin and Ms. Kabaeva. Mr. Putin's spokesman, Dmitry Peskov, *Please turn to page A10*



A volunteer serves food after Easter Mass at the Greek Catholic Church in Chernihiv, Ukraine, on Sunday.

U.S. to Return Embassy Presence In Ukraine, Increase Military Aid

SOUTHEAST POLAND—The U.S. will return an embassy presence to Ukraine and increase military support for the

By William Mauldin, Isabel Coles and Evan Gershkovich

country, Secretary of State Antony Blinken and Defense Secretary Lloyd Austin told Ukrainian President Volodymyr

Zelensky during a meeting in Kyiv, as Russia's war shifts gears in eastern and southern Ukraine.

Sunday's visit was the highest-level U.S. delegation to go to Ukraine since the start of the war on Feb. 24 and follows similar trips from other countries' leaders and diplomats, as Washington and its allies increase efforts to show support for Kyiv and help the country

defend itself.

After pulling out earlier this year, U.S. diplomats will return to Ukraine this week, initially with day trips to the western city of Lviv with the goal of returning to a functioning embassy. *Please turn to page A8*

◆ **World confronts economic cost of war**..... A6
◆ **Moscow hides data on the Russian economy**..... A7

Chick-fil-A's Drive-Through Crowds Get Neighbors Squawking

Backed-up traffic at a Southern California franchise plucks a nerve

BY CHRISTINE MAI-DUC

SANTA BARBARA, Calif.—Business has boomed for Chick-fil-A franchisee Travis Collins during the pandemic, thanks to surging appetite for chicken sandwiches from his drive-through window.

Now he's throwing the works at controlling the lines of cars spilling onto surrounding streets. The city council in

this affluent coastal city has proposed declaring his drive-through a public nuisance.

Neighbors and city officials say customers hungry enough to brave the crowded lot for Chick-n-Strips or the signature sandwich of chicken with pickles on a buttered bun have caused so many traffic jams, bus delays and hazards on the city's main drag that some- *Please turn to page A10*

INSIDE



WORLD NEWS

Crown prince's edict prompts Saudi royals to sell off real estate, yachts and artwork. **A18**

Raises for Job Switchers Heighten Inflation Risk

BY GWYNN GUILFORD AND SARAH CHANEY CAMBON

Job-switchers are often reaping double-digit pay increases, a new survey shows, a phenomenon that is demonstrating bargaining power for workers while threatening to keep inflation high.

About 64% of job-switchers said their current job provides more pay than their previous job. Among these workers, nearly half received a raise of 11% or more, according to a ZipRecruiter survey provided

exclusively to The Wall Street Journal. Nearly 9% are now making at least 50% more.

Elevated rates of job switching could continue: Among prime-age workers aged 25 to 54, around 20% anticipated leaving within a year, while an additional 26% said they see staying one to two years, the survey said. Historically, the average job lasts four years, said Julia Pollak, ZipRecruiter's *Please turn to page A2*

◆ **Outlook: 'Neutral' Fed rate is a moving target**..... A2

Twitter, Musk In Talks To Strike A Deal

Takeover bid valued at \$43 billion could be made final this week in sudden shift

BY CARA LOMBARDO AND DANA CIMILLUCA

Twitter Inc. is in discussions to sell itself to Elon Musk and could finalize a deal as soon as this week, people familiar with the matter said, a dramatic turn of events just 10 days after the billionaire unveiled his \$43 billion bid for the social-media company.

The two sides met Sunday to discuss Mr. Musk's proposal and were making progress, though they still had issues to hash out, the people said. There is no guarantee they will reach a deal.

Twitter had been expected to rebuff the offer, which Mr. Musk made April 14 without saying how he would pay for it, and put in place a poison pill to block him from increasing his stake. But after the Tesla Inc. chief disclosed that he has \$46.5 billion in financing and the stock market swooned, Twitter changed its posture and opened the door to negotiations, The Wall Street Journal has reported.

Mr. Musk has said from the beginning that his \$54.20-a-share offer is his "best and final," and he reiterated to Twitter Chairman Bret Taylor again in recent days that he won't budge on price, some of

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U.S. NEWS

THE OUTLOOK | By Nick Timiraos

'Neutral' Fed Rate Is a Moving Target



Federal Reserve Chairman Jerome Powell is shifting monetary tightening into a higher gear. His goal sounds straightforward—lift interest rates to “neutral,” a setting that neither spurs nor slows growth.

But there's a catch: Even in normal times, no one knows where this theoretical level is. And these aren't normal times. There are good reasons to think the ground beneath the central bank's feet is shifting and that, after accounting for elevated inflation, neutral may be higher than officials' recent estimates.

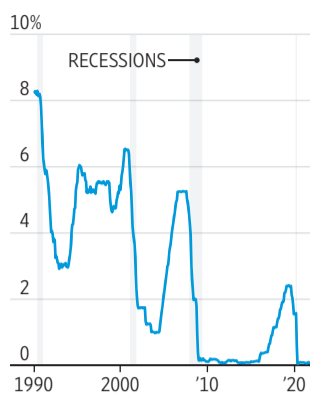
At their meeting next month, officials are set to approve plans to shrink their \$9 trillion asset portfolio and to raise their benchmark rate by a half percentage point. They are poised to follow with another half-point in June. “We're going to be raising rates and getting expeditiously to levels that are more neutral, and then that are actually tightening policy if that turns out to be appropriate, once we get there,” Mr. Powell said during a panel discussion last week. Key to that strategy will be estimates of the neutral interest rate, a monetary nirvana that balances supply and demand when unemployment is low, the economy is growing steadily, and inflation is stable around the Fed's 2% objective.

Estimates of the inflation-adjusted neutral interest rate*

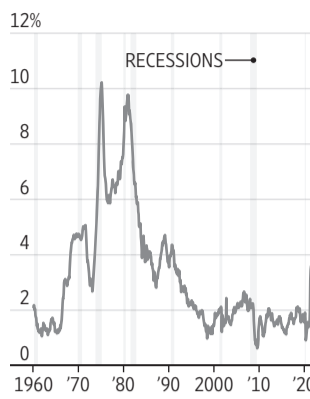


*Calculations use the methodology outlined in a 2003 paper by Thomas Laubach and John Williams; estimates are through June 2020 based on data available on Aug. 27, 2020. †Seasonally adjusted; core inflation excludes food and energy items
Sources: Federal Reserve Bank of New York (estimates); Federal Reserve via St. Louis Fed (benchmark, core)

Benchmark federal-funds rate



Core inflation†



“The Fed only knows where neutral is in retrospect,” said Steven Blitz, chief U.S. economist at research firm TS Lombard. The nominal neutral rate is arrived at by adding inflation to the inflation-adjusted or real neutral rate. It is real, not nominal, rates that matter for monetary policy. Because inflation reduces the burden of paying back debt, a positive real rate is necessary to create an incentive to save and a disincentive to borrow, such as for a home or business, thereby slowing economic growth and cooling inflation pressure. Before the 2008 financial crisis, the nominal neutral rate was widely estimated to be near 4%—a real neutral rate of 2% plus inflation of 2%. Over the subsequent decade Fed officials lowered their estimate of neutral to between 2% and 3% because

they thought the real neutral rate needed to keep both growth and inflation stable had dropped. Officials still think the real neutral rate is low; the question is whether inflation will end up higher than 2%, which would mean a higher nominal neutral rate. If inflation settles out closer to 3%, for example, the nominal neutral rate would be closer to 3.5% than 2.5%, and the Fed might need to raise rates to 4% to actually slow the economy down. This confronts Fed officials with several questions: How fast to get to neutral; do rates need to go above neutral; and where is neutral? At present, most think neutral is around 2.25% or 2.5% and rates should get there this year, at which point they can see how the economy responds. Some want to go faster, pushing

rates into restrictive territory this year. Others are open to that possibility in 2023. “I'm optimistic that we can get to neutral, look around, and find that we're not necessarily that far from where we need to go,” said Chicago Fed President Charles Evans on April 7. By last week, though, he was a little more circumspect: “Probably we are going beyond neutral—that's my expectation.” A major source of uncertainty in these scenarios centers on where neutral really is. That depends on where inflation settles out, which partly is based on factors outside the central bank's control such as supply-chain disruptions from the war in Ukraine and Covid lockdowns in China. Mr. Blitz said the Fed today may find itself in a situ-

ation similar to 1978, when it was raising rates aggressively but failing to push real rates up enough to slow the economy. “They kept thinking, ‘This is enough. This is enough.’ It kept turning out it wasn't enough,” he said. Today, “the Fed has a lot of catching up to do to tighten financial conditions if the world is not going to come to its rescue.” In projections released in March, most Fed officials mapped out a cheery scenario in which they raised rates to a roughly neutral rate of around 2.75% by next year. They projected growth over the next three years remains above its 1.8% long-run rate while unemployment holds below the 4% rate officials estimate is consistent with stable prices. But those projections assume inflation, now above 5% based on the Fed's preferred index, will revert to a long-run underlying trend rate of 2% without higher unemployment, which has historically been rare. “The odds of doing what they projected in March are small—maybe 25%,” said Donald Kohn, a former Fed vice chairman. The bond market has faced a brutal selloff over the last two months, pushing yields sharply higher, as the Fed promises tighter policy. It could be in for another blow if central bank officials publicly conclude that interest rates need to go even higher than currently anticipated in 2023.

ECONOMIC CALENDAR

- Tuesday:** U.S. factories have been caught between strong demand and stretched supply chains during the Covid-19 recovery. March data on **durable goods** are expected to reflect a rebound for new orders after a weak February.
- Thursday:** The **Bank of Japan** is expected to leave ultralow interest-rate targets unchanged. Japan's economy remains smaller than its pre-pandemic level, while “cost-push” inflation is hurting corporate profits. A key measure of U.S. economic growth is expected to have slowed sharply in the opening months of 2022. **Gross domestic product** is expected to have advanced at less than a 1% pace in the first quarter, down from 6.9% quarterly growth at the end of last year. The headline figure, adjusted for inflation, will likely reflect surging prices, a growing trade imbalance and slower inventory growth.
- Friday:** Figures released by the European Union's statistics agency are expected to signal a darkening outlook for the **eurozone economy** following Russia's invasion of Ukraine, with growth weakening again in the first quarter and the annual rate of inflation remaining high in April.
- U.S. consumer spending** slowed sharply in February as households saw wage gains eroded by rising inflation. Economists expect a pickup in outlays for March as Covid-19 continued to recede. The Federal Reserve's **preferred measure of inflation** could show underlying price pressures, while easing, are still near a four-decade high.
- The **U.S. employment-cost index**—a measure of wages and benefits paid by employers—for the first quarter is expected to show another stretch of strong wage gains.

U.S. WATCH

PHILADELPHIA Three Children, One Adult Killed in Fire

An early morning fire in a north Philadelphia row house claimed the lives of three children and one adult, authorities said. Fire crews were called to the two-story residence in the Kensington neighborhood shortly after 2 a.m. Sunday and found heavy fire coming from both floors. Three children were found dead and a man reported unaccounted for was later found deceased, officials said. “Our men and women of the fire department did a valiant effort to try to make saves here,” Capt. Derek Bowmer said at the scene. “Unfortunately we have a tragic ending this morning.” One person who jumped to safety was taken to a hospital. The fire was declared under control just before 2:30 a.m. —Associated Press

WASHINGTON, D.C. Suspected Shooter Is Found Dead

A man suspected of wounding four people in a shooting in Washington, D.C., on Friday was found dead in an apartment along with guns and a sniper-style setup, authorities said. The suspect is believed to have fatally shot himself as officers conducting door-to-door searches in northwest Washington neared his apartment, Metropolitan Police Department Chief Robert Contee said. Police believe the suspected shooter used a tripod and a rifle found in the fifth-floor apartment to fire on people below, Chief Contee said. The shooting victims, a 54-year-old man who is a retired D.C. police officer, a woman in her 30s and a woman in her 60s, along with a 12-year-old girl, are all in stable condition, police said. —Ginger Adams Otis

UTAH Four People Perish In Small-Plane Crash

Four people were killed when a single-engine airplane crashed in rural southwestern Utah, authorities said on Sunday. Deputies discovered the aircraft after responding to a report of a fire just before 7 p.m. on Saturday about 5 miles east of Cedar City, the Iron County Sheriff's Office said. The pilot and three passengers were pronounced dead at the scene. —Associated Press



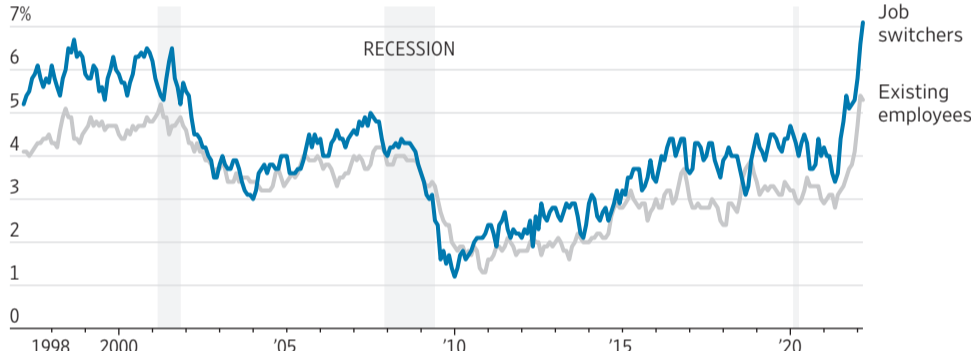
Dain Laguna of Lexington, N.C., who said inflation was eating into his already tight budget, got a new job in February that pays about 50% more than his previous role.

Pay Boosts Fuel Risks Of Inflation

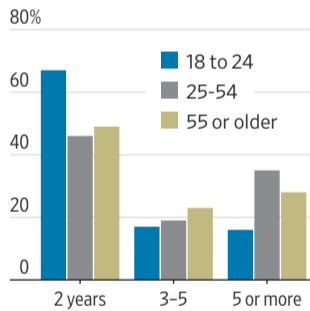
Continued from Page One chief economist. Job switching is a key driver behind broader wage growth that developed as the economy rebounded from the Covid-19 pandemic. Workers who change jobs often command bigger pay increases and employers also raise wages to compete to keep existing workers, economists said. Annual wage growth for the typical worker hit 6% in March, averaged over three months, according to the Federal Reserve Bank of Atlanta's wage tracker. That is up from 3.4% a year earlier and above the 3.7% rate in February 2020, before the

pandemic, when the unemployment rate was at a 50-year low. The consumer-price index rose 8.5% in March from a year earlier, according to the Labor Department, the strongest annual rate of inflation since 1981. The broadening of wage gains throughout the economy could keep inflation high in coming quarters even if dynamics such as supply-chain disruptions and an energy crunch recede. “It's great to get wage gains but not if it's pushing up inflation further,” said Diane Swonk, chief economist at Grant Thornton. Nearly 27% of economists surveyed by The Wall Street Journal in April said wage growth poses the biggest inflationary risk this year, a higher share than those who cited either the Russia-Ukraine war and supply-chain disruptions as the main inflationary threats. Companies are paying more to attract and retain

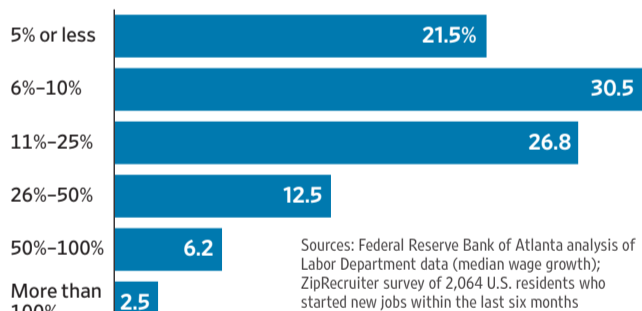
Median annual wage growth, three-month moving average



How long new hires expected to stay at their current job



Share of recent job switchers who got pay increases, by pay-increase size



Sources: Federal Reserve Bank of Atlanta analysis of Labor Department data (median wage growth); ZipRecruiter survey of 2,064 U.S. residents who started new jobs within the last six months conducted Feb. 9-28 (new hires, job switchers)

workers in a competitive labor market and will need to pass on price increases to compensate, the thinking goes. The dynamic poses a challenge for the Federal Reserve, which began raising rates in March for the first time since 2018. The central bank is trying to bring inflation down from a four-decade high closer to its 2% target. Wage growth was weak in the years following the 2007-09 recession, even when unemployment fell to historically low levels. Some economists argued that was because workers were reluctant to switch jobs. Today, workers are quitting at rates that well exceed those preceding the pandemic, receiving large wage increases. That includes employees like 37-year-old Dain Laguna. Mr. Laguna was working in a human-resources job at a home-improvement company last year, feeling undervalued at an hourly wage of \$19. Rising inflation started eating into his already tight budget. “I'm the father of two children, and I can't work for pennies,” Mr. Laguna said. Higher costs and lack of upward job mobility spurred him to revamp his LinkedIn profile and to start applying for jobs last fall. He landed a new human-resources role, which he started in February. In his new job, Mr. Laguna helps onboard workers into information-technology jobs at large companies. Recruiters are still reaching out to Mr. Laguna to gauge his interest in new jobs, as HR workers are now in high de-

mand, the Lexington, N.C., resident said. Mr. Laguna makes the equivalent of about \$28 an hour, or about 50% more than in his previous role. “My cup still does not runneth over, but I also don't feel like I'm drowning anymore,” he said. About 2.9% of workers quit their jobs in February—far above the prepandemic February 2020 rate of 2.3%, as workers are confident in their job prospects. The majority of workers who quit last year and didn't enter retirement said they are employed in full- or part-time roles, a Pew Research Center survey published

was drawn from 2,064 U.S. residents who had started a new job within the past six months, and doesn't necessarily reflect overall job-market dynamics. There are no direct historical data for comparison. However, the data offer a picture of worker bargaining power that has the potential to broaden. “Companies facing stiff competition for scarce talent have been prompted to bump up wages, relax job requirements, expand benefits, and offer more favorable terms of employment,” Ms. Pollak said. Some 37% of recent new hires had been recruited by their employer, and nearly 22% reported receiving signing bonuses, according to ZipRecruiter's survey. The share of employed job seekers expecting their current employer to counter with higher pay if they resign hit 54% in March, up from 43% in January, according to a separate monthly survey by ZipRecruiter. Annual wage growth for the typical job-switcher was 7.1% in March, averaged over three months, up from 4% a year earlier and the fastest pace since records began in 1997, Atlanta Fed data show. Those wage pressures are filtering through to everyone else as employers compete to keep staff. “The moment an employer is scared people are leaving, it's going to give pay raises for everybody,” said Guy Berger, principal economist for LinkedIn, the professional social network. “So even though the rate for job-stayers is lower, it's still gone up a ton.”

Annual wage growth for the typical job-switcher was 7.1% in March.

The so-called quits rate appears to be peaking, a possible sign the labor market is cooling slightly. Still, rising quits translate into wage gains with a lag, so even if quits plateau in the coming months, wages can keep going up for a period, said Alex Domash, a research fellow at Harvard University. “But even at current levels, wage growth is incompatible with the Fed's inflation target,” said Mr. Domash, adding that the current rate implies sustained inflation above 5%. ZipRecruiter's survey, which was conducted in February,

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U.S. NEWS

School-Prayer Case Heads To High Court

By JESS BRAVIN

WASHINGTON—On Monday, the Supreme Court will turn to the question of prayer in public school, with the religious rights of a high-school football coach clashing with the district's obligation to avoid endorsement of any particular creed.

The case, coming before a conservative majority that in previous decisions has given priority to private religious exercise over secular government interests, could help reset the line between church and state.

The conflict traces back more than a decade, to a weekend when Joe Kennedy, recently out of the Marines and newly committed to Jesus, was contemplating a job offer to coach high-school football in his hometown, Bremerton, Wash.

"I was sitting there in the middle of the night, watching TV, and this movie comes on, 'Facing the Giants,'" Mr. Kennedy, 52 years old, said. "I've never experienced when God

just came down and, wow, but it was an answer to, 'Should I coach or not?'"

The 2006 film concerns a high-school football coach with a losing record who turns things around by inspiring his players to praise God regardless of the game's results, rather than focusing solely on winning.

As coach of the junior varsity team and an assistant coach for the varsity squad, Mr. Kennedy went on to kneel to pray at the center of the field following each game. But there was a legally significant difference between the cinematic coach and Mr. Kennedy: the film's Shiloh Christian Academy, where the fictitious Coach Grant Taylor works, is a private religious school. Bremerton High is a public institution.

Mr. Kennedy said he never explicitly told his players to pray with him, or favored those who did. Some players began to join his postgame devotions on the field. The Bremerton principal later testi-



Former football coach Joe Kennedy, shown above last month and in the photo at left, in blue, in 2015, prayed on the field after high-school games that he coached in Bremerton, Wash. His case goes before the Supreme Court on Monday.

fied that a parent complained that his son, although an atheist, "felt compelled to participate" in Mr. Kennedy's ritual.

Under Bremerton School District policy, students may "engage in private, non-disruptive prayer at any time not in conflict with learning activities." School staff, the policy says, "shall neither encourage nor discourage a student from engaging in non-disruptive oral or silent prayer or any other form of devotional activity."

In 2015, the district superintendent, Aaron Leavell, concluded the practice could expose the school to a lawsuit for officially endorsing religion. The First Amendment's

religion provisions, the free-exercise and establishment clauses, protect the "free exercise" of an individual's creed while prohibiting government from an official "establishment of religion."

In a letter, Dr. Leavell told Mr. Kennedy he was "free to engage in religious activity, including prayer," but it "must be physically separate from any student activity, and students may not be allowed to join such activity" and be "not outwardly discernible as religious activity." Although the district offered Mr. Kennedy the chance to pray inside school buildings, it precluded kneeling in prayer on the 50-yard line.

Dr. Leavell declined an interview request.

Mr. Kennedy publicized his cause in the news media and continued performing his post-game rituals. That led to a suspension and a recommendation from the athletic director not to renew the coach's annual contract. Mr. Kennedy didn't reapply for a coaching position in the 2016 season. That year, he filed suit in federal court, alleging violations of his First Amendment rights.

Federal district and appellate courts sided with the superintendent.

In Bremerton, "students and families practice, among other beliefs, Judaism, Islam, the Baha'i faith, Buddhism, Hindu-

ism, and Zoroastrianism," Judge Milan Smith wrote in a March 2021 decision for the Ninth U.S. Circuit Court of Appeals in San Francisco. The district "would have violated the Establishment Clause by allowing Kennedy to pray at the conclusion of football games, in the center of the field, with students who felt pressured to join him," the opinion said.

The Supreme Court has taken a narrower view of the Establishment Clause than the Ninth Circuit, and religious conservatives are hopeful the justices will see the case as a way to clarify the constitutional standard for lower courts.

Wisconsin Town, Company Clash on Chemical Cleanup

By KRIS MAHER

PESHTIGO, Wis.—For decades, a fire-technology company next to this town on the shore of Green Bay set steel structures and other props ablaze and trained firefighters from around the world to put them out with a special foam.

Today, chemicals from that foam are found in private water wells several miles away and in creeks that flow into the bay, and leaders of the town of Peshtigo are in a bitter fight with the company about how to get safe drinking water to residents.

Cindy Boyle, chairwoman of the town board, said it was infuriating that her family has had to drink and cook with bottled water for the past four years and that she wakes up in the middle of the night thinking about the contamination under her town. "If we could just get permanent safe water at least that part could stop," said Ms. Boyle.

The fight echoes many others playing out across the country, as chemicals from firefighting foam used on hundreds of military bases and at airports and by fire departments have been found to contaminate drinking water. The foam contained per- and polyfluoroalkyl substances, or PFAS, which create a film that smothers even the hottest fires.

PFAS also are used in consumer products—from fast-food wrappers to carpeting and cosmetics—and have been linked to health problems including kidney and testicular cancers, thyroid disease and high cholesterol. Known to scientists and others as "forever



Cindy Boyle, chairwoman of the Peshtigo town board, wants the town to build its own water system.

Consensus Elusive On the Best Solution

One of the solutions from Johnson Controls International PLC is to have some or all of the 169 households in its affected area annex their properties into Marinette, Wis., to tap into the city's water system.

Another option is digging wells into a deeper aquifer. If everyone chose annexation, Katie McGinty, chief sustainability officer with Johnson Controls, said it

would cost about \$20 million to build the needed infrastructure.

That option has sparked anger from Cindy Boyle, chairwoman of the town board in nearby Peshtigo, and others. She said annexation would rob the town of property-tax revenue from homes along the bay, potentially including her own family's. Moreover, it wouldn't help the other hundreds of homes in Peshtigo that have PFAS in their wells, she said.

"Resist the propaganda," she told about 30 Peshtigo residents at a recent water com-

mittee meeting held in the town's municipal building.

One of the town's proposals is to build its own water system to use water from the bay at a cost of roughly \$92 million. Ms. Boyle said she would seek funding from Johnson Controls and a grant from the federal infrastructure law passed last year.

Ms. McGinty said the town's options are less feasible than those being offered by the company. "Standing up a brand new municipal authority is a big undertaking for an entire town," she said.

chemicals," they persist in people and the environment.

The Environmental Protection Agency has said it would propose designating the two most widely studied compounds, PFOA and PFOS, as

hazardous substances this spring. In the fall, the agency plans to propose the first federal drinking-water limit on the two compounds in public drinking-water systems. It previously set an advisory level of 70 parts

per trillion, or ppt, for PFOA and PFOS combined.

Officials with Johnson Controls International PLC, a multinational company based in Ireland, say legacy operations caused a pear-shaped plume of

PFAS in the ground under its firefighter-training site in the city of Marinette, Wis., which draws its drinking water from the bay, and part of neighboring Peshtigo, where residents get drinking water from private wells on their property. PFAS were found at levels of 400,000 ppt on company property, and as high as 2,100 ppt in a family's well in Peshtigo.

"We take full responsibility for any PFAS from our operations," said Katie McGinty, chief sustainability officer with Johnson Controls. "It's our job and our intention to fix it."

In Peshtigo, year-round homes and summer cabins sit on sandy soil under white pines near the bay's shoreline. The area has been home to shipbuilders and paper mills. One of the biggest employers for years was the Ansul Company, which was acquired by Tyco International in 1990. In 2016, Tyco merged with Johnson Controls. The Navy first tested aqueous film-forming foam, or AFFF, there in 1962 as it searched for a way to put out fires involving jet fuel.

On a recent day, Ms. McGinty toured a \$25 million system being built to extract groundwater from the heart of the contamination plume. In one building, giant blue tanks will filter out PFAS and put clean water into a creek that runs past Marinette High School to the bay. Currently, a contractor hired by the company scoops up foam with PFAS in it that gathers in the creek near the bay.

Ms. McGinty, who was an environmental adviser in the Clinton administration and later the top environmental regulator in Pennsylvania, said the company

has mapped the entire plume with 10,000-plus data points.

But the size of the plume is at the center of the fight between Peshtigo town leaders like Ms. Boyle and Johnson Controls, and it has drawn in state environmental regulators and Wisconsin's attorney general.

Johnson Controls wants to provide drinking water to 169 household wells that it says could have been contaminated by the company. Ms. Boyle and the state Department of Natural Resources say the full extent of the plume hasn't yet been determined, and they want water provided to several hundred more homes.

Testing by the state has found PFAS in nearly 300 additional Peshtigo wells.

In March, Josh Kaul, the state attorney general, sued Johnson Controls, alleging that the company has failed to fully investigate and clean up the contamination. He also alleges that the company violated state law when it found PFAS in groundwater in 2013 but didn't file a report notifying the state until early 2018.

A company spokeswoman declined to comment on the lawsuit. "We stand behind the years of work and considerable resources we have invested in investigating and remediating PFAS related to historic operations at our Fire Technology Center in Marinette," she said in a written statement.

Last year, Johnson Controls settled a class-action lawsuit filed by Peshtigo residents and will pay \$15 million to several hundred people whose property might have been affected by PFAS or who might have drunk water containing the chemicals.

Shrinking Colorado River Starts to Trim Arizona's Water Supply

By JIM CARLTON AND ELIZA COLLINS

PHOENIX—Arizona is the first state to experience deep cutbacks caused by a drought-fueled decline in the Colorado River, one of the most important sources of water in the American Southwest.

Farmers in the fast-growing state are losing most of the water they receive from the Colorado this year, and many are leaving large amounts of land unplanted, with further cuts planned for next year. If shrinking water flows in the river don't reverse, cities in Arizona and other states could be affected next, officials say.

"All of the projections are for the flow to continue to go down because of the warming of the climate," said Tom Buschatzke, director of the Arizona Department of Water Resources. "The challenge will be how you parse out those limited resources from a long-term perspective."

The 1,450-mile Colorado River supplies drinking water

to 40 million people and irrigates 5.5 million acres of agricultural land. The U.S. Bureau of Reclamation last year declared the first-ever shortage on the Colorado after the level of Nevada's Lake Mead—the river's largest reservoir—was projected to fall below 1,075 feet. As of Thursday, the reservoir stood at 1,057 feet. In 2000, it was 1,214 feet. Lake Mead is considered full at 1,229 feet.

The so-called Tier 1 shortage triggered a cut of 512,000 acre-feet, or 18% in Arizona's share of Colorado River water—about a quarter of what metropolitan Phoenix uses annually. The cuts are determined under agreements between the U.S. government and seven states that use the river, along with Mexico.

The cuts are being implemented this year, primarily in Arizona's agriculture industry, which annually generates an estimated \$23 billion in economic impact and is a large producer of cotton, lettuce and cattle. Pinal County, an area



Hoses were replaced this month in a field of guayules, drought-resistant desert shrubs, in Eloy, Ariz.

south of Phoenix that draws the most from the Colorado River in the state, is losing about 75% of that water in 2022 and all of it next year, according to the Arizona Farm Bureau.

"It is a huge cutback to one of the most essential resources Arizona needs, and it is a cutback with no soft place to land," said farm bureau spokeswoman Chelsea McGuire. She said about half the farmland in Pinal County will be left unplanted this year. Wider cutbacks are expected across the state if the drought continues.

The West has been afflicted by a record drought for most of the past two decades, attributed in large part to the warming climate, according to researchers.

If Lake Mead falls below 1,050 feet—which officials said was likely to happen in the next few years—it would trigger a Tier 2 shortage in which Arizona's overall cutback will increase to 21% from 18% and cities will be significantly affected. Nevada's and Mexico's allocations from the Colorado River, which are already starting to be trimmed, also

will fall further.

A Tier 3 shortage, if Lake Mead falls below 1,025 feet, would trigger more cuts in those states, and a 7% cut would be imposed in California, where farmers have already lost water from a system tied to the state's northern mountains.

Arizona's urban centers are already preparing for future cutbacks and say they think they can absorb continued population growth. Arizona grew to 7.2 million people in 2020 from 5.1 million in 2000, according to the Census Bureau,

and Phoenix was the fastest-growing big city in the country over the past decade.

Scottsdale, Phoenix and other cities have diversified their water sources beyond the Colorado, and each has been resupplying groundwater reserves. Scottsdale has added three years' worth of water to roughly 15 years' supply already underground. Phoenix has added two years' worth on top of an existing supply that would last about 13 years, according to city officials.

"We've been planning for many, many years for this type of eventuality," said Cynthia Campbell, Phoenix water-resources management adviser. She said residents have also increased conservation. Currently 10% of yards have lawns, compared with 70% in the 1970s.

Scottsdale is filtering wastewater to drinking quality and putting some of it back into the ground for storage. It is also watering golf courses—one of the city's economic engines that fuels tourism—with reclaimed water.

U.S. NEWS

Congress Returns to Big Funding Asks

BY ELIZA COLLINS
AND MICHELLE HACKMAN

WASHINGTON—When Congress returns this week, a pandemic-era immigration policy could complicate efforts to pass further coronavirus relief legislation and possibly another Ukraine aid measure if centrist Democrats side with Republicans in opposing the Biden administration's repeal of the border rules.

Earlier this month, the Biden administration said that in May it would end its use of Title 42, a policy dating to the Trump administration that allows Border Patrol agents to quickly turn away migrants at the southern border.

Liberal Democrats cheered the decision. Republicans and some Democrats, particularly those in difficult re-elections, said the administration didn't have a detailed plan to deal with the expected increase in migrants to the southern border at a time when migrants are already crossing illegally at the fastest pace in at least two decades. Privately, some said the move could flip some Democrats' seats to the GOP.

Republicans are trying to

amend a \$10 billion coronavirus relief bill that is being considered in the Senate to reinstate the border policy. They are hoping enough Democrats will join them.

A request for additional aid to Ukraine could also become tied up if Democratic leaders decide to move that measure along with the Covid-19 aid package. President Biden said last week the administration would send a supplemental budget request for weapons and ammunition.

The White House hasn't yet offered specific details on its request, and congressional Democrats will decide this week how to proceed on that front. Senate Majority Leader Chuck Schumer (D., N.Y.) had previously said he would like to combine global vaccine funding with Ukraine aid but hasn't detailed what a larger request would include.

On its own, a new Ukraine bill would likely have broad bipartisan support. Sen. Jim Inhofe of Oklahoma, the top Republican on the Senate Armed Services Committee, said on Twitter that when Congress returns "we must immediately turn to writing an aggressive

supplemental for Ukraine that responds to the military and humanitarian needs of the Ukrainian people."

Senators had hoped to move the coronavirus relief legislation earlier this month and send it to the House for final passage, but the bill was delayed over the efforts to amend it. The bill will need 60 votes for passage in the 50-50 Senate.

Some Democrats said they

Immigration policy complicates virus relief and Ukraine aid measures.

would consider supporting the amendment, depending on how it was written. However, several Democrats said they didn't want to hold up the relief bill, which the White House considers an urgent priority, over the effort. One possibility Republicans are considering is using the language from bipartisan legislation that would reinstate Title 42

until after the pandemic is declared over.

Ten Democrats joined Republicans to introduce the immigration legislation in both the House and Senate before Congress broke for a two-week recess. Additional Democrats in both chambers have expressed concern about removing the border policy, and Republicans believe they could increase support for the bill.

The administration has said it expects that revoking Title 42 could lead to a marked rise in both the numbers of migrants seeking asylum at the border and those released into the U.S. to pursue their requests. But whether or not the policy comes to an end, intelligence reports tracking movement through Latin America indicate unprecedented numbers of people on the move, many of them headed for the U.S. border.

The administration has highlighted its early planning, saying it is pre-emptively strengthening government contracts for transportation and medical care and adding more staff to handle increased arrivals. Officials said they are preparing for a worst-case sce-

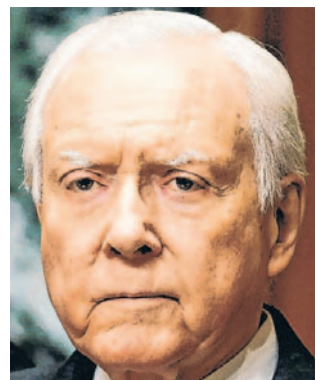
nario that assumes an average of 18,000 migrants will cross the border illegally a day—roughly triple the pace seen so far under the Biden administration.

"The assertion that we do not have plans is an assertion that is not grounded in fact," Department of Homeland Security Secretary Alejandro Mayorkas told CBS News on Friday.

Still, Democratic aides in Congress say the administration hasn't offered basic details of its planning—such as how many officials it will need to help process migrants or how much food and medical supplies it expects to use.

Reps. Abigail Spanberger (D., Va.) and Elissa Slotkin (D., Mich.), two House members in competitive re-elections who previously worked in national security positions, sent a letter Tuesday to Biden administration officials urging them to keep Title 42 in place "until you have a plan in place to address the inevitable migration surge."

Mr. Mayorkas is testifying before three House committees this week on the administration's handling of the border.



Orrin Hatch in 2018.

Senator Held Key Posts for Decades

BY RICHARD RUBIN
AND ELIZA COLLINS

WASHINGTON—Former Sen. Orrin Hatch, who played a pivotal role in major tax, civil rights and healthcare legislation over more than four decades, died on Saturday, his foundation said. He was 88 years old.

Mr. Hatch represented Utah in the Senate from 1977 to 2019 and was the country's longest-tenured Republican senator. According to his foundation, he spent 32 of his 42 years in Congress as either the chairman or the top Republican on a committee. Mr. Hatch announced his retirement in 2018, soon after shepherding through Congress a \$1.5 trillion tax cut that then-President Donald Trump signed into law.

Mr. Hatch had worked on a bipartisan basis with the late Sen. Ted Kennedy, a Democrat, to co-write the Children's Health Insurance Program, or CHIP, which expanded health coverage for poor children. He worked with senators of both parties to pass the Americans With Disabilities Act, which he later called a top achievement of his career.

"Most of the pieces of legislation I am most proud of had dozens of co-sponsors, were widely seen as bipartisan, and have remained on the books largely because I did not get everything I wanted," Mr. Hatch

Mr. Hatch was the country's longest-tenured Republican senator.

said in a 2018 speech as he was preparing to leave the Senate. "Our differences may be as innumerable as our similarities. But, if we start with the premise that every member's intent is to improve our country and the life of its citizens, then our disagreements are logistical, not personal."

Mr. Hatch helped shape the Supreme Court from the Judiciary Committee, championing the nomination of Justice Clarence Thomas and participating in more than a dozen high-court confirmation hearings, as Republicans looked to point the court in a more conservative direction. He later recommended the late liberal Justice Ruth Bader Ginsburg to then-President Bill Clinton, a Democrat, for the court.

During his final term, Mr. Hatch was chairman of the Senate Finance Committee, with jurisdiction over tax, trade and health policy. His largest achievement during that period was the 2017 tax law, and befitting an increasingly partisan era in Congress, it didn't have the bipartisan flavor of some of his earlier legislation. He was succeeded in the Senate by Republican Mitt Romney. "Few men have made their mark on the Senate as he did," Mr. Romney said.

President Biden, who served with Mr. Hatch in the Senate, said Sunday that "he was, quite simply, an American original."

Mr. Hatch was an accomplished songwriter and composer, writing more than 300 songs, including one played at George W. Bush's inauguration. Most of the songs were religious in nature. The song "Unspoken," which he co-wrote, was included in a compilation of Christian pop music and sold more than one million copies, earning Mr. Hatch a gold and platinum album.

—Natalie Andrews contributed to this article.

Cawthorn's Blunders Open Him to Primary Test

BY NATALIE ANDREWS

MARSHALL, N.C.—The brashness that catapulted freshman Rep. Madison Cawthorn to national attention is wearing on some of his voters here in his rural district in the Blue Ridge Mountains.

The youngest member of Congress, now 26 years old, shocked the party when he won the GOP primary runoff in 2020. Mr. Cawthorn, who uses a wheelchair and ran on a personal story of resilience, got a prime speaking slot at the party's national convention that year and has been a staunch ally of former President Donald Trump. But support in his home district has been shaken by a series of gaffes—including off-the-cuff allegations about fellow lawmakers' drug habits—that have left him vulnerable in the GOP primary.

Interviews with voters here showed broad frustration with the telegenic Mr. Cawthorn, with many saying he has focused more on being on camera than on his district's needs. Last year, he set plans to run in a neighboring district that would put him in the Charlotte media market and elevate his profile, but he changed his mind when district lines were officially redrawn. By then, other Republicans had jumped into the race.

"He's done nothing for the people of North Carolina," said Bonnie Whitener, sitting near a giant taxidermy bear that was holding a "Don't Tread on Me" flag. Two years ago, she had a billboard for Mr. Cawthorn outside her restaurant on a busy highway in Madison County, and she held a fundraiser for him. But now she wants him out of office.

Mr. Cawthorn was raised in



Much of the legislation that Rep. Madison Cawthorn (R., N.C.) has introduced concerns the military.

Hendersonville and was homeschooled. After recovering from serious injuries suffered in a spring-break car accident when he was 18, he briefly worked in the district office of then-Rep. Mark Meadows, the seat he would later hold. He attended Patrick Henry College in Virginia but dropped out.

"There's no one more ferocious, no one more committed and no one more diligent at protecting our country and our values than the mama bears and our grandmothers," Mr. Caw-

thorn told voters at a recent Macon County Republican Women's Club event.

One attendee, Tammy Combs, said she planned to back him. "Madison is a lot like me, I like his ambition, I like his try," she said.

Mr. Cawthorn declined a request for an interview. Spokesman Luke Ball said the incumbent is confident heading into the May 17 primary that has eight candidates on the ballot.

In this deeply religious district, voters said they give prior-

ity to social conservatism and Mr. Cawthorn has reflected that in Congress. Earlier this month, he pressed Health and Human Services Secretary Xavier Becerra to state when he believes human life begins, in a line of questioning focused on abortion.

Much of the 36 pieces of legislation Mr. Cawthorn has introduced in Congress focuses on the military, and his legislation to expand benefits for veterans taking classes in flight schools was included in a bill that passed the House last year.

Twitter, Musk in Deal Talks

Continued from Page One
the people said.

The conversations between the two sides were expected to focus on issues including what Mr. Musk would pay should an agreed deal fall apart before being consummated.

Twitter is slated to report first-quarter earnings on Thursday and had been expected to weigh in on the bid then, if not sooner.

The potential turnaround on Twitter's part comes after Mr.

Musk met privately Friday with several shareholders of the company to extol the virtues of his proposal while repeating that the board has a "yes-or-no" decision to make, according to people familiar with the matter.

He also pledged to solve the free-speech issues that he sees as plaguing the platform and the country more broadly, whether his bid succeeds or not, they said.

Mr. Musk made his pitch to select shareholders in a series of video calls, with a focus on actively managed funds, the people said, in hopes that they could sway the company's decision.

Mr. Musk said he sees no way Twitter management can get the stock to his offer price on its own, given the issues in the business and a persistent inability to correct them.

It couldn't be learned if he gave details of specific steps he would take, though he has tweeted about wanting to reduce the platform's reliance on advertising as well as to make simpler changes such as allowing longer tweets.

Some shareholders rallied behind him following the meetings. Lauri Brunner, who manages Thrivent Asset Management LLC's large-cap growth fund, sees Mr. Musk as

a skilled operator.

"He has an established track record at Tesla," she said. "He is the catalyst to deliver strong operating performance at Twitter." Minneapolis-based Thrivent has a roughly 0.4% stake in Twitter valued at \$160 million and is also a Tesla shareholder.

Mr. Musk already has said he is considering taking his bid directly to shareholders by launching a tender offer.

Even if he was to get sig-

Mr. Musk made his pitch to select shareholders in a series of video calls.

nificant shareholder support in a tender offer, which is far from guaranteed, he would still need a way around the company's poison pill, a legal maneuver it employed that effectively blocks him from building his stake to 15% or more.

One often-employed tactic to push a bid, seeking to gain control of the target's board, is out of reach for now. Twitter's directors have staggered terms, meaning a dissident

shareholder would need several years to gain control rather than a single shareholder vote.

Twitter tried last year to phase out the staggered board terms given that they are frowned upon by the corporate-governance community, but not enough shareholders voted on the measure.

The company is attempting to do so again at this year's annual meeting set for May 25. Only two directors are up for re-election, and it is too late for Mr. Musk to nominate his own.

Twitter's shares have been trading below his offer price since he made the bid April 14, typically a sign that shareholders are skeptical a deal will happen, though they did close up roughly 4% Friday at \$48.93, the day after he unveiled financing for the deal. Mr. Musk has indicated that if the current bid fails, he could sell his stake, which totals more than 9%.

The financing included more than \$25 billion in debt coming from nearly every global blue-chip investment bank aside from the two advising Twitter. The remainder was \$21 billion in equity Mr. Musk would provide himself, likely by selling existing stakes in his other businesses such as

Tesla. The speed at which the financing came together and the market selloff in recent days—which makes the all-cash offer look relatively more attractive—likely contributed to Twitter's greater willingness to entertain Mr. Musk's proposal.

Twitter's board should engage with Mr. Musk since its stock has "gone nowhere" since the company went public eight years ago, Jeff Gramm, a portfolio manager with Bander Partners LLC, a New York hedge fund with about \$385 million under management, said earlier. The firm last bought Twitter shares in February and owns about 950,000 overall, which accounts for about 11% of its portfolio.

Mr. Gramm said Twitter's board can't walk away from Mr. Musk's offer without providing an alternative that gives real value to shareholders. "I'm not sure what that can be at this stage besides finding a higher bid," he said.

—Sarah E. Needleman contributed to this article.

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THE UKRAINE CRISIS

World Confronts Economic Cost of War

Kyiv needs \$5 billion a month in support for up to five months, and \$600 billion to rebuild

By YUKA HAYASHI

WASHINGTON—Top world financial officials gathered in Washington last week confronted a grim picture of the economic costs of Russia's war in Ukraine and the challenges they face to help pay Ukraine's short- and long-term bills.

Ukraine needs around \$5

billion a month in budgetary support for up to five months and roughly \$600 billion for a broader rebuilding effort, Ukrainian Prime Minister Denys Shmyhal said Thursday at a forum hosted by the World Bank during the spring meetings held with the International Monetary Fund.

The two international financial institutions and several individual governments have started pledging contributions, but in interviews and public comments, officials acknowledged much work lies ahead to come up with the

funds needed.

"You will now see a big mobilization of the international community," said Odile Renaud-Basso, president of the European Bank for Reconstruction and Development, on Friday. "Everyone is thinking about something like a Marshall Plan for Ukraine, like what happened after World War II," she said, referring to the U.S.-led multinational reconstruction program launched in 1948 that helped revive Europe's economy through official aid and private investments.

The task comes at a challenging time for the world economy. Nations including the U.S. are grappling with their own problems, including soaring inflation and slowing growth. Many developing countries—facing higher food and fuel prices and ballooning debt burdens in the midst of rising interest rates and a continuing pandemic—say they need help from rich governments and international financial institutions such as the IMF and the World Bank.

"The big issue everybody is grappling with is...how do you

do policy-making in this world when you have a crisis upon a crisis and you haven't recovered from the first crisis yet," Gita Gopinath, first deputy managing director at the IMF, said.

Nonmilitary support for Ukraine and developing-country debt stress were top topics for finance ministers and central bankers attending the meetings.

Ukraine's financial needs, according to officials from Kyiv and the multilateral groups, fall into two main categories: short term and long

term.

The country needs roughly \$5 billion every month to cover essential government services over the next two to three months, according to the IMF's managing director, Kristalina Georgieva, referring to a budgetary shortfall resulting from a drop in revenue and increased costs such as caring for wounded soldiers and displaced citizens.

Mr. Shmyhal said about \$600 billion would be needed for the costs of recovery, reconstruction and transformation of Ukraine's economy.

Environmental Toll Amplifies a Host of Health Concerns

By NIDHI SUBBARAMAN

The war in Ukraine is poisoning the nation's air, water and soil, with environmental-health experts saying pollutants released by the continuing assault could take years to clean up while raising the risk of cancer and respiratory ailments as well as developmental delays in children.

On top of the toll of thousands of lives lost in the conflict, experts are concerned about the health effects of exposure to heavy metals, and to toxic gases and particulates from explosions, fires and building collapses. The potential health impacts could reach beyond Ukraine's borders, as the pollutants are carried downwind and downstream, the experts said.

"We're facing a huge environmental problem," said Stefan Smith, program coordinator for disasters and conflict at the United Nations Environment Program.

About 100 inspectors working for the Ukraine government are sampling soil and water at sites of concern, said Iryna Stavchuk, Ukraine's deputy minister of environmental protection and natural resources. The full scale of the harm to the environment is difficult to



A warehouse was hit by Russian shelling near the village of Kalynivka in March.

assess because inspectors lack access to many regions of the country, she said.

Contamination sites are also being identified by nongovernmental organizations, including PAX, a Dutch nonprofit that documented pollution in Syria and other conflict zones; the Conflict and Environment Observatory, a U.K. charity; and Ecoaction, a

Ukraine-based environmental group. By combing through witness posts on social media and messaging platforms such as Telegram, and cross-referencing those with satellite images and Google Earth maps, the groups have each documented damage at more than 100 sites, ranging from power plants to military installations and water-treatment plants.

"What we're seeing is really a kind of crowdsourced environmental detective work," Mr. Smith said.

Many contaminated sites have been identified near the cities of Kyiv, Luhansk and Kharkiv, said Evgenia Zasiadko, head of the climate department at Ecoaction.

As fighting intensifies in the eastern part of the coun-

try, a heavily industrialized corridor with chemical factories, coal mines and refineries could come under fire.

Damage to coal mines in the region could poison the groundwater that small villages in the area rely on for drinking water. "There is a major risk for local people and for longer environmental impacts if military activities happen there," Ms. Stavchuk said.

In other parts of Ukraine, public-health experts expressed concern over the release from industrial sites of heavy metals such as lead and cadmium—which are linked to developmental delays in children—into the air and drinking water. "In the midst of a war, it's hard to quantitate the exposure" to environmental pollutants, said Barry Levy, an adjunct professor of public health at Tufts University School of Medicine and an expert on the effects of war on public health.

After missile debris damaged fertilizer tanks in the Ternopil region, east of Lviv, river-water samples downstream showed ammonia levels 163 times above normal and nitrates 50 times as high, according to Ms. Stavchuk.

Across Ukraine, hundreds of enormous reservoirs store about 6 billion tons of liquid

waste from mining and industrial activity, according to a 2019 report by the Organization for Security and Cooperation in Europe. Those toxic chemicals could spill into nearby land or rivers if the reservoirs were damaged.

The conflict has knocked out more than a dozen water facilities, including water-treatment plants and dams, said Wim Zwijnenburg, project leader of PAX's effort to monitor environmental damage sites in Ukraine. Damage to water-treatment plants has left untreated wastewater to wash into rivers or streams.

Air pollution is another major concern, said Neta Crawford, a professor of political science at Boston University and co-director of the Costs of War Project at Brown University. Depending on how long the war lasts, emissions from tanks, military aircraft and trucks could amount to "as much as a small or medium-sized country in an entire year," she said.

Russian strikes have targeted fuel depots and refineries across Ukraine, prompting large fires and the release of pollutants including soot, methane and carbon dioxide.

Previous conflicts suggest that those emissions can have long-distance impacts.

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THE UKRAINE CRISIS

Moscow Hides Data On Economy

BY GEORGI KANTCHEV

The West's window into the Russian economy is closing.

In recent days, authorities stopped publishing data on government debt, trade statistics and oil production. The central bank limited the volume of financial information that local banks have to publish regularly while lawmakers are working on a bill banning lenders from sharing data with foreign states.

The growing blackout is part of an effort by Russian authorities to protect the economy and domestic companies from further sanctions by the West following Moscow's invasion of Ukraine.

Limited data means Washington and Brussels will have less visibility on whether and how their sanctions are biting into the Russian economy, making it more challenging to find new targets and fine-tune future sanctions rounds.

"They are trying to obscure the economic picture," said Elina Ribakova, deputy chief economist at the Institute of International Finance. "We have bans on Russian media and now the same goes for statistics access. The Iron Curtain is coming up from both sides."

The sanctions have cut off Moscow from much of the Western financial infrastructure. Economists are predicting a deep recession, combined with steep inflation. Russian unemployment is rising amid an exodus of Western companies.

Last week, a branch of the Russian energy ministry that releases monthly oil production and export data said it was limiting "the dissemination of information that can be

used as additional pressure on the Russian market and its participants," Russian state news wire TASS reported.

The agency has indefinitely stopped the distribution of monthly crude-oil production data as well as data on the shipments of fuel oil from Russian refineries and gas-processing plants to domestic and export markets, TASS said.

Such information from one of the world's top oil producers is crucial at a time of high crude prices. Russian President Vladimir Putin recently said Western sanctions have stymied Russia's energy industry.

While oil-data watchers have more than one way of

Russian authorities aim to protect against further Western sanctions.

collecting statistics, including tanker tracking and information from traders, the lack of timely official Russia numbers would make it harder to monitor global supply.

In that way, the data limits help "cloud the picture of the problems the Russian energy industry is facing," said Mikhail Krutikhin, a partner at independent consulting firm RusEnergy.

The blackout isn't total: The government still publishes mainstay figures such as those for inflation, gross domestic product and a host of other data.

But the scope of the releases has narrowed.



A woman and her daughter at Kyiv's Mikhailovsky Cathedral. Below, a woman in Khalyavyn gives a toast and a prayer for peace.

Easter Brings Prayers for War's End

BY THOMAS GROVE

KYIV—Ukrainians celebrated Orthodox Easter in the shadow of the war against Russia, with many visiting local churches to pray for an end to a conflict that will soon enter its third month.

On Sunday morning, Ukrainians flocked to St. Michael's Gold-Domed Cathedral in central Kyiv to celebrate the holiday. Soldiers on leave mixed with local residents of the capital city, which the Russians tried and failed to take in the first weeks of the war.

Some said they were praying for more heavy weapons from the U.S. and its Western allies, echoing an appeal from Ukrainian President Volodymyr Zelensky, who has called for more help in defending against a Russian assault in the country's east and south.

"We all pray that the Lord would help each of us achieve victory over the aggressor," said Father Feodosiy, 32 years old, who blessed baskets of Easter eggs and cakes laid out by the faithful in the courtyard of the monastery. "And for a quick victory, we need weapons."

"We ask God for great grace to make our great dream come true—this is another great day—the day when great peace will come to Ukraine," said Mr. Zelensky, who is Jewish, in a video message posted Sunday from Kyiv's Saint-Sophia Cathedral.

About two-thirds of Ukrainians are Orthodox, while about 10% of the population is Greek Catholic. The Russian Orthodox Church dominated Ukraine for centuries and claims Ukraine as part of its canonical territory.

However, Kyiv pushed for



independence following Russia's 2014 annexation of Crimea in Ukraine's south and Moscow's support for separatists in the country's east.

In 2019, Ukraine won its own Orthodox Church, making it independent from the Moscow Patriarchate, which previously had authority over the Orthodox Church in Ukraine.

The Russian Orthodox Church has long been seen as a tool wielded by the Kremlin to gain political and cultural influence and help forge an ideology that supports Russian President Vladimir Putin's geopolitical aims.

During the war, critics have accused the Russian Orthodox Church—by far the biggest of the Eastern Orthodox churches—for promoting the Kremlin's view of the conflict.

Patriarch Kirill of Moscow, leader of the Russian Orthodox Church, has described the war in Ukraine as a struggle between good and evil, with the

outcome deciding "where humanity will end up, on which side of God the Savior."

St. Michael's became the headquarters of the Orthodox Church of Ukraine in 2019. It became a symbol of Ukrainian resistance after its priests gave shelter in 2013 to pro-Western protesters.

Those demonstrations ultimately snowballed into the deadly street fighting that ousted the leader the next year and turned the country away from Russia and firmly toward the West.

Today, the church displays photos of Ukrainian soldiers who have died in the conflict in the country's east since 2014.

On Sunday, Chaplain Father Dmytro, dressed in olive-green robes, led a group of some 25 conscripts with worn camouflage uniforms and shaven heads through the throngs of churchgoers to deliver a short service for them inside the ca-

thedral's frescoed and golden interior.

"We are on our God-given land," he said. "And we all want victory against our common enemy."

Nestlé Reorganizes Operations To Maintain Food Supplies

BY SAABIRA CHAUDHURI

Nestlé SA is rejiggering its operations and supply chain to keep factories running in Ukraine, while ramping up efforts to get food donations to the hardest-hit parts of the country.

After Russia invaded in February, many big multinationals suspended operations in Ukraine, citing concerns about employee safety, labor shortages and the difficulty of getting raw materials into the country.

Nestlé initially closed all three of its factories in Ukraine following the outbreak of war. Then, two days later, it reopened its confectionery plant in Lviv and its condiments factory in the northwestern Volyn region to continue supplying the country with needed food.

To protect factory staff from the threat of airstrikes, the owner of KitKat chocolate and Nescafe coffee has turned underground rooms into bomb shelters and shut off the elevators.

It has also adjusted production lines to allow for frequent stops and starts, and reduced the number of staff on site at any one time to ensure everyone can fit in the shelters.

Both Lviv and the Volyn region have suffered air attacks recently. "Less than an hour ago I heard sirens saying an attack can come from the air," Volodymyr Spivak said in an interview this month.

Mr. Spivak, Nestlé's corporate affairs director for Ukraine and Moldova, has relocated from Kyiv to Lviv, where he has helped direct the company's relief efforts.

Nestlé is among several food makers, including General Mills Inc. and Smithfield Foods Inc., that have been sending food donations to Ukraine. Meanwhile, companies ranging from German auto supplier Leoni AG to tech company Fractal Analytics Inc. have made changes aimed at protecting their staff in the country.

Nestlé—which employs more than 5,000 workers in Ukraine—has had to contend with almost a third of its staff relocating during the conflict, as well as disruption to its supply chains.

Since the war began, the company has been trying to rejigger the way it works in Ukraine while simultaneously grappling with employee discontent over its initial decision to keep selling the majority of its locally made

products in Russia, along with some imports. Nestlé along with other companies has been criticized by Ukrainian politicians and consumers. The company recently said it would narrow sales in Russia to essentials like baby food and medical nutrition products, halting sales of other products like mainstream pet food, coffee and confectionery.

Russia makes up about 2% of Nestlé's global sales, while Ukraine makes up less than 1%, a spokesman said.

Nestlé's instant-noodles factory in Kharkiv, one of Ukraine's most heavily bombed cities, remains closed but has become part of the company's humanitarian efforts.

The company's line workers, loaders, engineers and other staff have been entering the facility—accompanied by armed guards provided by the national police and city territorial defense—to pack boxes of noodles for local residents, including those sheltering in metro stations.

"It's a dramatically difficult situation because even during the day it was not possible to go just to the shop for bread, because it's 40 kilometers from the Russian border," Mr. Spivak said.

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THE UKRAINE CRISIS

Office Became Execution Site and Prison

By THOMAS GROVE

BUCHA, Ukraine—The Russian troops arrived in waves in Bucha, each one crueller than the last, residents said, all seeking to hold this once-sleepy town outside Kyiv through fear, manipulation and coercion.

The troops, a combination of infantry soldiers, paratroopers and forces associated with Russia's mercenary Wagner Group, set up headquarters in the town to prepare for the coming assault on Kyiv, said Ukraine's military and Ukrainian officials.

The nerve center of their operations was a Soviet-era building on 144 Yablunska Street. Soldiers stationed there and in smaller outposts up and down the street guarded it fiercely, turning the leafy road that translates as Apple Street into the scene of some of the grisliest killings of Ukrainians that have come to light since the start of the conflict.

The nondescript four-story office building on the town's southernmost stretch was one of the first sites where Ukrainians were questioned, tortured, killed or detained, according to Bucha residents and local officials.

Nearly 100 soldiers were housed at 144 Yablunska Street, along with radio-electronic equipment used to control operations in Bucha and the nearby towns of Irpin and Hostomel, said Ukrainian officials.

More than 30 Russian military units came through Bucha, mostly from Russia's Far East and Siberia, including the 14th Separate Special Forces Brigade from Khabarovsk, the 38th Separate Motorized Rifle Brigade and paratroopers from Pskov, in western Russia.

Bucha Mayor Anatoly Fedoruk said the Russians divided the city into several zones and worked through a list of some 40 names of local politicians and state officials who lived in each zone, de-



Ukrainians were questioned, tortured or killed at this building in Bucha, near the capital, residents and officials say.

column the day Russia rolled into town.

One Bucha resident who said she was inside the Ostrovsky address described the soldiers who stayed there. "They drank there," she said. "They had fun there. They were having a party."

She said many of the soldiers at the Ostrovsky building were young and frightened, brought to tears by the strain of the war.

"They wanted their mother," she said. "They didn't want to fight." She added that they said they were forced to kill people.

Russian troops took over a children's camp, digging trenches at its entrance. When the Russians left, local residents found five people there with their hands tied. They had been shot in the back of the head. Radio equipment and documents were left in another makeshift base.

After the city descended into panic during the Russian troops' occupation, the town woke up one morning to find them gone.

"We were living in bomb shelters the whole time, we had no idea they had left until the shooting stopped," said Lidia, a cleaner at a church across the street from the children's camp.

Some of the Russian soldiers who were in Bucha returned home to awards. The 64th Separate Motorized Rifle Brigade, one of the units that occupied Bucha, received one of the military's highest honors from Russian President Vladimir Putin following their withdrawal, turning it into an elite Guards Brigade.

"Putin knew about the atrocities his soldiers committed here and all he could say was 'good job,'" said Mr. Fedoruk, the mayor.

Moscow has denied targeting civilians in its military assault on Ukraine and called video and photographic images from Bucha staged.

—Brett Forrest
contributed to this article.

taining and killing those they found.

He said he saw his name was at the bottom of the first of two pages of names not listed in alphabetical order. The mayor managed to evade the Russians. Russian troops shot and killed the mayor of neighboring Hostomel as he was handing out aid to residents.

When Mykola Zakharchenko, who worked as a security guard on the grounds of 144 Yablunska Street before the Russians arrived, was detained March 4 with another man, the grounds of the building were strewn with dead bodies. The two were led with their hands in the air to a side yard where the bodies of seven men who had been shot were lying face

down in pools of blood.

The Russian troops told them to look at the bodies, get on their knees and confess to being members of the Ukrainian resistance.

Some of the grisliest killings occurred at 144 Yablunska Street in Bucha.

Mr. Zakharchenko said he wasn't fighting and handed over his phone, a late-model iPhone his son had given him, so that the Russian soldiers could check the contacts and photographs. He watched a Russian soldier download the

contents of his phone onto a computer and then look up his domestic identity number. The Russian officer asked him about time he had spent in the Russian city of Tula as a welder in 2018.

"We've seen your proletariat past," said the officer, who was wearing paratrooper gear according to Mr. Zakharchenko. "Get inside."

For the next four days, Mr. Zakharchenko lived in the headquarters' basement, a Soviet-era bomb shelter turned underground prison, with some 130 other people. They were given leftover food and military meals for days as the men, women and children struggled to find space to sleep.

Over the next weeks, the Yablunska Street headquar-

ters became chaotic. Blood from those shot and dragged from room to room stained the floors. Trash piled in the hallways, and bottles of beer and wine littered the floor. Human excrement piled up in buckets and on the floor.

There was similar violence at other Russian bases on Yablunska Street and nearby. Russian soldiers took over one yellow, two-story house with an adjoining garage, where neighbors said people were led and shot.

Northwest of 144 Yablunska Street, Russian troops holed up in buildings a few streets away from one another, one at 7 Ostrovsky Street and another at 104 Vokzalna Street, close to the site where Ukrainian forces destroyed a Russian armored

U.S. Boosts Aid to Kyiv Military

Continued from Page One
bassy in Kyiv in the near future, a senior State Department official said. On Monday, President Biden is expected to nominate Bridget Brink, the current U.S. ambassador to Slovakia, as the next ambassador to Ukraine, the official said.

Meanwhile, the U.S. will provide Ukraine with \$322 million in foreign military assistance to allow Kyiv to buy needed weapons, part of a total package of \$713 million in U.S. military assistance for more than a dozen countries in the region, U.S. officials said ahead of a briefing in Poland with Messrs. Blinken and Austin.

The new funding comes after two previous military-aid packages of \$800 million each for Ukraine that included heavy artillery, armored personnel carriers and helicopters.

The visit from Messrs. Blinken and Austin came as Orthodox Christians, the largest religious group in Russia and Ukraine, celebrated Easter two months into the war.

António Guterres, the secretary-general of the United Nations, had appealed for a four-day truce during the Orthodox Holy Week to allow for the evacuation of civilians from front-line towns and the delivery of humanitarian aid.

The cease-fire proposal was rejected by Moscow, which said it was a ruse to allow Ukraine's military to rest and regroup. Russia's first deputy permanent representative to the U.N., Dmitry Polyanskiy, told a Security Council session on Ukraine last week that a pause in hostilities would give Ukrainian forces time to receive new shipments of drones, antitank guided missiles and man-portable air-defense systems.

Mr. Guterres is due to meet with Russian President Vladimir Putin in Moscow this week before traveling to Kyiv. At a press conference on Saturday, Mr. Zelensky criticized Mr. Guterres's decision to visit Russia first. "The war is in Ukraine, there are no bodies in the



President Volodymyr Zelensky at a Kyiv press conference Saturday.

streets of Moscow," he said.

On Sunday, Mr. Zelensky, who is Jewish, posted a video message from Kyiv's Saint-Sophia Cathedral on the Telegram social-media platform, saying Ukraine on Easter asks "God for great grace to make our great dream come true—this is another great day—the day when great peace will come to Ukraine."

After rapid initial gains by Russian forces, the Ukraine conflict has settled into grinding war, with Russia making incremental gains in the south and east of the country, where it is concentrating its firepower after pulling back from Kyiv and other northern regions.

Russia's Defense Ministry said Sunday it had destroyed a gunpowder-and-explosives factory in Pavlohrad, a city near the eastern Donbas area where Russian troops are focusing their offensive, as well as four weapons depots in the northern Kharkiv region.

Ukraine's southern operational command said on Sunday its forces had recaptured eight settlements in the southern region of Kherson, most of which is occupied by Moscow. Russian advances on the towns of Oleksandrivka, Tavri and Mykolaivka were also beaten back by Ukrainian artillery, it said in a statement.

There was no independent confirmation of the claims by either side.

The two U.S. cabinet members' trip to Kyiv on Sunday to meet Mr. Zelensky, follows visits from other countries' leaders. Mr. Biden hasn't visited Ukraine during his presidency, and the White House has said there are no plans for a visit.

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WORLD NEWS

Macron
Defeats
Le Pen

Continued from Page One
narrow Mr. Macron's margin of victory compared with the 2017 election, when Mr. Macron won in a 32-point landslide. Her showing on Sunday was the best by a far-right candidate in a presidential election.

"A great wind of freedom could have blown over our country. The fate of the ballot box decided differently," Ms. Le Pen said in a concession speech.

Mr. Macron acknowledged on Sunday that the tide of public support for Ms. Le Pen's ranks was on the rise. "I also know that many of our compatriots chose the far-right. The anger and the disagreements that led them to vote for that project must also find an answer," he said.

Mr. Macron is expected to swiftly form a government whose composition will provide voters with the first indication of whether he intends to stick with his self-proclaimed "Jupitarian" style of governance, which has at times involved lecturing the public on his overhauls and marginalizing the role of the National Assembly in lawmaking.

A heavy-handed approach won't work in Mr. Macron's second term, some analysts said, as he is likely to find it much harder to secure the commanding majority his party, La République en Marche, and its allies enjoyed during his first term. Mr. Macron is expected to select ministers from outside his party who can help bridge the political divide.

At the top of Mr. Macron's agenda is his plan to streamline France's complex pension system and raise the country's retirement age to 65 from 62. Mr. Macron has said the move is necessary to fund lower taxes and boost government spending on the country's vaunted public health system, which was severely stretched during the pandemic. Ms. Le Pen and other op-



Marine Le Pen, center, candidate of the far-right National Rally, in Paris on Sunday before results showed she had lost the election.

ponents have said Mr. Macron's push to make people work longer is unbearable for working-class French who started working much earlier in life.

During his campaign, Mr. Macron said he would build consensus through a series of nationwide debates on the country's school system, hospitals and democratic institutions. He also said he would work more closely with local officials to improve public services across the country, including in rural areas.

"He's the only one who can pacify the country," said François Bianco, a 46-year-old financial consultant in Paris.

Ms. Le Pen now faces questions about her future as leader of one of Europe's most prominent anti-immigrant parties. Sunday marked Ms. Le Pen's third defeat in presidential elections since her father, who was convicted of anti-Semitism, handed leadership of the National Front to her a decade ago. Her first loss to Mr. Macron came five years ago after

she called for France to leave the euro, a stance that spooked many French households.

Ms. Le Pen dropped her opposition to the euro and focused on pocketbook issues, framing her 2022 campaign as a fight against inflation. She zeroed in on the impact the war in Ukraine was having on France's economy. She also rebranded her party as National Rally in an effort to turn the page on its far-right history, a strategy the party calls "demonization."

She toned down her rhetoric and opened up about her personal life. The changes weren't enough to deliver victory.

On Sunday, Ms. Le Pen said she planned to "continue with my commitments for France and the French."

Mr. Macron built a comfortable lead in polls in early March as voters looked for a steady hand in a time of war. Mr. Macron's aides said the president was too busy with diplomacy to hit the campaign trail in earnest.

The Macron campaign started to fret, however, when his lead in the polls evaporated heading into the first round of voting on April 10. Mr. Macron finished with 27.9% of the first-round vote compared with Ms. Le Pen's 23.2%.

Mr. Macron went on the attack, highlighting during the only national debate of the election a loan of 9.4 million euros, equivalent to \$10.2 million, that Ms. Le Pen's party took from a Russian-Czech bank with ties to the Kremlin in 2014. Mr. Macron said the loan, which the party is still paying off, made Ms. Le Pen beholden to the Kremlin, an allegation she denied.

He drew attention to her political program, which includes plans to rewrite France's constitution to give "national preference" to French citizens over immigrants—including documented ones—in seeking jobs, public housing and welfare benefits. Ms. Le Pen also proposed a ban on the Muslim head scarf in all public places, describing the garb as an in-

strument of Islamist ideology.

Mr. Macron said Ms. Le Pen risked fomenting a civil war in a country that has one of Europe's largest Muslim minorities.

Still, Ms. Le Pen's campaign managed to broaden her appeal with voters who, two decades ago, considered it taboo to vote for her father.

Parliamentary elections in June will represent a test for both Mr. Macron and Ms. Le Pen. In 2017, candidates across the country for Mr. Macron's then-nascent party rode his coattails, securing a majority.

People who voted for Mr. Macron on Sunday only out of opposition to Ms. Le Pen, however, will be hard pressed to back his party in June. Ms. Le Pen's National Rally meanwhile has a history of struggling to win parliamentary seats.

Mr. Macron and Ms. Le Pen will face stiff competition from the party of far-left firebrand Jean-Luc Mélenchon, who nearly qualified for the presidential runoff after garnering 22% of the first-round vote.

Israel
Closes
Border
With
Gaza

By DOV LIEBER

TEL AVIV—Israel on Sunday closed its civilian border crossing with the Gaza Strip, preventing thousands of Gazans from getting to work in Israel, in an effort to pressure Gaza's ruler Hamas to halt rocket attacks against southern Israel.

The closure comes after Palestinian militants fired two rockets at Israel on Friday night and one on Saturday morning, the third round of rocket attacks against southern Israel since Monday night. No Israelis have been injured by the rockets. One Gazan was injured Friday after a rocket fell short of Israel and landed within Gaza, the Israeli military said.

No militant group has claimed responsibility.

Hamas and other Gaza militant groups have been threatening to attack Israel over near-daily clashes last week between Israeli police and Palestinians at Jerusalem's most sensitive holy site, the Al Aqsa Mosque compound, called the Temple Mount by Jews.

Israel responded to the first rocket attacks last week by targeting militant sites in Gaza with airstrikes. After Saturday's round of rocket fire, Israeli officials said they chose to take economic measures against the strip to pressure Hamas, which has a tight grip over the entire enclave.

Twelve thousand Gazans have permits to work in Israel, with many working in the construction industry and other business sectors. Israel's government recently announced its intention to authorize another 8,000 permits.

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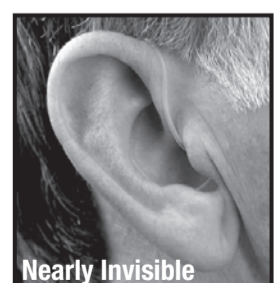
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Nearly Invisible

FROM PAGE ONE

Gymnast Spared Sanctions

Continued from Page One
didn't respond to requests for comment. Ms. Kabaeva, who has denied a relationship with Mr. Putin, couldn't be reached for comment.

In 2008, Mr. Putin said in response to newspaper reports of his alleged relationship with Ms. Kabaeva: "I have always disliked those who, with their snotty noses and erotic fantasies, break into other people's private affairs."

Mr. Putin lives a near-monastic lifestyle dedicated to public service and with almost no time for a personal life, according to portrayals of him in Russian state media. The Russian leader has two daughters from his past marriage to Ludmilla Shkrebnova—Katerina Tikhonova, 35, and Maria Vorontsova, 36.

On Saturday, Ms. Kabaeva made a rare public appearance at Moscow's VTB Arena to present a rhythmic gymnastics performance for the "Alina" festival, a gymnastics exhibition named for her. She stood in front of a billboard covered in "Z" logos, the symbol for support of Russia's military operations in Ukraine.

"Every family has a war-related story, and we must pass these stories to next generations," she said. Russian gymnastics would become stronger because of international isolation, she added: "We will only win from this."

The Alina festival is scheduled to be broadcast in May, part of celebrations to commemorate Russia's victory over Nazi Germany in World War II. Russian analysts have said Mr. Putin could use the celebration to proclaim a military victory in Ukraine.

The U.S. has imposed sanctions on Mr. Putin's two adult daughters. Moving against Ms. Kabaeva, described by the U.S. government as Mr. Putin's "mistress," is among the actions deemed confrontational enough to further complicate efforts for a negotiated peace in Ukraine, officials said.

The Treasury and State departments typically work together to prepare sanctions packages, incorporating intelligence and other information. The National Security Council often has to sign off before a package is announced. In Ms. Kabaeva's case, the Treasury department had prepared the sanctions against her, but the NSC made an 11th hour decision to pull her name from a list set to be announced.

"We have prepared sanctions on a number of people who haven't yet been sanctioned, and we continue to think about when to impose those sanctions for maximum impact," a U.S. official said in response to questions from The Wall Street Journal.

Ms. Kabaeva and her family



Above, Russian President Vladimir Putin giving flowers to rhythmic gymnast Alina Kabaeva during an awards ceremony in Moscow in June 2001. Below, Ms. Kabaeva performing a signature move during her routine in the 1998 Goodwill Games in Uniondale, N.Y.

have been enriched by connections to people in Mr. Putin's inner circle, according to U.S. officials. A classified U.S. intelligence assessment during the investigation into alleged Russian interference in the 2016 U.S. election, names Ms. Kabaeva as a beneficiary of Mr. Putin's wealth, said a U.S. official familiar with the report.

A representative of jailed Russian opposition leader Alexei Navalny urged U.S. lawmakers on April 6 to impose sanctions on Ms. Kabaeva, claiming she was allegedly helping to hide Mr. Putin's personal wealth. The representative didn't provide any evidence during her congressional testimony.

Western officials say they don't know Ms. Kabaeva's exact position in the Kremlin power structure. Debate over imposing sanctions on her reflects the view by many Western officials about Mr. Putin's personal grip on power—that a former gymnast could be one of the country's most influential figures because of her proximity to him.

Ms. Kabaeva has stayed in Switzerland for long stretches of time, according to U.S. and European security officials. U.S. officials briefed on Ms. Kabaeva's movements said she had lived in a high-walled mansion with a helipad in Coligny, near Geneva. A U.S. official said Mr. Putin's associates conducted business there, arriving by helicopter.

Ms. Kabaeva was rarely spotted in Coligny, a secluded spot for billionaires and sports stars in the hills above Lake Geneva, officials said.

The Ukraine government has stepped up calls on the West to pursue actions against her. Ukraine's parliament this month wrote to the government of Switzerland demand-



ing it ban Ms. Kabaeva from the country and seize any real estate she owns. The Swiss government said it had no indication she was there.

Signature move

Ms. Kabaeva was born in Uzbekistan and left high school early to pursue her sport. She was 21 when she won a gold medal in rhythmic gymnastics at the 2004 Olympics in Athens. She became a national star, known for a signature move, which was named the "Kabaeva" in the rhythmic gymnastics rulebook. That earned her the informal title of "Russia's most flexible woman."

Some of the sport's purists viewed her extreme contortions as a gimmick. Yet she won 21 European Championship medals, 14 World Championship medals and two Olympic medals, including a bronze at the 2000 Sydney Games.

In 2001, Ms. Kabaeva was stripped of her medals at the world championships in Madrid after testing positive for a banned diuretic. She claimed the substance came from

tainted pills she bought at a nearby pharmacy. Ms. Kabaeva served a one-year ban and returned to win the following World Championships and the gold medal in Athens.

Her name was first mentioned on the Kremlin website in 2001. Mr. Putin attended a sports show and was photographed with Ms. Kabaeva, who was 18.

The Moskovsky Korrespondent, a Russian tabloid, reported in 2008 that Mr. Putin, who was married at the time, and Ms. Kabaeva were engaged. The daily newspaper was shut down days later by its owner, National Media Co. after Mr. Putin furiously denied the story.

Around that time, Ms. Kabaeva retired from gymnastics and entered politics as a lawmaker for Mr. Putin's ruling United Russia party. She received a salary of 11 million rubles, about \$140,000.

Ms. Kabaeva left parliament in 2014 to become chairwoman of Russia's New Media Group, which controls major pro-government TV, radio and news websites. She was appointed by NMG owner Yuri

Kovalchuk, the largest shareholder in Rossiya Bank.

U.S. officials sanctioned Rossiya, alleging it was used by Mr. Putin's close associates. Ms. Kabaeva's annual salary in 2018 was the equivalent of around \$12 million, according to leaked documents from Russia's Federal Tax Service.

NMG removed her name and picture from its website on April 6, shortly before the latest round of sanctions. NMG didn't respond to requests for comment, and Ms. Kabaeva didn't respond to questions submitted to the company.

Since around 2013, Ms. Kabaeva and her relatives have acquired six apartments, two houses and acres of land in four of Russia's most exclusive regions, data from Russia's land registry, Rosreestr, show.

Among those properties, Ms. Kabaeva's grandmother and sister took title of luxury homes from businessmen close to Mr. Putin, including a 2,300-square-foot property in St. Petersburg, as well as luxury apartments on a high-end Moscow street and in the resort town of Sochi, according to the land registry. The family members didn't respond to a request for comment emailed to Ms. Kabaeva's company.

Carrying a torch

In 2013, Mr. Putin announced he had separated from Ms. Shkrebnova, his wife of 30 years and a former Aeroflot cabin crew member. "It was a joint decision," he said. "We hardly see each other, each of us has our own life."

Their divorce was completed the following year. Ms. Kabaeva was interviewed on state television afterward and said she had met someone

"whom I love very much." She declined to share the person's name.

Media reports of a romantic relationship flared when Ms. Kabaeva was selected as a torchbearer at the 2014 Winter Olympics in Sochi. Mr. Putin, responding to media speculation that he had personally picked Ms. Kabaeva, told reporters he wouldn't "interfere in the process."

Swiss, U.S. and European officials said Ms. Kabaeva traveled to Switzerland and gave birth to Mr. Putin's child in 2015. She stayed in one of Europe's most expensive maternity clinics, the Sant'Anna, overlooking Lake Lugano. When Mr. Putin wasn't seen in public for eight days around that time, his spokesman, Mr. Peskov, addressed rumors that the president was with Ms. Kabaeva: "Information about the birth of a baby fathered by Vladimir Putin doesn't correspond to reality," he said.

Following the birth, Ms. Kabaeva spent more of her time in Switzerland, at both a luxury residence in Lugano, overlooking the city's mountain lake, and the high-walled compound in Coligny, U.S. and European officials said.

In 2019, Ms. Kabaeva gave birth to twins in Moscow, U.S. officials said, though it wasn't officially reported. The website of newspaper Moskovsky Komsomolets, owned by one of Mr. Putin's closest friends, published a news item about the twins. The article, which didn't name a father, was quickly removed.

In the weeks following Russia's invasion of Ukraine, media reports that Ms. Kabaeva had resided in Switzerland made big news in the historically neutral Alpine nation. The Swiss Federal Department of Justice and Police released a statement saying, "We have no indication of the presence of this person in Switzerland." It made no mention of Ms. Kabaeva by name.

In March, Switzerland announced it had frozen \$6.17 billion worth of Russian assets covered by sanctions, a fraction of the approximately \$213 billion worth of Russian wealth in the country, according to estimates by Switzerland's banking lobby. The State Secretariat for Economic Affairs, the agency overseeing sanctions, has faced criticism from the U.S. and Ukraine for not being able to handle calls to do more to bottle up Russian assets there.

The challenge is guessing what impact, if any, would come from imposing sanctions on Ms. Kabaeva, U.S. officials said of the continuing government deliberations in the matter. They acknowledged the sanctions wouldn't change the battlefield dynamics in Ukraine.

There is also the chance, said an official from the U.S. Treasury's Office of Foreign Assets Control, that Mr. Putin would "respond in an aggressive way."

—Justin Scheck contributed to his article.

Crowds Trigger Squawking

Continued from Page One
thing must be done.

"It's against the law, they know it's against the law, but their chicken burgers are more important to them," said nearby resident Rick Closson. The retired pharmacist once spent a week outside the Chick-fil-A counting the line of cars at 15-minute intervals and informing drivers who were blocking sidewalk space that they were breaking the law. Drivers mostly blew him off.

Mr. Collins, the franchisee, said he's doubled the number of staff to move lines faster, added overflow parking and hired guards to direct traffic. "We regret that the traffic issue came to the point that it did," he said. "We've been working with the city and the community to solve the problem once and for all."

Many fast-food outlets have encountered supesize drive-through lines after the pandemic closed dining rooms and left customers wary of indoor spaces. Demand for fried comfort food also rose.

Businesses in Toledo, Ohio, and Beaumont, Texas, have filed lawsuits against Chick-

fil-A franchises over mushrooming drive-through queues. In the Township of Union, N.J., a judge ordered another Chick-fil-A location to temporarily close its drive-through, after a competing restaurant next door said its customers couldn't get around the line.

The food fight is particularly hot in the car-centric sprawl of Southern California, which some fast-food historians say is the birthplace of the modern drive-through.

In-N-Out, a burger brand with cult status, originated in Los Angeles County and is credited with popularizing the use of a two-way radio that allowed diners to order without leaving their cars. Today, at its Venice Boulevard location in Los Angeles, it's common to see a line 30 vehicles deep, stretching through a neighboring strip mall parking lot and down a residential street.

Some 95 miles north in Santa Barbara, a foodie destination nicknamed the American Riviera, the city council spent nearly five hours in March getting grilled over the local Chick-fil-A drive-through.

One resident said the traffic around it was making the beach community "basically unlivable," adding, "It's almost like we're in L.A. now."

The mayor and another council member disclosed that a resident had threatened them with a recall effort if



Cars lined up to order at the Chick-fil-A drive-through in Santa Barbara, Calif., in November.

they didn't move to declare the drive-through a nuisance.

Local Chick-fil-A supporters portrayed the kerfuffle as a nothingburger, describing the restaurant as a supportive workplace and a cheap and easy meal option.

Josh Romero, a 25-year-old video producer and Santa Barbara resident, testified to the council that he was a "Chick-fil-A expert," having dined there two times a week for the past five years.

"I think it's kind of funny that people are so upset about

it," Mr. Romero said on a recent Friday, shortly after placing his usual lunch order of four chicken strips, large fries, a Dr Pepper and assorted sauces from his car.

In a 14-page memorandum titled "Traffic Conditions Associated with Chick-fil-A Queuing" sent to city officials in January, Santa Barbara's chief transportation engineer, Derrick Bailey, wrote that the drive-through snarled traffic for an average of 70 minutes on weekdays and 92 minutes on Saturdays. The backup on

the busiest day of the study period was 2½ hours.

City councilman Eric Friedman said he had no idea when he was elected in 2017 that he'd be fielding so many Chick-fil-A traffic complaints. He said he gets a dozen comments a month on the issue, and is often approached by constituents at Trader Joe's, where he works part time.

At the March hearing, a coterie of attorneys and Chick-fil-A corporate executives flanked Mr. Collins, the local franchisee, in a virtual appear-

ance. He pleaded with city officials to hold off on any decision on the drive-through until labor shortages ease and customers grow more comfortable with indoor dining.

After hours of debate, the city council directed staff to draft a nuisance declaration, but stopped short of issuing one until at least June.

In a subsequent progress report to city officials, Chick-fil-A's attorneys said its changes have mostly eliminated the queue on State Street.

During dinner rush on a recent Friday, a uniformed guard sorted vehicles into two tidy lines. A line that backed up into the road cleared quickly. But customers trying to navigate around the labyrinth to find parking still got stuck, and one SUV drew angry horns when it sneaked in through the exit to avoid traffic.

Mr. Collins has proposed expanding his drive-through to accommodate more customers, though some residents worry that might just draw more chowhounds.

The drive-through doesn't bother Mike Hamilton, an engineer who lives nearby.

"A lot of people here are retired and don't have much else to do," Mr. Hamilton said, while carrying out two pepperoni pies from the Rusty's Pizza next door. "This is a small town so people tend to get irritated by small things."

For Many, the Optimal Workweek Is One or Two Days in the Office

As companies struggle to hire and retain employees, some relax back-to-work plans

By KATHERINE BINDLEY

For months, managers have called three days in the office a week a hybrid-work ideal that both gives employees flexibility and packs in enough face time to cement company culture.

For some, the three-day plan is morphing into two.

Nicholas Bloom, a Stanford University economist who studies remote work, says about a dozen firms are paring down in-office schedules from three days a week to two. Other firms are abandoning a full return to the office altogether.

“The combination of having been almost two years out of the office and the labor market becoming incredibly tight, now firms realize that three-two, rather than being seen as generous and appealing, is average at best,” he says.

Mr. Bloom is a paid consultant for some of the companies and declined to name which ones were inverting their schedules so workers could do more from home.

Many companies, including JP-Morgan Chase & Co. and Amazon.com Inc., had more ambitious plans to return to work a year ago and have had to reconsider them in light of the continuing pandemic, the hot labor market and employee preferences for flexible schedules and locations.

In a monthly survey of worker preferences that Mr. Bloom conducts with Steven J. Davis of the University of Chicago and José María Barrero of Instituto Tecnológico Autónomo de México, the gap between what workers prefer and what their companies are planning has begun to shrink, but a divide remains.

Prof. Davis says that several executives he’s spoken with who tried to get employees to come



back to the office four or five days a week failed.

“There was a lot of complaining and a lot of quitting,” he says.

More new survey data last week shows that full-time workers have more work-related stress and anxiety than their hybrid and remote counterparts.

Overall satisfaction with their workplace declined by 1.6 times as much for those working five days in the office compared with the other groups, according to the report from Future Forum, a consortium funded by Slack Technologies

Inc., Boston Consulting Group and MillerKnoll.

The survey of more than 10,800 knowledge workers across about 20 industries including financial services, consumer goods and technology, comes as companies have been calling workers back to their desks at a higher rate than at any other time during the pandemic.

The discontent reflected in the data among those working in the office every day highlights risks that companies take by giving priority to face time and in-office cul-

ture over worker preferences for flexibility coming out of the pandemic, says Brian Elliott, executive leader of Future Forum.

“We were kind of shocked that it was as bad as it was,” he says. “It’s going to impact people’s tendency to resign.”

Of the workers surveyed, about 5,000 are based in the U.S. The share of those workers who are now back in the office five days a week rose from 29% in the last quarter of 2021 to 35% in the first quarter of this year.

Workers with little to no ability

to set their own hours were more than 2½ times as likely to look for a new job in the coming year as those who have some say in when they work, according to the survey.

At the marketing-and-sales software firm HubSpot Inc., maximizing employee choice when it comes to work styles has helped with recruiting new hires and retaining people, says Katie Burke, the company’s chief people officer.

“We’re not messing with anything that relates to people’s work preferences,” she says. “I cannot overstate the degree to which it’s been a competitive advantage.”

HubSpot allows employees to pick whether they want to be designated as working at home, the office or a flex arrangement. The office designation is for people who come in three days a week, not five. Flex employees come in one or two days or fewer. The in-office days are considered guidelines as opposed to requirements. This year, 51% of employees are in the work-from-home category, 35% are considered flex, and 14% are in-office.

HubSpot’s head count has increased to more than 5,900 workers, up from about 3,400 in early 2020, Ms. Burke says.

Many companies remain heavily committed to offices, but some of the biggest proponents of in-person work have reconsidered their approaches to office returns.

Amazon originally suggested its workers be in the office at least three days a week, with four weeks of remote work built in. The company later revised its policy from three office days each week to allowing individual teams to decide how much time is needed at the office.

A year ago, JPMorgan Chief Executive Jamie Dimon said that people don’t like commuting. “So what?” he said. “We want people back at work.”

He softened his stance in an early April letter to shareholders in which he said that in the future, half the firm’s employees will spend some or all their time working remotely.

PERSONAL TECHNOLOGY | DALVIN BROWN

Mood Lighting 101: Gadgets to Level Up Your Living Space

SMART LIGHTS can do a lot more than dim and change colors. And they don’t have to look like ordinary bulbs anymore.

As we’ve spent more time at home during the pandemic, many of us have sought out new lights to improve the background in our Zoom calls or project the right vibe for our family movie nights. Switching up your lighting is also one of the easiest ways to make your abode smarter and more personalized to your tastes.

“Your home became a place of entertaining, relaxing and working. And each of those requires different light settings to make it pleasant,” said George Yianni, the head of technology for Signify’s Philips Hue business.

Since the first smart lights became available a decade ago, engineers have figured out how to transform traditional-looking bulbs into modular LED panels, bendable tubes and electronic plants.

If you are hoping to improve your home’s ambience through lighting, it doesn’t matter if the interior is modern or old school, home-decorating experts say.

“If you’ve got a home full of antiques, lights that wash them in the sunset can add an updated flare,” said Toni Sabatino, a New York-based interior designer with her own design business. “If you’re into Andy Warhol artwork and neon signs, there are ways to hint at that, too.”

The trick is to know how you would like the light to function. Is it an accent, meant to complement the background, or is it a conversation piece? Lights with strong shapes work best for offices and kids’ rooms, Ms. Sabatino said, whereas lights in more plantlike

shapes and wood finishes are often preferred for living areas.

If you are new to smart lighting, entryways with white walls are one place to start, says Mikel Welch, a New York-based designer at his own firm.

“Everyone loves the restaurants and hotels where neon lights greet you in the entryway,” he said. “You can bring that to your hallway at home.”

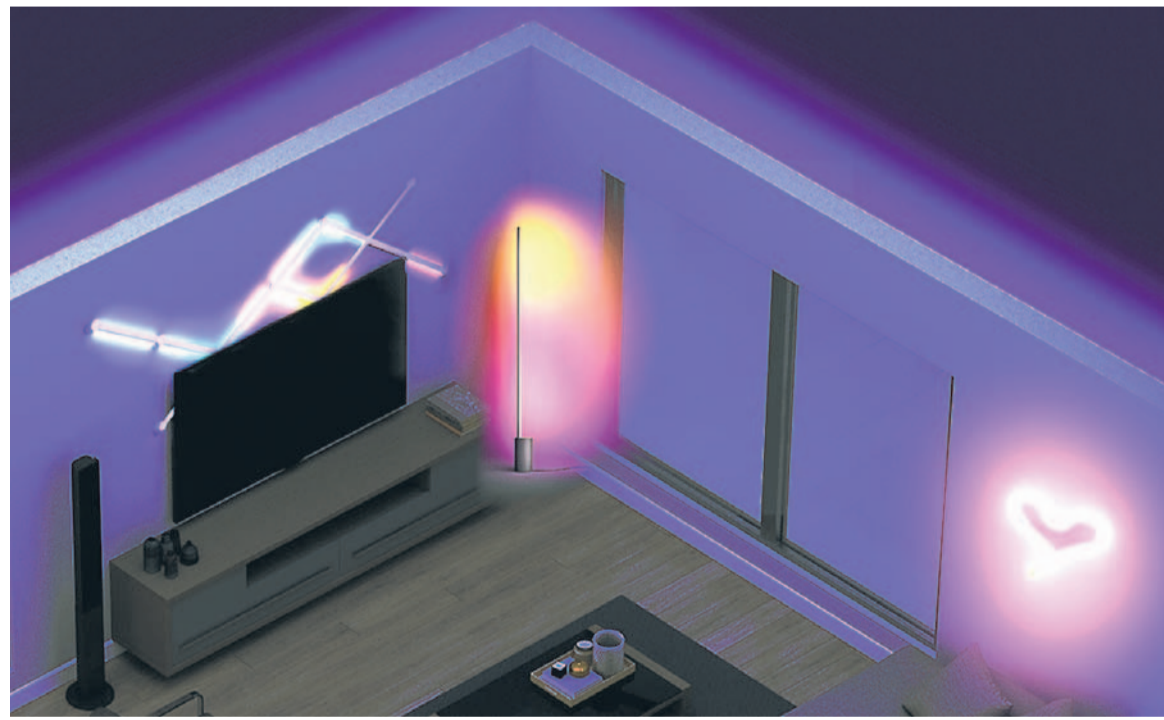
Over the past year, companies have introduced a variety of new lights to help you achieve that look—and switch up the rest of your space, too. Here are some of the latest.

Fluora

Not everyone can keep houseplants alive. For those of you with brown thumbs, Fluora presents an alternative—lifelike, whimsical LEDs in the form of high-tech plants. The leaf-shaped lights flicker, almost like they have attracted fireflies.

The lights, made by Oakland, Calif.-based color+light, are bright enough to illuminate a room at night, but they require a lot of manual setup. To use the 4-foot-tall artificial plant, you must attach 18 individual leaves to corresponding stems, and connect each of the stems to sockets in the flowerpot base. Setting up the plantlike lamp is a lot like putting together a piece of IKEA furniture.

But once you turn it on, you can use the Fluora app to control the leaves’ colors, set lighting animations such as swirling and twinkling, and adjust the speed and direction of those effects. Color+light sold out of Fluora in the first two weeks it became available in April, but it will restock later



this summer.

You can preorder Fluora for \$499. A mini version, which will cost about \$199, is planned for later this year.

Nanoleaf Lines

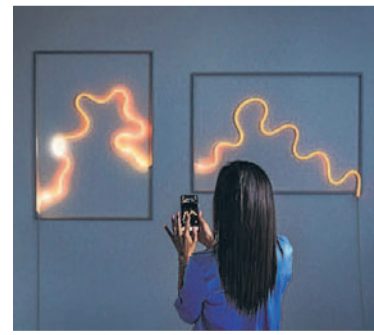
In October, Toronto-based Nanoleaf introduced an updated version of its modular lighting panels: new backlit bars that can connect together in designs stretching from your wall onto your ceiling. A Nanoleaf Line is 11 inches long and links with others using hexagon-shaped joints.

The built-in microphone listens for ambient sounds and reacts with rhythmic pulses of light. When you are playing music, the modules can react and illuminate your room like futuristic strobe lights.

Using the iPhone and Android phone app or your voice, you can transform the vibe from a tranquil candlelit dinner into a pulsing nightclub. You can rely on the Nanoleaf preset scenes or create your own.

Nanoleaf’s products work with Amazon Alexa, Google Home, Apple’s HomeKit and Samsung’s SmartThings.

The Lines starter kit—which includes nine Lines, along with



mounting plates, controllers and other pieces you need to set them up—costs \$200. Each three additional Lines cost \$70.

Philips Hue Gradient Signe

In September, Philips Hue updated its Signe floor lamps with new lighting-color options. The original Signe lights would display only one color. Now you can blend multiple colors of light into gradient scenes, mimicking the city of Paris at night or the calming Honolulu sunset in the evening.

The \$220 table-lamp version is minimalist enough to place on a range of surfaces in a room. The floor-lamp variant, which costs \$330, is currently sold out but

Lighting has moved beyond traditional bulbs to modular panels, flexible tubes and LED leaves.

should be restocked soon, the Netherlands-based company said.

◀ Twinkly Flex

You can make your own neon sign with the \$100 Twinkly Flex from Milan-based Ledworks. The LED light strip is wrapped in flexible tubing that you can bend into a variety of shapes. Fancy a heart on your living room wall? A cactus above your desk? Done.

The light is 6.5-feet long and can attach to your wall (or ceiling) using plastic clips and adhesive. Be careful, though: The included adhesive strips are strong enough to peel the paint off your walls.

You can’t connect multiple Twinkly Flex tubes together for a longer design. But you can buy additional Twinkly Flexes and group them together using the app. Instead of one cactus on your wall, you can have a field of them displaying the same effect.

Twinkly Flex works with Google Home, Apple HomeKit and Amazon Alexa.

ELENA SCOTTI/THE WALL STREET JOURNAL, GETTY IMAGES

PERSONAL JOURNAL.

By ELLEN GAMERMAN

All you need is love. (Wrong.) Don't sweat the small stuff. (Actually, do.) Never go to bed angry. (Impossible.)

"This Is How Your Marriage Ends," a new book by self-styled relationship coach Matthew Fray, takes aim at some of the conventional wisdom of coupledness as it seeks to expose the hidden threats present in many relationships. Mr. Fray mines his own divorce experience to see how he could have avoided the ordinary marital spats that seemed innocent enough at the time but collectively killed his relationship.

The author is best known for his 2016 viral blog post, "She Divorced Me Because I Left Dishes by the Sink." His name is a pseudonym to give his former wife privacy. The two share joint custody of a 13-year-old son.

Mr. Fray, 43 years old, was working in marketing for an auto-parts retailer when his nine-year marriage ended in 2013. He began pouring his feelings out in his blog, "Must Be This Tall to Ride." Later, despite no formal counseling training, he started working as a relationship coach. Now he talks about relationships for a living.

The book is mostly targeted at men in long-term relationships.

Couples should pay attention to the little hurts because they pile up while no one's watching, Mr. Fray argues. Even a fight over unwashed dishes can invalidate the pain of one partner, he said, while leaving the other feeling misunderstood.

Mr. Fray's ex-wife declined to comment.

The Wall Street Journal spoke with Mr. Fray. This interview has been edited for clarity and length.

Why do you say male behavior is more responsible for divorce?

Most men truly don't feel responsible for whatever chaos is going on, and it's my very strong belief that it's what they don't know that's hurting them. I think a lot of boys were raised like I was, and that means we're not raised to value interpersonal relational skills. That's the hard lesson that men discover. They say: "We're 15 years into a marriage and I don't feel as if I did anything horrible. I'm a victim of circumstance." I respect and understand that story. I'm just a big believer in accepting responsibility for these accidental



A Marriage Self-Help Book for Men

wounds you inflict on another person because of your blind spots.

Spouses may not intend to hurt each other, but does that matter?

Our intentions matter infinitely less than what actually happens after we do things, and what happens after we do things in a marriage can mean pain for another person. If we lack the soft relational skills related to empathy and validation and consideration, I just think things fall apart.

Were you expecting divorce to be as painful as it was for you?

My strong belief is that divorce is so much worse than its reputation.

The divorce has helped your career.

I've had some snarky blog comments from women who are like, "Look at this guy, a lousy husband, and now he's getting praised for it." I get it. I get all of it. I would say that I'm doing the best that I can. I would say that I had an

awakening and that I'm trying to do something with it.

How does your ex-wife feel about being so central to your work?

I think she's sensitive to it. She's a very private human being. She knows this is my work now. We have an excellent co-parenting relationship.

What happens when a partner says the word "divorce" for the first time?

You better mean that when you bring up the idea of ending the relationship. It's a huge betrayal.

Do you think your book could lead to a reader's divorce?

When that article first went viral, it was causing a lot of relationship fights. People were printing it out and saying to their spouses, "Look. This is what I'm talking about." I hate it. There are a lot of people, female and male alike, who are experiencing an absence of love. I'm

certainly not pro-divorce. I am for people who want to be together staying together and not accidentally harming their relationships. But I'm not trying to convince somebody who is suffering because of their relationship to continue suffering.

'Our intentions matter infinitely less than what actually happens after we do things.'

What's some marriage advice you disagree with?

Don't go to bed angry. The problem in the average relationship is that both people feel justified in their correctness. We're never going to agree on what justifies being angry. So if no repair happens, if there's pain and somebody's try-

ing to recruit their partner to understand it and the other person is like, "I don't get it. This doesn't make sense. This is your problem," I don't see how he or she is not going to bed angry. And I don't recommend staying up all night fighting more.

When will you be ready to stop talking about your marriage?

I'm not in a hurry to abandon this relationship conversation. I'm really committed to it. There are people trying to mitigate the problem—therapy and marriage counseling are designed to help on the back end—but I don't see anything designed to address this thing that I perceive to be a societal problem. If I could ever be involved on a grass-roots level with education, to help bring an emotional intelligence curriculum that's age-appropriate for kids, that to me is the endgame. How can we fix what's wrong? We arm our youth with the information we didn't have.



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WHAT'S YOUR WORKOUT? | JEN MURPHY

After a Health Scare, This Pianist Decided to Train Like an Athlete

JAZZ PIANIST Christian Sands says he prepares for a concert like LeBron James prepares for a basketball game.

"I consider myself an athlete," says the Grammy-nominated musician. "Performing two 90-minute sets is the equivalent of running a marathon with your fingers."

These days, Mr. Sands, 32, addresses his own physical health with the same mindset, following a health scare in January 2020. After playing a piano and an electric piano simultaneously for multiple back-to-back performances he woke up unable to move his fingers or forearms.

"I've played the piano every day for nearly 30 years and have never experienced pain," he says. "Music is my identity so I freaked out."

After watching video footage of his performances, a physical therapist noted how his neck strained between the pianos. The unnatural posture was pinching his nerves and causing stabbing pain and numbness. In his teens and 20s, Mr. Sands didn't exercise or warm up before a show.

After his scare, he started to study how Mr. James, 37, has been able to maintain peak performance as he ages. "Most musicians don't retire," he said. "We play until we die. I needed a routine for longevity."

His physical therapist helped him correct his posture at the piano and developed a series of stretches and strengthening exercises he can do at home or on the road.

The muscles in his hands never get a rest. If he's not tapping keys, he's texting, typing on his laptop, or dragging bags to the next concert venue. Mr. Sands notes different styles of pianos have different key resistance and he has to be ready for whatever awaits him on stage. Playing a Steinway is like hitting a heavyweight punching bag, where playing the super light keys of a Fazioli feels like tapping a feather, he says.



Mr. Sands at his Steinway. He developed a resistance band routine for the road.



After a year-and-a-half without live performances because of the pandemic, he says his workouts have been more important than ever.

"The first time I tried to perform live for 45 minutes my hands and body were fatigued," he said. "Like any athlete, you have to train to regain your stamina."

The Workout

Mr. Sands begins the day with 10 to 30 minutes of meditation. "It gives me the energy I need to start my day," he says.

Twice a day, and always before a performance, Mr. Sands stretches his hands, wrists, and arms. He extends a straight right arm, palm facing up and uses his left hand to gently bend his fingers toward the floor. This

stretches the front of his forearm and wrist. To stretch the back of his forearm he extends a straight right arm, palm facing down, and makes a loose fist. He pulls the fist down toward the floor with his left hand until he feels a stretch. He holds both stretches for 20 seconds and repeats three times per arm.

For neural mobility, he stands with his arms by his sides, palms facing forward and swings his arms back until he finds a gentle stretch then swings them back to his side repeating 20 to 30 times. After a warm shower, he uses his percussive massage tool on his forearms and palms. After a performance he repeats the forearm and wrist stretches and takes a 10- to 20-minute ice bath followed by a warm shower.

He developed a resistance band routine for the road. Exercises include variations of band pull aparts to work his shoulders and upper back, band biceps curls, band dead lifts, and band push-ups where he loops the resistance band around his upper back and holds each end down with his hands. He typically does two to three sets of 10 to 20 reps. He sticks to light resistance to ensure his muscles are never sore for a performance.

He has a gym at his Stamford, Conn., apartment and will occasionally run on the treadmill and lift free weights.

ARTS IN REVIEW



FROM TOP: FIRST AMERICANS MUSEUM; JAMES PEPPER HENRY

By MICHAEL J. LEWIS

ARCHITECTURE REVIEW

Building a Complex History in Oklahoma

A visit to the 175,000-square-foot, \$175 million First Americans Museum

Seen from above, the First Americans Museum is the union of two circles—a large one made of raised earth and a smaller, looser one described by two curved pavilions—the whole arrayed on a strict east-west axis. It makes a festive impression, but it would be perfectly understandable if it expressed bitterness and sorrow. For the majority of the 39 Native American tribes now living in Oklahoma were forcibly relocated there during the 19th century, and that trauma is the one thing they have in common. Yet while the building cannot help but acknowledge that tragic history, its overall character is surprisingly celebratory, even joyous.

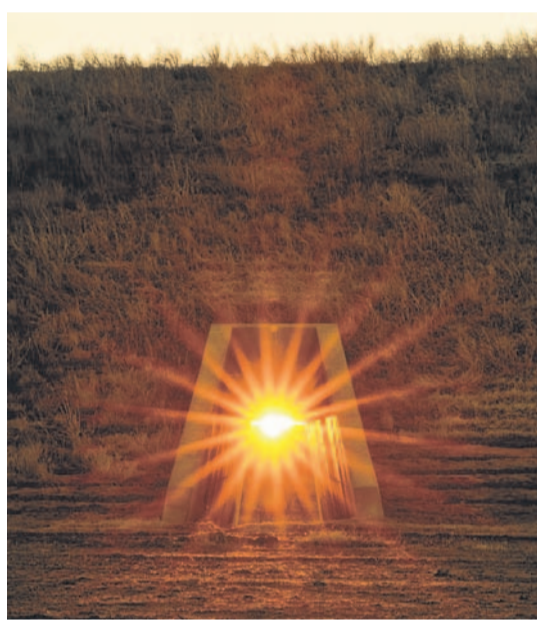
The First Americans Museum, a 175,000-square-foot complex built at a cost of \$175 million, opened quietly in September, a concession to Covid-19. It had an exceptionally long gestation. It began life in 1997 as the American Indian Cultural Center. A 184-acre site was found on the south bank of the Oklahoma River, consisting largely of derelict oil fields that first had to be cleared. As originally conceived, the cultural center would have offered something for everyone, “a historical museum, re-enactment village, outdoor amphitheater, art market, theme park, retail stores and a golf course.” (All but the first have fallen by the wayside.)

The project was given to Johnson Fain, a firm of Los Angeles architects, which continued to work on it over the decades as it was repeatedly delayed by funding problems. The firm was assisted

by a great number of collaborators, including Blatt Architects of Edmond, Okla., the associate architects; Hargreaves Jones, landscape architects; and Donald Fixico, the prominent historian who has sought to overturn the image of the “downtrodden” Indian, which is conspicuously absent here.

Strong buildings come from strong ideas, and to distill the beliefs of 39 very different tribes into a unified credo is no easy matter. But a few constants emerged—an appreciation for the cyclical sense of time and the natural rhythm of the seasons, the role of life outdoors, the significance of the sun, and the importance of dance in ritual. At the same time, there was little tradition of monumental architecture, apart from the cliff dwellings of the Pueblo and the enigmatic earthworks of the Mound Builders, some of which were in Oklahoma. All these themes found their place in the building.

The path through the building, in a nod to history, runs east to



west. The visitor arrives at a courtyard between the pair of curving pavilions, then moves west through a narrow stone passage to emerge into the vast and airy Hall of the People. The Hall is curved and one is startled to realize that it is but a segment of an immense circular mound, 1,000 feet in diameter, which rises in a clockwise spi-

ral to a promontory 90 feet above the river. That linear procession of arrival, compression and release is virtually the only straight line in the entire complex. Otherwise, all the paths of circulation are formed by arcs of a circle. One is meant to dance through the building—not march, a way of moving with understandably unhappy associations.

Architects normally begin by designing the required spaces and the paths of circulation between them, which in turn determine the volumes and shape of a building. But it was the other way around for Fain Johnson, which had to squeeze its rooms into a predetermined two-dimensional shape. This is no easy task. It calls to mind Johann David Steingruber, the eccentric German architect who in 1773 published a book of Baroque palaces, each one cleverly fitted into the shape of one of the letters of the alphabet. Given a similar constraint, Fain Johnson performed adroitly. Even its pavilions have a dance-like quality, sitting lightly

Exterior of the museum, above, and view during the Winter Solstice, below left

on the earth and sporting deeply overhanging roofs suggestive of airplane wings. What might easily have been rendered as the mournful last stop of the Trail of Tears instead gives a hopeful sense of uplift.

The real showpiece is the Hall of the People. A lofty lattice of steel and glass, it is an abstract version of a traditional Wichita grass hut. Architect Scott Johnson of Fain Johnson says he “liked the play of light and shadow” of the steel columns and their horizontal fins, necessary both for cross-bracing and for shade, and so “to accentuate that, everything was coated in white.” It is sheathed in panels of tinted high-performance glass, without which it would be as hot as a greenhouse in midsummer.

Its most spectacular moment, however, comes at the start of winter. On the day of the solstice, the setting sun casts its last rays through a tunnel cut through the base of the mound, directing its light into the hall, where it takes on a sacred glow. Here the building assumes cosmological significance, performing the same act as does Stonehenge, linking heaven and earth at just the moment when the great wheel of the year begins to turn again. All this is an astonishing achievement for an institution that began with visions of a “re-enactment village” and golf course.

Mr. Lewis teaches architectural history at Williams and reviews architecture for the Journal.

EXHIBITION REVIEW

Putting Pain and Perseverance on Display

By JUDITH H. DOBRZYNSKI

Oklahoma City **OKLAHOMA OCCUPIES** a unique place in American history. It is home to more Native American nations than any other state, but that didn't happen naturally. In the 1800s, the federal government drove 67 tribes from their ancestral homelands into the area then known as the Oklahoma and Indian territories—from the Ottawa in the North and the Delaware in the East to the Seminole in the South and the Modoc in the West. By Oklahoma statehood in 1907, 39 remained—and 39 remain today. Only four (the Caddo, Plains Apache, Tonkawa and Wichita) originally lived on this land; four others came seasonally or to hunt.

Slices of their story, which is by no means monolithic, have been told by other museums. But, until the opening in September of the First Americans Museum in Oklahoma City, never have indigenous voices completely controlled the narrative. Led by director James Pepper Henry, a member of the Kaw nation, senior curator Heather Ahtone, of the Chickasaw nation, and a Native American curatorial team, the museum presents a rich, even-keeled version of this complicated, contested history, one that they say was intended neither to romanticize nor to antagonize.

One core exhibition, “Oklahoma,” which means “red people” in Choctaw, begins at the very beginning. In a small theater, a 15-minute video loop illustrates the origin stories of the Pawnee, Eu-

chee, Caddo and Otoe-Missouria tribes. These animated tales, projected on a surround screen, resemble other creation narratives. The Pawnees, for example, believe in a creator-god named “Tirawa,” who pierced the darkness by making stars, then went on to create the sun, the earth and its creatures. Told with engaging stylized drawings, the videos come enchantingly alive.

In subsequent spaces, visitors wend their way through a historical chronicle that reaches back to about 10,000 B.C., when Clovis and Folsom peoples hunted buffalo in Oklahoma, and moves forward to modern times, when Native American “warriors” have served in the armed forces and starred in various sports. With event milestones and explanatory displays, important moments unfold on one side of the elongated galleries. On the opposite side, historical tales and traditions are humanized, sometimes related verbally by descendants and sometimes in pictures, artworks, flipbooks and displays.

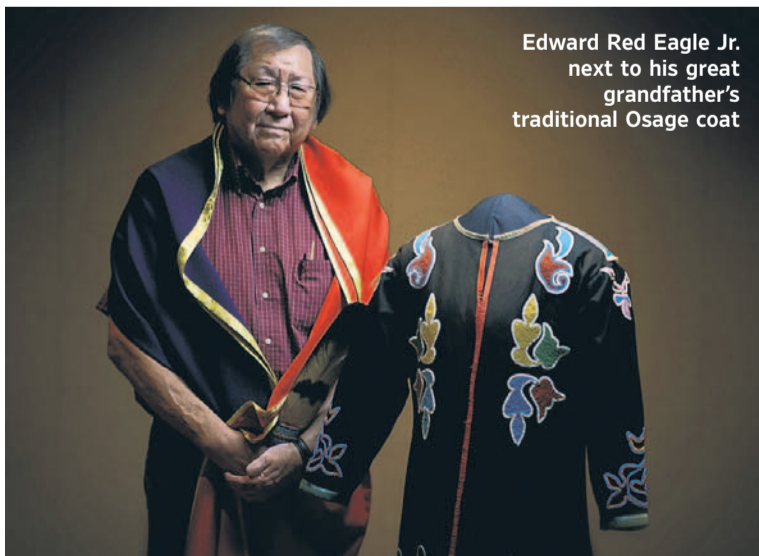
The 1830 Indian Removal Act,

which forced the relocation of tribes located east of the Mississippi River, and the Dawes Act, which broke up reservations and coerced cultural assimilation into white society, are the painful nadirs. They are brought to life by heart-rending first-person video stories: One Apache man describes the dehumanizing fate of his grandfather, who was held by

parallel stories offer multiple paths to learning about this history.

Moreover, here and there, the museum has inserted thoughtful grace notes. The origins-story theater fits into a space that, on the outside, resembles a curved black Caddo pot, decorated with a swirling rust-colored design symbolizing the sky, water and the earth, by Jeri Redcorn, a Caddo/Potawatomi. Inside, some seats look like boulders—natural resting places. Elsewhere, visitors can step into three “moving fire” circles—which honor the way glowing embers were transported during removal—to hear stories, as if they were gathered around a campfire.

A floor above, the other core exhibition, called “Winko: Life of an Object,” displays about 140 items, most on long-term loan from the Smithsonian Institution's National Museum of the American Indian. But not just any objects. Each of the 39 tribes was invited to select at least three to represent them—many had been



Edward Red Eagle Jr. next to his great grandfather's traditional Osage coat

American forces as a prisoner of war for 27 years.

A lot is packed into these galleries, too much to be taken in at once. But there's a plus to the density. The varied kinds of display (videos, audio recordings, placards, artifacts, artworks, interactives) that repeat a tale or provide

taken from them (or sold by them) and were now returning home. In nine cases, following research, the objects were “reunited” with descendants of the original owner—families were allowed to spend time with the items. An embroidered black coat, used on ceremonial occasions by Edward Red Eagle, an Osage chief, has been seen by his great grandson, for example, and a beaded breechcloth with symbols representing man, buffalo and an eagle, which had been sold by its Iowa owner for \$8 in 1910, was reunited with 12 descendants.

While they are emblems of cultural loss, many are beautiful. A hide calendar painted by a Kiowa named Silver Horn portrays men and their horses engaged in a historical event. A hooded baby's coat, trimmed in lynx and incorporates ears, eyes and a tail, illustrates Comanche dress. Moccasins, vests, drums, bags, baskets, vessels and more—examples are all here. And in one corner, behind cabinet doors, pictures of skulls on shelves, showing the “bone rooms” that housed human remains for study by anthropologists and doctors, often intended to help them assert white superiority.

The First Americans Museum has a few faults. For one, visitors would likely appreciate more information about the objects in “Winko.” For another, in the desire to convey the common experience of indigenous Americans, the distinctions among the nations are largely lost. Yet this museum does a great service: Visitors may depart with sorrow, but also with gratitude for learning a history lesson that should be better known.

Ms. Dobrzynski writes about art for the Journal and other publications.

JAMES PEPPER HENRY

SPORTS



New York teams enter this NFL draft sitting on the type of capital that can arm them for success for years to come. The Giants select fifth and seventh. The Jets own picks No. 4 and No. 10.

NFL Draft Can Save the Jets, Giants

New York's teams have the league's worst records since 2017. They also control four of the draft's first 10 picks this year.

By Andrew Beaton

When Roger Goodell basks in an annual chorus of boos as he unveils the first-round picks in the NFL draft on Thursday, fans of the New York Jets and New York Giants may be struck by an unfamiliar feeling: optimism.

Both New York teams enter this draft sitting on the type of capital that can arm them for success for years to come. The Giants select fifth and seventh. The Jets own picks No. 4 and No. 10—plus two early second-round picks. Together, they hold 40% of the first 10 picks and can use them to either nab some of the best young talents or swing the types of blockbuster deals that are becoming more common.

The problem: Anyone with a cursory knowledge of what recent years have been like for these two teams understands the dangers of getting their hopes up.

New York sports fans are well aware of this phenomenon. The Mets have won two World Series in 60 years and been mostly hilarious for the other 58. The Knicks were such a sensation to start this sea-

son that people flooded the streets outside Madison Square Garden last fall and made “Bing Bong” a thing. Bing Bong grew into a bigger sensation. The Knicks didn’t.

Lately, this has been most true for the area’s football teams.

Since 2017, two teams are tied for the worst record in the NFL. They happen to be these two teams from New York that actually share a stadium in New Jersey. Yes, even the Jacksonville Jaguars, who have managed to earn the No. 1 pick in the last two drafts, have won more games—and made the playoffs more recently—than the Jets and Giants. The Jets have managed to miss the playoffs every season since 2010, a drought five years longer than any other club.

But a combination of terrible play on the field and savvy trades have positioned these teams to land themselves game-changing windfalls of draft choices.

The question is if they can capitalize—and they’re in this position because they haven’t.

The reward of consistently losing is consistently picking early in the draft. And because few teams have lost quite as much as the Jets and

Giants, they have shared the prize and ignominy of regularly selecting near the top of the draft. That bevy of early choices, though, has yet to turn either team around. They both still face uncertainty at the most important position in the sport and feature rosters with no shortages of holes.

The Jets are still counting on Zach Wilson, last year’s No. 2 overall pick, as their quarterback but he did little as a rookie to cement himself as a future star. He made a handful of fabulous passes that demonstrated the potential the team saw in him, yet he ultimately graded out as one of the NFL’s worst quarterbacks last season with just nine touchdowns and 11 interceptions.

What’s more is the dearth of talent elsewhere on the roster. The Jets have questions on the offensive line, a hole at wide receiver—and an entire defense that gave up the most points in the league last season.

If the draft is supposed to provide the fundamental, long-term infrastructure for a team, the Jets have a litany of shortcomings because they have failed at that task.

The Jets’ roster currently includes just one player they drafted before 2019. That means current Jets general manager Joe Douglas, who was brought on after the 2019 draft, has essentially needed to build a team from scratch over the last couple of years.

Before that, their top pick in 2018 was quarterback Sam Darnold, who fizzled and was sent to the Carolina Panthers.

Yet one pick before the Jets took Darnold that year, the Giants did something even more questionable: They used the No. 2 pick on running back Saquon Barkley. It’s a pick that has been criticized, not just because the Giants—or Jets, for that matter—could have taken current star quarterback Josh Allen, who the Buffalo Bills leapt for at No. 7. More broadly, analysts have questioned the merits of spending a premium pick on a running back at a time when the sport has increasingly devalued the position.

The next season, the Giants used the sixth pick on quarterback Daniel Jones, who has shown flashes of athleticism and playmaking while struggling with consistency, turnovers and injury. But it’s hard to

put the blame for the franchise’s inability to turn it around squarely on his shoulders. New Giants head coach Brian Daboll will be the third coach Jones has played under in four years, while he will be onto his fourth offensive coordinator.

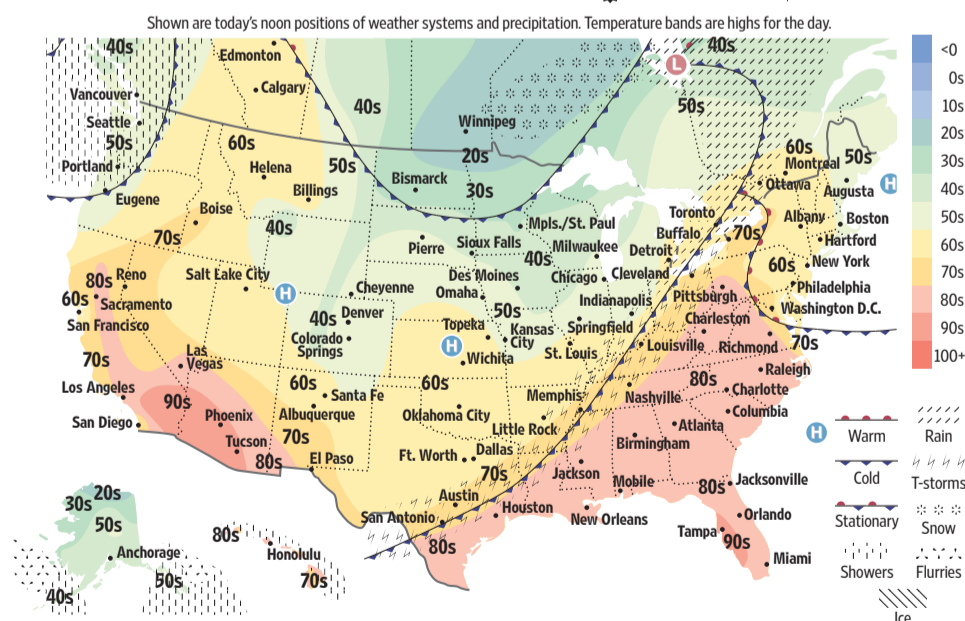
The Giants are also buoyed by the hopefulness that comes with a new regime. They have a new general manager, Joe Schoen, and Daboll, both of whom came from a Bills team that has excelled at identifying and developing talent such as Allen.

“For Brian and I, it’s our first two picks as New York Giant head coach and general manager. In terms of foundational pieces, in terms of being good players, the type of people we want, it’s very important,” Schoen said.

The Giants and Jets now each have a chance to turn all of this around twice in the top 10. They could land the star pass rushers, shutdown cornerbacks, or anchors on the offensive line they have been missing.

They just have to do something the Jets and Giants haven’t been synonymous with in recent years: actually drafting the best players.

Weather



U.S. Forecasts

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Anchorage	46	37	s	46	36	sh
Atlanta	84	64	s	76	50	t
Austin	73	57	t	72	56	pc
Baltimore	66	53	c	72	46	t
Boise	72	49	c	60	36	pc
Boston	54	46	pc	61	49	r
Burlington	66	50	c	64	40	r
Charlotte	86	64	s	83	50	t
Chicago	54	35	c	52	34	pc
Cleveland	70	43	t	50	35	s
Dallas	66	52	r	74	54	s
Denver	58	35	s	75	46	pc
Detroit	60	39	r	83	71	pc
Honolulu	84	72	pc	80	73	pc
Houston	82	65	t	75	59	t
Indianapolis	59	38	t	54	36	s
Kansas City	58	35	c	64	45	s
Las Vegas	82	61	pc	90	67	pc
Little Rock	86	52	t	69	44	s
Los Angeles	89	60	s	83	55	pc
Miami	85	74	pc	85	71	pc
Milwaukee	51	35	c	50	31	pc
Minneapolis	39	27	pc	46	29	s
Nashville	78	51	t	63	41	pc
New Orleans	83	69	pc	77	63	t
New York City	60	52	pc	64	48	r
Oklahoma City	66	42	pc	70	45	s

International

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Amsterdam	57	42	c	55	41	c
Athens	76	59	pc	77	58	s
Baghdad	88	63	pc	88	64	pc
Bangkok	95	83	pc	97	83	pc
Beijing	84	60	pc	73	47	s
Berlin	54	38	c	59	40	c
Brussels	56	43	c	59	39	c
Buenos Aires	72	63	r	73	65	t
Dubai	101	82	s	99	81	c
Dublin	51	41	c	54	41	pc
Edinburgh	53	39	c	50	37	c

By Stephanie Spadaccini

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Frankfurt	60	45	r	59	42	sh
Geneva	57	46	r	61	41	sh
Havana	86	68	sh	86	67	s
Hong Kong	86	77	sh	85	77	sh
Istanbul	68	52	pc	70	52	pc
Jakarta	93	78	t	91	77	r
Jerusalem	80	59	s	80	60	s
Johannesburg	69	47	pc	70	44	s
London	59	41	sh	60	41	pc
Madrid	69	46	s	70	51	c
Manila	95	82	t	95	81	t
Melbourne	71	53	c	72	57	pc
Mexico City	80	53	t	76	52	t
Milan	68	52	sh	66	46	sh
Moscow	61	51	c	60	43	sh
Mumbai	97	84	s	95	84	s
Paris	63	44	pc	63	43	pc
Rio de Janeiro	82	72	pc	84	73	s
Riyadh	89	72	t	95	72	s
Rome	66	50	pc	67	47	pc
San Juan	84	73	pc	84	73	pc
Seoul	77	61	c	79	50	pc
Shanghai	85	71	c	75	59	c
Singapore	88	78	t	87	78	t
Sydney	72	60	sh	71	62	c
Taipei City	89	75	t	93	74	t
Tokyo	75	64	pc	74	69	c
Toronto	65	43	r	49	32	c
Vancouver	54	42	r	53	41	sh
Warsaw	56	41	r	55	38	c
Zurich	57	46	r	56	38	r

The WSJ Daily Crossword | Edited by Mike Shenk

1 Pinkett Smith of "The Matrix Resurrections"

5 Godsend

9 Chowder morsel

13 Guinness who played Obi-Wan

14 Singer-songwriter Paul

15 Two-door car

16 Condé

17 Contented cat's sound

18 Radio studio sign

19 Is evasive, fashionably

22 III + IV

23 Fascinated by

24 Adds oil and vinegar, say, fashionably

30 "Well, that's obvious!"

31 Carve in stone

32 Minor quake

34 Middle East potentate

36 "I'm impressed!"

38 Pet in Bedrock

39 Most reasonable

42 Baseball's "Bambino"

45 Explosive letters

46 Gives a shiner to, fashionably

49 Evil organization in "Get Smart"

50 Piercing place

51 Needs to call the plumber, fashionably

57 Spring sound

58 Sector

59 Superior sort

61 Gather together

62 Forearm bone

63 Beige

64 Sizable sandwich

65 Future flower

66 Los Angeles footballers

1 First cal. page

2 "What a shame!"

3 Cubicle furniture

4 On the go

5 Carter or Clinton, religiously

6 Heavy burden

7 Gumbo veggie

- 8 World visited in C.S. Lewis books
- 9 Offered a shoulder to cry on
- 10 Feast on a beach, perhaps
- 11 "...blackbirds baked in ___"
- 12 Mal de ___
- 15 One sharing billing
- 20 Move up
- 21 Technical sch.
- 24 "The Three Musketeers" author
- 25 Safari sighting
- 26 Environmental prefix
- 27 No longer woolly
- 28 Friendliness
- 29 "An Anatomy of the World" poet
- 30 ___ Moines
- 33 Decay
- 35 "Yep, sounds about right"
- 37 Simple shelter
- 40 "Country Boy" singer Ricky
- 41 General ___ chicken
- 43 1987 John Huston film based on a James Joyce story
- 44 Listen to
- 47 Rodeos and Troopers on the road
- 48 End opposite the point
- 51 "Follow me"
- 52 Pinocchio, at times
- 53 Flag holder
- 54 Aunt of Harry and William
- 55 Ancient Peruvian
- 56 Convention
- 57 "Phooey!"
- 60 Clear tables

Previous Puzzle's Solution

TUCSON MALLIBU
OMITTED CANAPES
ANNASUIT ARTISAN
DOCK NTH CLODA
EDS ENDS
HINDRALT USAGIE
AMY ENCL RERISE
HYMN THUSA KATZ
ALPACA RIND NEE
SHYOF LINGESTER
RECO OWE
WANT OED PATH
OCEANIC TIGOTCHA
ONEIOT A RAIMREZ
SEDONA TACOMA

The contest answer is the Dodge DAYTONA. Seven cars in the grid are also cities; for each, find a four-letter grid answer using its make's first letter plus its state's postal abbreviation. For example, the H from Hyundai TUCSON plus AZ for Arizona leaves an A from HAZA. The others are MALIBU (CA+C=O: COCA); SANTA FE (NM+H=Y: HYMN); TELLURIDE (CO+K=D: DOCK); DURANGO (CO+D=A: CODA); SEDONA (AZ+K=T: KATZ); TACOMA (WA+T=N: WANT). The extracted letters, in order of the four-letter words' grid numbers, spell the contest answer.

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

OPINION

Hollywood Hates Silicon Valley



INSIDE VIEW
By Andy Kessler

Has streaming peaked? Netflix stock dropped 37% last week after the company's loss of subscribers, and CNN+ was dead on arrival. Are viewers finally revolting? Maybe it's the shows and content. It's hard to find a movie, series or newscast that doesn't push a social or political agenda, from "Bridgerton" to "Squid Game" and "The Handmaid's Tale." Even formerly family friendly Disney is getting too preachy. Elon Musk calls this the "woke mind virus."

The agenda list is too long, so I'll focus on the current rash of shows about entrepreneurs: Showtime's "Super Pumped" on Travis Kalanick and Uber; Apple TV's "We Crashed" on Adam and Rebekah Neumann and WeWork; and Hulu's "The Dropout" on Elizabeth Holmes and Theranos. Their debuts curiously coincided with the Netflix's "Inventing Anna" about the con artist Anna Sorokin. Hollywood seems to equate entrepreneurs with scammers, almost as if filmmakers have a vendetta against success.

As I watched these entertaining series, I mostly laughed instead of cried, knowing this is how many people will think about entrepreneurs going forward. It's a shame the entertainment industry is bent on destroying the reputation of the Silicon Valley, which is keeping Hollywood alive.

Watching these series was fascinating but also a bit spooky, because I've known or met many characters in these shows. So it was fun to compare their real-life looks and personalities with the portrayals. Most weren't even close. The opening line of each episode of "Inventing Anna" could apply to all the series: "This whole story is completely true. Except for all the parts that are totally made up."

Here is the common thread: Silicon Valley entrepreneurs are misogynistic, adolescent, narcissistic tech bros running cults—even Ms. Holmes with her black turtle-necks and deepened voice. They consume only tequila, mysterious green juice or kombucha. Every company party has a bounce house. Bankers are idiots, and venture capitalists can be manipulated easily. Board members are rubber-stamping cretins. Every startup founder travels on private planes. (Note to venture capitalists: If a startup uses a company jet, then you've invested too much money and have lost control.) Finally, everyone's motivation is the same: "We're saving the world" or "making the world a better place," a generational delusion. While there's always a smidgen of truth to tropes, these are all clichés.

Anna Sorokin was a con woman. Mr. Kalanick, on the other hand, was a hard-driving founder who was clueless about how to move to the next level. Ms. Holmes started with good intentions but was

too stubborn to fail and pivot. Mr. Neumann was a huckster who eventually believed his own BS. WeWork, with its goal to "elevate the world's consciousness," hid losses behind "community adjusted" earnings. The jokes almost write themselves—which is why there was such rich fodder for HBO's fictional 2014-19 series "Silicon Valley."

Popular TV series portray entrepreneurs as misogynistic and immoral cult leaders.

The root of the problem is that these companies were given way too much capital to spend. It's as if these founders had stolen grandma's checkbook or had a seat in Congress. SoftBank told Uber and WeWork to "spend to grow" and "grow or die." SoftBank CEO Masayoshi Son once told Bloomberg Businessweek that no one "wants to pick a fight with a crazy guy" and famously told Mr. Neumann and his co-founder that they were "not crazy enough." Turns out they were—for trusting Mr. Son to keep funneling good money after bad.

And it wasn't only Uber, Theranos and WeWork. So many companies were given long runways facilitated by the Federal Reserve's decadelong zero-interest-rate policy, which made capital practically free. Valuations boomed and founders were in control. Some reached cruising altitude; most

didn't. Why? Because what's known in Silicon Valley as blitzscaling—becoming the biggest first—works only with high-margin, zero-marginal-cost cloud businesses such as Google and Facebook. When the rubber meets the road—or office, or blood test—friction with the real world slows growth.

And hey, where is the series about Quibi, the mobile-video disaster that burned through \$1.4 billion and was live for only six months? It won't happen. Founder Jeffrey Katzenberg is one of Hollywood's own.

Like fictional series such as "Billions" and "Succession," which always seem to conclude that every capitalist is a criminal, I'm offended by the jaundiced view of Silicon Valley because we should celebrate success, the products and services that contribute to society way more than the delusional "change the world" mantra. I even think we should celebrate those who (legally) fail, though I get that might not make for six to eight hours of entertainment. Silicon Valley is a meritocracy, but it goes through periods of loose money when venture capitalists let their guard down and wannabe visionaries sneak in.

"WeWork is not a business, it's a feeling," says TV Rebekah Neumann, played by Anne Hathaway. Same for Hollywood, which needs to act more like a business, killing the mind virus and pleasing viewers rather than preaching to them.

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BOOKSHELF | By Matthew Hutson

Secret Equations

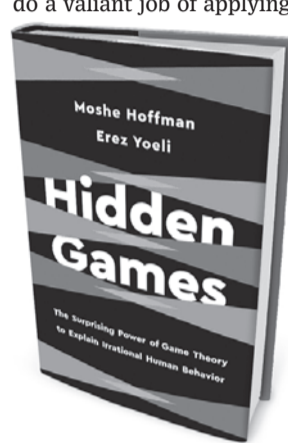
Hidden Games

By Moshe Hoffman and Erez Yoeli
(Basic, 360 pages, \$32)

Why are peacock feathers—a flashing "Dine Here" sign for predators—attractive to peahens? Why are we often satisfied with apologies we know to be insincere? Why did some snipers in World War I trenches intentionally miss their enemies? The answers, and more, can be found—who knew?—in mathematics. Specifically, in the mathematical models used in "game theory," a rigorous approach to studying strategic interactions.

A few plain equations, it turns out, can shed light on a vast array of social phenomena—economic, political, moral and sexual. That doesn't mean humans are simpletons. It means that, in everyday decisions, we can smartly simmer situations down to their most essential principles.

In "Hidden Games," Moshe Hoffman, at the Max Planck Institute for Evolutionary Biology, and Erez Yoeli, at MIT, do a valiant job of applying game theory to seemingly irrational behavior. Each chapter takes a simple game or a theme common to many games and follows it through a mix of real-life examples, psychology experiments, hypotheticals and technical analysis.



Game theory addresses itself not to board games like Monopoly but rather to much simpler scenarios. One chapter looks at the hawk-dove game: two players decide independently whether to aggress (play hawk) or acquiesce (play dove). If both aggress, each has an even shot at the resources up

for grabs, but they both pay the cost of fighting. If both acquiesce, they each have an even shot, cost free. If only one plays hawk, that one gets the goods. An important concept in game theory is a Nash equilibrium, a state in which no one can improve his outcome by unilaterally changing strategies. In hawk-dove, if the cost of fighting is more than half the prize's value, a Nash equilibrium exists when there is one hawk and one dove.

Which player should back down? It doesn't really matter, so long as everyone agrees. Messrs. Hoffman and Yoeli report that even speckled wood butterflies have come to this conclusion. When fighting over territory, the insects perform a "spiral flight," a brief battle with a predetermined winner, which happens to be the one who was there first. "The main feature of the hawk-dove model," the authors write, "is the importance of shared expectations, which, once established, are self-fulfilling." The model applies to insect fights and human rights, which, the authors argue, are grounded not in logic but in convention.

Another game explains conspicuous consumption. The principle here is called costly signaling. It often makes sense to do something wasteful, like buy luxury goods, if the relative cost to you is less than the relative cost to someone of lower means. It shows you can afford to throw money away, thus attracting potential mates or allies. In the same way, illustrious feathers that risk attracting predators paradoxically demonstrate a peacock's health.

Costly signaling explains human aesthetic judgments; complex rhyme schemes constrain rap lyricists, making expert verses that much more impressive. Now why do Brown grads say they went to school "in Providence" rather than name drop their prestigious alma mater? Modesty, too, is a costly signal, showing you can get by without flaunting your laurels.

The book also explains spin—exaggerations on Instagram and cable news. Viewers expect exaggeration, so portraying reality would actually be to undersell. Meanwhile, overconfidence and other forms of self-deception enable us to better deceive others.

How game theory explains conspicuous consumption, royal coronations, rap lyrics, trench warfare—and more.

One of the most famous economics games is called iterated prisoner's dilemma. On every turn, each of two players can offer to cooperate with or try to exploit the other. In the long term, it makes sense for both to keep cooperating. That's why, during World War I, some snipers aimed at adversaries' walls, not their heads. A chapter on justice gives an extended replay of the tragicomic Hatfield-and-McCoy saga and provides a model of vengeance. There are repercussions for looking past a transgression. "In repeated games," the authors write, "bygones must be made to matter."

Higher-order beliefs are inferences about others' beliefs, and they play a key role in many games. They explain categorical norms, like prohibitions against chemical weapons. Targeting discrete actions—chemical versus nonchemical attacks—makes it easier for observers to agree to punish. They know that others know that they know what the perpetrator did.

Higher-order beliefs also explain indirect speech ("Would you like to come up for coffee?"), which enables plausible deniability. And symbolism. "Symbolic gestures are puzzling," Messrs. Hoffman and Yoeli write, "because things that don't matter matter: we put enormous weight on mere words like *I'm sorry* and *I love you* and spare no expense on rituals, ceremonies, and elaborate displays that don't convey any new information." Public apologies and royal coronations both enable coordination, harmonizing everyone on who's in debt or service to whom.

"Hidden Games" exhibits a conversational style, including humorous asides and popular song lyrics. It also has math. My eyes glazed over when I came to spans of Greek letters. Fortunately, there's usually a common-sense explanation to go along with the equations. The existence of more accessible accounts may suggest that we don't need the math, but in reality the math takes the diligent reader one step deeper, explaining why the behaviors make sense to us.

We appear to be doing complex calculations intuitively, the way an outfielder determines a fly ball's trajectory without a slide rule. Genetic and cultural evolution have done the hard analytical work for us, leaving us with handy instincts and norms. In any case, the equations will presumably be useful to scholars who want to develop new insights or generate new hypotheses.

On paper, game theory isn't as fun as it sounds. All math, no Monopoly money. But as it's lived, it's even more fun. We have serious gamesmanship to thank for the floridity of Eminem's lyrics, Instagram humblebrags, awkward flirtation and the theatrics of the royal family. Game on.

Mr. Hutson is the author of "The 7 Laws of Magical Thinking: How Irrational Beliefs Keep Us Happy, Healthy, and Sane."

Food Economics in One Argentine Lesson



AMERICAS
By Mary Anastasia O'Grady

Vladimir Putin's war on Ukraine is one reason for a spike in food prices that now threatens some of the world's most vulnerable populations.

But it's far from the only reason. In Argentina it isn't even the primary reason for soaring food costs.

Central bankers and politicians the world over want to put blame high food prices on the situation in Ukraine. Yet there are two components to the squeeze. The first is the change in relative prices, i.e., wheat becoming more expensive relative to widgets because of a reduction in global supply. The second cause of higher food prices is broad-based inflation throughout an economy.

The market is the cure for a change in relative prices; the more flexible economies are, the faster adjustments will be made. The cure for economy-wide inflation is to correct monetary, fiscal and regulatory errors. Argentine politicians fail on both fronts.

Russia and Ukraine are important global suppliers of food. From 2018 to 2020, according to the International Food Policy Research Institute, Russia's share of world trade in barley was more than 14% and in wheat 24%. Ukraine's 2018-20 share of trade in barley was 12.6%, in

maize 15.3% and in wheat 10%. Nearly 50% of global trade in sunflower oil during the same period came from Ukraine.

Mr. Putin's decision to attack his neighbor has disrupted these supplies. Russian production hasn't been eliminated, but sanctions mean that much of what used to go to the West and its allies has been rerouted to Kremlin allies or neutral parties, sold domestically or stored. This puts pressure on prices. Meantime Ukrainian production is disappearing.

With less global output and the same demand, prices for affected goods go up. Higher prices for wheat mean that flour has become "expensive" compared with other items in the food basket of consumers in many countries.

Wherever food imports depend heavily on foreign aid and subsidies, the same amount of money buys less. Shortages in places like North Africa are inevitable unless aid dollars go up or more supply becomes available.

Changes in relative prices for wheat, cooking oil and corn also hurt lower-income consumers in the Western Hemisphere. Yet among commodity exporters in South America, this change is accompanied by opportunity. Peru is paying more for flour, sugar and fertilizer, but as an exporter of minerals and coffee it can benefit by boosting output and selling abroad at favorable prices. Unfortunately, this potential has been damped by President

Pedro Castillo's antimarket agenda, which has scared off investors.

When it comes to economic malpractice, it's hard to beat Argentina, the breadbasket of the region. It recorded monthly inflation of 6.7% in March. Some analysts now expect 2022 inflation to be near 60%, following 2021 inflation of over 50%.

As always this inflation is a monetary phenomenon—to paraphrase Milton Friedman. President Alberto Fernández's government, in long-standing Argentine tradition, has been

How bad choices in Latin America are contributing to global shortages.

deepening the country's indebtedness to finance its deficit spending. According to Pablo Guidotti, a professor of economics at Torcuato Di Tella University in Buenos Aires, since 2000 government expenditures, as a percentage of gross domestic product, have doubled to 40% from 20%. Government debt as percentage of GDP is now about 100%. To pay the bills, the central bank prints pesos with abandon, sending prices through the roof.

The recent change in relative prices for wheat and other agricultural products ought to be a blessing for Argentina. In a free market,

higher prices would act as a motivating factor to grow, sell and export more. As the value of harvests, measured in hard currency, went up, the nation would also become richer because dollar inflows would strengthen its buying power. To put it another way, the improvement in terms of trade would boost GDP.

Yet rather than ride the wave of rising commodity prices with policies that encourage production and export, the government is trying to lower local prices by forcing producers to sell inside the country. The policy mix for this strategy is high export taxes and export quotas that limit the amount that can be shipped abroad. Both depress exports and make it better not to plant at all or to hold excess inventories in silos.

In March the government announced that it will try to "decouple prices to protect the domestic market in a global context of war and sustained high wheat prices" by subsidizing 800,000 metric tons of wheat to domestic millers. It may succeed, in the short run, in making bread and pasta cheaper for the public. But it's an expensive "fix" and gives consumers less incentive to find substitutes for wheat, which is one way to bring down high prices.

These policies harm the Argentine people and hurt the world's poor because they diminish global food supplies. Let's put the blame where it belongs.

Write to OGrady@wsj.com.

Prayer Shouldn't Be a Firing Offense

By Joe Kennedy

With all the bad things I've done in my life, it still surprises me that I was fired for praying.

I was a terrible kid. My adoptive parents did their best, but I was always getting in trouble. The Marine Corps became my ticket out of the fights, group homes and foster care. Twenty years after enlisting, I moved back home to Bremerton, Wash. I had never been particularly religious, but my wife persuaded me to go to church. I felt God was calling me to be a better husband, so I committed my life to him.

The Bremerton High School athletic director seemed sure that my experience training Marines to work as a team was all the qualification I needed to be a football coach. As I weighed the opportunity, I caught the movie "Facing the Giants." It

seemed an answer from God. I committed to coaching football and promised God that I would take a knee by myself in quiet prayer at the 50-yard line following every game, win or lose.

Over the years, my prayers developed into motivational talks in which I led players who chose to join me in

I'm asking the Supreme Court to uphold my right to thank God after football games.

prayer. When the school district eventually told me to stop doing that, I did. My commitment with God didn't involve others. It was only to pray by myself at the 50-yard line after each game.

But then the school dis-

trict got lawyers involved, and they kept shifting the goal posts every time I complied. Eventually they said I had to refrain from any "demonstrative religious activity" visible to students or the public. They suggested instead I walk across the field, up the stairs, across a practice field, into the main school building, down the hall and into the janitor's office if I wanted to pray after games.

I thought that would send a message that prayer is something bad that has to be hidden. I couldn't send that message. So I simply asked to continue praying quietly on one knee at the 50-yard line after each game.

Two days after my last postgame prayer, the school suspended me, even though it acknowledged there was "no evidence that students have been directly coerced to pray with" me, and that I had

complied with its directives "not to intentionally involve students." The school then gave me the first negative evaluation in my file, adding: "Do Not Rehire." I was fired for taking a knee in prayer by myself at the 50-yard line for 15 to 30 seconds after high-school football games.

Unless the U.S. Supreme Court rules in my favor, teachers could be fired for praying over their lunch in the cafeteria if students can see them. That doesn't seem like the Constitution I fought for in the Marine Corps.

I just want to be back on the field with my guys, building a team to accomplish a mission. I hope the Supreme Court agrees.

Mr. Kennedy is a Marine Corps veteran and the appellant in *Kennedy v. Bremerton School District*, on which the Supreme Court will hear oral arguments Monday.

OPINION

REVIEW & OUTLOOK

A G-Man's Straight Talk on *McGirt*

The Supreme Court always wrangles with the law, but in an appeal the Justices will hear this week (*Oklahoma v. Castro-Huerta*), the facts are in dispute, too. Oklahoma says the High Court's 2020 ruling in *McGirt* has given criminals impunity in half the state. Other parties flatly deny it. Here's some straight talk from the FBI about what's truly happening on the ground.

Edward Gray is the special agent in charge of the FBI's Oklahoma field office, making him the state's top G-man. He started in January, amid the *McGirt* aftershocks. "When I put in for this job," he says in an interview, "I knew exactly what I was getting into."

The *McGirt* ruling revived six historical Native American reservations in Oklahoma. Within those borders, the state can't prosecute crimes by or against Natives. Thousands of cases have shifted to the feds, with the FBI as lead detective. The Oklahoma field office, Director Christopher Wray said last year, "now has the FBI's largest investigative responsibility."

Nearly two million Oklahomans are inside the reservation lines. "The next largest reservation, for comparison, that the FBI covers is the Navajo reservation," Mr. Gray says. "Roughly 169,000 residents." To fill the gap, the bureau is sending agents from all over the country for 90-day deployments to Oklahoma. It has deputized several hundred local police as FBI task force officers, allowing them to work federal cases.

"Obviously, our priorities are going to be on the most violent offenders and cases that involve children," Mr. Gray says. Those crimes the FBI is "committed to not letting slip through," and the bureau seems to be stretching to do it. Yet the agency isn't equipped to investigate every piece of lawbreaking involving a Native American in every corner of Eastern Oklahoma.

Since *McGirt* the case volume "has grown exponentially," Mr. Gray says, with "roughly 30 to 40 a week that we open up." If a case involves drugs or guns, the FBI might refer it to the DEA or the ATF. If the offender is Native, it could go to tribal prosecutors. But the tribes lack authority over non-Native perpetrators.

So what happens to less serious cases, say, if a white thief steals a Cherokee's car? "Well . . . yeah, nothing," Mr. Gray says. "That's an issue that we understand is there, but not only do we not have the capacity to work the single car

theft, the small property thefts, the U.S. Attorney's Office doesn't have the capacity to try those or even any misdemeanor cases."

What's more, everybody in Oklahoma seems to know it. "I've talked to the chief of Tulsa PD," Mr. Gray says. "They may stop an individual that's stolen a truck from a Native American, and they may just pull him over and take the truck back." The FBI could arrest, but Mr. Gray says in some circumstances the local cops "can't even hold him until we would get there."

The locals have learned the drill. "It's really not something that they're going to refer to us," Mr. Gray says. "Now, they will pass that name on to the tribe. They'll pass it on to us." The FBI keeps records of such offenses and can act if agents "start seeing a pattern," such as a crime spree by one person.

The feds also aren't set up to handle juveniles. Girls can't be held with boys or adults. "Sometimes late at night, if we make an arrest, I'm trying to find where to house people," Mr. Gray says. As for whether minors face charges at all: "The ones that I'm aware of that we're tracking are quite serious. They are being held under the federal statutes for adults."

Mr. Gray wants a resolution whereby the FBI isn't the sole agency that can investigate an auto theft in half of Oklahoma: "We're hopeful for that. But again, that's out of our lane as to how that's going to happen." Until then? "Unfortunately, those crimes do go uninvestigated and unprosecuted."

That's been the story in Oklahoma for almost two years, which hardly anyone outside the state has bothered to notice. Mr. Gray's candor is a public service. As far as we know, he's the first federal official to acknowledge reality. Two U.S. Attorneys declined our interview requests. This mess isn't their fault, but it won't get cleaned up until more people like Mr. Gray find the courage to raise their heads above the parapet.

The tribes are in denial. "Nearly all evidence demonstrates that the criminal-justice system is working well across Oklahoma," the Choctaw chief wrote us in a recent letter. They seem to think officials like Gov. Kevin Stitt (a Cherokee, as it happens) keep fighting *McGirt* out of sheer pigheadedness. No. They're fighting because it's intolerable for criminals to go free merely because they targeted a racial minority.

What happens to a white thief who steals a Native American's car? 'Well . . . yeah, nothing.'

Orrin G. Hatch

The press is eulogizing former Senator Orrin Hatch for his civility and bipartisan deal-making with Democrat Ted Kennedy.

He certainly was a gracious man who represented a more civil era in politics. But we'll remember the longest-serving Republican Senator, who died Saturday at age 88, for the moments he bucked Beltway convention and took unfair abuse for it.

The first was his stalwart defense of Clarence Thomas against the accusations by Anita Hill in 1991. Ms. Hill's claims have achieved totemic status on the political left. But they arrived only at the last minute, midwived by Democratic operatives, and lacked substantiation. On the Judiciary Committee, Senator Hatch subjected the claims to proper scrutiny. He helped confirm Justice Thomas, who has been a credit to the High Court and country.

Hatch chaired the Finance Committee in the final term of his 42-year tenure, and he helped to shepherd the 2017 tax reform into law. The

Democratic-media establishment was trying to kill the bill, but Hatch helped to negotiate the deals that cut tax rates while winning the votes to pass a narrowly divided Senate. The U.S. was better prepared to endure the ravages of Covid lockdowns as a result.

Hatch's worst moment was a 1990 Senate floor speech defending a Justice Department settlement with the Bank of Credit and Commerce International on money-laundering charges. The speech was largely written by Robert Altman, a BCCI lawyer, and the bank got off easy. Hatch later said he regretted the speech.

Born in Pittsburgh in modest circumstances before moving to Utah, Hatch was among the conservatives who rose to power to correct the Democratic failures of the 1960s and '70s. They are leaving us now, year by year, but their work restored the country's military strength and economic vigor. We owe it to their legacy to do it again.

The Utah Senator made a mark in economic policy and the judiciary.

Emmanuel Macron's Second Chance

French President Emmanuel Macron won a second five-year term on Sunday over Marine Le Pen, and the Western alliance against Russia's invasion of Ukraine can breathe easier. The question is whether Mr. Macron will do more in the next five years to make France great again.

The President is the first French leader to earn a second term in two decades, and he owes his victory in part to the luck of having Ms. Le Pen as an opponent. A political newcomer in 2017, he beat Ms. Le Pen by 32 percentage points while warning of his opponent's radicalism and vowing to restore French dynamism. Projections Sunday showed a smaller if still decisive 58-42 victory.

The youngest French leader since Napoleon, Mr. Macron defies traditional political divisions. In his first term he appointed center-right figures to key positions and made progress with tax and labor reform. He headed off a more robust challenge on the right by promising to take on "Islamist separatism" and stand up for French values.

Mr. Macron took on the third rail of French politics—reforming the country's byzantine pension system—but the Covid-19 pandemic halted the promising effort. He took a heavy-handed approach to the virus with lockdowns and vaccine passports, using colorful language to describe his desire to make life difficult for the unvaccinated. But life in France now is returning to its pre-pandemic normal.

Ms. Le Pen, often described as far right, certainly campaigned to Mr. Macron's right on cultural issues like Islam and immigration. But she ran

to his left on economics, calling for a wealth tax on financial assets and trade protectionism.

France will always be a high maintenance NATO ally given its strain of Gaullist nationalism. Recall Mr. Macron's meltdown over losing a submarine contract with Australia. But he deserves credit for saving the world from Ms. Le Pen. A longtime apologist

for Mr. Putin, she wants to withdraw France from NATO's command structure. Although she condemned the assault on Ukraine, Ms. Le Pen is already calling for accommodating Moscow even as it bombs Ukraine's cities into rubble.

Mr. Macron's many overtures to Vladimir Putin, before and after the invasion, have also failed. It isn't clear if he's learned any lessons. He does enter his second term as one of the most seasoned leaders in the European Union, but much of the bloc distrusts him and won't unify behind a French agenda that includes ceding more sovereignty to Brussels.

While Mr. Macron showed free-market instincts in his first term, he has tacked to the left recently to shore up support from young and progressive voters. Far-left candidate Jean-Luc Mélenchon says he wants to be prime minister, and the coming National Assembly elections could be decisive in determining the direction of the country.

Focusing on pro-growth reform—rather than climate obsessions or populist gestures like limiting executive pay—would help restore the economic vitality that Mr. Macron originally promised. It would also make it less likely for a radical like Ms. Le Pen or Mr. Mélenchon to take power in five years.

Will he tack to the left or listen to his economic liberalizing instincts?

LETTERS TO THE EDITOR

The New Political Transformation of Medicine

Regarding Stanley Goldfarb's op-ed "Keep Politics Out of the Doctor's Office" (April 19): In 2015, under the leadership of Darrell Kirch, the Association of American Medical Colleges (AAMC) introduced sweeping changes to the Medical College Admissions Test, or MCAT, as well as other admissions criteria used by medical schools across the country. As Dr. Kirch explained in 2011, "I am a man on a mission. I believe it is critical to our future to transform health care. I'm not talking about tweaking it. I'm not talking about some nuanced improvements here and there. I'm talking about true transformation."

The transformation is underway. It is a subversive effort to change the personnel entering the medical field. The revised MCAT includes a new section that screens for adherence to progressive orthodoxies; for example, a practice question from a 2018 AAMC/Khan Academy offering asks whether the "lack of minorities such as African Americans or Latinos/Latinas among university faculty members" is due to symbolic racism, institutional racism, hidden racism or personal bias. The answer is supposed to be institutional racism.

The AAMC website provides insight into how the group is altering medical training. Its homepage features a doctrinaire guide to "gender-affirming care" for youth. The AAMC also recently introduced a new exam meant to complement the MCAT by testing softer skills such as "cultural competence." An AAMC staff writer explains that it was designed with the goal of eliminating "group differences in mean scores for African American and Hispanic test-takers compared to White and Asian examinees." Dr. Goldfarb notes that "medical schools and residencies are lowering admissions standards." This is by design.

The AAMC forms half of the only government-approved accrediting en-

tity for U.S. medical schools. It solely administers the MCAT and national standardized medical-school application. In understanding the woke capture of medicine, begin by scrutinizing the leaders of medical education.

DEVORAH GOLDMAN
New York

Ms. Goldman, a visiting fellow at the Ethics and Public Policy Center, writes the *Side Effects* newsletter.

As a medical educator, I expect my students to understand the mechanism of action of antibiotics and pathways of resistance. I also expect them to understand social determinants that may contribute to poor health and how we can mitigate disparities.

Dr. Goldfarb's argument is based on anecdotes, so here are mine: As someone who has written in the *New England Journal of Medicine* about my biases and internalized racism, I can safely say that awareness of such issues has improved my relationships with my patients. Moreover, my students are proof the bar has not been lowered in medical schools and residency programs. Dr. Goldfarb's statement otherwise is an example of how discrimination persists in medicine.

I am also an infectious-diseases doctor. On days when I drag my feet fighting insurance companies to get my patients the meds they need, discussions on inequity give me purpose. To quote Steven Woolf, "Poverty matters as much as proteomics in understanding disease." Those who find the need to retire early because of such discussions may be better off. And we may be better off without them.

ASSOC. PROF. TARA VIJAYAN
UCLA David Geffen School of Medicine

Dr. Goldfarb writes what many physicians think but we're afraid to say, for fear of being labeled a racist.

JONATHAN L. STOLZ, M.D.
Williamsburg, Va.

Inflation Forces Retirees to Go to Work Again

In his op-ed "There's More to Wealth Than Work" (April 21), Walter E. Block invites us to expand our definition of the economy to include more than maximizing gross domestic product. The definition should include the dichotomy of labor-leisure, he thinks. For inflation to pull people out of leisure and force them to work once again is not good.

On an individual level, that may be true: If you work only to retire, then you may resent having to work again. At a societal level, however, retirees' return to work may be very good. Older workers have legacy knowledge and skills that are often lost with early retirements. Instead of golf and cruises, these retirees will once again contribute their efforts to increasing productivity. That's good for society. Plus, work can be its own reward, contributing purpose that amorphous living often does not.

DAVID WOOD
Bloomfield Hills, Mich.

Mr. Block rejects the idea that inflation has a silver lining if it forces "newly impoverished retirees back into the labor force." But there is an

When Standards Drop, It Can Pay to Be Professional

I owned an investment firm from 2010 to 2020. Some company policies weren't negotiable: Employees wore suits, never drank on company time and certainly didn't drop "F-bombs" in the office or with clients ("Sure, Work Makes Us Want To Swear. But Should You?" *Personal Journal*, April 11). Besides creating a predictable, professional environment, the rules established a valuable reputation. Clients knew they could trust us to adhere to the highest level of professionalism and consequently were more confident trusting us with their money.

PAUL JARVIS
Kenmore, Wash.

Law, Duty and Corporations

In "Can Anyone Tame Big Tech?" (Declarations, April 9), Peggy Noonan asks, "Why can't we put a strict age limit on using social-media sites?" She goes on to say, "In theory this might challenge economic libertarians who agree with what Milton Friedman said 50 years ago, that it is the duty of companies to maximize shareholder value." One has nothing to do with the other. If the state puts an age limit on social media, companies still have the duty to maximize shareholder value. They just have to do so while complying with the law.

ROBERT HARRIS
Indian Land, S.C.

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.

important factor that was left out of the discussion.

Many retirees have been retired for a long time. They may be too old or physically disabled to return to work. They saved to provide for these retirement years when they are on a fixed income. But their expenses are climbing just like everyone else's.

Moreover, they may have significant medical expenses, some of which will not be covered by Medicare or other insurance. While government programs such as Social Security may have annual adjustments, those adjustments will not be sufficient or rapid enough to compensate for the rapid rise in prices. Inflation has no benefits for senior retirees and will lead only to a lower standard of living.

JOHN R. ASHBURN, JR.
Williamsburg, Va.

How Did the CDC Get Away With All This for So Long?

Your editorial "The Mask Mandate Goes Down" (April 19) says "this has been a rough few months" for the CDC. How so? Its eviction moratorium was in place for over a year before it was struck down, and the mask mandate even longer. Was the agency penalized in any way for exceeding its statutory authority? Was anybody fired, demoted or anything? The CDC has demonstrated that it can exceed its authority with impunity.

MICHAEL J. GALASSI
Hurst, Texas

BLM's Despairing Trajectory

Jason Riley's column "BLM's Anti-police Racket Is Coming Undone" (*Upward Mobility*, April 20) calls to mind a line attributed to Eric Hoffer that applies to many organizations, such as teachers unions or televangelist churches: "Every great cause begins as a movement, becomes a business, and eventually degenerates into a racket."

BOB FOYS
Chicago

Pepper ... And Salt

THE WALL STREET JOURNAL



"Yes, I'm sitting down—
what's the problem?"

OPINION

How to Avert a 2024 Election Disaster in 2023

By David B. Rivkin Jr.
And Andrew M. Grossman

Pennsylvania lawmakers in 2019 decided to allow mail-in voting for the first time. They enacted a statute providing that “a completed mail-in ballot must be received in the office of the county board of elections no later than eight o’clock P.M. on the day of the primary or election.” In 2020 the state Democratic Party went to court, arguing that in light of the Covid pandemic, the deadline “results in an as-applied infringement” of the right to vote.

With a clear decision in a redistricting case, the Supreme Court can head off dangerous litigation.

The Democrat-dominated Pennsylvania Supreme Court—its members are chosen in partisan elections—sided with the party and ordered a deadline extension, even as it acknowledged the statutory language was clear and unambiguous. The U.S. Supreme Court declined to hear an appeal, so the 2020 election was conducted under this and other new, judge-imposed rules.

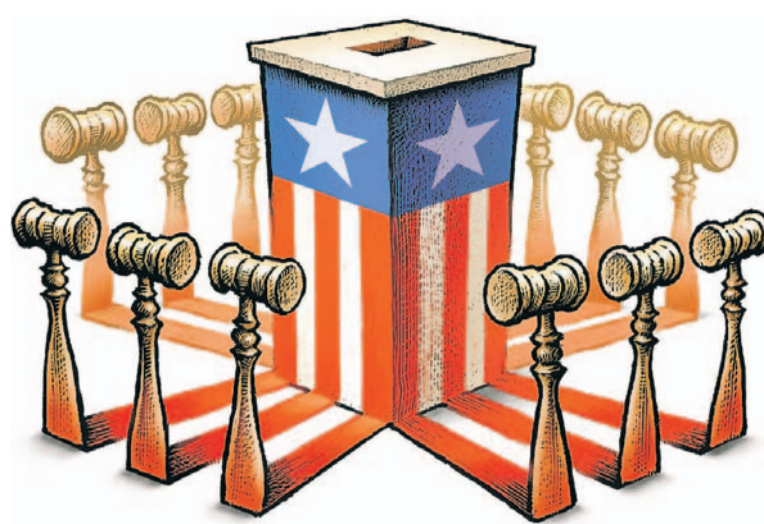
Usually there’s no reason for the high court to review a state-court decision about state law. But election law is different. The U.S. Constitution mandates that state legislatures make the laws governing federal elections for Congress and the presidency. The Pennsylvania ruling was therefore unconstitutional. But the

justices in Washington, perhaps chastened by the enduring political controversy over *Bush v. Gore* (2000), seem reluctant to take up such cases close to an election. Fortunately, they will soon have an opportunity to address the issue and to avert the possibility of an electoral meltdown in 2024.

Pennsylvania wasn’t alone in 2020. Faced with Republican control of many state legislatures, the Democrats and their allies took advantage of the pandemic to upend that year’s voting process. Longstanding wish-list items like near-universal voting by mail, ballot “harvesting,” drop boxes, extended deadlines, and loosened identification and signature-match requirements came to pass in much of the country, often by state court order.

The pandemic disruption may be behind us, but litigation over election rules continues. One reason is the success of the Democrats’ 2020 efforts, which their current cases treat as setting a new legal baseline. Returning to ordinary pre-pandemic procedures, they claim, amounts to unlawful “voter suppression.”

But there’s another reason for the state-court litigation explosion: redistricting after the 2020 Census. If state judges are willing to second-guess voting laws, why not the maps too? New maps are often litigated, but what’s different this time is the number of cases asking courts to toss out alleged partisan gerrymanders. The U.S. Supreme Court closed the door to such claims under the federal Constitution in *Rucho v. Common Cause* (2019), reasoning that there was no “clear, manageable, and politically neutral” standard for courts to apply. The same objection applies to suits brought



PHIL FOSTER

under state law, but *Rucho* didn’t address that question.

So they proliferated. Many states where Democrats could pick up House seats with a different map have faced lawsuits based on open-ended state constitutional provisions, such as North Carolina’s proclaiming “all elections shall be free.” Several states’ top courts have tossed out legislature-enacted maps; the North Carolina justices even authorized a lower court to hire its own mapmakers. Republicans won state-court decisions against Democratic gerrymanders in Maryland and New York state.

None of this passes constitutional muster. State courts can interpret and apply laws governing federal elections and consider challenges to them under federal law, including the Constitution. But they have no authority to strike those laws down under state constitutions, let alone a freestanding power to contrive their own voting rules and congressional

maps. The U.S. Constitution often assigns powers and duties to the “states” generally, but Article I’s Elections Clause directs that the “times, places and manner” of conducting congressional elections shall “be prescribed in each state by the legislature thereof,” unless overridden by Congress. The Electors Clause similarly vests the “manner” of choosing presidential electors in “the legislature.”

In *McPherson v. Blacker* (1892), the U.S. Supreme Court recognized that the Electors Clause “leaves it to the legislature exclusively to define the method” of choosing electors and that this power “cannot be taken from them or modified by their state constitutions.” In *State Legislature v. Arizona Independent Redistricting Commission* (2015), it held that “redistricting is a legislative function, to be performed in accordance with the State’s prescriptions for lawmaking.”

Still, it’s no wonder plaintiffs and state judges have felt emboldened to buck these limitations. The decision of a state supreme court can be appealed only to the U.S. Supreme Court, which has shied away from such cases. Around the same time the justices declined to hear the 2020 Pennsylvania case, they turned back a request to block North Carolina officials from altering legislatively enacted mail-in ballot deadlines. This year, they denied emergency requests to block judge-made maps in North Carolina and Pennsylvania from being used in November.

Election-law cases present unique

timing considerations, given the potentially disruptive consequences of changing laws or maps when an election approaching. When courts make changes weeks before a filing deadline or Election Day, the justices’ ability to right the wrong is severely constrained. There’s rarely a serious basis to press the issue after votes have been cast. Those circumstances apply in most election-law cases.

But unlike state-court orders meddling with voting procedures, which typically apply to one election only, congressional maps remain in place until they’re altered, which usually isn’t for a decade. So there’s no timing issue to prevent the court from hearing a redistricting case.

Justices Samuel Alito, Clarence Thomas and Neil Gorsuch dissented from last month’s denial of the North Carolina stay application, arguing that the case was a good vehicle to consider the power of state courts to rework federal-election laws. Justice Brett Kavanaugh wrote separately to say that the court should take a case raising the issue, but this one came too close to the 2022 election. North Carolina’s House speaker has petitioned the court to take the case in its next term. If it does, a decision would likely come next summer, nearly a year and a half before the 2024 election.

The court’s failure to resolve this issue could spell catastrophe. If the 2024 presidential vote is close in decisive states, the result will be an onslaught of litigation combining all the worst features of the 2000 and 2020 election controversies. The court’s precedents in this area all point toward legislature supremacy but leave the door cracked enough for canny litigants, abetted by state judges, to shove it open and seize electoral advantage. To avoid a constitutional crisis, the justices need to articulate with clarity that state courts can’t rely on state constitutions or their own judicial power to alter either congressional redistricting maps or voting rules in federal elections.

Mr. Rivkin served at the Justice Department and the White House Counsel’s Office in the Reagan and George H.W. Bush administrations. Mr. Grossman is an adjunct scholar at the Cato Institute. Both practice appellate and constitutional law in Washington.

Expand NATO to Hawaii

By Arshan Barzani

Americans understand that an attack on one ally in the North Atlantic Treaty Organization is an attack on all. If Russia bombed Warsaw, Washington would be obligated to come to its aid. But if Pearl Harbor were attacked again, this rule wouldn’t compel U.S. allies to help.

Article 5 of the North Atlantic Treaty covers only Europe and parts of North America north of the Tropic of Cancer. Swathes of member countries’ land, such as Puerto Rico and French Polynesia, fall outside the pact. At NATO’s birth in 1949, this limit served to exempt far-flung colonies. Amid Russia’s war in Ukraine and Chinese saber-rattling, NATO’s self-imposed geographic limits absent the alliance from the Indo-Pacific and weaken it in the Atlantic.

Keeping territory from the allied security guarantee can bring on war, as it did in the Falklands in 1982.

For seven decades, countries have deterred aggression by joining NATO because their mightier allies promise to defend them. When NATO excludes territory from its security guarantee, it can bring on war.

This is how the Falklands War began. When Argentina invaded the British territory in 1982, NATO didn’t come to the rescue. It had no duty to help. Even the U.S., Britain’s closest ally, waffled before providing logistical and intelligence support. Worse, Argentina saw Britain’s NATO membership as reason to invade, reckoning that Article 5 commitments would tie British forces down in Europe. The defense treaty’s flaw spurred on a war in which more than 900 people died.

NATO can no longer take such risks. Facing an unpredictable Vladimir Putin and a swaggering China, it must protect all members’ lands. Expanding Article 5 would let allies shift troops from places like the Falklands in the South Atlantic to the Russian naval threat in the north. It also would extend NATO’s deterrence in the Indo-Pacific, sending a message to China.

Start with the Atlantic, where

Article 5’s southern limit excludes places like the British, Dutch and French Caribbean, America’s naval base at Guantanamo Bay, and Europe’s satellite-launching facility in French Guiana. Another omission is Britain’s South Atlantic territories. London has a sizable defense presence in the Falklands, with a frigate, a patrol ship, and an air base with 1,200 personnel. Covering the islands under NATO’s promise of collective strength would offer a stronger deterrent.

The case for expanding Article 5 to the Indo-Pacific is even more pressing. Shockingly, the treaty excludes Guam and Hawaii. During the Cold War, American officials shrugged off this shortcoming as trivial; the Soviet Union was far from both. Nowadays North Korea has directly threatened Guam, while China last year released a video of nuclear-capable bombers in a simulated attack on an American air base there. America’s naval base at Diego Garcia, an Indian Ocean hub, is also unshielded.

To stand up to China and other adversaries at the same time, America will need Europe’s help. But historically, European leaders haven’t been eager to deter Beijing. Last year French President Emmanuel Macron made known that he opposes blocs to contain China, while German Chancellor Olaf Scholz sought to strengthen economic ties with Beijing.

NATO expansion from within—by extending Article 5’s reach—is the most promising way to turn Europe into a U.S. partner in the Indo-Pacific. An amendment would affirm NATO members’ territorial integrity, making such a move palatable to aloof members and minimizing Chinese outrage. France might be tempted to sign on because New Caledonia and French Polynesia would be protected. Berlin is more likely than before to sign on, too, now that Russia’s war in Ukraine has shown Germans that their foreign policy of change through trade has failed. European leaders know they owe the U.S. for its leadership on Ukraine, and expanding NATO from within is one way to return the favor.

The only amendment to the North Atlantic Treaty so far, in 1951, included Turkey in the alliance, even though it is 97% in Asia. Such precedent leaves no grounds to continue excluding and endangering

American, British, Dutch and French territory around the world—lands whose people elect lawmakers and volunteer to fight NATO’s wars. They deserve the alliance’s shield as much as any compatriot.

Mr. Barzani is an officer in the U.S. Army Reserve, a student at Yale Law School, and translator of the first English-language edition of Napoleon’s “Chronicles of Caesar’s Wars.”

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A MESSAGE FROM AMERICA’S HOSPITALS & HEALTH SYSTEMS

Supporting the Health Care Workers Who Support All of Us

For more than two full years, health care workers have been steadfastly serving on the front lines of the fight against COVID-19, doing all they can to care for patients, comfort families and protect communities.

While we are hopeful that the nation may be rounding the corner in the battle against COVID-19, the health care workforce continues to contend with many immediate challenges related to the pandemic, as well as a health care landscape that has been deeply altered.

Projections from the Bureau of Labor Statistics estimate U.S. health care organizations will have to fill almost 200,000 open nursing positions every year until 2030. In addition, a study by consulting firm Mercer projected that by 2025, there will be a shortage of more than 400,000 home health aides and 29,400 nurse practitioners. In addition, the Association of American Medical Colleges projects a shortage of between 37,800 and 124,000 physicians.

Hospitals and health systems know how invaluable health care workers are. They are the key to quality, compassionate care. Unfortunately, we have seen a growing assault on our workforce.

- While workplace violence was an issue prior to the pandemic, it has worsened considerably. The Bureau of Labor Statistics reported that health care workers accounted for nearly three-quarters of violence-related workplace injuries and illnesses, with hospital workers six times more likely to suffer job violence than private sector workers as a whole.
- The violence escalated during the COVID-19 pandemic. A survey published in Workplace Health & Safety revealed two-thirds of nurses experienced verbal abuse in early 2020, especially those caring for COVID-19 patients.



Robyn Begley, DNP, RN, NEA-BC, FAAN
Chief Executive Officer,
American Organization
for Nursing Leadership
and Chief Nursing Officer,
American Hospital
Association

The combination of crushing workloads and shocking violence is producing historic levels of stress. More than a third of nurses recently surveyed by one staffing firm said they plan to leave their current jobs by the end of this year.

To address workforce shortages, hospitals are intensifying recruiting and retention efforts to attract qualified staff and provide current team members the support they need.

We also are working to strengthen existing lines of communication with the front line, creating early warning systems to identify stressors before they become overwhelming, and pursuing innovations to help caregivers work more efficiently.

While we may never reduce violence in our hospitals to zero – because we are there to serve in the most challenging settings and circumstances – we can promote a standard of zero tolerance for abusive behavior.

Workers who dedicate themselves to saving lives deserve a safe environment – free of violence and intimidation – in which to deliver care.

That is the mission of the AHA’s Hospitals Against Violence (HAV) initiative, which works to mitigate violence in health care settings and in the communities we serve.

However, we know we must do even more to protect our workforce, and that is why the AHA has asked the U.S. Attorney General to support legislation that would create federal protections from intimidation and assault for health care workers.

We will not let up in ensuring nurses and all health care workers feel both safe and satisfied in the vital work they perform. We are more committed than ever to support those who care for our patients.



To read more, visit www.aha.org

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WORLD NEWS

Saudi Edict Prompts Royals to Cut Back

Princes sell real estate, yachts and artwork after de facto ruler tightens purse strings

By STEPHEN KALIN

RIYADH, Saudi Arabia—Saudi princes have sold more than \$600 million of real estate, yachts and artwork in the U.S. and Europe since the kingdom's de facto ruler tightened the purse strings of the ultrawealthy ruling family.

The transactions represent a radical change of fortune for senior princes who funneled windfalls from oil booms in the 1970s and 1980s into some of the world's most exclusive markets. The vast sums of money were spent largely on hard-to-sell assets or drained by spending that reached \$30 million a month for some royals with large staffs and lavish lifestyles, making them vulnerable to recent changes in government policy.

Now, some royal family members are selling assets abroad to generate cash after Crown Prince Mohammed bin

Salman, the kingdom's 36-year-old de facto ruler, dried up many of the sources of money they had used to maintain their extraordinary spending habits, said people close to the princes conducting the sales.

The princes need cash to pay routine bills including for property maintenance, taxes, staff salaries and parking fees for their airplanes and boats, the people said.

In some cases, the people said, they are also motivated by a desire to hold less-ostentatious assets to avoid attracting the attention of Prince Mohammed, who has curtailed their privileges and access to state funds in the Al Saud family since his father took the throne in 2015. The Saudi government is aware of the sales.

"These people don't work, they have huge staffs and they're afraid of [Prince Mohammed]," a person familiar with the transactions said. The princes, the person added, want "cash in their back pocket and not to have visible wealth."

Among the assets sold recently are a \$155 million Brit-



Crown Prince Mohammed bin Salman has made it harder for royals to finance their lifestyles.

ish country estate, two yachts more than 200 feet long, and Mughal jewels gifted as wedding presents by a late king. The sellers, including former ambassador to Washington Prince Bandar bin Sultan, were once among the most powerful people in Saudi Arabia.

"They've clearly been cut down to a disciplined, defined regimen and are having to live on that," said British historian Robert Lacey, who has chronicled the Saudi ruling family

since the 1980s. Prince Mohammed is "here for the long term and he's reshaping things in a long-term fashion."

A representative for Prince Bandar said he has sold all his assets abroad "because he saw bigger benefits to investing in the kingdom with the amazing job the crown prince is doing and creating all the investment opportunities."

Prince Mohammed has sidelined relatives viewed as potential rivals—including an uncle and older cousin detained in 2020—and curtailed perks for thousands of royals, including paid vacations abroad or electricity and water bills at their Saudi palaces. Such perks had amounted to hundreds of millions of dollars in annual costs for the Saudi government.

Top royals accumulated billions of dollars a year through oil and real-estate sales as well as business deals involving the government, from which Prince Mohammed has gradually cut them off. The government is squeezing royal family members in other ways, launching this year a tax of \$2,500 for each domestic

worker beyond the fourth employee, costing some royals hundreds of thousands of dollars a year.

U.S. diplomatic cables from the 1990s published by WikiLeaks show that some royals used to generate wealth by taking loans from local banks without paying them back, expropriating land from commoners, or exploiting the foreign-labor visa system for profit. People familiar with royal finances say princes continued to benefit from such schemes until Prince Mohammed came to power. A system of stipends for thousands of Saudi princes, which the U.S. cables said cost the government billions of dollars a year, remains intact, one of those people said.

Many princes have adjusted their lifestyles because of shifts in the global economy and changes inside Saudi Arabia that have "turned off the taps," this person said.

"They had a standard of life that was beyond any expectation," another person familiar with the transactions said. "The expenditure is out of this world. It takes time for them

to adapt."

The Saudi media ministry didn't respond to questions about the finances of royal family members.

Some of the Saudis who are currently liquidating assets were detained temporarily in Riyadh's Ritz-Carlton hotel in 2017 in what critics called a shakedown and power play by the crown prince, who described it as an anticorruption move. Many were released only in exchange for financial settlements. Arrests of prominent figures have continued, the anticorruption commission said.

Others selling their assets were never detained.

Gary Hersham, founder of luxury-property specialists Beauchamp Estates, who was involved in several of the Sultan family's transactions, said that in general, the younger generation of Saudi royals no longer needs or uses the grand estates that their predecessors purchased. They are big spenders and would rather have cash, he said.

"They want less ostentation, that's the trend," he said, noting some smaller home purchases recently.

South Korean President-Elect Treads a Middle Path

By TIMOTHY W. MARTIN AND GORDON FAIRCLOUGH

SEOUL—Behind the desk of Yoon Suk-yeol, South Korea's 61-year-old president-elect, a pair of red boxing gloves is displayed prominently on a shelf. They belonged to one of the country's most famous professional fighters, who became a world champion in 1977—despite getting knocked down four times in the title match. Decades later, the boxer gave the gloves to Mr. Yoon at a campaign rally.

"He got back up, and he was able to win," Mr. Yoon said. "That has a symbolism to it: You don't give up. You keep fighting till the end."

Mr. Yoon, a prosecutor who entered politics last year, won March's election for South Korea's main conservative party by a razor-thin margin. He takes office May 10 for a five-year term at a time of significant friction between Washington, a longtime military ally, and Beijing, the country's largest trading partner. He will need to navigate the security fallout from Russia's invasion of Ukraine and contend with a North Korea that has embarked on a new round of



Yoon Suk-yeol wants to improve ties with the U.S. and Japan.

weapons tests.

In a weekend interview at his transition office in Seoul, he signaled a pragmatic approach to foreign policy. On North Korea? He would offer significant economic incentives if Kim Jong Un takes concrete steps toward disarmament. On the U.S. and Japan: He wants to improve ties with both. On Washington-Beijing tensions? Not a zero-sum matter for Seoul. On Ukraine? No plans to offer lethal weapons.

"As president one of my most critical responsibilities is to uphold values as contained within our constitution, which is to uphold liberal free democracy, the market economy," Mr. Yoon said. "That is the core and crux of South Korea whether it's foreign policy or domestic policy."

Mr. Yoon has pledged to broaden South Korea's involvement in working groups of the Quad—a security partnership involving the U.S., Australia, India and Japan that

seeks to counter China. Mr. Yoon said he doesn't expect South Korea to get an invitation anytime soon. But if approached, South Korea "will positively review joining."

In a face-to-face meeting with Mr. Biden, which could come before a planned Quad meeting in Tokyo in late May, Mr. Yoon said he would talk about strengthening the two countries' alliance. South Korea is home to America's largest overseas military base with about 28,500 military personnel. But he would also bring up his goal of improving Seoul's ties with Japan, which have frayed over trade disputes and historical issues.

Seoul, in recent years, hasn't taken as active a stance on the security risks posed by an increasingly well-armed China as have other U.S. allies in the region.

"In the U.S. strategy to maintain a free and open Indo-Pacific against China expansion, the weak link is Korea," said Michael J. Green, a former U.S. National Security Council official who is now senior vice president for Asia at the Center for Strategic and International Studies think tank.

On Saturday, Rahm Emanuel,

the U.S. ambassador to Japan, stood aboard an American warship that had recently deployed to the waters between Japan and Korea—a show of military force following a string of Kim regime missile tests. Pointing to the imminent arrival of a South Korean delegation in Tokyo, he proclaimed, "A new day, a new chapter in the trilateral relationship based on renewed friendship."

South Korea is the world's 10th largest economy and home to global conglomerates like Samsung, Hyundai and LG. Mr. Yoon wants to attract more investment by ensuring there is no discrimination against foreign companies. He said he seeks to eliminate unnecessary regulations that could hamper business activity or foreign investment.

"The government's role is not to get involved and dictate how the market operates," Mr. Yoon said. "My government will pursue a policy so that we can correct and normalize so that the market can operate as it should."

As a prosecutor, Mr. Yoon focused on corruption and misdeeds by the nation's elites, even earning the nickname "the angel of death." He

put behind bars a pair of presidents who were his immediate predecessors as conservative leaders. He hunted malfeasance at big business, including a corruption case involving the de facto head of Samsung.

Only about half the country believes he will do a good job as president, according to recent polls. His recent predecessors, conservative and progressive alike, came into office having received some benefit of the doubt with South Koreans, attracting favorability ratings of roughly 80% or more.

Mr. Yoon, for his part, hasn't made many lofty promises, and lower expectations from voters could mean he later wins over some detractors should he land some initial achievements, such as boosting employment or taming inflation, said Chung Min Lee, a senior fellow at the Carnegie Endowment for International Peace's Asia program. That would contrast with prior presidents who started out with higher approval ratings, then disappointed after stumbling, he added.

"Unless he really craters, I think he'll actually build up his cachet," Mr. Lee said.

WORLD WATCH

CHINA

Covid-19 Worsens In Beijing, Shanghai

Beijing said it is at a critical point in its efforts to halt a Covid-19 outbreak in the city, as new cases spread from school students and a tour group, while deaths in Shanghai more than tripled from a day earlier.

The capital recorded 22 new cases on Sunday, its highest daily tally this year. Shanghai, which a week ago had recorded no new deaths in the latest wave of infections, said 39 Covid patients died Saturday—more than three times Friday's toll.

While still low by global standards, the numbers are a challenge to the ability of China's top leaders to halt outbreaks with their zero-Covid policy. As pockets of infections flare in the most important cities, local officials are desperate to avoid a repeat of the economic disruption and public discontent seen in the financial hub of Shanghai, large parts of which have been locked down for weeks.

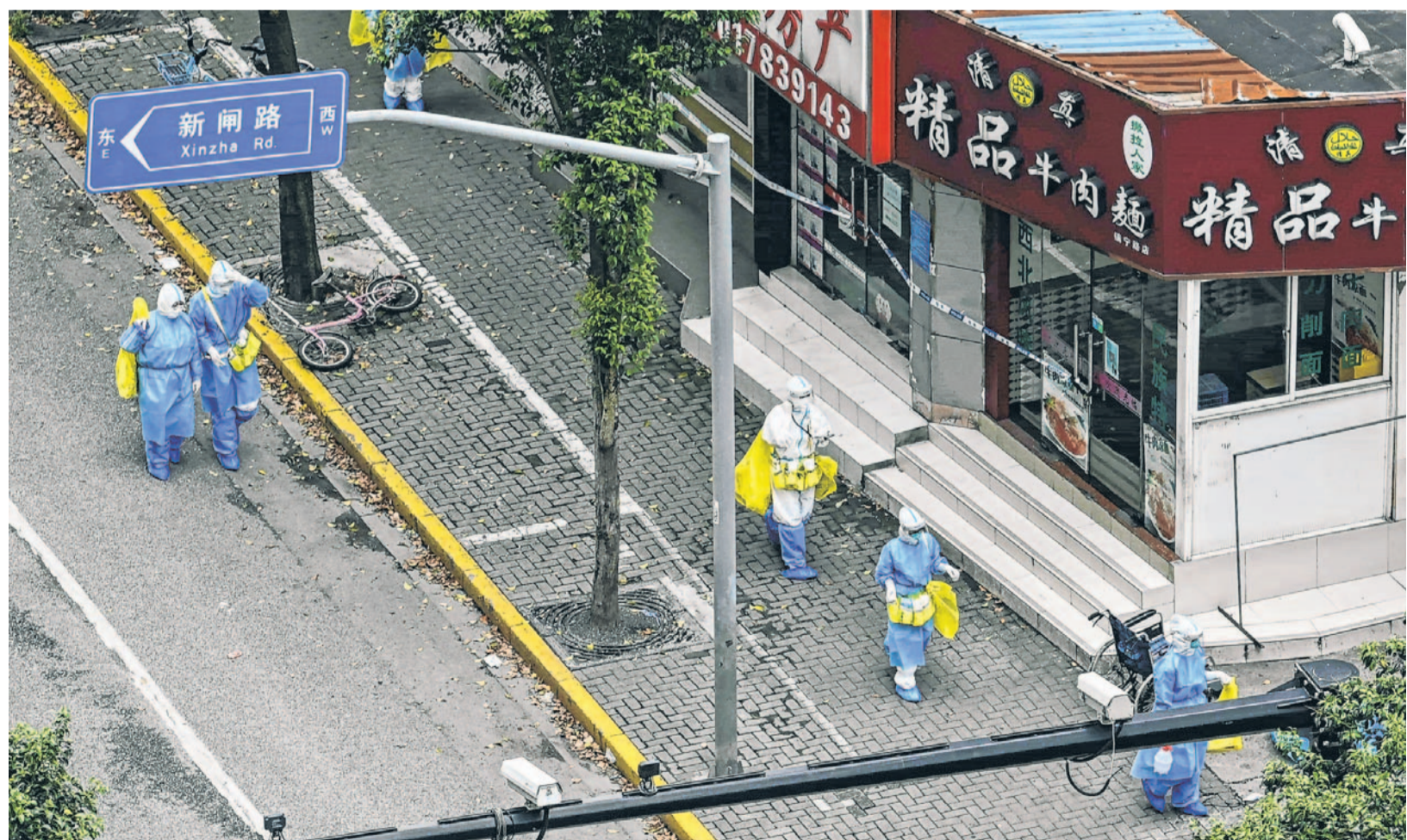
But the leadership has vowed to stick to their zero-Covid strategy, which has helped regions such as Jilin province contain the virus after six weeks of lockdowns, they said. The northeastern province is the hardest-hit region after Shanghai. Cases have also been rising in the Jiangsu and Hebei provinces surrounding Shanghai and Beijing.

—Wenxin Fan

JAPAN

Ten Confirmed Dead In Boat Accident

Rescuers found 10 people on Sunday after a tourist boat went missing off the coast of Japan, but all were confirmed



Health workers arrived in Shanghai's Jing'an district on Sunday as the city remained in lockdown after a jump in deaths caused by Covid-19.

dead. Sixteen other people were still missing.

Coast guard, police and military ships and helicopters searched frigid seas north of the Shiretoko Peninsula, a mountainous area at the northeast tip of Japan's northern island of Hokkaido, after the boat called for rescue on Saturday afternoon.

The boat, one of several that take tourists along the coast of the peninsula to look for bears and other wildlife, had two crew and 24 passengers on board, ac-

cording to the coast guard. The boats typically travel away from the shore but pull in closer to allow passengers a better view of specific points of interest.

A coast guard official said 10 people were retrieved but none survived.

Around 2 p.m. local time on Saturday, the boat reported to its operator that it was tilting at a 30-degree angle. Contact with the boat was lost soon after.

—Alastair Gale and Peter Landers

SUDAN

Tribal Clashes Said To Kill 168 in Darfur

Tribal clashes on Sunday between Arabs and non-Arabs in Sudan's war-ravaged Darfur region have killed 168 people, a local aid group said.

Adam Regal, spokesman for the General Coordination for Refugees and Displaced in Darfur, says fighting in the Kreinik area of West Darfur province

also wounded 98.

Mr. Regal said the clashes erupted Thursday with the killing of two people by an assailant in Kreinik, around 18 miles east of Genena, the provincial capital of West Darfur. He said militias known as Janjaweed attacked the area Sunday with heavy weapons, and burned and looted houses. He shared footage he said showed destroyed houses and a pickup truck with a mounted machine gun.

The clashes eventually

reached Genena, where militias and armed groups attacked wounded people while they were being treated at the main hospital, according to Salah Saleh, a doctor and former medical director at the hospital.

The Darfur region has seen bouts of deadly clashes between rival tribes in recent months as the country remains mired in a wider crisis following last year's coup, when top generals overthrew a civilian-led government.

—Associated Press

BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

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Last Week: S&P 4271.78 ▼2.75% S&P FIN ▼1.97% S&P IT ▼2.53% DJTRANS ▲1.50% WSJ\$IDX ▲1.09% 2-YR. TREAS. yield 2.713% NIKKEI 27105.26 ▲0.04% See more at WSJ.com/Markets

Credit Suisse to Shuffle Executives

Chief financial officer, general counsel and Asia head face being shifted out of jobs

By MARGOT PATRICK AND EMILY GLAZER

Credit Suisse Group AG is preparing for another management shuffle after a year of crisis, people familiar with the matter said.

The Swiss bank said Sunday that its board hasn't made decisions but that it is reviewing senior appointments and suc-

cession plans.

Long-serving executives in roles including the chief financial officer, general counsel and Asia head could be shifted out as the bank makes changes, said people familiar with the matter. A search was under way last fall for a new general counsel, according to the people.

A Credit Suisse spokesman said the bank is "regularly discussing succession plans and is reviewing senior appointments for certain positions, including for certain legal entities, regions and the executive board.

However, no board decisions have been taken and we will communicate at the appropriate time."

CFO David Mathers has been in his role since 2010 and Romeo Cerutti has been top lawyer since 2009. The Asia head, Helman Sitohang, has held senior roles at the bank for more than a decade.

Swiss newspaper NZZ earlier reported on the possible moves at Credit Suisse.

Credit Suisse has said before that it needs to fill a position in the U.S. left open by the departure of another long-time executive, Eric Varvel, in

December.

The bank shed about two dozen executives, including Mr. Varvel, for their roles in two 2021 scandals.

Financing partner Greensill Capital went bankrupt in March 2021, putting at risk billions of dollars in investments in funds Credit Suisse ran via an asset-management arm led by Mr. Varvel.

The same month, it lost roughly \$5 billion exiting from large stock positions of family office Archegos Capital Management.

An outsider chairman came in to restructure and lower

risks, then left in January after just nine months, for violating Covid-19 restrictions.

His successor, current Chairman Axel Lehmann, a onetime chief-executive contender at rival UBS Group AG, told shareholders 2021 was a disappointing and challenging year in a letter last month. He said his focus was on stabilizing the bank and moving ahead with strategic and cultural changes that were planned in the previous chairman's short tenure.

Mr. Mathers, the CFO, has served under three Credit Suisse

Investors Give ARK A Second Look as It Struggles

By KAREN LANGLEY

Cathie Wood's ARK Innovation exchange-traded fund keeps falling, but investors aren't jumping ship.

Shares of the popular ETF, which is known by its ticker ARKK, declined 45% so far in 2022—including 21% in April—as rising interest rates punish stocks that are valued on the prospect of robust future growth.

Those are just the type of companies that ARKK targets through its investment theme of "disruptive innovation." Its big holdings include Tesla Inc., Zoom Video Communications Inc., Roku Inc., Teladoc Health Inc. and Coinbase Global Inc. With the exception of Tesla, those stocks all fell more than 35% this year.

The S&P 500 dropped 10% over the same period, while the tech-heavy Nasdaq Composite retreated 18%.

Ms. Wood and her fund shot to prominence in 2020, when its shares soared nearly 150% as the

Please turn to page B8

Yen's Decline Raises Specter Of Broader Woes

By AKANE OTANI AND CAITLIN OSTROFF

The Japanese yen has dropped to a 20-year low against the U.S. dollar. That risks being bad news far beyond Tokyo—in the \$23 trillion market for U.S. Treasuries.

Traders around the world watch the yen's rise and fall not just to follow Japanese markets but also to gauge how investors are feeling. Usually, when markets are rallying, the yen tends to weaken against other currencies. When markets get turbulent, the yen tends to gain ground. That dynamic has been upended this spring.

The yen has fallen 12% against the dollar in 2022, even as the Ukraine war sent stocks sliding. Its fall has been so steep that it ranks as the worst-performing currency this year out of 41 tracked by The Wall Street Journal—worse than the Russian ruble or Turkish lira.

If the yen were a smaller currency, its slide might have less importance to financial

markets. But the yen is key to global finance, ranking as the third-most-traded currency.

The Federal Reserve is poised to begin winding down its extensive bond-buying program as early as next month. The central bank is counting on investors like Japanese institutions—the biggest foreign buyers of U.S. Treasuries—to help absorb the increased supply of Treasuries on the market. But the yen's rout might cut into Japanese demand for Treasuries. That is because as the yen weakens, Japanese investors with dollar-denominated assets will have to pay more to hedge against the risk of currency fluctuations cutting into their returns.

In theory, relatively generous U.S. yields should make Treasuries still attractive to Japanese investors. The 10-year U.S. Treasury has a yield of 2.905%; the 10-year Japanese government bond has a yield of 0.25%.

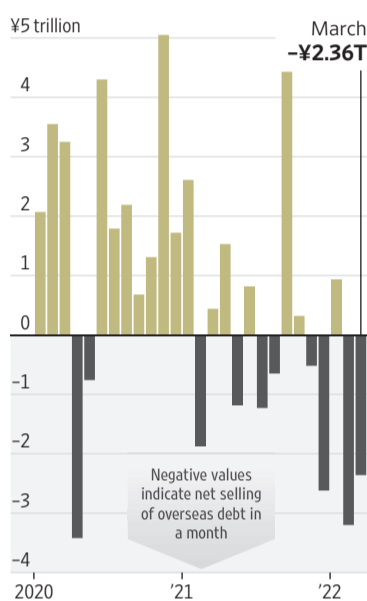
But hedging has gotten so expensive that the extra yield a Japanese investor would get

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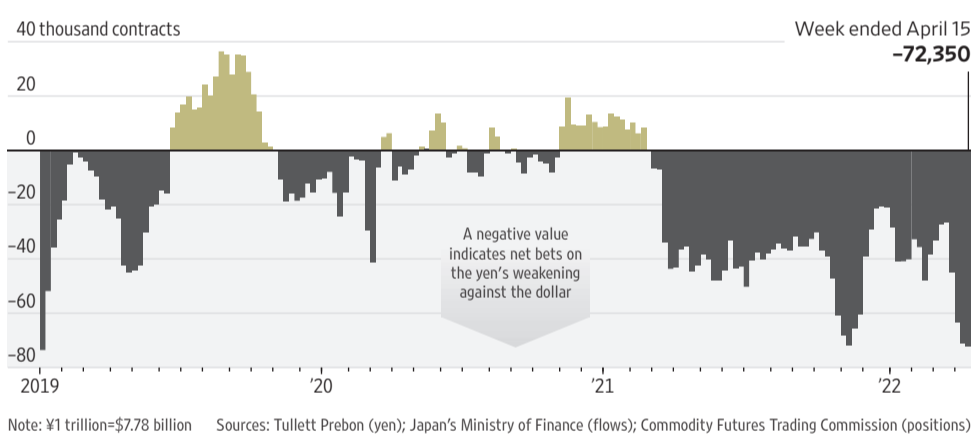
How many Japanese yen \$1 dollar buys



Monthly net flows into foreign bonds by Japanese investors



Weekly net positions of hedge funds on the yen



Note: ¥1 trillion=\$7.78 billion Sources: Tullett Prebon (yen); Japan's Ministry of Finance (flows); Commodity Futures Trading Commission (positions)

Some Apple Retail Workers Seek to Unionize

By SEBASTIAN HERRERA

After union victories by workers at some of America's most prominent companies, Apple Inc. retail employees are mobilizing in hopes of their own organizing success.

Although U.S. union membership has continued to decline in recent years, workers at several companies voted to unionize in recent months, including at Amazon.com Inc.,

Starbucks Corp., Verizon Communications Inc. and outdoor retail chain Recreational Equipment Inc.

Several Apple stores have shown interest in unionizing, according to organizers. Workers from a store in Atlanta last week filed for a union election with the National Labor Relations Board, the agency confirmed, and could soon approve a vote. Apple employees at a New York store are also

aiming to file for an election, according to organizers.

While demands could vary by store, some Apple organizers have said they seek higher pay, increased tuition reimbursement and larger 401(k) matches, among other goals. Some organizers have said Apple workers haven't been given equitable stock options or cost-of-living adjustments, as the tech company soared to new financial heights during the pan-

dem and as inflation in the U.S. rose to historic levels.

The Atlanta employees have aligned with the Communications Workers of America, which represents workers from companies such as Verizon and a unit of AT&T Inc. The union said the Atlanta store employs more than 100 people who are eligible to vote, with more than 70% having signed cards showing interest in an election. New York employees are

seeking to join Workers United, an affiliate of the Service Employees International Union that aided Starbucks workers in organizing.

"Apple is a profoundly positive place to work, but we know that the company can better live up to their ideals," said Derrick Bowles, an employee at the Atlanta store. Workers have said they were inspired by the union success

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Developer Fights To Save Business

By REBECCA FENG AND CAO LI

More than a decade ago, Sun Hongbin was forced to sell his property business to a rival after a Chinese government crackdown on soaring housing prices caused it to run short on cash.

The China-born businessman said he learned his lessons from the failure and made a comeback with another company, Sunac China. It sold apartments in mostly rich cities like Beijing and Shanghai and grew into one of the country's largest developers, with the equivalent of more than \$93 billion in contracted sales last year.

Mr. Sun, a naturalized American citizen in his late 50s, is now trying to prevent Sunac from suffering the same fate as

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Apple, Amazon, Microsoft are among the headliners for a busy earnings week. B3



APPAREL

A lingerie manufacturer deals with increasing costs for components. B4

Concert Prices Soar as Fans Return

By ANNE STEELE

Enya Ramirez shelled out \$400 to see My Chemical Romance and \$500 to see Bad Bunny on recent tours. The 20-year-old Dallas resident has noticed the prices for bigger artists creeping up, but that isn't stopping her from trying to attend at least seven or eight concerts a year.

"It sucks for sure because I've had to miss out on other big concerts to go to these ones," she said, adding that she budgeted and paid in installments for the Bad Bunny ticket and will check out smaller groups this year as well. "Even though it's expensive, I think it's definitely worth the price."

Fans flooding back to see their favorite artists are finding another commodity whose price has gone up: concert tickets.

While many companies have been pointing to inflation as they raise their prices, the concert industry is amid a yearslong effort to price tickets more aggressively, capitalizing on consumer demand and



The industry is pricing tickets more aggressively. Rapper Bad Bunny performs in Miami.

cutting down on money lost to the secondary market.

Ticket prices increased 11% in 2021 relative to 2019 and 14% in North America, according to Live Nation Entertainment Inc., the world's largest concert promoter. Demand remains strong, the company

said, with concert ticket sales up 45% through mid-February compared with 2019.

The live-concert industry's strategy for competing better with resellers includes charging more for VIP upgrades and the best seats, including those near the stage or on an aisle,

while keeping back-of-the-house tickets lower. They are also able to adjust prices dynamically based on demand.

When a ticket is scalped or resold for a higher price on a secondary market site such as StubHub, the touring promo-

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BUSINESS & FINANCE

Piers Morgan Returns to TV With Trump as Guest

BY GARETH VIPERS

LONDON—News personality Piers Morgan is set to return to television screens Monday with a new show whose debut episode features an interview with former President Donald Trump.

The British journalist and broadcaster's program, "Piers Morgan: Uncensored," is set to air on Fox Corp.'s Fox Nation streaming services and News Corp.'s new U.K. TV venture, TalkTV.

The two companies in September announced that Mr. Morgan had signed a global deal to appear on outlets across Rupert Murdoch's media empire, including TV and columns for the Sun and the New York Post newspapers.

Mr. Murdoch and his family are significant shareholders in both Fox Corp. and News Corp., which owns Dow Jones & Co., publisher of The Wall Street Journal. Mr. Murdoch is chairman of Fox Corp. and executive chairman of News Corp.

Mr. Morgan has tweeted a trailer for the new show in recent days in which he puts to Mr. Trump that he lost the last election, before the former



Piers Morgan

president ends the interview early and storms off the set.

Mr. Trump has denied that series of events. "Piers Morgan, like the rest of the Fake News Media, attempted to unlawfully and deceptively edit his long and tedious interview with me," he said in a statement posted to his website.

"He wanted to make it look like I walked out on the interview when my time limit of 20 minutes went over by an hour," Mr. Trump added.

Mr. Morgan has responded on Twitter that it was "a great interview" and that he loved Mr. Trump's statements.

The addition of Mr. Morgan to the Fox Nation roster could bolster the direct-to-consumer business at a time of tough competition among streaming services. Fox Nation, which launched in 2018, has more than one million subscribers.

Rival CNN+ recently said it would shut down its operations just a month after it launched, a sign of new owner Warner Bros. Discovery Inc.'s lack of faith in the viability of a subscription-based stand-alone news platform.

In the U.K., Mr. Morgan's show is the headline act for TalkTV, a new news and opinion channel backed by News Corp., which will be free to watch on various TV and streaming services. The launch marks the return of Mr. Murdoch to British TV broadcasting nearly four years after the sale of his 39% stake in U.K. pay-TV giant Sky PLC to Comcast Corp.

The channel enters a competitive British media landscape dominated by longstanding broadcasters, including the British Broadcasting Corp. and ITV PLC. Other presenters lined up for TalkTV include media personality Sharon Osbourne.

Credit Suisse Shuffles

Continued from page B1

Suisse CEOs, helping the bank navigate fallout from the 2008 financial crisis and more recent travails.

Mr. Cerutti negotiated for Credit Suisse in some of its largest settlements with regulators, including to pay \$475 million last year over loans Credit Suisse made in Mozambique. A subsidiary pleaded guilty to wire-fraud conspiracy charges.

Credit Suisse this month warned it will have a loss in the first quarter from rising litigation costs and loan losses related to Russia.

Litigation provisions will be about \$740 million in the quarter because of developments in legal cases, which include a former client winning a roughly \$555 million court award in Bermuda.

Credit Suisse said results will be hit by roughly \$212 million in negative revenue and loan-loss provisions stemming from Russia's invasion of Ukraine, and that business activity in general was lower. It is scheduled to report full results on April 27.



The average ticket price for an Elton John concert this year is \$167.87 versus \$131.30 before the pandemic.

Concert Prices Surge

Continued from page B1

tion company and the artist see none of that excess cash. By charging closer to what the market will bear, artists are capturing more of the till. That is helping cover the rising cost of touring, which has become more expensive with higher fuel costs and worker shortages, executives say.

"If a fan is willing to spend \$400 on StubHub and the tour is selling those tickets for \$100, there's a pretty big gap there," said Jay Moss, senior vice president and agent at Wasserman Music, which represents clients including Billie Eilish, Kenny Chesney, SZA, Coldplay and ODESZA. "The industry is trying to right the ship and get ticket prices more in line with natural supply and demand."

For a long time, artists worried about the appearance of charging high prices, said Mr. Moss, but in recent years many acts have become more comfortable with raising prices to capture revenue that would otherwise be lost to the secondary market. "You don't have to start charging \$400, but there's a lot of room in between those numbers."

Artists hitting the road in 2022 include Billie Eilish, whose average ticket price is \$118.89 this year, up from an average of \$70.50 for pre-pandemic shows; Elton John at \$167.87 versus \$131.30; the Eagles at \$227.29 compared with \$208.51 and Tame Impala at \$74.10 compared with \$52.23, according to concert trade magazine Pollstar.

Ms. Ramirez said she paid \$125 to see 5 Seconds of Summer with special access to watch the band do soundcheck, for her first-ever concert, in 2016. She will see the Australian pop rockers for the fifth

time this June. Her ticket, with the same VIP perk, cost about \$225.

Concert executives say the booming secondary market means they could charge even more for tickets at the outset.

In the decade leading up to the pandemic, the average ticket price for the top 100 North American tours increased 55% to \$94.83, according to Pollstar.

The average take per show more than doubled over the decade to \$958,000. By most estimates, 2020 was on track to be a record year for the business.

After a year and a half on pause, shows started coming back—with some fits and starts—in the latter half of 2021, gearing up the industry for what executives, agents and managers say will be a banner year in 2022.

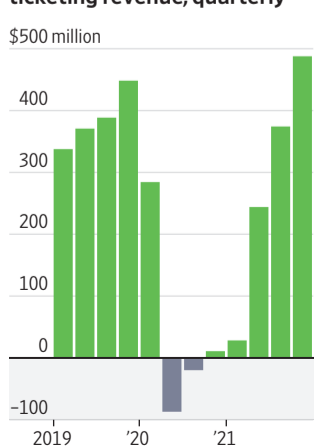
Live Nation contends that "get-in" prices—the entry-level tickets for the cheapest seats—have remained affordable at \$25 to \$50 each and haven't moved up with inflation.

Ms. Ramirez said she opted out of the \$250 good seats and instead paid \$60 for nosebleeds "at the very top" to see Harry Styles on his recent tour.

Meanwhile, on-site spending for merchandise, food and beverage is up more than 10%, Live Nation said.

Live Nation's vice president

Live Nation Entertainment ticketing revenue, quarterly



Source: the company

of touring, Omar Al-joulani, said promoters also consider other entertainment including Broadway, sports, theme parks and resorts when deciding how much to charge for concert tours.

"We look at what it costs a consumer to do something else and try to price to be competitive against all of that. There's been healthy growth in pricing," said Mr. Al-joulani.

Artists have also been building bigger and more expensive productions, with giant video displays, special effects, automation and pyro. Mr. Moss said acts want to outdo their previous tours

11%

Ticket-price increase in 2021 relative to 2019

spectaclewise, and that costs more money.

"Artists want to deliver a better product to fans," he said. "With that comes a rise in ticket prices."

"Ticket prices were almost like a payment shock on a house," said Mark McCarron, 35, of Parker, Colo. He recently paid \$280 for two tickets to see Midland at Red Rocks Amphitheatre. A member of the country trio's camp tested positive for Covid-19, and the show was postponed.

Mr. McCarron said the price combined with the uncertainty of cancellations mean the couple won't be purchasing more tickets soon. He said he and his wife, who are holding on to the tickets, spend a lot of time preparing to have a sitter for their two children.

"I will always continue to attend concerts," he said.

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BUSINESS NEWS

Secondary Players In Oil-Tied Funds Stay on Sidelines

By LAURA KREUTZER

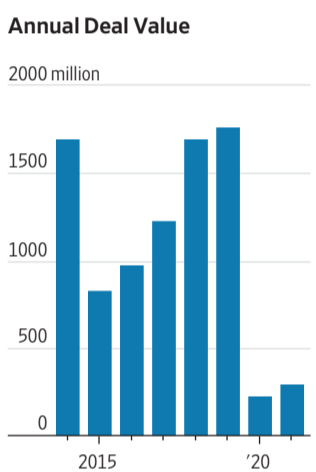
Improvements in oil prices over the past year may be bolstering cash flows at some private-equity-backed oil-and-gas companies but it hasn't lured secondary buyers back to bid for interests in funds focused on the sector, at least not yet.

"You can't trade private-equity energy funds off of spot oil prices," said Michael Dean, managing director in the real assets team at **HarbourVest Partners**, adding that higher oil prices have made companies more profitable but have yet to contribute to a significant uptick in exits by oil-and-gas funds.

Steady exit activity is important to investors in second-hand private-equity funds as they are typically investing in mature assets with the expectation that they will generate near-term returns. When exit activity dwindles, as it has in the oil patch in recent years, the assets lose much of their attraction for secondary buyers.

Secondary sales of oil-and-gas fund portfolios dropped in

Secondary deal volume involving energy-focused private-equity funds fell.



2015 and 2016, following declines in energy prices. Although the transactions increased between 2017 and 2019, declines in private-equity fundraising for new sector-focused funds and a sudden plunge in prices as the coronavirus pandemic took hold in 2020 damped secondary investor interest.

Increased attention to the environmental impacts of oil and gas exploration, production and use, along with pressure on endowments and pension funds to divest themselves from fossil fuels, has made buying such assets trickier for secondary firms that count such investors among their limited partners, according to buyers and intermediaries.

"There are some firms that just don't want to go back to their LPs and have a conversation about buying oil and gas again," said Andy Nick, managing director in the private capital advisory unit of investment bank Jefferies. "They've seen this story before."

The volume of private-equity secondary deals involving energy funds rose by just over 30% to \$294 million last year, according to data tracked by transaction intermediary Setter Capital Inc. However, both the dollar volume of deals and the growth pace remained a tiny fraction of other fund strategies within private-equity secondaries. Last year's volume also remained well below the \$826 million to \$1.77 billion of annual secondary transactions involving energy-focused private-equity funds from 2014 to 2019, according to Setter data.

"Generally speaking, we haven't seen a big shift back to where we were in pricing," said Mike Evans, a Setter vice president. "We're still seeing big discounts for oil and gas-focused funds."



Tech companies, after benefiting from the pandemic, face a shift in consumer spending. A Microsoft HoloLens 2 headset.

Big Tech Players Star in Week Filled With Earnings Reports

By WILL FEUER

Tech giants including **Apple Inc.**, **Amazon.com Inc.** and **Microsoft Corp.** are among the companies headlining a busy earnings week that comes as investors weigh concerns over rising interest rates, the invasion of Ukraine and surging costs.

Overall, about a third of the S&P 500 and nearly half of the Dow Jones Industrial Average are expected to provide their quarterly updates during the week starting Monday, according to FactSet. Facebook parent **Meta Platforms Inc.**, Google owner **Alphabet Inc.** and **Twitter Inc.** have earnings on tap this week. Also expected to provide quarterly updates are industrial conglomerates such as **General Electric Co.** and **3M Co.**; food heavyweights **Mondelez International Inc.** and **McDonald's Corp.**; and other big names in manufacturing and pharmaceuticals.

Covid-19-related supply-chain issues remain a problem, and the invasion of Ukraine is pre-

sented obstacles for businesses. Investors are looking to see how companies are addressing those topics as well as maneuvering amid a macroeconomic backdrop marked by high inflation.

Tech companies, after benefiting during the pandemic as public-health concerns left many Americans homebound, face an evolving landscape as consumer spending shifts to in-person goods and services.

Netflix Inc. sounded a note of caution by reporting that it lost subscribers for the first time in more than 10 years and expects those losses to accelerate in the current quarter.

As other companies report earnings for the recently completed quarter, many are expected to point to the severe public-health restrictions in Shanghai and elsewhere in China that have disrupted supply chains, said Brian Belski, chief investment strategist at BMO Capital Markets.

"Technology companies have a free pass right now, because the sector's down," Mr. Belski

said, adding CEOs will use supply-chain issues tied to China to lower expectations. "It doesn't mean that the earnings are going to suck. It just means that this is their opportunity to really set the bar lower and under promise and over deliver."

So far, about 20% of S&P 500 companies reported earnings for the recently ended quarter, according to FactSet. Earnings are on track to rise 6.6% year-over-year for the quarter, based on actual results and estimates for companies that have yet to report, FactSet said. That would be the lowest earnings-growth rate reported by FactSet's index since the fourth quarter of 2020. Revenue for the recent period is poised to rise 11.1% year-over-year, FactSet said.

Microsoft, which reports its fiscal third-quarter results on Tuesday afternoon, is expected to report a nearly 18% rise in revenue, according to FactSet, driven by cloud growth. Investors will likely be looking for more insights into the company's \$75 billion all-cash deal

to buy videogame maker **Activision Blizzard Inc.**, which posts its quarterly results Monday.

Apple, which reports its second-quarter earnings on Thursday afternoon, is expected to see its profit fall slightly to \$23.33 billion from the prior-year period's pandemic-boosted results, according to FactSet. Analysts expect Amazon, slated to report Thursday, to show its quarterly profit fell almost 46% to \$4.39 billion, according to FactSet estimates.

Meta, which posts first-quarter results on Wednesday, is expected to report its quarterly profit dropped to \$7.17 billion, as the company continues to invest in its metaverse initiatives, according to FactSet. Analysts expect Alphabet's profit also to fall slightly amid tough year-earlier comparisons. Google's parent reports its first-quarter earnings on Tuesday. Twitter now reviewing a takeover offer by Tesla Inc. Chief Executive Elon Musk, is scheduled to report first-quarter earnings on Thursday.



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Increasing Costs Hit a Lingerie Maker

A range of forces have converged on a bra by Journelle that has 16 components

By SUZANNE KAPNER

The Natalia Underwire Bra sold for \$68 at department stores and boutiques since it was introduced in 2016. This year, Journelle, which makes the bra, raised the price to \$98, prompting some retailers to stop carrying it.

"They knew they wouldn't be able to sell it at the higher price," said Guido Campello, who owns Journelle and runs it with his wife. He said he pushed through the price increase to offset rising costs, which in some cases doubled since 2019.

An unusually large number of inflationary forces are converging on bras, which in Journelle's case can have as many as 27 components. While the Natalia bra is an extreme case, it shows the stress manufacturers are facing as they navigate rising costs rippling through the global supply chain.

Inflation hit a four-decade high in March, although some economists said there are signs that the price increases are starting to peak. Once higher prices get baked into the econ-

omy, they can be hard to reverse. "We think many of these price increases are here to stay," Mr. Campello said.

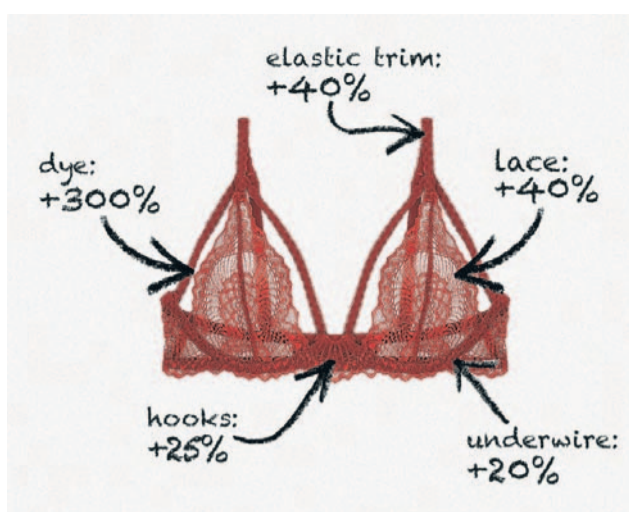
Some lingerie brands benefited from the shift to more comfortable bras during the pandemic. "Wirefree and bralettes have fewer components so they are less expensive to make," said Sharon Leighton, president of PVH Corp.'s underwear group, which includes the Calvin Klein, Warner's and True & Co. brands.

As more women leave the house for work and social events, they are starting to gravitate to more structured styles, bra makers said.

That is one reason Lively raised the price of its bras to \$45 from \$35 in the fall of 2021, the first increase since it was founded in 2016. The company, which is owned by Wacoal International Corp., sells all of its bras for the same price. That makes "managing costs in this environment even more tricky," said Michelle Cordeiro Grant, its founder and chief executive.

Victoria's Secret & Co. said that \$110 million of supply-chain costs weighed on profits in the holiday quarter. The chain raised prices on some items, such as its Wear Everywhere bra, which it offers at two for \$54, up from two for \$52.

"The reality is that the whole



The cost of Natalia Underwire Bra components have risen.

world is facing the same pressures on inflation, in raw materials, in transport, in people, in freight," Martin Waters, Victoria's Secret's chief executive, told analysts in March.

The surge in costs comes as bra sales have rebounded from the depths of the pandemic, when many women stopped wearing the undergarments while sheltering at home. Bra sales totaled \$10.2 billion in 2021, a 36% increase over 2020 and 24% higher than in 2019, according to market-research firm NPD Group. The average price for an underwire bra is \$17, up 13% compared with 2020.

The rising price of bras might be less noticeable to shoppers than items they purchase regularly like groceries or gas. "It's been so long since I bought a bra, I wasn't sure what I should be paying," said Marcia Hunt of Oak Park, Ill.

Partly because of that mentality, Journelle isn't expecting a big drop in sales of the Natalia on its website, at its four stores in Manhattan and Chicago and through other retailers that will continue to carry it when the price hike takes effect on June 1.

Mr. Campello said he didn't want to sacrifice Natalia's quality. Although it has only 16 com-

ponents and no molded cups, it is made almost entirely of lace. He deconstructed its rising costs.

Surging energy prices have played a big role. The problem has become more acute since Russia's invasion of Ukraine is leading European countries—where Journelle sources materials and sews its bras—to lessen their dependence on Russian oil. The energy costs of Journelle's Italian lace supplier quadrupled since 2019, Mr. Campello said. The supplier passed along some of those increases to Journelle, which is paying as much as 40% more for lace than it did three years ago. The elastic trim is 40% more expensive over the same period.

The cost to dye fabric has quadrupled since January 2020, largely because it is such an energy-dependent process, Mr. Campello said. Heat is required to keep the water at a constant temperature and to set the color. He said some dye houses in Italy are closing because costs are exceeding profits, further driving up prices.

The underwire that provides support is 20% more expensive than it was in January 2020 and the hardware, including the metal hooks and rings that fasten the back and adjust the straps, is up 25% over that period.

Paper goods such as boxes and shopping bags are another pain point. "No one is giving a confirmed price on paper goods until the day they ship," Mr. Campello said, adding that every three months the price increases about 30%. He added that Journelle's Peruvian suppliers have been shipping cotton in burlap coffee sacks because of a shortage of boxes. He said those costs ripple through the production process.

To offset some of those pressures, Journelle is changing the way it does business. In January, it pulled out of Asia and now sources most bra components from Europe. Tunisian factories supply its molded cups. The metal rings, wires and boning come from Italy.

Even though production in Europe is more expensive than in Asia, Journelle is saving money by reducing shipping costs, which skyrocketed. The cost of air freighting a pair of molded cups to Europe from Asia is about 70 euro cents, or about 82 cents at Friday's exchange rate, up from 10 euro cents in 2019, Mr. Campello said.

"We can control energy costs more than we can control shipping costs," Mr. Campello said. "We think shipping costs will be the hardest to control going forward."

Some Apple Stores Aim To Unionize

Continued from page B1

at Starbucks and Amazon.

An Apple spokesman said the company is "fortunate to have incredible retail team members, and we deeply value everything they bring to Apple," and the company offers employees strong compensation, healthcare options, tuition reimbursement, parental leave and stock grants, among

other benefits. The spokesman said Apple's minimum pay at retail stores is \$20 an hour.

The effort to unionize comes as a tight labor market, as well as worker unrest in some industries because of the pandemic, has shifted some power to rank and file employees. Apple is a unique entrant given its devoted brand following and marketing finesse, labor and tech analysts say, though employees face several hurdles in achieving success based on organizing efforts at other companies.

Apple's retail stores have operated as much as a marketing tool as a retail channel, said Gene Munster, managing partner at tech investment

firm Loup. Apple retail employees are part of a famed store ecosystem envisioned by late co-founder Steve Jobs, who sought to overhaul in-store shopping with aesthetically pleasing layouts and associates who upheld Apple's values. "The point of these stores is for people to have a connection with Apple and have a great experience and tell people about it," Mr. Munster said. "Now [Apple] may have to tweak the formula."

Unionizing Apple would involve some differences from Amazon or Starbucks. Amazon's core e-commerce business relies heavily on its hourly workforce, with most of the company's roughly one million-

person U.S. staff housed at its more than 1,000 facilities used to store, package and ship items. Starbucks has a much smaller hourly staff, but it is one that facilitates most of the

A spokesman said Apple's minimum pay at retail stores is \$20 an hour.

company's sales.

Apple relies much less on in-store sales, and that figure has been dwindling since the start of the pandemic. Loup

reports that roughly 17% of Apple's direct sales are made at its retail stores, and only 6% of total sales happen in-person, with that figure having decreased in the past two years. Apple doesn't disclose the figure. Apple employs more than 65,000 retail workers in more than 500 stores, with over 270 stores in the U.S.

Yet the union attempts at major companies have shared some similarities. While workers at Apple, Amazon and Starbucks have sought the help of established unions, they have largely organized themselves, using their direct channels as company employees and motivation from inter-

nal campaigns and after seeing employees successfully unionize at other businesses.

Amazon has sought to counter labor activists, holding meetings inside facilities to discourage union support and objecting to the election results at a Staten Island, N.Y., warehouse earlier this month. Workers there voted to establish the company's first U.S. union. Employees at a different Staten Island facility will vote on whether to unionize from April 25 to April 29.

At Starbucks, Chief Executive Howard Schultz recently said it is prepared to expand worker benefits but that the benefit might exclude unionized staff.

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Chinese Developer Struggles

Continued from page B1

China Evergrande Group and other rivals that spiraled into default following government-imposed curbs on borrowing.

Sunac's fortunes have changed drastically in just a few months. As recently as last autumn, many investors—and global credit-rating firms—viewed Tianjin-based Sunac as one of the nation's strongest private real-estate developers. But a selloff in Chinese property bonds and diminishing home buyer confidence caused a prolonged market dislocation and industry slump that imperiled many real-estate companies that previously raised billions from sales of dollar bonds.

The economic backdrop has gotten worse this year. In Shanghai, one of Sunac's biggest markets, a lockdown of the city halted apartment presales, an important source of cash for developers. Sunac's contracted sales in March plunged 54%



Sun Hongbin

from a year earlier, following a 33% decline in February.

Last week, Sunac missed a \$29.5 million interest payment on a U.S. dollar bond for the first time, and it is trying to cobble together funds within a 30-day grace period to stay afloat, according to people familiar with the matter. The company didn't meet a March 31 deadline to release its 2021 results, causing a trading suspension for its Hong Kong-listed shares. Sunac's dollar bonds were recently bid at around 21 cents on the dollar, according to Tradeweb, levels that imply a default is highly likely.

Mr. Sun declined to comment through a Sunac spokesman. Late last year, he reached into his own pocket and provided a \$450 million interest-free loan to Sunac, demonstrating "his long term confidence and long-term commitment to the group," a company filing said. In recent days, Sunac told offshore bondholders that it intends to make its missed dollar-interest payment, according to people familiar with the matter.

"He has lost a company before, so he does not want the same thing to happen again," said James Wong, executive director and a fixed-income portfolio manager at GaoTeng Global Asset Management in Hong Kong. "You can see that he is trying hard to repay, and is not laying flat."

In the late 1980s, after earning a master's degree in engineering from Tsinghua University in Beijing, he worked for the company currently known as Legend Holdings Ltd., which controls Chinese computer giant Lenovo Group. Shortly after leaving the firm, Mr. Sun was convicted by a Beijing court of misappropriating 130,000 yuan, the equivalent of about \$20,153, during his tenure, and sentenced to five years in prison.

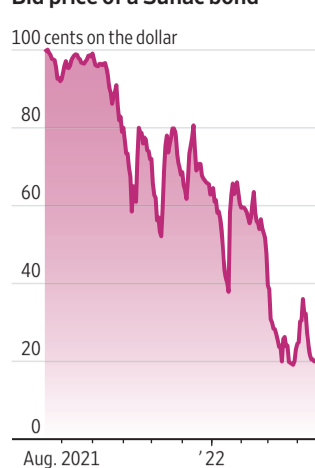
He was released after about a year and a half and managed to get his 1992 conviction overturned. After leaving prison in 1994, Mr. Sun founded a residential developer called Sunco Group. It grew rapidly by scooping up land and building middle-income housing in Tianjin and more than a dozen other cities, while borrowing heavily in the process.

Average selling prices of homes nearly doubled over the next decade, according to data from China's National Bureau of Statistics. By 2005, Beijing had rolled out many measures to cool the market.

Sunco's liquidity became constrained, and to prevent the company from collapsing, Mr. Sun sold most of it to a Hong Kong developer in 2006 and 2007.

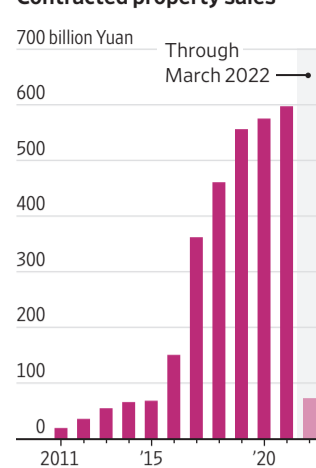
Mr. Sun shifted his attention to Sunac, which he founded before Sunco was sold, and rode the wave of another housing surge in China. By focusing on high-end residential compounds—with gyms, cinemas,

Bid price of a Sunac bond*

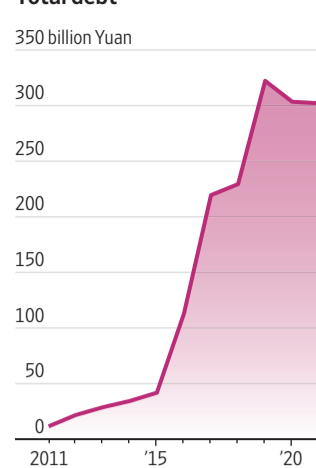


*Issued in July 2021. Sunac China Holdings 6.8% bond due Oct. 2024. Note: 10 billion yuan=\$1.55 billion. Sources: Tradeweb (bond); The company (contracted sales); S&P Capital IQ (debt)

Contracted property sales



Total debt



swimming pools and gardens—in prosperous cities, Sunac's contracted sales grew from the equivalent of \$3 billion in 2011 at current exchange rates to nearly \$90 billion in 2020.

Sunac ranked as China's third-largest developer by contracted sales at the end of last year, according to CRIC, an industry data provider. Mr. Sun's

fortune swelled to more than \$9 billion in 2021, according to Forbes.

In September, market sentiment changed. A document circulating online appeared to show a request for government help to ease liquidity issues at one of Sunac's subsidiaries. Sunac said the leaked letter was a draft that was never sent. In

the next few months, its shares and bonds tumbled further.

Sunac moved quickly to sell assets and has so far raised more than \$3 billion by selling assets including a minority stake in New York-listed Chinese real-estate brokerage **Ke Holdings Inc.** and part of its ownership in a property-services business.

Yen Spurs Worries For Market

Continued from page B1

from holding Treasuries instead of Japanese government bonds has almost disappeared. After factoring in the cost of taking out currency protection, the difference between the 10-year Treasury yield and the 10-year Japanese government bond yield is just 0.2 percentage point, a Goldman Sachs Group Inc. analysis using 12-month rolling hedges found.

Because of "a fear of the unwinding of the weak Japanese yen and pricey U.S. stocks," Japanese institutions such as insurance companies are likely to focus their portfolios more on ultralong-term Japanese government bonds instead of U.S. assets, said Daisuke Karakama, chief market economist at Mizuho Bank.

Japanese investors who decide to stay in the Treasuries market might bypass higher hedging costs by foregoing taking out protection against currency fluctuations, said Ugo Lancioni, head of global currency at Neuberger Berman.

But that carries its own risk. If the yen were to abruptly rally against the dollar, "your yield advantage could completely erode in a few days," Mr. Lancioni said. Traders betting on sustained yen weakness were burned by rapid and violent unwinds of that bet during the Asian financial crisis in 1998, as well as the 2008 financial crisis.

Data shows Japanese investors have been trimming their foreign bondholdings. They have been net sellers of for-

eign bonds in all but one month since November, according to Japan's Ministry of Finance, selling a net 2.36 trillion yen (\$18.4 billion) in overseas bonds last month.

A more pronounced pullback in bond buying from Japanese investors would come at a particularly inopportune time for their U.S. counterparts. Bond investors have taken sharp losses this year.

There is the danger that selling in U.S. bonds ripples across other markets—something investors saw happen in the first few months of 2021. Japanese banks, insurers and other institutions dumped tens of billions of dollars of U.S. bondholdings ahead of the end of their fiscal year, exacerbating a sharp rise in bond yields, especially during Asian trading hours. U.S. stocks tumbled. Many blamed stocks' fall on the swift rise in bond yields. Higher rates reduce the premium investors get from holding riskier assets over Treasuries, making stocks look less attractive. Ultimately, stocks recovered quickly from the 2021 episode, notching double-digit percentage gains for the year.

There is a chance the yen's descent reverses before investors see broader market ripples. Speculators who have been loading up on bets on the yen's fall could abruptly unwind their positions, causing the yen to strengthen quickly, not just against the dollar but other currencies the yen is heavily traded against, such as the Brazilian real and Australian dollar.

But so far, there are few indications of such a move happening. Hedge funds are still betting heavily on the yen falling further, with net positions against the yen recently hitting their highest in more than three years, according to recent data from the Commodity Futures Trading Commission.

Fund Scraps Fee Plan

Continued from page B1

had also laid out a set of investor-friendly changes, his move to buck the industry standard of holding off on charging performance fees until he had made clients whole generated surprise and criticism from some of his investors as well as other industry participants.

"I am sorry. I got this one wrong. I made a mistake. I

apologize," Mr. Plotkin wrote in a Sunday message to investors that was viewed by The Wall Street Journal.

He said Melvin would take two to three weeks to reassess in light of the feedback it had received before coming back with another proposal, despite enough sign-on from investors to move forward with his original restructuring plan.

"Some of you feel that we were not being a good partner. Upon reflection, you are right," he wrote.

Mr. Plotkin said he had been too focused on retaining his team and the favorable reaction of several investors Melvin had had initial conversations with to realize his plans were "tone deaf."

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New to the Market

Public Offerings of Stock

IPOs in the U.S. Market

None expected this week

Lockup Expirations

Below, companies whose officers and other insiders will become eligible to sell shares in their newly public companies for the first time. Such sales can move the stock's price.

Table with columns: Lockup expiration, Issue date, Issuer, Symbol, Offer price(\$), Offer amt (\$mil.), Through Friday (%), Lockup provision.

IPO Scorecard

Performance of IPOs, most-recent listed first

Table with columns: Company, SYMBOL, IPO date/Offer price, Friday's close, % Chg From Offer price, 1st-day close, % Chg From 1st-day close.

Public and Private Borrowing

Treasuries

Table with columns: Day of week, Auction details, Tuesday, April 26, Auction details.

A Week in the Life of the DJIA

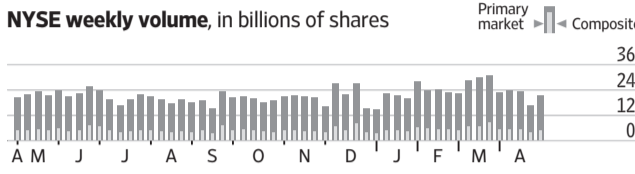
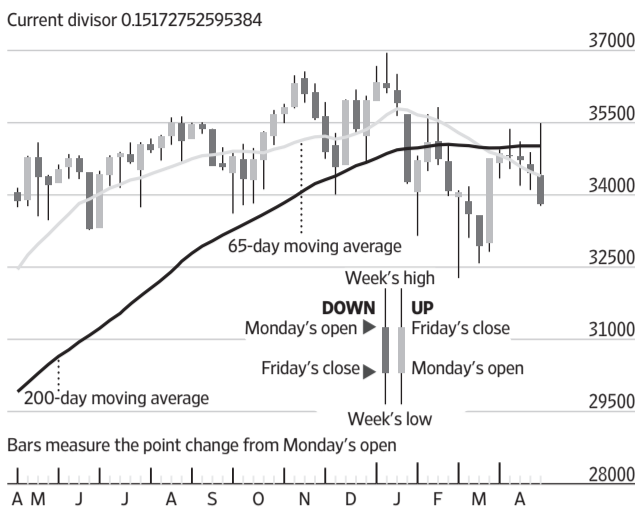
A look at how the Dow Jones Industrial Average component stocks did in the past week and how much each moved the index.

Table with columns: Pct change, Stock price, Point chg, Company, Symbol, Close, \$1,000 Invested (year-end '21), \$1,000.

*Based on Composite price. DJIA is calculated on primary-market price. Source: Dow Jones Market Data; FactSet

Dow Jones Industrial Average

33811.40 ▼639.83, or 1.86% last week. Last Year ago 19.36 30.02. High, low, open and close for each of the past 52 weeks.



Major U.S. Stock-Market Indexes

Table with columns: Index, High, Low, Close, Net chg, % chg, 52-Week Close, High, % chg, YTD, 3-yr. ann.

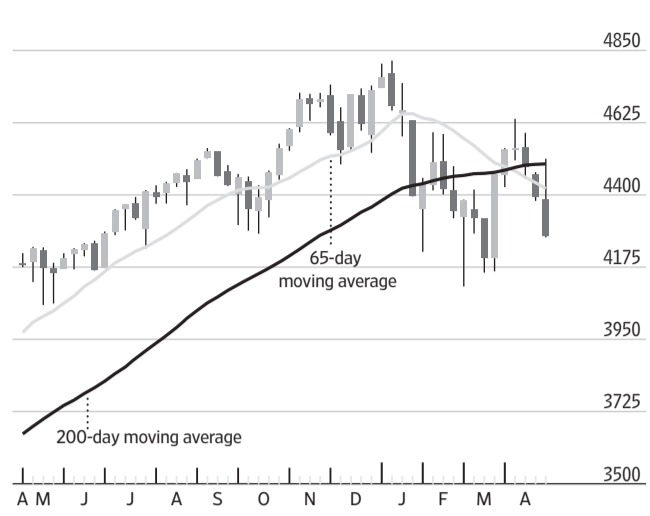
International Stock Indexes

Table with columns: Region/Country, Index, Close, Latest Week % chg, Low, 52-Week Range, High, YTD % chg.

Source: FactSet; Dow Jones Market Data

S&P 500 Index

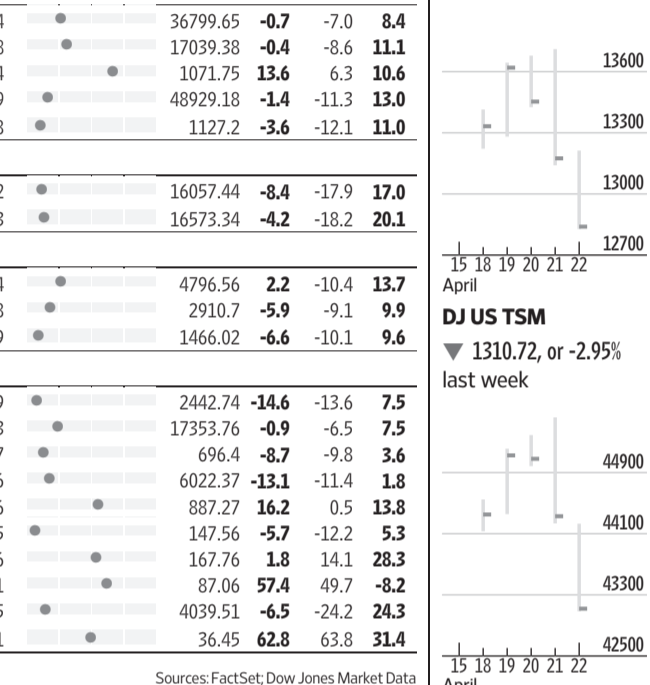
4271.78 ▼120.81, or 2.75% last week. Last Year ago 24.90 42.70. High, low, open and close for each of the past 52 weeks.



Track the Markets: Compare the performance of selected global stock indexes, bond ETFs, currencies and commodities at WSJ.com/TrackTheMarkets.

Nasdaq Composite

▼ 511.79, or -3.83% last week



Commodities and Currencies

Table with columns: Commodity, Last Week Close, Net chg, % Chg, YTD % chg.

Scan this code to get real-time U.S. stock quotes and track most-active stocks, new highs/lows, mutual funds and ETFs. All are available free at WSJMarkets.com

Consumer Rates and Returns to Investor

U.S. consumer rates, Selected rates, 5-year CDs, Bankrate.com avg', Presidential Bank, FSB, State Bank of India California, TAB Bank, Colorado Federal Savings Bank, CFC Community Bank.

Benchmark Yields and Rates

Treasury yield curve, Yield to maturity of current bills, notes and bonds, Tradeweb ICE Friday Close, One year ago.

Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners, Euro, WSJ Dollar Index, Yen.

Sources: J.P. Morgan; S&P Dow Jones Indices; Bloomberg Fixed Income Indices; ICE BofA

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CLOSED-END FUNDS

Listed are the 300 largest closed-end funds as measured by assets. Closed-end funds sell a limited number of shares and invest the proceeds in securities. Unlike open-end funds, closed-ends generally do not buy their shares back from investors who wish to cash in their holdings. Instead, fund shares trade on a stock exchange. **NA** signifies that the information is not available or not applicable. **NS** signifies funds not in existence for the entire period. 12 month yield is computed by dividing income dividends paid (during the previous 12 months for periods ending at month-end or during the previous 52 weeks for periods ending at any time other than month-end) by the latest month-end market price adjusted for capital gains distributions. Depending on the fund category, either 12-month yield or total return is listed.

Source: Lipper

Friday, April 22, 2022

Fund (SYM)	NAV	Close/Disc	52 wk Prem Ret	Ttl Ret
General Equity Funds				
Adams Diversified Equity	ADX	20.26 17.30	-14.6	4.5
Central Secs	CET	45.82 39.94	-12.8	11.7
CohenStrsCEOppFd	FOF	12.55 12.18	-2.9	-5.6
EVTxAdvDivIncm	EVT	NA 27.40	NA	8.6
GabelliDiv&IncrTr	GDV	27.14 23.25	-14.3	-3.1
Gabelli Equity Tr	GAB	5.93 6.94	+17.0	7.4
GeneralAmer	GAM	48.10 40.27	-16.3	3.7
JHancockTaxAdvDiv	HTD	26.47 25.86	-2.3	14.2
Liberty All-Star Equity	USA	6.81 7.37	+8.2	0.5
Liberty All-Star Growth	ASG	6.24 6.91	+10.7	-12.3
Royce Micro-Cap Tr	RMT	10.98 9.76	-11.1	-7.1
Royce Value Trust	RVT	16.92 15.75	-6.9	-8.1
Source Capital	SOR	42.91 39.74	-7.4	-0.4
Sprott Focus Trust	FUND	9.50 9.03	-4.9	21.2
Tri-Continental	TY	34.29 29.93	-12.7	2.1
Specialized Equity Funds				
Aberdeen Gbl Prem Prop	AWP	6.49 5.98	-7.9	3.6
Adams Natural Resources	PEO	24.18 21.39	-11.5	55.0
ASA Gold & Prec Met Ltd	ASA	25.03 21.41	-14.5	-3.7
BR Enh C&I	CI	20.84 19.89	-4.6	3.8
BlackRock Energy & Res	BGR	13.40 11.56	-13.7	43.6
BlackRock Eq Enh Div	BDJ	10.24 9.52	-7.0	6.1
BlackRock Enh Gbl Div	BOE	12.53 10.93	-12.8	-3.3
BlackRock Enh Intl Div	BGY	6.31 5.52	-12.5	-5.5
BlackRock ESG Cap Alloc	ECAT	18.43 15.36	-16.7	NS
BlackRock Hlth Sci Tr Ill	BMEZ	21.65 18.30	-15.5	-28.0
BlackRock Hlth Sciences	BME	45.32 44.98	-0.8	-1.5
BlackRock Innov and Grow	BIGZ	11.76 9.83	-16.4	-53.5
BlackRock Res & Comm	BCX	11.65 10.78	-7.5	24.5
BlackRock Sci&Tech T II	BSTZ	29.03 25.60	-11.8	-27.3
BlackRock Sci&Tech Trust	BST	41.37 39.01	-5.7	-26.7
BlackRock Util Inf & Pwr	BUI	24.29 23.61	-2.8	-3.1
CLEARBRIDGE ENVMDSOPP	EMO	36.08 28.76	-20.3	59.4
CLEARBRIDGE ENVMDSMTTR	CTR	37.96 30.38	-20.0	54.0
ClearBridge MLP & Midstm	CEM	42.03 34.68	-17.5	49.9
ChnStrInfr	UTF	28.14 28.19	+0.2	4.2
Cohen&SteersQualinc	ROJ	17.24 16.27	-5.6	15.4
CohenStrsReal Est and I	RLTY	21.21 19.59	-7.6	NS
Cohen&Steers TotRet	RFI	15.33 15.88	+3.6	10.2
CohenStrsREITPrefInc	RNP	27.08 25.54	-5.7	6.9
Columbia Sel Pwm Tech Gr	STK	29.03 28.81	-0.8	-5.3
DNP Select Income	DNP	10.50 11.91	+13.4	26.5
Duff&Ph Ubilnfrnc Fd	DPG	14.71 14.97	+1.8	16.4
EtnVncEqtyInc	EOI	NA 17.22	NA	4.4
EtnVncEqtyIncoll	EOS	NA 19.17	NA	-9.7
EV Rsk MnvDvsEqInc	ETJ	NA 9.44	NA	-5.3
EtnVncTx Mgd Buy Wrtn Inc	ETB	NA 16.02	NA	7.1
EtnVncTx Mgd Buy Wrtn Opp	ETV	NA 14.82	NA	0.8
EvTxMnDvsEqInc	ETY	NA 13.00	NA	6.7
EtnVncTx Mgd Gbl B	ETW	NA 9.52	NA	-2.2
EVTxMnGblDvsEqInc	EXG	NA 9.06	NA	2.8
Ecofin S&S Impact Term	TEAF	17.41 14.88	-14.5	7.8
First Trust Energy Inc G	FEN	15.94 15.70	-1.5	21.6
First Tr Enhanced Eq	FFA	19.04 19.02	-0.1	3.9
First Tr Energy Infra	FIF	17.55 15.35	-12.5	28.6
First Tr MLP Ener&G	FEI	9.52 8.27	-13.1	24.0
Gabelli Healthcare	GRX	14.68 12.43	-15.3	1.8
Gab Utility	GUT	4.27 7.06	+65.3	15.3
GAMCO Gld Gold Nat Res	GN	4.25 3.98	-6.4	18.9
J Han Finl Oppstys	BTO	36.25 40.00	+10.3	9.6
Neuberger Brm MLP & E I	NML	8.19 6.62	-19.2	56.5
Neuberger Nvt Gen Conn	NBXG	14.32 11.70	-18.3	NS
Nubrg RIEStSec	NRO	4.93 4.79	-2.8	8.9
Nuv Dow 30 Dyn Overwrite	DIAx	17.45 16.61	-4.8	6.3
Nuv Cor Eq Alpha	JCE	15.46 15.57	+0.7	9.7
Nuveen Nsdq 100 Dyn Ov	QQQQ	25.58 26.40	+3.2	0.3
Nuv Real Est	JRS	12.34 11.82	-4.2	23.7
Nuveen Rl Asst Inc & Gro	JRI	16.64 14.81	-11.0	3.5
NuvSP500DymOvF	SPXX	17.36 17.14	-1.3	6.0
NuvSP500BuyIncF	BXMX	14.01 14.01	0.0	6.8
Reaves Utility Income	UTG	34.79 34.06	-2.1	4.6
Tortoise Enrgy Infra Crp	TYG	40.97 34.11	-16.7	42.4
Tortoise Midstream Enrgy	NTG	45.78 37.70	-17.6	49.3
VAGI AI & Tech Oppstys	AIO	NA 19.76	NA	-13.4
VDivInt&PremStr	NFJ	14.92 13.33	-10.7	-2.5
Income & Preferred Stock Funds				
Calamos Strat Tot	CSQ	16.04 16.01	-0.2	-5.7
CohenStrsLtdDurPrefInc	LDP	23.22 21.73	-6.4	-11.9
CohenStrsSLPrefInc	PSF	23.28 21.56	-7.4	-20.6
CohenStrsTaxAvrPrefSecs	PTA	22.90 21.30	-7.0	-9.3
Dividend and Income	DNI	18.88 13.90	-26.4	7.8
First Tr Int Dur Pref Inc	FPF	21.70 20.59	-5.1	-9.7
J Han Pref Inc	HPI	18.33 18.12	-1.1	-5.2
JHP Pref Inc	HPF	18.16 17.89	-1.5	-8.3
HnckJ Pfd Inco III	HPS	16.24 16.81	+3.5	-0.9
J Han Prm	PDT	14.95 15.75	+5.4	8.2
LMP CapInco	SCD	15.71 14.14	-10.0	14.4
Nuveen Multi-Asset Inc	NMAI	17.65 15.41	-12.7	NS
Nuveen Pref & Inc Opp	JPC	8.83 8.13	-7.9	-9.96
Nuveen Fd	JPS	8.63 7.91	-8.3	-14.3
Nuveen Pref & Inc Term	JPI	22.26 21.12	-5.1	-10.9
Nuveen Var Rate P&I	NPFDF	22.17 20.28	-8.5	NS
TCW Strat Income	TSI	NA 4.98	NA	-7.4
Convertible Sec's. Funds				
AdmntCnvtbl&IncrF	AVK	15.28 14.57	-4.6	-6.9
Calamos Conv Hi	CHY	13.02 13.51	+3.8	-8.7
Calmos Conv Op	CHI	12.35 12.80	+3.6	-9.0
VAGI Conv & Inc II	NCZ	4.35 3.98	-8.5	-14.8
VAGI Conv & Inc	NCV	4.86 4.58	-5.8	-14.1
VAGI Dvs Inc & Conv	ACV	24.73 23.62	-4.5	-11.2
VAGI Eqty & Conv Inc	NIE	NA 24.82	NA	-5.2
World Equity Funds				
Aberdeen Eng Mkts Eq Inc	AEF	6.69 6.11	-8.7	-23.7
Aberdeen Tot Dyn Div	AOD	10.15 9.17	-9.7	0.4
Allspring Gl Div Opp	EOD	NA 5.08	NA	1.8
BlackRock Capital Alloc	BCAT	18.95 15.69	-17.2	-22.2
Calamos Glo Dyn Inc	CHW	7.92 8.29	+4.7	-12.5
EV Tx Adv Gbl Div Inc	ETG	NA 19.21	NA	3.2
EtnVncTx Adv Opp	ETO	NA 26.32	NA	-1.3
First Tr Dyn Euro Eq Inc	FDEU	14.05 12.25	-12.8	-0.6
Gabelli Multimedia	GGT	6.60 8.05	+22.0	-11.4
Highland Global Alloc	HGLB	12.84 10.25	-20.2	32.1
India Fund	IFN	20.45 18.56	-9.2	4.4
Japan Smaller Cap	JOF	7.69 6.60	-14.2	-24.4
Lazard Gbl Tot Ret Inc	LGI	17.95 17.09	-4.8	-4.9
Mexico	MXF	NA 15.56	NA	9.0
MS China Shr Fd	CAF	18.01 15.38	-14.6	-28.7
MS India	IIF	29.63 24.58	-17.0	19.4
MS CBRE Gl In Mg	MEGI	20.57 18.52	-10.0	NS
New Germany	GF	12.44 10.89	-12.5	-25.0
Templeton Dragon	TDF	13.48 12.00	-11.0	-35.6
Templeton Em Mkt	EMF	14.19 12.61	-11.1	-31.6
U.S. Mortgage Bond Funds				
BlckRk Income	BKT	4.94 4.77	-3.4	8.0
Investment Grade Bond Funds				
Angel Oak FS Inc Trm	FINS	16.74 15.31	-8.5	8.2
BlRck Core Bond	BHK	12.98 12.34	-4.9	6.8
BR Credit Alloc Inc	BTZ	13.02 11.87	-8.8	8.0
J Han Income	JHS	13.23 12.99	-1.8	5.7
MFS Intmdt	MIN	3.26 3.03	-7.1	9.96
Western Asset Inf-Lk Inc	WIA	12.28 11.01	-10.4	13.7

Fund (SYM)	NAV	Close/Disc	52 wk Prem Ret	Ttl Ret
Loan Participation Funds				
Apollo Senior Floating	AFT	NA 14.39	NA	6.7
BR Debt Strategy	DSU	11.24 10.21	-9.2	6.9
BR F/R Inc Str	FRA	13.65 12.58	-7.8	6.1
BlackRock Floating Rt Inc	BGT	13.26 12.22	-7.8	6.0
Blackstone Strat Cr	BGB	NA 12.52	NA	6.4
EtnVncFITrtelnc	EFT	NA 12.94	NA	6.7
EV SenFIRT Tr	EFR	NA 13.18	NA	7.0
FT/Sr Fltg Rte Inc 2	FCT	12.03 12.74	+5.9	8.1
Highland Income	HFR0	15.24 11.80	-22.6	7.7
InvDYCrOpp:AX	VTA	12.13	NA	NA
InvSnrIncr	VVR	4.55 4.25	-6.6	7.3
Nuveen Credit Strat Inc	JQC	6.65 5.96	-10.4	8.8
NuvFloatRateIncrF	JFR	10.19 9.85	-3.3	6.9
NuvFloatRateIncrOpp	JRO	10.11 9.72	-3.9	6.8
Nuveen Senior Income	NSL	5.99 5.50	-8.2	7.2
High Yield Bond Funds				
AllianceBernGblHlncm	AWF	11.61 10.35	-10.9	7.0
Allspring Income Opp	EAD	NA 7.58	NA	8.9
Barings Gbl SD HY Bd	BGH	16.83 15.12	-10.2	8.1
BR Corporate HY	HYT	10.79 10.29	-4.6	8.6
BlackRock Ltd Dur Inc	BLW	15.13 14.02	-7.3	8.2
Brookfield Real Asst Inc	RA	18.75 20.69	+10.3	9.0
CrSuisHighYld	DHY	2.32 2.10	-9.5	8.5
DELAWARE IV HIGH INCO	IWH	13.53 12.13	-10.4	6.4
DoubleLine Inc Sol	DSL	15.20 13.72	-9.7	11.9
DoubleLine Yld Opps	DLY	17.92 16.09	-10.2	8.3
First Tr Hl Inc Lng/Shrt	FSD	14.24 12.99	-8.8	9.6
First Trust HY Opp2027	FTHY	18.55 16.97	-8.5	9.4
KKR Income Opportunities	KIO	15.25 13.88	-9.0	8.7
Nuveen Global High Inc	JGH	14.80 13.50	-8.8	9.5
PGIM Global High Yield	GHY	14.35 13.02	-9.3	9.4
PGIM High Yield Bond	ISD	15.25 14.06	-7.8	8.7
PGIM Sh Dur Hl Yld Opp	SDHY	18.30 16.54	-9.6	7.7
Pioneer Hillncm	PHT	8.65 7.78	-10.1	10.2
WstAsstHIF II	HIX	5.95 5.45	-8.4	9.7
Western Asset Hl Inc Opp	HIO	4.79 4.31	-10.0	8.0
Western Asset Hl Yld D O	HYI	13.98 13.37	-4.4	8.1
Other Domestic Taxable Bond Funds				
Allspring Multi-Sector	ERC	NA 9.99	NA	10.9
Apollo Tactical Income	AIF	NA 13.95	NA	7.1
Ares Dynamic Crdt Alloc	ARDC	NA 14.16	NA	8.1
BlackRock Mlt-Sctr Inc	BIT	16.43 15.99	-2.7	9.0
BlackRock Tax Muni Bd	BBN	20.33 19.69	-3.1	6.5
DoubleLine Oppor Crdt Fd	DBL	17.12 16.36	-4.4	8.2
EV Lmt Dur Incm	EVV	NA 11.25	NA	10.2
Franklin Ltd Dur Income	FTF	7.96 7.25	-8.9	12.0
J Han Investors	JHI	15.91 16.06	+0.9	8.8
MFS Charter	MCR	7.44 6.83	-8.2	9.2
NuvCorePlusImpact	NPCT	15.42 13.87	-10.1	NS
Nuveen Taxable Muni Inc	NBB	18.81 18.04	-4.1	6.3
PIMCO Corp & Inc Opp	PTY	12.80 14.45	+12.9	9.6
PIMCO Corp & Inc Strat	PCN	13.10 14.90	+13.7	8.5
PIMCO Hlncm	PHK	5.31 5.69	+7.2	9.97
PIMCO IncmStrFd	PFL	9.45 9.82	+3.9	10.0
PIMCO IncmStrFd II	PFN	8.29 8.39	+1.2	10.4
Putnam Prem Inc	PPT	4.25 3.92	-7.8	6.5
Western Asset Dvsfd Inc	WDI	18.13 15.79	-12.9	NS
World Income Funds				
Abrdn AP IncF	FAX	3.71 3.25	-12.4	9.7
MS EmMktDomDebt	EDD	5.51 4.70	-14.7	7.5
PIMCO Access Income	PAXS	19.08 17.55	-8.0	NS
PIMCO Dynamic Income	PDI	22.25 22.86	+2.7	10.8
PIMCO Dynamic Inc Opp	PDO	17.59 16.42	-6.7	10.5
PIMCO Strat Inc	RCS	5.31 5.59	+5.3	10.4
Templeton Em Inc	TEI	6.91 6.38	-7.7	11.9
Templtn Gbl Inc	GIM	5.20 4.82	-7.3	8.5
WstAsstEmergDebt	EMD	11.37 9.95	-12.5	10.0
Western Asset Cr D Op	GDO	14.92 14.25	-4.5	8.1
National Muni Bond Funds				
AllBerNatlMunInc	AFB	13.05 11.60	-11.1	5.0
BlckRk Inv Q Mun	BKN	13.92 14.56	+4.6	5.6
BlackRock Muni 2030 Tot	BTT	23.84 22.66	-4.9	3.1
BlackRock Muni	BFK	12.27 11.67	-4.9	5.7
BlackRock Muni II	BLE	12.67 11.53	-9.0	5.9
BlckRk Muni Inc Qly	BYM	13.44 12.39	-8.7	5.2
BR Muni Assets Fd	MUA	12.54 12.08	-3.7	4.5
BR MH Qly 2	MUE	12.14 11.09	-8.6	5.1
BR Muni Holdings	MHD	14.42 13.12	-9.0	5.1
BR Muni Vest Fd	MVF	8.40 7.61	-9.4	4.9
BR Muni Vest 2	MVVT	13.06 12.12	-7.2	5.4
BR Muni Yield Fd	MYD	12.76 11.56	-9.4	5.1
BR Muni Yield Qly	MQY	13.88 12.98	-6.5	5.7
BR Muni Yield Qly 2	MQT	12.28 11.17	-9.0	5.3
BR Muni Yield Qly 3	MYI	12.91 11.81	-8.5	4.9
BNY Mellon Muni Bd Infra	DMB	12.75 11.47	-10.0	5.1
BNY Mellon Str Muni Bond	DSM	7.14 6.51	-8.8	5.0
BNY Mellon Strat Muni	LEO	7.42 6.84	-7.8	5.4
Del Inv Natl Muni Income	VFL	12.92 12.00	-7.1	4.2
DWS Muni Inc	KTF	10.69 9.47	-11.4	4.7
EV Muni Bd	EIM	11.96 10.80	-9.7	5.1
EV Muni Incm	EVN	12.14 11.07	-8.8	4.8
EV Natl Muni Opp	EOT	19.22 17.94	-6.7	3.9
InvAdvMunInc Trll	VKI	10.29 9.42	-8.5	5.5
Invesco Muni Opp	OIA	6.		

MARKETS

Slumping ARK ETF Still a Draw

Continued from page B1
Federal Reserve slashed rates to near zero and investors loaded up on risk. The S&P 500 rose 16% that year.

Since then, it has been tough going. While the S&P 500 gained 27% in 2021, ARKK shares slumped 24%, stung as rising government bond yields prompted a flight from high-growth stocks.

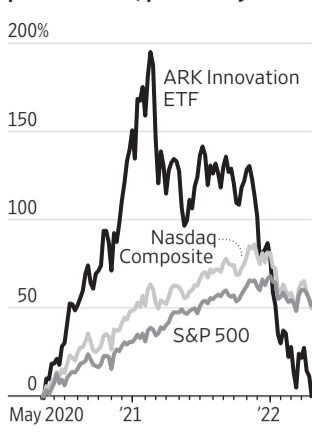
Despite the drawdown, investors haven't fled ARKK. Instead, they funneled more than \$658 million into the fund this year, according to FactSet data through Thursday.

For some recent investors in ARKK, the selloff was part of the appeal. Erblin Idrizi, a 33-year-old site supervisor for a construction company in Alberta, Canada, said he bought shares earlier this month, after eyeing ARKK in the past.

Some longer-term investors say they continue to have faith in the fund's investment thesis. Eric Firestone, a 44-year-old high-school history teacher and football coach in Gardendale, Ala., who put money into ARKK in February 2021 and in January, said he believes Tesla will disrupt the auto industry.

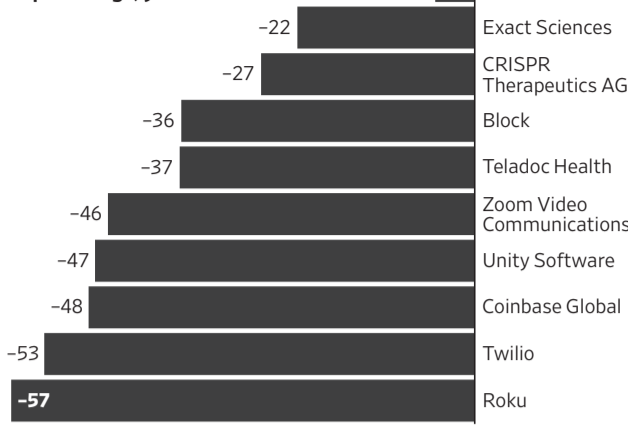
Investment research company Morningstar downgraded its rating of ARKK last month to negative. In a report entitled "Invest at your own risk," strategist Robby Greengold wrote that Ms. Wood increased the fund's risk by reducing the number of stocks it holds to 35

Share-price and index performance, past two years



*As of April 22

Performance of ARKK top holdings, year to date*



Sources: FactSet (performance); ARK Investment Management (holdings)

from 60 about a year ago. The strategy has become more vulnerable to severe losses, he wrote.

Brett Winton, director of research at ARK Investment Management, said the firm tends to concentrate its portfolio during risk-off periods in the stocks in which it has the greatest confidence. ARK tells its clients that the fund is meant to be a longer-term investment, not a short-term trade, he said.

Speaking last week on a quarterly webinar about ARK Investment Management's slate of ETFs, Ms. Wood described her confidence in the types of stocks she invests in.

"We truly believe that our portfolio is full of the next Tesla, the next bitcoin," she said.

THE TICKER | MARKET EVENTS COMING THIS WEEK

Table with columns for Earnings expected, Earnings reported, and Earnings expected. Rows include SBA Communications, Texas Instruments, Visa, Amazon.com, Apple, and others.

Closed-End Funds

Table listing various Closed-End Funds with columns for Fund (SYM), NAV, Close, and Yield. Includes sections for General Equity Funds, Specialized Equity Funds, and U.S. Mortgage Bond Funds.

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. Rates below are a guide to general levels but don't always represent actual transactions.

Table of Money Rates including Inflation, U.S. government rates, Discount, Federal funds, Treasury bill auction, Secondary market, Fannie Mae, Overnight repurchase, and Policy Rates.

Notes on data: U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective March 17, 2022. Other prime rates aren't directly comparable.

Cash Prices | wsj.com/market-data/commodities

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

Table of Cash Prices for various commodities including Energy, Metals, Food, Fibers and Textiles, and Fats and Oils.

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; D=CME; E=Manfra, Tordella & Brookes; H=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; P=Sosland Publishing; R=S&N Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. *Data as of 4/21

Insider-Trading Spotlight

Trading by "insiders" of a corporation, such as a company's CEO, vice president or director, potentially conveys new information about the prospects of a company. Insiders are required to report large trades to the SEC within two business days.

Biggest weekly individual trades

Table of Biggest weekly individual trades with columns for Date, Company, Symbol, Insider, Title, No. of shrs in trans (000s), Price range (\$ in transaction), \$ Value (000s), Close (\$), Ytd (%)

Buyers

Table of Buyers with columns for Date, Company, Symbol, Insider, Title, No. of shrs in trans (000s), Price range (\$ in transaction), \$ Value (000s), Close (\$), Ytd (%)

Sellers

Table of Sellers with columns for Date, Company, Symbol, Insider, Title, No. of shrs in trans (000s), Price range (\$ in transaction), \$ Value (000s), Close (\$), Ytd (%)

* Half the transactions were indirect ** Two day transaction p - Pink Sheets

Buying and selling by sector

Table of Buying and selling by sector with columns for Sector, Buying, Selling, Sector, Buying, Selling

Sources: Refinitiv; Dow Jones Market Data

Source: Dow Jones Market Data

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Lululemon Spins Further Out of Yoga Orbit

Lululemon's roots are grounded in yoga, but it is stretching well beyond that now.

The athletic-apparel company said in an analyst presentation last Wednesday that it aims to double its sales from \$6.3 billion in its latest fiscal year to \$12.5 billion by 2026. As ambitious as that seems, it may not be too far out of reach for Lululemon, which doubled its revenue in three years. Analysts polled by FactSet penciled in a similar number.

Lululemon's new targets come as it expands its horizons. It recently launched women's footwear, which it says is selling well, and is branching out to apparel for golf, tennis and hiking. After making its foray into fitness equipment through the Mirror acquisition in 2020, the company set its sights on paid memberships. This year, Lululemon plans to debut a \$39-a-month membership program that will give its users access to digital fitness classes in Mirror's library, as well as online classes from boutique studios such as Pure Barre and Y7. It will include discounts to the studios' in-person classes.

There are some reasons to be cautious about Lululemon's new plans, which come as the company anticipates a slowdown in women's apparel sales growth. Lululemon's market share in North American women's apparel doubled between

2015 and 2020, according to data from Euromonitor.

The challenge will be pulling off the expansion while keeping its luxury brand-like margins intact. Wild success in footwear would be a double-edged sword because it is a lower-margin category compared with apparel. And while comfortable work pants for men is a niche category with few sizable competitors, footwear, golf, tennis and hiking all place the company more directly in competition with the likes of Nike and Adidas. Meanwhile, a \$39 membership fee seems steep compared with alternatives. Peloton's membership for its app costs \$12.99 a month. For now, Lululemon thinks it can deliver its growth target primarily from selling its core line of products to more customers, including international markets, which only accounted for about 15% of total revenue last fiscal year, and men's, which accounts for a third of its sales. Mirror and footwear are only expected to make up roughly 5% of sales for the foreseeable future.

One reason Lululemon has been so successful in preserving its bottom line—besides the steep price tags—is its grass-roots marketing strategy. The days when \$100-plus Lululemon pants practically sell themselves could be numbered; the company said in its presentation Wednesday that it will move to a more integrated approach that will involve more earned and paid media, as well as sports partnerships. Furthermore, international markets, where Lululemon plans to quadruple its business by 2026, could end up having a mixed impact on profitability. David Swartz, equity analyst at Morningstar, noted in a recent report that Lululemon's expansion into Europe "has been slow and a drag on earnings."

Lululemon is increasingly positioning itself as an all-encompassing fitness and sports brand, directly in Nike's lane. Getting there won't be easy or cheap.

—Jinjo Lee



Sales in Kering's Gucci brand fell 6% in the Asia Pacific region in the quarter.

Gucci Cools Down in China

Owner Kering's shares fell on signs that Chinese demand is slowing

Europe's luxury brands have shrugged off the pandemic and inflation but fickle tastes in fashion still have the power to trip them up.

Shares in Gucci's owner, Kering, fell around 5% Friday in reaction to quarterly results released the night before. Sales grew 21% in the three months through March compared with a year earlier, but the Gucci brand, Kering's most important for both sales and profits, appeared to weaken among Chinese shoppers, based on the label's 6% drop in sales in the Asia Pacific region.

Management blamed fresh Covid-19 lockdowns in mainland China, although just one-tenth of Gucci's stores in the country were closed for one month of the quarter. Its second-largest label Saint Laurent, which is admittedly slightly less reliant on Chinese customers, still managed to grow sales by 15% in Asia.

Worries about whether Gucci

can maintain its trendiness have long made Kering's stock more volatile than its key peer LVMH, to which it currently trades at a 30% discount as a multiple of projected earnings. LVMH's business is more diverse and sales at brands such as Christian Dior and Louis Vuitton seem to be less impacted by sudden trend shifts.

Shareholders in Europe's top luxury brands may be fretting about the wrong things. The region's five largest luxury stocks have lost 15% of their value on average since the beginning of the year amid worries about inflation, rising interest rates and how the war between Russia and Ukraine might impact the global economy and demand for luxury goods.

So far, there is no sign of a slowdown. Among the biggest luxury brands that have already reported first-quarter results—Hermès, LVMH and Kering—all grew sales by at least 20%. In Europe, Kering said demand is back to pre-

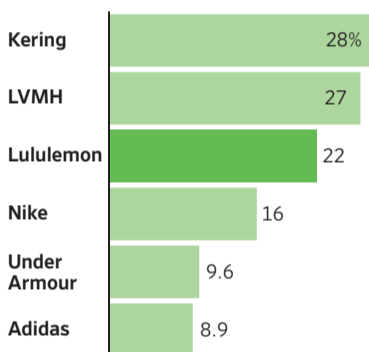
pandemic levels. The region used to generate half its sales from tourists and the company has by now replaced that lost business with local buyers.

Inflation isn't slowing spending even as luxury brands raise prices more than most businesses. LVMH saw no change in buying patterns after it marked some of its Louis Vuitton handbags up by 20% earlier this year. Privately owned Chanel has been the most aggressive throughout the pandemic. A small classic flap bag that cost \$5,200 in November 2019 will set shoppers back \$8,200 today, according to a Jefferies analysis.

Pandemic restrictions in China mean that the second quarter will likely be tougher for luxury brands that make a significant chunk of sales in this important market. But it should be a temporary blip for the stronger labels. The whims of fashion are still the biggest threat to brands like Gucci.

—Carol Ryan

Operating margin



Source: FactSet

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