

## What's News

### Business & Finance

**F**ed officials signaled they could raise rates by a half percentage point at their meeting next month and begin reducing their asset portfolio as part of an effort to curb price pressures, March meeting minutes show. **A1**

◆ **The yield on the 10-year Treasury note** soared above 2.6% in the wake of the minutes' release. Stocks fell, with the Nasdaq, S&P 500 and Dow losing 2.2%, 1% and 0.4%, respectively. **B1, B11**

◆ **Google has pulled dozens of apps** from its Google Play store after determining that they include a software element that surreptitiously harvests data. **A1**

◆ **The SEC is probing** how Amazon has disclosed certain details of its business practices, including how it uses third-party-seller data for its private-label business, according to people familiar with the matter. **A1**

◆ **Biden plans** to nominate Democrat Jaime Lizárraga and Republican Mark Uyeda to serve as commissioners at the SEC. **A2**

◆ **Banks that own Zelle** are debating a plan to bring the money-transfer service to the checkout at big retailers. **B1**

◆ **Twitter's move** to add Musk to its board gives the company a new weapon to deploy in its hunt for user and revenue growth. **B1**

◆ **Twitter is developing** a feature that will allow users to edit tweets after they have been posted. **B4**

◆ **Samsung Electronics** forecast record quarterly revenue and a 50% rise in first-quarter operating profit. **B4**

### World-Wide

◆ **Ukraine urged** civilians to leave the eastern Donetsk, Luhansk and parts of the Kharkiv regions as it braced for a major new Russian offensive following Moscow's withdrawal from the north of the country. **A1, A7-9**

◆ **Top oil company executives** wrangled with House lawmakers over high gasoline prices, rejecting claims by Democrats that they are taking advantage of a global crisis to gouge consumers. **A4**

◆ **The House voted 220-203** to hold Trump allies Dan Scavino and Peter Navarro in contempt of Congress for failing to respond to subpoenas issued by the Jan. 6 panel. **A4**

◆ **A top U.S. health regulator** said asking people to frequently get Covid-19 boosters wasn't sustainable and that authorities needed to develop a long-term strategy to protect the public. **A3**

◆ **Biden extended** through Aug. 31 the pause on payments of federal student loans, setting up a decision on whether to resume them less than three months before midterm elections. **A3**

◆ **The Minneapolis police officer** who fatally shot Amir Locke, a Black man, while executing a no-knock warrant won't face criminal charges. **A3**

◆ **Israeli leader Bennett's** government faces a crisis after a lawmaker quit the ruling coalition, leaving it without a majority in parliament. **A10**

◆ **Hong Kong's No. 2 official** is poised to become the city's next leader after declaring his intention to run for the job. **A18**

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A building burns after shelling in Severodonetsk, in the Luhansk region, one of the areas where Ukraine called for evacuations.

## Ukraine Urges Civilians To Flee In East

Kyiv warns of Russian offensive looming in region as focus of the invasion shifts

BY YAROSLAV TROFIMOV

Ukraine urged civilians to leave the eastern Donetsk, Luhansk and parts of the Kharkiv regions as it braced for a major new Russian offensive following Moscow's withdrawal from the north of the country. "You need to evacuate now, while this possibility still exists," Ukraine's deputy prime minister and minister for occupied territories, Iryna Vereshchuk, said on Ukrainian TV on Wednesday. "Later, people will be under fire and under threat of death. We won't be able to help because it will be practically impossible to cease fire."

The sense of urgency by the Ukrainian government for civilians to flee comes days after reports emerged of executions, rape and other human-rights abuses of civilians by departing Russian forces as they retreated from the suburbs of Kyiv. Russia has denied

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## Moscow Silences Dissenters: 'We Will Kill You Right Now'

BY EVAN GERSHKOVICH

Alexander Teplyakov wanted to speak out against the war in Ukraine but feared landing in prison if he took part in a public protest. So the Russian activist designed an antiwar sticker featuring Russian and Ukrainian flags and the phrase "NO TO WAR" and posted and distributed thousands of them around Moscow.

He got into trouble anyway. Russian police hauled the 23-year-old into the Presnensky

district police station on March 1, according to a copy of his police records reviewed by The Wall Street Journal. Mr. Teplyakov said he was repeatedly beaten over the head by one officer while in custody. A second officer pressed a pistol to his leg and coerced him into divulging the name of a fellow activist, he said.

"He starts screaming at me to start writing," Mr. Teplyakov said in a telephone interview. He said the police officer threatened him, saying,

"We will kill you right now."

Mr. Teplyakov was sentenced to 10 days in jail after being convicted on a charge of disobeying the police, according to a copy of a court ruling. He left for Tbilisi, Georgia, the day after he was released from custody—joining tens of thousands of Russians who have fled the crackdown on dissent and the fallout of economic sanctions following Russia's invasion of Ukraine.

A new Russian law prohibiting referrals to the military

campaign in Ukraine as a war or an invasion and mass arrests of protesters have largely eliminated visible signs of dissent inside Russia against the war. Large numbers of Russians opposed to the war have chosen to be exiled.

The Kremlin has welcomed the departures of critics.

"Many people are showing themselves to be what we in Russia like to call traitors," Kremlin spokesman Dmitry Peskov said in mid-March.

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### The Ukraine Crisis

◆ EU keeps Moscow's oil and gas flowing..... A7

◆ U.S. helps in effort to build war-crimes case..... A7

◆ Kyiv residents are on edge despite Russia retreat.... A9

## Google Yanks Apps With Hidden Code That Harvests Data

Google has yanked dozens of apps from its Google Play store after determining that they include a software element that surreptitiously harvests data.

By Byron Tau in Washington and Robert McMillan in San Francisco

The Panamanian company that wrote the software code, Measurement Systems S. de R.L., is linked through corporate records and web registrations to a Virginia defense contractor that does cyberintelligence, network-defense and intelligence-intercept work for U.S. national security agencies.

The code ran on millions of Android devices and has been found inside several Muslim prayer apps that have been downloaded more than 10 million times, as well as a high-way-speed-trap detection app,

a QR-code-reading app and a number of other popular consumer apps, according to two researchers who discovered the behavior of the code in the course of auditing work they do searching for vulnerabilities in Android apps. They shared their findings with Google, a unit of Alphabet Inc., federal privacy regulators and The Wall Street Journal.

Measurement Systems paid developers around the world to incorporate its code—known as a software development kit, or SDK—into their apps, developers said. Its presence allowed the Panamanian company to surreptitiously collect data from their users, according to Serge Egelman, a researcher at the International Computer Science Institute and the University of California, Berkeley, and Joel Reardon of the University of Calgary.

Modern apps often include

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## Fed Signals a Faster Pace Of Rate Hikes, Bond Trims

BY NICK TIMIRAOS

Federal Reserve officials signaled they could raise rates by a half percentage point at their meeting early next month and begin reducing their \$9 trillion asset portfolio as part of their most aggressive effort in more than two decades to curb price pressures.

Minutes from the Fed's March 15-16 meeting, released Wednesday, showed many officials were prepared last month to raise rates by a half point but opted for a smaller quarter-point increase due to concerns from the fallout of Russia's invasion of Ukraine.

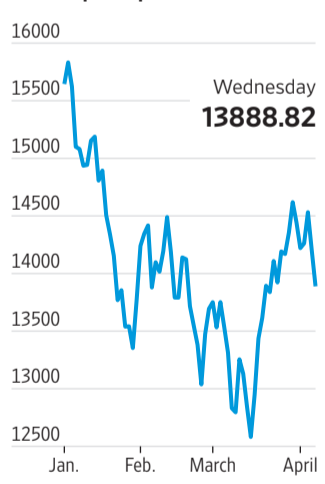
Stocks fell and bond yields rose Wednesday amid expectations of a more aggressive Fed policy tightening process than previously anticipated. The yield on the benchmark 10-year Treasury note, which rises when bond prices fall, rose to 2.606%, a three-year high, from 2.554% on Tuesday

### 10-year Treasury yield



Sources: Tradeweb (yield); FactSet (Nasdaq)

### Nasdaq Composite



and 2.409% on Monday. The Dow Jones Industrial Average closed down 0.42%, the Nasdaq sank 2.22% and the S&P 500 shed 0.97%.

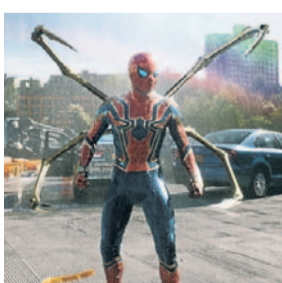
Officials approved last month their first interest-rate increase in more than three

years, raising their benchmark rate to a range between 0.25% and 0.5%. They also penciled in a series of additional rate

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Young men head back to the movies, and Hollywood responds in kind. **B1**

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Feeling inflation's pinch, more workers are emboldened to ask for raises. **A12**

### A Greeting for Crypto Fans Goes Viral, Sparks Squabbles

Messages of 'gm' become a rallying call for blockchain enthusiasts, celebrities

BY PREETIKA RANA

Two letters all over social media started as a jolly greeting among cryptocurrency fans and went on to inspire a new virtual currency, real-life tattoos and, naturally, online squabbles.

The catchphrase "gm"—or, to put it the old-fashioned way, good morning—is increasingly popping up on Twitter, Telegram and Discord channels, often alongside images of surf, sun-dappled flowers and sunsets.



To coin a phrase

The abbreviation is more than just a pleasantry for people who embrace blockchain, the technology underpinning virtual currencies like bitcoin. Blockchain enthusiasts are using it to signal that they are early to a technology whose future they believe is bright.

"gm! Here is a picture of a beautiful field full of flowers," Ethereum co-founder Vitalik Buterin tweeted to his roughly four million followers last month. Fans reciprocated with

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## SEC Probes Amazon's Disclosure of Practices

BY DANA MATTIOLI AND DAVE MICHAELS

Federal securities regulators are investigating how Amazon.com Inc. has disclosed some details of its business practices, including how it uses third-party-seller data for its private-label business, according to people familiar with the matter.

The Securities and Exchange Commission is probing how Amazon—the largest U.S. e-commerce retailer and cloud-computing company—handled disclosures of its employees' use of data from seller on its e-commerce platform, the people said. The SEC's enforcement division has asked for emails and com-

munications from several senior Amazon executives, according to one of the people.

A spokesman for Amazon declined to comment.

In April 2020, a Wall Street Journal investigation, citing internal documents and interviews with former Amazon staffers, found the company's employees routinely used individual third-party-seller data to develop products for its own brands.

A company spokesman denied that such actions were taken, echoing an Amazon lawyer's congressional testimony a year earlier, saying the company does "not use their individual data when we're making decisions to launch

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# U.S. NEWS

CAPITAL ACCOUNT | By Greg Ip

## Financial Crisis Gives Lesson About Inflation



The eruption of the financial crisis 14 years ago and the surge of inflation in

self-correcting in the decades before the pandemic, with price swings in one sector seldom spilling over to broader inflation trends.

the past year both caught the experts largely by surprise. Both began in the U.S. then spread around the world.

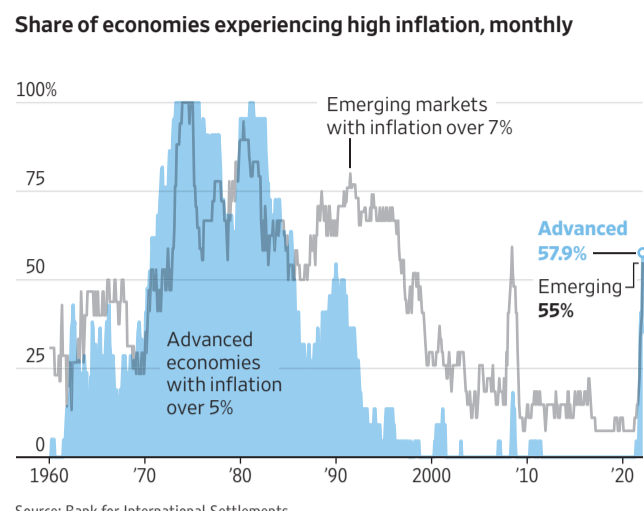
“The low-inflation environment gave central banks great, if not unprecedented, leeway to place more weight on other objectives,” such as economic growth and full employment, he noted. True, they recognized low interest rates could foment financial instability, something the Switzerland-based BIS, a consortium of central banks, regularly warned of. “But inflation was not part of the trade-off,” he said.

The return of inflation, like the 2008 financial crisis, may end up fundamentally altering policy makers’ mindsets and priorities. That’s the key takeaway from a noteworthy speech Tuesday by Agustín Carstens, general manager of the Bank for International Settlements.

So what happened? First, the return of inflation was almost universally unexpected, including by the BIS. Inflation ended 2021 five percentage points higher than forecasters had expected at the start of that year in the U.S., and four points higher in the eurozone. Forecasts are often wrong, Mr. Carstens noted, but last year’s errors “went beyond what many regarded as plausible.”

“We need to be open to the possibility that the inflationary environment is changing fundamentally,” Mr. Carstens, a former head of Mexico’s central bank, declared. “The lens we used to interpret economic developments since the 1990s may no longer be adequate.”

Second, the return of inflation, while most pronounced in the U.S., is global. Inflation is now over 5% in 58% of advanced economies and over 7% in 55% of emerging economies. This isn’t all due to energy: Inflation excluding energy has also accelerated widely. This suggests U.S.-



Source: Bank for International Settlements

specific factors such as President Biden’s stimulus last year may explain only 1 to 2 percentage points of the rise in inflation. For the rest, we need to look to global factors.

Mr. Carstens notes demand bounced back far more quickly after pandemic-related shutdowns than expected, due in part to ample fiscal and monetary stimulus, which was crafted with a much weaker recovery in mind.

The pandemic also shifted demand to goods from services, and demand still hasn’t fully shifted back. Prices soared as demand for goods outstripped capacity, yet this wasn’t offset by deflation in services, where demand was sluggish and prices tend to be “sticky.” Most economic mod-

els missed this because they base inflation on the level of aggregate demand rather than its composition.

Most surprising was the sluggish response of supply to resurgent demand, which was the opposite of what happened after the financial crisis. “Staggered lockdowns disrupted global value chains and logistics networks, revealing the ‘fragility’ of ‘just in time’ manufacturing systems,” Mr. Carstens explained.

The supply of oil and other commodities was held back by a legacy of low investment. Some bottlenecks, such as in the supply of semiconductors, rippled far and wide “because they occurred in items at the start of production chains, which are needed



to produce other goods and services downstream,” Mr. Carstens said. This is reminiscent of the financial crisis when the Federal Reserve first thought subprime mortgage defaults would be contained because it didn’t realize how an interconnected, highly leveraged financial system could amplify the effects.

The broader risks of supply-driven price jumps depend on the overall environment. Statistically speaking, in high-inflation environments prices are highly correlated with each other: a rise in one price spills over to others, Mr. Carstens noted.

By contrast, he said, low-inflation environments tend to be largely self-correcting: “Large price rises in individ-

ual items can increase inflation for a while. But if other prices don’t respond, inflation will eventually come down.” People don’t think about low inflation when negotiating wages, so a sudden shock that raises prices in one sector doesn’t start a wage-price spiral.

Whether we are now shifting from a low-inflation environment to a high-inflation environment is the biggest question facing central banks. The Fed doesn’t think so, citing still stable long-run inflation expectations. The BIS, though, sees some troubling signs: Rising prices in one sector are increasingly spilling over to others. And after several decades in which the influence of prices on wages steadily declined, it is now rising.

If the public’s mind-set about inflation has shifted, so must central banks’, Mr. Carstens advised. Inflation must now take precedence over the goals central banks took on when inflation was self-correcting.

If there’s a silver lining, it’s that central banks saw inflation like this in the 1970s, and know how to avoid a repeat, just as knowledge of the Great Depression helped them avoid a repeat in 2008. That didn’t make the experience any more pleasant.

## Fed Signals Faster Pace On Rates

Continued from Page One increases this year to take rates closer to 2% amid inflation that has surged to a four-decade high.

“Many participants noted that one or more [half-percentage-point] increases in the target range could be appropriate at future meetings, particularly if inflation pressures remained elevated or intensified,” the minutes said.

The minutes revealed for the first time how officials expect to shrink their asset holdings much faster than they did last decade, which would serve as another key tool for tightening monetary policy. Officials neared agreement on a plan that, after a roughly three-month ramp-up, would allow up to \$95 billion in securities to mature every month without being replaced.

The Fed’s plans have sent tremors through the mortgage market, where the average 30-year fixed-rate mortgage rose last week to 4.9%, the highest rate since late 2018, according to the Mortgage Bankers Association.

In the three weeks since they last met, many Fed officials have indicated that they could support raising rates by a half point instead of the traditional quarter point at their next meeting. The Fed hasn’t raised rates at consecutive policy meetings since 2006 and hasn’t raised rates by a half point since 2000.

Investors in interest-rate futures markets now anticipate half-point increases at the Fed’s next meeting, May 3-4, and at the following gathering, in June.

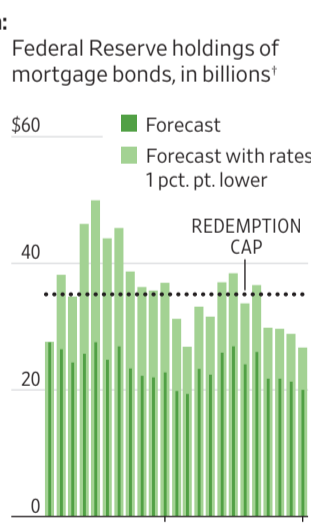
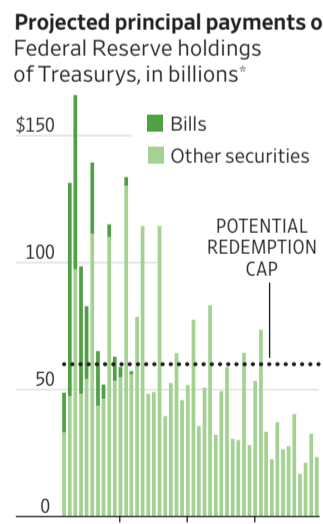
On Tuesday, Fed governor Lael Brainard, who is awaiting Senate confirmation to serve as the Fed’s vice chairwoman and has previously been an influential voice warning against prematurely pulling back stimulus, underscored the importance of reducing high inflation in a speech.



As recently as January, the Fed had expected inflation to diminish this spring as supply-chain bottlenecks improved. Above, a shopper at a Whole Foods store in New York.



\*As of March 30 \*Issued by government-related entities, as of February Sources: Federal Reserve, Commerce Department (holdings as share of GDP); Federal Reserve Bank of New York (projected principal payments)



Ellen Meade, a former Fed economist who is now a policy consultant, said that based on those remarks there is no reason not to expect a half-point increase. “It would have been an opportunity to push back at this point in time,” Ms. Meade said. “She really laid out the progressive case for why inflation fighting needs to be front and center.”

Consumer prices rose 6.4% in February from a year earlier, according to the Fed’s preferred gauge, the Commerce

Department’s personal-consumption expenditures price index. Core prices, which exclude food and energy, climbed 5.4%. Those readings were their highest in four decades.

Some critics said the Fed is being forced to aggressively raise interest rates now because officials waited too long last year to withdraw stimulus. Fed officials described higher inflation a year ago as transitory. They backed away from that characterization last fall, as the labor market

healed rapidly and price pressures broadened to a wide range of goods and, more important, labor-intensive services.

Still, as recently as January, the Fed had expected inflation to diminish this spring as supply-chain bottlenecks improved. The war in Ukraine and potential lockdowns in China to deal with more contagious variants of the coronavirus have ended any expectation of near-term relief from improving supply chains.

## President Plans Two Picks for The SEC

By PAUL KIERNAN AND ANDREW ACKERMAN

WASHINGTON—The Biden administration plans to nominate a Republican and a Democrat to serve on the Securities and Exchange Commission, filling the remaining vacancies at the top U.S. markets regulator.

The White House said Wednesday that President Biden would tap Jaime Lizárraga, a top aide to House Speaker Nancy Pelosi (D., Calif.), to fill a Democratic seat occupied by commissioner Allison Herren Lee.

Mr. Biden also plans to nominate Mark Uyeda, an SEC staffer now detailed to the Senate Banking Committee, to fill a GOP vacancy created by the departure of Elad Roisman, the White House said.

The nominations, which are subject to Senate confirmation, would give the SEC a full roster of five commissioners for the first time since Mr. Roisman’s exit in January. Democrats would remain in the majority, with a 3-2 edge.

The SEC is in the midst of an ambitious regulatory agenda under Chairman Gary Gensler. Ms. Lee and fellow Democratic commissioner Caroline Crenshaw have joined Mr. Gensler in party-line votes on proposed rules related to climate change, private-equity and hedge funds, and financial stability.

Mr. Lizárraga has worked for Mrs. Pelosi for more than 14 years, playing roles in the passage of the \$700 billion Troubled Asset Relief Program in 2008 as well as the 2010 Dodd-Frank financial overhaul, according to a statement from the California Democrat. “As Commissioner, Jaime will be a force in safeguarding the interests of the investing public, improving transparency in our financial markets and building a more equitable financial future for all,” Mrs. Pelosi said.

Mr. Uyeda is currently detailed to the Senate Banking Committee, where he works with Republicans led by Sen. Pat Toomey of Pennsylvania. He previously served as an aide to former SEC commissioner Michael Piwowar, a Republican, and has worked at the SEC for 15 years.

While SEC commissioners are nominated by the president, the law allows no more than three of the five to belong to the same political party.

## CORRECTIONS & AMPLIFICATIONS

**Judge Terry Green** of the Superior Court of California in Los Angeles County said that the state legislature cannot mandate heterogeneous boards and that it must protect the right of individuals to equal treatment. A Business News article on Tuesday about Judge Green’s decision strik-

ing down a board-diversity law incorrectly said he didn’t explain the reasoning behind his order.

A photo of Playa Ruinas was incorrectly identified as Xpu Ha in a photo caption with a March 26 Off Duty article about Mexican beaches.

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**THE WALL STREET JOURNAL**  
 (USPS 644-880) (Eastern Edition ISSN 0099-9660)  
 (Central Edition ISSN 1092-0935) (Western Edition ISSN 0193-2241)

Editorial and publication headquarters: 1211 Avenue of the Americas, New York, N.Y. 10036  
 Published daily except Sundays and general legal holidays.  
 Periodicals postage paid at New York, N.Y., and other mailing offices.

Postmaster: Send address changes to The Wall Street Journal, 200 Burnett Rd., Chicopee, MA 01020.

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## U.S. NEWS

# Student Debt Freeze Gets a New Extension

By GABRIEL T. RUBIN  
AND ANDREW RESTUCCIA

WASHINGTON—President Biden on Wednesday extended through Aug. 31 the pause on payments of federal student loans, setting up a politically fraught decision about whether to resume payments less than three months before the midterm elections and prompting renewed calls from Democrats to cancel student debt.

Mr. Biden has so far resisted calls by progressive members of his own party to forgive student debt on a large scale. The issue has animated young liberal voters, who have embraced a proposal by Sen. Elizabeth Warren (D., Mass.) to cancel up to \$50,000 in student debt per borrower.

White House officials haven't ruled out further extending the pause on payments or taking executive action to cancel some student debt. But they have said Mr. Biden would prefer that Congress take the lead on the issue. Mr. Biden has endorsed legislation to forgive \$10,000 in student debt. Such a bill is unlikely to gain enough support to pass Congress, prompting progressive groups and some Democratic lawmakers to pressure Mr. Biden to take action on his own.

Republicans and some moderate Democrats have warned that such a move would be expensive and unfair to people who have already paid off their loans or chose not to take them out in the first place.

Senior Biden administration officials have been grappling for months with whether to extend the moratorium and for how long. Susan Rice, director of the Domestic Policy Council, has been a vocal advocate of extending the pause on payments, administration officials said. Mr. Biden will have to de-

cide whether to resume payments in September in the run-up to midterm elections or extend the pause further.

Mr. Biden, in a statement on Wednesday, cited a recent analysis from the Federal Reserve that said millions of borrowers could face delinquency and default if payments resumed next month as scheduled. He said the extension of the pause would help borrowers prepare to resume paying their loans and give the Education Department more time to improve student-loan programs.

Payments and interest accrual have been suspended for borrowers with federal student loans since March 13, 2020, at the start of the Covid-19 pandemic. The pause was scheduled to expire on May 1.

Some economists raised worries that extending the loan freeze would add to the overheating of the economy, which has seen inflation rise to the highest annual rate in decades. "At a time when the economy is overheating, the administration's student-debt action will be injecting money into the economy at a \$100 billion-a-year annual rate," said former Treasury Secretary Lawrence Summers. "This is a macroeconomic step in the wrong direction."

The Education Department will use the time to shift to a revamped system that would "give borrowers a fresh start and to ensure that all borrowers have access to repayment plans that meet their financial situations and needs," Secretary Miguel Cardona said in a statement.

The department plans to allow borrowers to have a fresh start on repayment by "eliminating the impact of delinquency and default and allowing them to re-enter repayment in good standing."



A man received a Covid-19 booster shot Tuesday in Lansdale, Pa. Less than half of adults in the U.S. have received a booster.

## FDA Vaccine Chief Says Long-Term Strategy Needed to Protect Public

By JARED S. HOPKINS  
AND PETER LOFTUS

A top U.S. health regulator said that asking people to frequently get Covid-19 boosters wasn't sustainable because of vaccine fatigue and that authorities needed to develop a long-term strategy for protecting the public from the virus as it evolves.

Dr. Peter Marks, who heads the Food and Drug Administration's vaccines division, said that last week's authorization of a second booster dose for people 50 years and older and for people 12 and older with weakened immune systems was a stopgap.

"This is really trying to do the best we can with the knowledge we have at hand, which is something that we've had to do a fair amount of over the past two years as a public-health agency," Dr. Marks on Wednesday told vaccine ex-

perts advising the agency.

The FDA, Dr. Marks said, seeks a long-term strategy for Covid-19 vaccinations, including identifying new strains requiring an updated vaccine and the scientific data needed to support authorization.

Yet Dr. Marks and the experts said there are serious challenges to tweaking vaccines as needed, especially in time for the winter, when there could be another wave of infections.

"It's going to be hard to generate all the data we want in short order when a new variant emerges," said Dr. Ofer Levy, one of the advisers who is director of the Precision Vaccines Program at Boston Children's Hospital.

The advisers, members of the Vaccines and Related Biological Products Advisory Committee, outlined several key features of a potential long-term plan: preventing se-

vere disease, developing criteria for when to update vaccines and collecting data to support the efficacy of the shots.

Several of the experts also said a future Covid-19 vaccine should probably target more than one strain of the virus, which could protect against those currently circulating and potentially others that are yet to emerge.

Moderna Inc. is testing various booster shots, including variant-specific shots, in about 4,500 study subjects, Ritu-parna Das, Moderna's vice president of Covid-19 vaccines, told the panel. They include a shot that targets both Omicron and the original virus strain.

Dr. Das said the company would share data on the modified booster shot with regulators soon.

The FDA has been working to develop a system that allows for quickly testing vac-

cines and other pandemic tools while keeping pace with any virus changes.

The FDA has cleared three Covid-19 vaccines, two of which are permitted as boosters, for many people of different ages. Vaccines aren't yet authorized for young children.

The seven-day moving average of Covid-19 hospitalizations recently hit a low, after the Omicron variant drove a wave of cases earlier this year. A version of Omicron known as BA.2 now accounts for more than half the cases in the U.S. So far, however, it hasn't triggered a wave like the surges seen in several other countries.

About 77% of the U.S. population has received at least one Covid-19 vaccine dose, and about two-thirds of the population are fully vaccinated, according to the Centers for Disease Control and Prevention. Less than half of the adult population has received a booster.

# Former Islamic State Hostages Testify to Cruelty of Guards

By ARUNA VISWANATHA

ALEXANDRIA, Va.—When Federico Motka got on the witness stand to testify last week in the trial of Islamic State member El Shafee Elsheikh, he shared vivid memories about three prison guards who spoke with east London accents and dominated his 14 months as a hostage when the terrorist group controlled much of Syria.

One had a specific scent and would sometimes wrap a scarf around his head, said Mr. Motka, an aid worker from Italy. Another described stealing mopeds in London and could debate the differences between Islam and Christianity. He testified that he once saw the shadows of two of the guards' faces through the cell hatch in the twilight hours.

Mr. Motka spoke so softly that jurors asked the court to remove the plastic barrier that was placed around the witness stand during the pandemic, so they could better hear him.

Prosecutors are trying to build the case that Mr. Elsheikh, who was born in Sudan in 1988 and grew up in London, was a member of that group of apparently British



Prosecutors say El Shafee Elsheikh was among the Islamic State guards who oversaw foreign hostages. His attorneys deny he was part of the 'the Beatles,' as the British guards were known.

guards who oversaw the foreign hostages and were responsible for murdering four Americans among them. They are relying on the emotional testimony of several released hostages who interacted with the guards in intimate ways but never looked at them directly.

"Did you ever see their faces?" one prosecutor asked another former hostage, a nurse from Peru, Patricia Chavez, who replied, "No, they

were covered with balaclavas."

Ms. Chavez described how the British guards blamed one of the murdered hostages, aid worker Kayla Mueller, for "everything America has done" and yelled at her regularly. She said Ms. Mueller had told her that while in captivity she had been placed in a room resembling a dog kennel where she couldn't stretch out, and in another covered in cockroaches.

Mr. Elsheikh, who faces

charges of hostage-taking resulting in death and other counts, has looked on as the former prisoners have testified, dressed in blue dress shirts and slacks, often with one hand on his hip and the other stroking his beard under a black face mask.

Former hostages and the families of the victims have packed the courtroom for days of testimony that began last week and is expected to con-

tinue through the middle of next week.

One former hostage approached Mr. Elsheikh during a break on Tuesday, telling him he would go to hell, prompting an admonition from the judge.

"I seriously considered whether to exclude you," U.S. District Judge T.S. Ellis told the former hostage, adding that while he understood his anger, it was for the jury to decide whether Mr. Elsheikh had been one of the guards.

Another former hostage, Spanish journalist Marcos Marginedas, testified that the British guards were known to the foreign prisoners as the "Beatles." He said they were particularly feared for their wanton cruelty, which included vicious beatings that often left hostages with broken ribs. Whenever they entered the prisoners' quarters, Mr. Marginedas said, they demanded the hostages face the wall and kneel, punishing those who disobeyed. They "really understood how to inflict pain," he said.

One of the guards became known publicly as "Jihadi John" in 2014 after ISIS released a gruesome video showing the guard executing

American journalist James Foley, claiming it was a response to U.S. airstrikes on Islamic State fighters and blaming then-President Barack Obama.

Mr. Motka testified that he had been in Switzerland with his mother after his release when he saw the video of Mr. Foley's beheading. He said he recognized the executioner by another name: the guard they had referred to as "George," known to the hostages as the group's leader. "When he says 'Muslims,' or 'you, Obama,' it's quite distinctive," Mr. Motka said.

Lawyers for Mr. Elsheikh have argued that while he traveled to Syria from London and joined ISIS, he wasn't a member of the Beatles. In media interviews after he was captured in 2018, Mr. Elsheikh admitted to interacting with the hostages and described the executioner in the video, Mohammed Emwazi, who was killed in a 2015 drone strike, as a loyal friend. His lawyers have said he lied in some of the interviews to avoid being sent to his death in Iraq.

The three guards were often together and behaved with each other as old friends, several of the hostages testified.

## Officer Not Charged in Minnesota Shooting

By JENNIFER CALFAS

The Minneapolis police officer who fatally shot Amir Locke, a 22-year-old Black man, while executing a no-knock warrant in February won't face criminal charges, prosecutors said.

Minnesota Attorney General Keith Ellison and Hennepin County Attorney Michael Freeman said in a joint statement Wednesday there was insufficient admissible evidence to file charges against Officer Mark Hanneman.

"The State would be unable to disprove beyond a reasonable doubt any of the elements of Minnesota's use-of-deadly-force statute that authorizes the use of force by Officer Hanneman," the statement

said. "Nor would the State be able to prove beyond a reasonable doubt a criminal charge against any other officer involved in the decision-making that led to the death of Amir Locke."

Mr. Locke was killed on the morning of Feb. 2 when police officers were executing a no-knock warrant in connection with a murder investigation by St. Paul, Minn., police.

Mr. Locke wasn't named in the search warrant and wasn't a suspect in the investigation, prosecutors said. He was asleep on a couch as police entered the apartment just before 7 a.m.

After police kicked the couch, Mr. Locke appeared to stir under a comforter and emerged holding a handgun,

according to body camera footage released by police. The gun appeared to be held parallel to the ground, then dropped to a 45-degree angle, then held in the direction of Mr. Hanneman, according to

**Amir Locke was shot and killed by police acting on a no-knock warrant.**

prosecutors. Officer Hanneman fired three shots.

The officer said he feared for his life and the lives of his colleagues, according to a report from the Hennepin County

attorney's office and Minnesota attorney general's office.

Mr. Locke's family said in a news conference on Feb. 4 that he was a heavy sleeper and was likely startled when police kicked the couch and began yelling orders at him. They said that Mr. Locke had no criminal record and was a licensed gun owner with a concealed carry permit.

"He should be alive today, and his death is a tragedy," Messrs. Ellison and Freeman said in their statement Wednesday.

Mr. Locke's fatal shooting sparked large, peaceful protests in Minneapolis. Mayor Jacob Frey ordered a moratorium on no-knock warrants in the city in the days after the shooting.

## Pedestrian Deaths in Car Accidents Rise 17%

By CAMILLE FURST

The number of U.S. pedestrians killed in motor-vehicle accidents surged 17% in the first half of 2021, according to a nonprofit safety group that linked the increase to reckless drivers, outdated infrastructure and fewer officers patrolling the roads.

In the first six months of 2021, drivers struck and killed 3,441 people, up from 2,934 in the same period in 2020, according to a report released Thursday from the Governors Highway Safety Association, which represents state highway-safety offices that supplied the preliminary data.

"The overall number, by far,

is very shocking. That is a huge number," said Jonathan Adkins, the association's executive director. All these families "have lost someone all because someone was literally taking a walk."

The increase is part of a rising trend in fatalities in recent years. Even in 2020, pedestrian deaths remained elevated despite a sharp decline in driving at the beginning of the Covid-19 pandemic.

Overall, there were 6,516 pedestrian deaths in 2020, up from 4,457 in 2011, the highway-safety association said.

In addition to rising pedestrian fatalities, car crash deaths have also surged since the Covid-19 pandemic began.

U.S. NEWS

# Oil Executives Deny Price Gouging

Industry leaders blame Russia war, U.S. policies, supply-chain shortages for high gasoline prices

By TIMOTHY PUKO

WASHINGTON—Top oil company executives wrangled with House lawmakers Wednesday over high gasoline prices, rejecting claims by Democrats that they are taking advantage of a global crisis to gouge consumers.

Over a six-hour hearing, Democrats on a House oversight panel castigated executives from **Exxon Mobil Corp.**, **Chevron Corp.** and other oil giants for raking in historically high profits while slowing investment in U.S. production.

The company chiefs countered that prices were driven by Russia's invasion of Ukraine, restrictive U.S. energy policies and supply-chain shortages slowing the industry.

"It is experiencing severe cost inflation, a labor shortage due to three downturns in 12 years, shortages of drilling rigs, frack fleets, frack sand, steel pipe and other equipment and materials," said Scott Sheffield, chief executive of **Pioneer Natural Resources Co.**, one of the largest U.S. independent oil and gas producers. "We can't grow faster."

The hearing before a House Energy and Commerce subcommittee, in which the executives appeared via video links, was the latest skirmish over responsibility for pump prices



Rep. Diana DeGette points to an oil-cost chart at Wednesday's House subcommittee hearing.

that lingered at record highs throughout March.

The issue has taken on added significance ahead of congressional midterm elections in November, with polls showing many worry over how the Biden administration has overseen the economy.

The committee's Republicans sought to place blame for high prices on President Biden's energy policy, including his decision to impose a temporary pause on new oil and gas leases on federal land and his revocation of a permit for the Keystone XL pipeline to carry more oil from Canada.

"We need to look for ways to increase our domestic production and our export capac-

ity," said Rep. Morgan Griffith (R., Va.). "We need energy policy that promotes energy security while also taking advantage of America's abundant energy resources."

Democrats said oil companies have an obligation to do more for Americans and threatened to revoke tax breaks they get to encourage their production.

"Now it's time for Congress to alleviate the pain many Americans are feeling at the pump," said Rep. Diana DeGette (D., Colo.). "We have the capacity right now. The reason why your companies aren't doing it, as you freely and honestly admitted, is because you're looking at your

shareholder profits."

Ms. DeGette challenged the executives to explain why retail gasoline prices are down 3.2% from last month, while crude futures are down more than 20% from recent highs.

The oil executives said pump prices are set by retailers, and that prices are a result of several factors including local wages and other operating costs.

"We do not control the price of crude oil or natural gas, nor of refined products like gasoline and diesel fuel," Chevron CEO Mike Wirth said. "And we have no tolerance for price gouging."

Democrats also said the oil executives were giving priority

to payouts to their shareholders over reinvesting in oil production.

They cited a survey last month from the Federal Reserve Bank of Dallas, in which half of the big companies that responded said they didn't intend to increase output by more than 5% this year despite higher oil prices. Most respondents cited investor pressure as the top factor limiting their growth.

Rep. Frank Pallone (D., N.J.), chairman of the full Energy and Commerce Committee, said the six oil companies represented at the hearing, which also included **BP PLC** and **Shell PLC**, together issued about \$40 billion in dividends last year and have executed or announced \$45 billion in share buyback programs in 2021 and 2022.

"Now that's a lot of money to shareholders but it's coming at the expense of the American people, who need you to dramatically increase production, not shareholder wealth," Mr. Pallone said.

Pioneer and Devon Energy Corp., whose chief executive Richard Muncie also testified before the panel, had earlier this year reported their highest annual profits in more than a decade.

Exxon reported \$23 billion and Chevron reported nearly \$16 billion in net income for 2021, both their most profitable years since 2014.

—Katy Stech Ferek contributed to this article.

◆ Surge in oil challenges banking's green shift..... B1

# Trump Allies Held in Contempt

By SIOBHAN HUGHES

WASHINGTON—The House voted to hold in contempt of Congress two more allies of former President Donald Trump for failing to respond to subpoenas issued by a select committee probing the Jan. 6, 2021, attack on the Capitol, when a pro-Trump mob disrupted certification of President Biden's election win.

The 220-203 vote refers Dan Scavino, the deputy chief of staff for communications in Mr. Trump's White House, and Peter Navarro, the former trade adviser, to the Justice Department for potential prosecution.

The penalty for criminal contempt of Congress is a prison term of as long as one year and a fine of up to \$100,000. Both men have cited executive privilege in declining to show up for depositions.

"They told us to buzz off," said Committee Chairman Bennie Thompson (D., Miss.), saying that the two men should have at a minimum appeared under oath, invoking any asserted privileges on a question-by-question basis.

Republicans said that Democrats were engaged in a political vendetta and were abusing their power. "This investigation isn't about truth or democracy," said Rep. Dan Bishop (R., N.C.). "It's a pure political power play."

Mr. Navarro is of interest to the committee because he issued reports promoting baseless theories of election fraud and in a book described a strategy of getting then-Vice President Mike Pence to stop the certification of the presidential contest to buy time to investigate the election results in six battleground states.

Mr. Scavino is of interest, the committee said, because he functioned as Mr. Trump's social-media manager and because he reportedly monitored an online forum frequented by people who openly advocated and planned for violence ahead of the Jan. 6 attack.

In a statement, Mr. Navarro rejected the contempt vote, saying the Jan. 6 committee "has colluded with the Biden White House in a futile effort to strip Donald Trump of executive privilege so it can coerce me into cooperating with their witch hunt."

Mr. Scavino's lawyers have argued that he doesn't have the records the committee wants and that it should request the relevant documents from the National Archives.

# Special Counsel Adds to Case Against Lawyer

Special counsel John Durham introduced new evidence this week that could complicate lawyer Michael Sussmann's attempts to have a criminal charge of lying to the Federal Bureau of Investigation dismissed in a closely watched criminal case stemming from fallout around the 2016 election.

sitive) I need to discuss. Do you have availability for a short meeting tomorrow? I'm coming on my own—not on behalf of a client or company—want to help the Bureau. Thanks."

Mr. Sussmann, who then worked for the law firm Perkins Coie, is charged with lying to the FBI about his motivations for the meeting in which Mr. Sussmann presented evidence that Mr. Trump's computer servers at his Manhattan address appeared to be communicating with a Russian bank. Those connections have never been explained. Mr. Trump has denied connections to Russia, and the bank has disputed the findings.

The special counsel alleges Mr. Sussmann was billing his time during numerous critical meetings to Mrs. Clinton's presidential campaign and misled Mr. Baker into believing that he was acting as a good citizen rather than a lawyer for a paying client. In their filings, lawyers for Mr. Sussmann have argued that Mr. Sussmann's only intention was



Special counsel John Durham

to warn the FBI that a media organization was about to publish information about the suspicious computer contacts.

Mr. Baker declined to comment.

The latest filing could increase the chances that the matter will come before a jury. Mr. Sussmann's lawyers have attempted to have the case dismissed on numerous grounds. They say that under federal law, a false statement must be

material to an investigation and that Mr. Sussmann's statements to Mr. Baker didn't meet that standard.

Mr. Sussmann's lawyers have also alleged that the government is preventing them from calling a key witness, a tech executive named Rodney Joffe. Mr. Sussmann also served as a Mr. Joffe's lawyer as well as the outside lawyer for a technology company, Neustar, that employed Mr. Joffe. Mr. Joffe is prepared to testify on behalf of Mr. Sussmann but has sought immunity from criminal prosecution.

According to documents filed by Mr. Sussmann's lawyers, federal prosecutors told Mr. Joffe last month that he is a potential subject of investigation. Under the circumstances, his lawyers have advised him to invoke his constitutional rights rather than take the stand, court filings say.

"The Special Counsel is engaging in tactics that are improperly preventing Mr. Sussmann from calling Mr. Joffe as an exculpatory witness at trial. The Special Counsel's astonish-

ing insistence that Mr. Joffe continues to face criminal exposure for conduct that occurred more than five years ago, the Special Counsel's discriminatory approach to immunity in this case, and the Special Counsel's unfair and unsupported threats all support a finding that the Special Counsel is engaging in precisely the types of misconduct that justify dismissal of a criminal case," Mr. Sussmann's lawyers wrote, asking the judge to either force the special counsel to give Mr. Joffe immunity or dismiss the whole case.

A spokeswoman for Mr. Joffe declined to comment.

Mr. Sussmann's lawyers have also argued that much of the government's evidence is inadmissible. Previously, the allegation in Mr. Durham's case relied solely on Mr. Baker's testimony and some notes taken by other FBI officials who weren't in the meeting between Mr. Baker and Mr. Sussmann but were briefed. Such notes are difficult to admit into court under rules barring hearsay.

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# SEC Probes Amazon Disclosure

Continued from Page One private brands."

Amazon has since launched an internal investigation of its private-label division but declined to provide a copy of its report to a congressional committee that earlier investigated Amazon and other technology companies' size and power, the Journal reported.

Last month, members of the antitrust subcommittee of the House Judiciary Committee referred Amazon and some of its top executives to the Justice Department for potentially obstructing Congress in relation to its cooperation during the probe and disclosure of how its private-label business is run.

Regarding the Justice Department referral, an Amazon spokeswoman said, "There's no factual basis for this, as demonstrated in the huge volume of information we've provided over several years of good-faith cooperation with this investigation."

As a result of its 16-month investigation into technology companies including Amazon beginning in 2019, the congressional committee proposed a series of bills aimed at reining in big tech companies. One of the measures targets

Amazon's private-label business, seeking to make it unlawful for the company to give its own products preference over those of competitors, or to use sellers' nonpublic data to compete with them.

"It should surprise no one that Amazon continues to mislead the public and investors about its abusive business practices," Rep. David Cicilline (D., R.I.), chairman of the antitrust subcommittee, said in a statement advocating congressional action against the company. "Congress gave the company every opportunity to come clean, and it refused to do so."

# Amazon is also the focus of a Federal Trade Commission investigation.

The SEC's probe has been under way for more than a year, one of the people familiar with the matter said.

The agency regulates how public companies communicate with investors. It can bring civil-enforcement actions when it finds that firms misled shareholders or failed to disclose important information in a timely manner. SEC probes sometimes end with the regulator not taking any enforcement action against the business or individuals it investigated.

Amazon is also the focus of an antitrust investigation from

the Federal Trade Commission, whose chairwoman, Lina Khan, has been a longtime critic of the company since writing a widely read law-review article while a student at Yale Law School that argued that antitrust law had failed to restrain the company. Last year Amazon filed a request with the FTC seeking her recusal from any examination of the company's activities. The agency hasn't publicly responded to that request.

In September, six U.S. senators asked the U.S. Equal Employment Opportunity Commission to investigate allegations that Amazon doesn't reasonably accommodate its fulfillment centers' pregnant workers. One of them, Sen. Elizabeth Warren (D., Mass.), has long pushed for a breakup of the company.

Overseas, the European Commission, the European Union's top antitrust regulator, issued a statement of objections against Amazon in 2020, alleging the online retailer broke antitrust rules by using data from third-party sellers to unfairly compete against them. The commission has also opened a separate probe into how Amazon chooses default sellers, whose products are featured more prominently. Both investigations are pending.

This month, Amazon warehouse workers in New York voted to establish the tech company's first union in the U.S.

—Kim Mackrael contributed to this article.

# Man Found Not Guilty of Charges Tied To Jan. 6

By SADIE GURMAN

WASHINGTON—A federal judge on Wednesday found a New Mexico man not guilty of misdemeanor charges in connection with the Jan. 6, 2021, riot at the Capitol by Trump supporters, saying the man reasonably believed police officers allowed him into the building. The verdict marked the first full acquittal among the hundreds of people charged in the breach.

Matthew Martin didn't dispute that he followed a crowd into the Capitol but argued that a police officer waved him in, a defense supported by video evidence, said his attorney Dan Cron.

U.S. District Judge Trevor McFadden, an appointee of former President Donald Trump, said in a decision from the bench that Mr. Martin's testimony was "largely credible," and described his actions as "about as minimal and non-serious" as that of anyone who was at the Capitol that day, according to Mr. Cron.

More than 775 people have been charged in connection with the attack aimed at preventing Congress from certifying President Biden's election victory over Mr. Trump. More than 200 have pleaded guilty. Hundreds more are fighting the charges, and two others have been convicted at trial.

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## THE UKRAINE CRISIS

## EU Keeps Russian Oil, Gas Flowing

Germany resists key energy boycott as allegations grow of Ukraine civilian killings

BY LAURENCE NORMAN  
AND BOJAN PANCEVSKI

Six weeks after Russia invaded Ukraine, the European Union is taking its first steps to reduce Russian energy imports, depriving Moscow of some of the revenue that covers much of its budget and helps fund its military campaign.

But the EU can't agree to sanction the bloc's biggest business dealings with Russia: the purchase of oil and natural gas. The EU, which imports about 60% of its energy needs, is making large payments to Russia, boosted by higher oil-and-gas prices during the war.

The EU's foreign-policy chief, Josep Borrell, said Wednesday that since the invasion, the bloc's 27 member states had made energy payments worth roughly €35 billion, equivalent to about \$38 billion, to Russia.

EU member states Wednesday backed Brussels's latest proposal for banning Russian coal imports; formal approval is expected by Friday. Before this year, such sales amounted to around €4 billion annually.

EU officials and some member countries also are urging steps to slash oil imports from Russia, but those proposals continue to face resistance from Germany and some other countries, diplomats say.

Meanwhile, the U.S. and U.K. on Wednesday unveiled more sanctions. White House officials said the U.S. is implementing full blocking sanctions on Russia's largest financial institution, Sberbank, and its biggest private bank, Alfa Bank, as well as expanding other economic sanctions.

The U.S. actions include sanctions against Russian President Vladimir Putin's two adult daughters, Maria Putina and Katerina Tikhonova, as well as the wife and daughter



Tug boats escorted the STI Comandante tanker following a delivery of Russian diesel to a fuel terminal in Purfleet in the U.K. on Tuesday.

of Foreign Minister Sergei Lavrov and members of Russia's security council, including former President and Prime Minister Dmitry Medvedev and Prime Minister Mikhail Mishustin. The actions cut them off from the U.S. financial system and freeze assets they hold in the U.S., the White House said. Most of these individuals also have been sanctioned by the EU.

The U.S. and European sanctions are crippling Russia's economy but need time to take fuller effect, White House National Economic Council director Brian Deese said Wednesday. "We need to have patience and perspective when it comes to the impacts on Russia," he said.

The U.K., which isn't an EU member, said that it also is freezing Sberbank's assets and banning outward investment in Russia, among other measures.

Berlin says sanctioning oil or gas would harm the EU's economy more than Mr. Putin's ability to wage war, according to officials. The EU imports

about three million barrels of Russian oil daily, says the International Energy Agency. Russian gas accounted for 40% of the bloc's gas imports last year, the European Commission says.

Pressure on the EU to reduce its Russian energy imports has intensified following accusations by Ukraine and in-

**Some countries propose reducing oil purchases without a complete embargo.**

dependent observers that Russian troops have killed hundreds of civilians in occupied parts of Ukraine. Moscow has denied responsibility.

Calls from Poland, the Baltic countries and others for the EU to stop buying Russian gas have encountered opposition from Germany, Hungary and Austria. Berlin has publicly warned of

mass unemployment and poverty in Europe's biggest economy if its industries and households must forgo Russian gas.

The German government has set out plans to end its need for Russian oil imports by the end of this year and to stop Russian gas imports by 2024. It aims to expand the use of renewable energy and replace the entire Russian supply of gas with deliveries from elsewhere, including liquefied natural-gas shipments from the U.S., Qatar and other exporters.

That hasn't satisfied other EU governments or Ukrainian President Volodymyr Zelensky, who has called on Germany to act faster.

On Wednesday, Hungarian Prime Minister Viktor Orban said he would be willing to pay for Russian natural gas in rubles, a move that would help Moscow sustain its currency's trading value.

British Foreign Minister Liz Truss said the U.K. wants to at least agree to a timetable for ending Russian energy imports

among the Group of Seven major economies North Atlantic Treaty Organization members. The U.K. says it would end imports of Russian coal and oil by the end of 2022.

Some EU countries have proposed reducing oil purchases without a full embargo. European Commission President Ursula von der Leyen said Tuesday that the EU's executive arm is working on proposals regarding oil.

One idea is to place a large tariff on Russian oil imports to curb EU demand. However, the proposal could prove politically difficult among European governments facing pressure from consumers and businesses over already high energy prices.

Ms. von der Leyen said the EU is considering a way of making at least some of its energy payments into an escrow account, effectively freezing some of Russia's energy revenues abroad. However, Russia has warned it would stop supplying energy if it can't access payments for it.

## Allies To Release Millions of Reserve Oil Barrels

BY MATTHEW DALTON

PARIS—U.S. allies are planning to release nearly 60 million additional barrels of oil from their reserves, officials familiar with the matter said, joining the Biden administration in an effort to tame prices after they rose sharply when Russia invaded Ukraine.

The 31-member nations of the International Energy Agency—which include the U.S., most of Europe, Australia, Japan, Mexico and others—are planning to announce a new reserve release totaling 120 million barrels, officials said, the largest release in the IEA's 47-year history.

Around half of that amount would come from U.S. reserves, which were included in Washington's previously announced decision to release 180 million barrels of oil during a six-month period.

That leaves about 60 million barrels of additional oil that would hit the market because of the IEA decision, which is slated to be announced by the end of the week. Those barrels are expected to be released over six months to track the U.S. schedule, an official said.

IEA nations on March 1 announced the release of 60 million barrels—including 30 million barrels from the U.S.—in what was then the agency's largest-ever release of reserves.

Futures for Brent crude, the global benchmark, traded down 5.2% to \$101.07 a barrel on Wednesday. The IEA said last week that its members would release additional reserves, but didn't specify how much.

Western officials hope the new supplies will cushion their economies as many buyers move to stop purchasing oil from Russia, the world's second largest crude-oil exporter and third largest producer.

The U.S. has imposed sanctions on Russian oil imports, while European nations are debating whether to do so as well. Europe relies on Moscow for about a quarter of its oil imports.

Analysts are skeptical whether reserve releases will lower prices for long. Placing stored oil on the market can sometimes boost prices later when nations buy crude to replenish their stocks, they said.

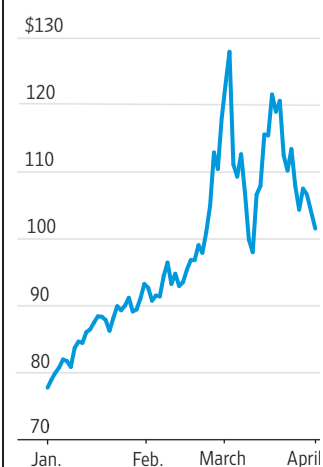
Western officials say the move can buy their economies time to replace Russian oil with supplies from other regions, mainly the U.S. and the Middle East. The Biden administration is counting on U.S. oil producers to boost production toward the end of the year to fill the supply gap.

But the countries of the Organization of the Petroleum Exporting Countries, or OPEC, have resisted repeated entreaties from Western governments to boost production since the Russian invasion.

They, along with Russia and its allies, a group called OPEC+, have stuck to a previously agreed plan backed by Moscow that calls for a relatively modest increase in output.

India, meanwhile, has been stepping in to buy steeply discounted Russian oil that is no longer able to find a home in the U.S. or some European countries.

**Brent crude-oil futures price, front-month contract**



Source: FactSet

## U.S. Helps in Effort to Build War-Crimes Case

BY SADIE GURMAN  
AND ARUNA VISWANATHA

WASHINGTON—Attorney General Merrick Garland said the Justice Department was helping foreign prosecutors gather evidence of alleged Russian war crimes in Ukraine.

He said a top department official in Paris had met this week with the French war-crimes prosecutor, and members of the department's Criminal Division had met with their European counterparts to hash out a plan for collecting evidence on the information on the "atrocities that we have all seen in both photographs and video footage this week."

"We have seen the dead bodies of civilians, some with bound hands, scattered in the streets. We have seen the mass graves," Mr. Garland said on Wednesday. "The world sees what is happening in Ukraine. The Justice Department sees what is happening in Ukraine."

The Justice Department on Wednesday also charged a Russian oligarch with violating U.S. sanctions levied on him in 2014. Officials said the sanctioned oligarch, Konstantin Malofeyev, sought to evade the earlier economic sanctions by trying to secretly acquire media outlets across Europe. They also seized millions of dollars they said are connected to his sanctions violations.

While the U.S. and its allies



Police work to identify bodies on Wednesday following the killing of civilians in Bucha, Ukraine.

have unleashed a blizzard of actions in recent weeks to raise the price that Russian President Vladimir Putin and his supporters pay for the invasion of Ukraine—including sanctioning a host of oligarchs who allegedly owe their wealth to the Kremlin—the new Justice Department case stems from a long-running investigation.

Mr. Malofeyev was sanctioned in 2014 along with others who were allegedly financing the pro-Russian separatist movement in Crimea.

Deputy Attorney General Lisa Monaco said Mr. Malofeyev "flagrantly and repeatedly" violated those sanc-

tions by setting up media companies that would help spread pro-Kremlin misinformation.

Mr. Malofeyev couldn't be located for comment.

In March, federal prosecutors unsealed a 2021 indictment of a former Fox News employee, John Hanick, on charges that he worked to set up television stations between 2013 and 2017 for Mr. Malofeyev. Mr. Hanick, who was arrested on Feb. 3 in the U.K. and is expected to face extradition proceedings there, couldn't be reached for comment.

In November 2015, Mr. Hanick allegedly wrote to Mr. Malofeyev that a Greek televi-

sion network they were interested in establishing would be an "opportunity to detail Russia's point of view on Greek TV," prosecutors said. Mr. Malofeyev also tried to acquire a Bulgarian television network, and told Mr. Hanick to conceal his role by using a Greek associate as a cover, so it would look like the buyer was someone other than Mr. Malofeyev, prosecutors alleged.

The Justice Department also accused Messrs. Malofeyev and Hanick of working together to illegally transfer a \$10 million investment that Mr. Malofeyev made in a Texas bank to the busi-

ness associate in Greece, in a move that violated the sanctions. Prosecutors obtained a warrant to seize those funds, authorities said.

"The same Russian government struggling to defend its unprovoked and unjustified war in Ukraine is also corrupt at its core," Ms. Monaco said. "The corruption starts at the top with Vladimir Putin's oligarch cronies who earned billions of dollars by committing crimes, often at the expense of the Russian people."

Earlier this week, U.S. authorities in Spain seized a \$90 million super yacht belonging to a different sanctioned oligarch with close ties to President Putin. The steps are part of a broader effort by the U.S. and its allies to hold Russia accountable for its actions in Ukraine.

Also on Wednesday, the Justice Department announced it had disrupted a botnet—a network of infected computers used to carry out malicious cyber activity—that officials said was operated by Russia's military intelligence service, the GRU. This botnet was disrupted before it could be used, officials said, but others had been seen recently deployed against Ukrainian targets.

"We removed malware from devices used by thousands of mostly small businesses for network security all over the world and then we shut the door the Russians had used to get in them," FBI Director Christopher Wray said.

## Glaxo Will Curtail Selling Drugstore Staples in Russia

BY DENISE ROLAND

GlaxoSmithKline PLC will reduce nearly a third of its consumer healthcare products in Russia as executives across the pharmaceutical industry grapple with an ethical dilemma about their response to the war in Ukraine.

While hundreds of businesses, from auto makers to brewers, have pulled back from Russia, drugmakers have mostly maintained sales in the country, saying they are duty-

bound to supply sometimes vital medicines even as they condemn the war.

The pharmaceutical industry hasn't faced the same level of criticism as others for continuing to do business in Russia, though some say Moscow's aggression justifies a complete withdrawal of drug companies.

Glaxo on Wednesday said it would stop the importation of certain products in its consumer healthcare range, including mouthwash, vitamins and food supplements, al-

though it will continue to provide over-the-counter remedies such as flu-symptom medicine Theraflu and pain relief Voltaren. Glaxo doesn't have manufacturing facilities in Russia.

The move reflects the ethical tightrope the company is trying to walk.

"Taking the decision to ration medicines when ultimately you are impacting people, not necessarily the state, is a real ethical question for a company that is focused on healthcare, and providing healthcare," said

Phil Thomson, Glaxo's head of global affairs, in an interview before the announcement.

Glaxo's top executives are meeting two to three times a week to review the situation in Russia and Ukraine.

The company earlier said it wouldn't enter contracts that would support the Russian government, such as providing vaccines for military immunization programs. Glaxo also has pulled advertising in Russia and pledged to donate profits made there to humanitarian relief for Ukrai-

nian people. It has stopped recruiting new patients into existing clinical trials and won't start new clinical trials in Russia.

Those moves were broadly in line with most other drugmakers, but fewer companies have scaled back their product ranges. Among those that have are Eli Lilly & Co., which said it would stop supplying medicines that it deems nonessential. It didn't specify what it counts as nonessential, though a spokeswoman said one example was erectile dysfunction drug Cialis.

# THE UKRAINE CRISIS

## Ukraine Urges Some To Flee

Continued from Page One  
the reports and said they were staged by Ukrainian troops.

Following heavy losses, Russia pulled its troops from the vicinity of Kyiv and from the northern Chernihiv and Sumy regions last week, in a strategy shift that the Kremlin said will allow it to focus on seizing the parts of the Donetsk and Luhansk regions, collectively known as Donbas, that remain under Ukrainian control.

While Ukrainian officials initially called for the evacuation of the Kharkiv region, which includes the country's second-largest city, the revised guidance Wednesday afternoon called only for organized departures from the districts of Barvinkove and Lozova that are on the path of a likely Russian offensive toward Donbas. Kharkiv Mayor Ihor Terekhov said in an address that there is no need for anyone to abandon the city, and that he and his entire team are remaining at their workplaces.

In the besieged city of Mariupol, the second-largest in Donbas, Mayor Vadym Boychenko said on Telegram that Russian troops that are engaged in fierce combat with Ukrainian defenders have started using mobile crematoriums to dispose of the bodies of Ukrainian civilians. Mr. Boychenko, who put the death toll at 5,000 civilians last week, said he now believes tens of thousands of Mariupol residents could have been killed. There was no independent confirmation of his assessment.

As heavy clashes continued in and near Donbas, Russia pressed on with its campaign of long-range missile strikes, targeting fuel depots across Ukraine and an industrial facility in the eastern city of Novomoskovsk, local officials said. The clashes in the east and south contrasted with the north, where a Russian withdrawal has led to the return of



FROM TOP: BURENT KILIC/AGENCE FRANCE PRESSE/GETTY IMAGES; FADEL SENNA/AGENCE FRANCE PRESSE/GETTY IMAGES



Ukrainians were evacuated by bus Wednesday to Zaporizhzhia. Left, children watched videos at a shelter in the Donbas region, believed to be Russia's next military target.

relative normalcy.

European Union member states on Wednesday backed the European Commission's latest proposal, presented on Tuesday, for a ban on Russian coal imports, and formal approval is expected by Friday.

White House officials confirmed the Biden administration was implementing full

blocking sanctions on Russia's largest financial institution, Sberbank, and its biggest private bank, Alfa Bank, as well as expanding other economic sanctions, including on Russian President Vladimir Putin's daughters and family members of other top officials. In addition, President Biden signed an executive or-

der on Wednesday that includes a prohibition on new investment in Russia by American investors, including those outside the U.S.

In his nightly address, Ukrainian President Volodymyr Zelensky said he welcomed the new sanctions but they are not enough to counter "Russia's attempt to

launch a new global bloody offensive in Donbas." He called on democratic nations to stop all oil imports from Russia.

U.S. allies are also planning to release nearly 60 million additional barrels of oil from their reserves, officials familiar with the matter said, in an effort to tame prices amid Russia's invasion of Ukraine. Washington previously said it would release 180 million barrels of oil over six months.

Turkey, which has supplied Ukraine with weapons such as armed drones while also maintaining close relations with Russia, became the first major nation to send diplomats back to Kyiv now that it is no longer under threat of being shelled or overrun. Turkey served as the venue for the latest round of peace talks between Russia and Ukraine, and is involved in efforts to transport civilians and wounded soldiers by sea from Mariupol. The Turkish Embassy, which

had relocated to the western Ukrainian city of Chernivtsi, reopened in Kyiv and will resume consular services, it said on social media. The U.S., by contrast, currently doesn't have any diplomatic presence on Ukrainian soil, with embassy staff operating from Poland. Several Western leaders have visited Kyiv to show solidarity in recent weeks, including European Parliament President Roberta Metsola and the prime ministers of Poland, the Czech Republic and Slovenia.

Western officials said that the withdrawal of Russian forces from around Kyiv is largely complete and that the Ukrainian capital is unlikely to be directly attacked for the foreseeable future as the Russian military refocuses on the Donbas region. Those officials estimate that around 29 of Russia's 125 battalion tactical groups have been rendered inoperable following weeks of intense fighting. These units will need to undergo repairs and replenish personnel losses before being redeployed to eastern Ukraine, a process that officials said could take up to a month.

Russia's withdrawal from northern Ukraine will allow Moscow to focus on seizing the entirety of Donbas and trying to encircle the large Ukrainian military contingent there. Heavy battles continued Wednesday south of the eastern Ukrainian city of Izyum, in the Kharkiv region, as Russian forces attempted to break through and link up with troops trying to push north from Mariupol.


Russia recognized in February the so-called Donetsk and Luhansk People's Republics, proxy statelets that were established through Moscow's intervention in 2014, as independent. Their claimed borders include two-thirds of the Donetsk and Luhansk regions controlled by Kyiv before the war began.

—Max Colchester and Gordon Lubold contributed to this article.

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## THE UKRAINE CRISIS

## Kyiv Residents On Edge Despite Moscow Retreat

Some locals return, others emerge from shelters; 'We don't trust the Russians'

BY ISABEL COLES

KYIV, Ukraine—On the night Russia invaded Ukraine, Tamara and Serhiy Rynk packed their bags with a few essentials including candles, tea and medicine in preparation to flee Kyiv.

More than a month on, the threat to Ukraine's capital has receded, but the Rynks' bags remain ready by the door to their apartment in this northwestern district of the city.

"We don't trust the Russians," Ms. Rynk said. "Nobody does."

The sense of imminent danger to Kyiv is fading as Russian forces draw back from the city, but residents remain on edge.

More than half of Kyiv's population of over three million fled after Russian troops reached the city's outskirts in February, fearing it would be overrun. Ukrainian forces have since beaten them back and recaptured northern suburbs where mass killings in the formerly Russian-held territory are being unearthed.

More residents are returning to Kyiv. Those who remained have emerged from subway stations and basements where they sheltered in the early days of Russia's inva-

sion, and now largely ignore the air-raid sirens that punctuate night and day.

Officials are planning to reopen the road leading west out of the city, which was cut off by Russian troops. A ban on the sale of alcohol imposed in the first days of the war has been lifted. Supermarket shelves are well-stocked, though some products are hard to find because they have been stored in warehouses in areas where there is fighting.

Apart from a few burnt-out vehicles on the roads, the streets are largely clean in the city's center and municipal services are operating.

Yet, the sense of relief in Kyiv is tempered by the war still raging in other parts of the country. Ukrainian officials also are urging caution, reminding residents the city is still within reach of Russian missiles even as Moscow shifts its focus to the east.

Kyiv is heavily fortified by its air defenses, which have downed Russian missiles over the city, while Ukrainian forces harassed Moscow's troops on the ground.

Even so, some 339 people have been killed as a result of Russian attacks on Kyiv, including four children, according to city council member Kseniya Semenova. Another 1,224 have been wounded, and more than 150 residential buildings have been damaged.

"We do not rule out the possibility of rocket fire," said Kyiv Mayor Vitali Klitschko.



Tetiana and Volodymyr Yarosh remained in Kyiv to care for Ms. Yarosh's 93-year-old mother.

"Yes, our air-defense forces are working perfectly, but anything can happen. So I ask people to be patient and not come back."

In the city center, shops along the wide avenues are shut, their windows boarded and goods removed. On the main roads, cars weave around antitank obstacles, through checkpoints built from cinder blocks and sandbags. Trenches are still being dug along the roads' grassy shoulders.

Down side streets, residents have built their own barricades from a jumble of satellite dishes, office chairs and tires that would do little to obstruct a Russian tank. A car's front hood was spray-painted with the words: "This is our land."

At a playground in the Svia-

toshynski district, Viktoria Liashchevska was spinning her daughter Lina on a merry-go-round—the toddler apparently oblivious to the thump of shelling in the background.

When war broke out, Ms. Liashchevska considered joining the exodus of women and children from Kyiv, but decided it would be more stressful to leave than stay. "It's important to trust your own instincts," she said.

At first she was too fearful to leave the house. But Lina became restless, so Ms. Liashchevska began taking her out to play whenever the shelling subsided. For Lina's sake, the 37-year-old pretended everything was normal. Gradually, she became accustomed to the new reality too.

Seeing Russian missiles

downed by Ukraine's air defenses gave her confidence in the capital's defenses

Work has dried up, however. Ms. Liashchevska and her husband are now dependent on support from a network of volunteers that has mobilized to help people in need citywide.

Many of those who stayed were older residents who were too frail to move, had nowhere to go, or simply couldn't face the upheaval. Nadia Bessarab, 68, sleeps on a foldable bed in the entrance hallway of her apartment—the most protected spot should the windows be blown in.

The TV is always on in her apartment, which is decorated with religious icons. She prays for victory over Russia and watches the news to learn what is happening elsewhere

and to keep track of the negotiations to end the war.

"The Russians say one thing and do another," Ms. Bessarab said. "They're wiping out whole cities."

Tetiana and Volodymyr Yarosh's world has shrunk to the confines of a small apartment from which they only venture out to buy groceries. They remained in Kyiv to care for Ms. Yarosh's 93-year-old mother.

In the first days of the war, Ms. Yarosh watched an online tutorial, teaching herself how to fortify the apartment windows with Scotch tape.

Like many in this city, she has learned to distinguish between the sound of outgoing and incoming fire. "We're practically military experts," she joked.

## Antiwar Movement Silenced

Continued from Page One

"They disappear from our lives on their own. Some resign from their jobs, some withdraw from their professional lives, and some leave the country and move to other places. That's how Russia is cleansed."

The Kremlin can count on the support of many Russians. President Vladimir Putin's approval rating rose to 83% at the end of March, from 71% a few days before Russian troops moved into Ukraine, according to independent Russian pollster Levada Center.

What began as a robust protest movement in Russia, with thousands of activists taking part in protests or handing out antiwar literature, has now faded. The last major antiwar rally was on March 13, and the streets have been mostly quiet since. Small protests broke out and around 200 protesters were detained in several cities on Sunday after revelations emerged about potential war crimes in the Kyiv suburb of Bucha, according to the OVD-Info, an independent rights group.

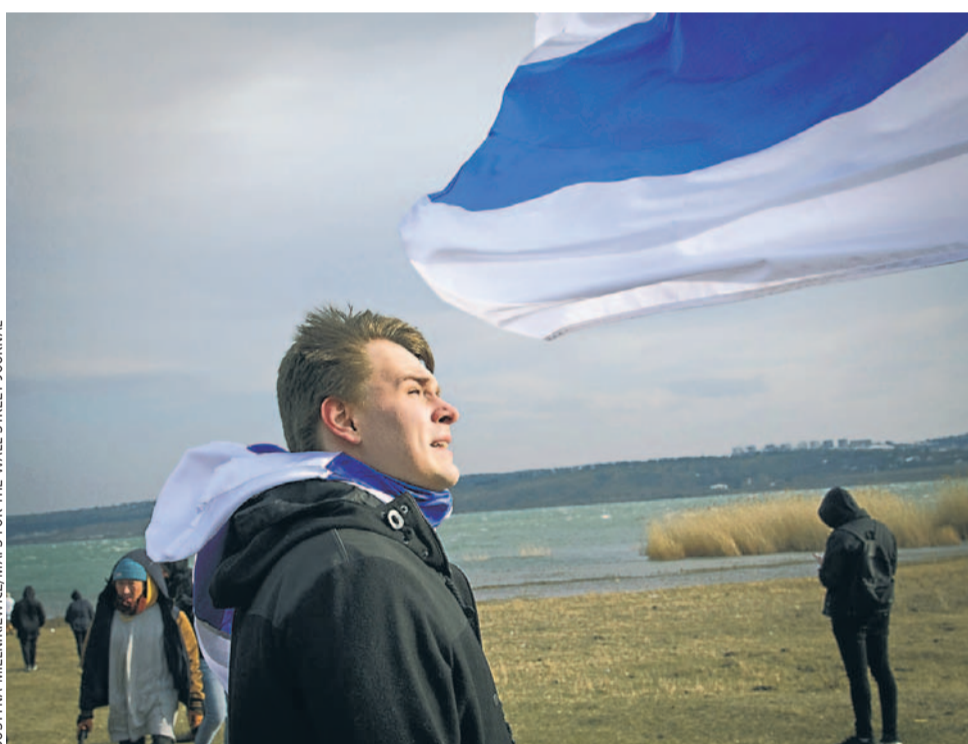
More than 15,000 antiwar protesters have been arrested since the start of the invasion, OVD-Info said, and 900 of them have received jail sentences averaging 10 days. Independent Russian media has carried accounts of mistreatment of detainees and of people who say they were fired from their jobs for speaking out.

"They've instilled strong fear in people," said Maria Kuznetsova, OVD-Info's spokeswoman.

Russia's Interior Ministry didn't respond to requests to comment.

Authorities have launched eight criminal cases under the new law that forbids the use of the words war or invasion to describe the conflict in Ukraine, said Damir Gainutdinov, head of the Net Freedoms Project, a nonprofit rights group. Those charged include journalists, government employees, a style blogger and a 63-year-old pensioner living outside the Siberian city of Tomsk with 170 followers on her Telegram channel.

Net Freedoms Project has also tracked more than 200 cases of Russians charged—under an older law—with discrediting Russia's armed forces, a violation carrying a fine of up to 1 million rubles, equivalent to almost \$12,000.



Activist Alexander Teplyakov fled Russia the day after he was released from police custody.

Repeat offenders risk landing in prison for up to three years.

One 25-year-old woman said that when she was detained at a Moscow police station after participating in an antiwar demonstration, a police officer said he would put her in a cell and allow other prisoners to rape her. The Journal reviewed a copy of her arrest record.

A representative of the police station said he wasn't authorized to comment. The Interior Ministry, which oversees the police, didn't respond to requests to comment.

"He said that we do not deserve to live in this country, that it's time for us to get out of here, that in Russia nothing will change, Putin will always be in power, we are traitors," the woman said. She was one of 3,400 people across the country arrested March 6 for protests, according to the Interior Ministry.

In Vladivostok, a port city on Russia's Pacific coast, Anastasia Kotlyar is scheduled to be tried by a court in mid-April on charges of violating Russia's protest laws and refusing to cooperate with the police. She said she and her boyfriend plan to then leave the country as soon as possible.

Ms. Kotlyar was arrested on March 13, according to a copy of police records reviewed by the Journal. During her interrogation, she said a police officer slammed her head on the table. She suffered a concussion and spent six days at Vladivostok's Clinical Hospital No. 2, according to a copy of her medical report reviewed by the Journal.

The report said Ms. Kotlyar was "injured while being detained." Reached by phone, the hospital confirmed that Ms.

Kotlyar had been hospitalized there. Vladivostok's Police Department didn't respond to multiple requests to comment. The Interior Ministry didn't respond to requests to comment.

The 25-year-old activist, who helped Russian opposition leader Alexei Navalny organize antigovernment rallies in her hometown in recent years, said she has been fined and detained repeatedly for violating Russia's protest laws and thinks it is now too dangerous for her to stay in the country.

Kamran Manafly, a 28-year-old teacher at Moscow's School No. 498, posted on Instagram that he would stand by his an-

## Repressive laws and arrests discourage protests against the war in Ukraine.

tiwar views after his school instructed teachers to push the government line on the war in Ukraine. "I don't want to be a mirror of state propaganda," he wrote on March 8.

Two hours later, he got a call from the school's director, Tamara Gorodzeyko, a Moscow city councilor, telling him to take the post down or quit. He was fired three days later, according to a copy of his dismissal letter reviewed by the Journal, for committing an "immoral offense."

Mr. Manafly, who has since left Russia, said that two years ago Ms. Gorodzeyko told him she was proud of him for having gone to the U.S. to apprentice at a school there.

"It was a different country. Now you feel it in the educational system, in lessons. It's becoming totalitarian," he said.

Moscow's School No. 498 and Ms. Gorodzeyko didn't respond to requests to comment.

There are other factors that explain why the protest movement fizzled. State control over the airwaves allowed the government to sell its narrative, which depicts the Russian military as liberating Russian-speaking areas of Ukraine from nationalists.

The government also spent last year dismantling Russia's already embattled opposition. Authorities jailed Mr. Navalny for 3½ years, banned his organizations as "extremist," and closed several other opposition networks. In late March, a court extended Mr. Navalny's prison sentence by an additional nine years. All of his top lieutenants have been jailed or have fled the country.

Not all antiwar activists are fleeing.

Dmitry Ivanov, the activist who Mr. Teplyakov identified as helping distribute antiwar stickers, said he understands the risks of staying in Russia. The 22-year-old student at Moscow State University said he is focusing his efforts not on protesting but on private conversations with friends and others. He believes it will take time for real information about the war, such as the fatality toll, to surface. While Russia has said 1,351 of its soldiers have died in the fighting, the U.S. has estimated that as many as up to 7,000 Russian troops have been killed.

"This is my motherland, my country. I live here," Mr. Ivanov said. "I don't see a reason to hide and run away."

## Strike on Ship Alters Russians' Strategy

A surprise Ukrainian strike on a Russian ship at a southern port city last month could curb Moscow's plan to expand its hold on the Donbas region, eliminating a key military advantage in the Russian attack plan, said Ukrainian military analysts and U.S. officials.

*By Brett Forrest in Mykolaiv, Ukraine, and Nancy A. Youssef in Washington*

The March 24 offensive against Russian navy ships docked at a captured port in Berdyansk on the Azov Sea was the first major strike on the Russian fleet, Ukrainian and U.S. officials said. The attack destroyed a ship laden with supplies, drove others back into the sea, and damaged the port facilities.

The strike ended the presumption that Russian ships could attack without the threat of a Ukrainian reply. And it has limited Russia's ability to fire missiles and artillery as it pivots its assault toward Donbas in Ukraine's east, said retired Adm. James Foggo, who commanded U.S. Naval Forces Europe-Africa. Hours after the strike, Russia moved its ships in port out to sea, making it harder for them to attack Ukraine's cities and preventing them from supporting ground forces.

"It's a major logistical blow," Adm. Foggo said. "It's an 'aha!' moment for the Russians. Despite the damage they have done inside Ukraine, Ukrainian forces are still capable of conducting offensive strikes with precision."

In the nearly two weeks since the strike, Russia's navy hasn't launched any major attacks on Ukrainian cities, although it has struck targets around a few of them. On Sunday, missiles from Russian ships struck the Ukrainian port city of Odessa, hitting infrastructure.

Russia's military made port cities a priority during its assault into Ukraine. It seized the city of Berdyansk, a key foothold for its future attacks in strategically important cities such as Mariupol, just days into its invasion of Ukraine, soon boasting of the advantage the port would afford its war effort.

Quickly putting the port to use, Russia landed huge ships carrying as much as 2,000 tons of supplies each for its ground forces in the Ukrainian south. The Russians ejected Ukrainian cargo ships, dredg-

ers and a tug, then berthed their own ships carrying multiple-launch rocket systems to provide cover for troops moving into the region.

The ships at Berdyansk were only lightly defended, as the nearest Ukrainian forces were about 60 miles away.

"The Russians thought Ukraine didn't have any capability to reach them," said Andrii Ryzhenko, a former Ukrainian navy captain now with the Center for Defense Strategies, a Kyiv think tank with close ties to the military.

By the early weeks of the war, Russia had as many as 22 ships in the Black Sea and another dozen in the Azov Sea, U.S. officials said. At least half of those in the Azov Sea were docked at Berdyansk—"sitting ducks," said Bryan Clark, a senior fellow at the Hudson Institute, a conservative think tank in Washington.

"It's just an example of how cavalier Russia's operations have been about keeping ships at shore," Mr. Clark said.

Russia had major advantages over the Ukrainian navy for nearly a decade. It captured and destroyed much of the Ukrainian navy at the port of Sevastopol during Moscow's 2014 seizure of Crimea, expanding its influence over the Black Sea. And in the run-up to the Feb. 24 invasion, Russia moved much of its navy from as far as the Baltic Sea toward Ukraine's shores.

The Azov Sea, bounded by Russia, Ukraine and the Crimean Peninsula, has been strategically important for centuries. Ships operating off the Azov Sea coast took part in the Russian assault on the southern city of Mariupol, military analysts said, firing artillery into Mariupol with little risk from Ukraine's defenses. The ships also held supplies for nearby ground forces and provided another line of defense to troops entering Mariupol.

The Azov Sea also is the fastest supply route between Russia and Crimea, because Ukrainian forces destroyed the rail lines between the two in 2014.

U.S. defense officials warned that Russia could be making adjustments in the sea, much as it is doing around the Ukrainian capital.

Since the strike, Russia has withdrawn all but three ships from the Azov Sea as of last week, a U.S. senior defense official said, hindering Moscow's ability to supply troops in the Ukrainian south.

# WORLD NEWS

# Israel's Ruling Coalition Loses Majority

**Bennett's government is weakened after key lawmaker resigns, but it can still wield power**

By **Dov Lieber**

TEL AVIV—Israeli Prime Minister Naftali Bennett's government faces a crisis after a lawmaker quit the ruling coalition, leaving it without a majority in parliament less than a year since coming to power. Idit Silman, the coalition's de facto whip, in a letter to Mr.

Bennett on Wednesday said she was resigning from the coalition over disagreements about the country's Jewish character.

She recently clashed with Israel's health minister over whether leavened grain products should be allowed in Israeli hospitals during the coming Passover religious holiday. In Jewish tradition, such products are removed from public spaces and not consumed during the holiday.

Her resignation leaves the government with 60 lawmakers backing it in the 120-member parliament, or Knesset.

The coalition can continue to govern without a majority, but it will struggle to pass laws, requiring support from opposition lawmakers.

With one more resignation, the government could collapse. That would give the opposition a potential majority in a vote to dissolve parliament and send the country to a fifth election in a little over three years.

Still, even if a second coalition member resigns, the opposition would struggle to form its own government without lawmakers from the Joint List, a union of largely

Arab Israeli parties, to vote with it to dissolve parliament and set up new elections. Israeli political analysts are skeptical that could happen because of the Joint List's animosity toward former Prime Minister Benjamin Netanyahu, the opposition leader.

While Israel's Knesset is in recess for the next five weeks the opposition would need the government's support to hold a vote to dissolve parliament.

Chen Friedberg, a senior lecturer of political science at Ariel University, said it was unlikely that the government

would dissolve before parliament is back in session.

Israel has held four elections since 2019 with voters largely divided over whether Mr. Netanyahu should rule while on trial for corruption.

Mr. Bennett's government came to power in June last year after a mix of left-wing, centrist and right-wing parties, including for the first time an independent Arab party, united in their opposition to Mr. Netanyahu. The parties' deep ideological differences have created an unwieldy alliance. Members have

clashed over policies related to West Bank settlements, Palestinians and questions of religion and state.

Mr. Bennett blamed months of incitement against Ms. Silman by Mr. Netanyahu and his allies for her defection. He said coalition leaders are committed to maintaining the current government.

The political crisis comes after a burst of terrorist attacks in recent weeks that has left the government vulnerable to charges from the right-wing opposition that it is weak against terrorism.

## WORLD WATCH

FRANCE

### Prosecutors Probe Consulting Spending

French prosecutors opened a tax-fraud and money-laundering investigation stemming from a Senate report on government spending on consulting firms, delivering a blow to President Emmanuel Macron just days before voters head to the polls.

Financial prosecutors said they were probing the findings of a Senate report that detailed how the government spent €893.9 million, equivalent to \$975.8 million, last year on consultants, including McKinsey & Co. Prosecutors said they were focused on potential tax fraud and money laundering, without naming any suspects. The Senate report alleged that McKinsey hasn't paid corporate tax in France for at least a decade.

On Wednesday the government said the Finance Ministry had already opened an investigation into the firm's tax situation.

McKinsey said it was fully cooperating with authorities, answering their questions about its fiscal practices. The French unit of McKinsey has previously said that from 2011 to 2020 it paid over €422 million in French taxes and social-security contributions.

—Stacy Meichtry



**COUP PROTESTS:** Thousands of Sudanese marched in the capital of Khartoum and other cities on Wednesday in new protests against an October military coup that plunged the African country into political turmoil and aggravated its economic woes.

said. "Prohibiting journalism from reporting the reality in which thousands of people inhabiting these gang-controlled communities live...will create an illusion that is not faithful to the truth."

The measure also establishes prison sentences of 10 to 15 years for painting the sort of graffiti commonly used to mark gang territory in neighborhoods across El Salvador.

—Associated Press

BURKINA FASO

### Ex-President Given Life Prison Sentence

A Burkina Faso military tribunal sentenced ex-President Blaise Compaore to life imprisonment for complicity in the murder of his predecessor Thomas Sankara in 1987 and for undermining state security.

Mr. Compaore was tried in absentia as he has been in exile in Ivory Coast since he was toppled from power by a popular uprising in 2014.

Mr. Compaore's right-hand man Gilbert Diendere and former spy chief Tousma Yacinthe Kafando were also given life sentences. Mr. Diendere is already serving a prison sentence for an attempted coup in 2015 and Mr. Kafando is at large.

—Associated Press

EL SALVADOR

### Law Bars Publication Of Gang Messages

El Salvador's congress, pushing further in the government's dramatic crackdown on gangs,

has authorized prison sentences of 10 to 15 years for news media that reproduce or disseminate messages from the gangs, alarming press freedom groups.

The vote late Tuesday was the latest in a flurry of legislative action against the gangs af-

ter 62 suspected gang killings on March 26 led President Nayib Bukele to seek and win a state of emergency. Harsh measures against imprisoned gang members and increased prison sentences followed, as well as the arrests of some 6,000 sus-

pected gang members.

But the newest law expands Mr. Bukele's offensive to the press, another of his frequent targets. "We consider these reforms to be a clear attempt at censorship of media," the El Salvador Journalists Association

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GABBY JONES FOR THE WALL STREET JOURNAL (4)

year-old, Astro has never once hit anyone or bumped into anything.

**Astro, the Security Guard**  
**Sunday, 11:30 a.m.** “Did we lock the door?” my wife asks after we loaded the family in the car. I pull up the Astro app, tap Live View and then a viewing mode I labeled “Door Locked.” I watch through Astro’s camera as the robot races to the front door and then puts up its periscope to see the top locks. Confirmed: Locked.

The unicorn-like periscope has two cameras, one that’s optimized for low-light surveillance. The app gives you a view from Astro’s cameras and lets you send it to specific places in the house.

When you put Astro in Away mode, it remains in its charging station but stays on the lookout for unusual activity. If you have Ring’s Protect Pro plan, Astro can patrol your floor. I donned a face mask and “broke in.” Astro was quick to spot me and send an alert to my phone that it was investigating “a possible unrecognized person.”

**Astro, the Babysitter**  
**Every day, all the time:** “Astro, can you fart?” “Astro, play ‘Encanto.’” “Astro, another fart!” “Astro, play ‘Encanto’ again.” “Astro, play ‘Pokémon.’”

My kids are obsessed with Astro. The baby already knows Astro by name because it plays his favorite music. The 4-year-old wants to do everything with it.

I have used the Live View from the cameras to check in on the 4-year-old while I’m putting the baby down for a nap upstairs. You can have a two-way conversation through the app. I wouldn’t actually ever let Astro “babysit,” but Astro integrates with the Alexa Together service, which is specifically aimed at helping aging family members.

**Astro, Unemployed Robot**  
**Wednesday, 4:30 p.m.** Astro successfully maneuvers around a ton of toys, including fridge magnets I would certainly step on. “Good robot!” I yell, catching myself and realizing I’m emotionally reacting to what’s essentially an iPad on wheels.

A self-driving always-connected robot loaded with sensors and cameras requires a lot of trust. Perhaps I would be willing to make the potential safety, privacy and security trade-offs if Astro had some killer app. We’ve been told our entire lives that home robots will one day help us, and Astro’s technical abilities wowed me. But here in my home, I still don’t have a clue what it’s for.

“We will find other big-use cases as customers show us what those are,” Mr. Limp said.

It could be just a matter of time before Astro finds its true calling. For now, I bought the baby a \$40 Fisher Price robot, and I jury-rigged a remote-control car with an iPad and a cup holder for the 4-year-old.

The kids...they’ll be all right. But Astro? I’m not so sure.



Scan this code to watch Joanna Stern’s video about living with Amazon’s new home robot, Astro.

## When Robots Move In: Chaos

Amazon’s Astro visits one family, tries to help, but ends up getting in the way most of the time



**PERSONAL TECHNOLOGY**  
**JOANNA STERN**

**Tuesday, 9 p.m.** The big-eyed robot rolls off its charging station, flashes “Going to hang out” on its screen and makes a beeline for the empty kitchen. I think nothing of it. An hour later, I go to grab a glass of water and WHAM! I trip right over the 21-pound autonomous hunk of plastic and metal. Yes, robots are going to kill us one day—by getting in our way.

Welcome to life with Amazon’s Astro, an adorable-if-annoying household robot with more cameras and sensors than a TSA checkpoint. Think of it this way: If you crossbred an Amazon Echo, a Ring doorbell, an iPad and WALL-E, you’d get Astro.

The three-wheeled bot’s sensors allow it to navigate the house—or one floor of it anyway. Its microphones are always listening for “Astro” so you can command it to do various things. Its cameras let you keep an eye on your home while you’re away. Its 10-inch screen is for Astro’s big, expressive eyes, plus some basic tabletly things.

Amazon’s list of Astro’s talents is overwhelmingly long, but at home the robot doesn’t do anything particularly valuable. I take that back: It’s very good at stirring up powerful emotions of love and hate.

How do I know? Astro moved in with my family a couple of

weeks ago.

You can’t buy the \$1,000 robot—at least not until Amazon permits you. But you wouldn’t want to buy it. At least not yet. Our adventures with Astro showed me a world where computers can be reliable, proactive helpers.

If only it knew how to help, or when to get out of the darn way.

**Astro, the Butler**

**Monday, 8 a.m.** From the living room my 4-year-old yells, “Mommy, I’m thirsty!” (We’re working on manners.) I drop a cup of water into Astro’s cup holder. “Astro, bring the sippy cup to the living room,” I say, and the robot takes off. As it pulls up to my son, he says, “Thank you, Astro.” (Now he’s got manners!?)

Astro learned his way around the second floor of our house faster than my mother-in-law did. When you set up the robot, it roams around scanning the space and creating a map. You then give it a tour, telling it which room is which. You can edit the map in the Astro smartphone app and designate off-limit areas.

During the initial setup, you can also enable Visual ID, facial recognition that allows Astro to differentiate household members.

Surveillance much? Dave Limp, Amazon’s senior vice president of devices and services, said that while the robot uses cameras to spot human-shaped blobs, and even scan their faces for a match, that data doesn’t go to Amazon’s servers. For extra privacy, there’s a



Once you’ve taught Amazon’s Astro the rooms of your home, it can deliver items placed in its rear container and cozy up to a four-legged friend.

button that turns off all the cameras, sensors and microphones.

**Astro, the Roommate**

**Monday, 4 a.m.** The 4-year-old wakes up not feeling well. I come downstairs to get him a snack and a drink. Astro awakes, makes one of his bloop sounds and blinks on its screen: “Hello, Joanna. I’ve missed you.” Not now, Astro!

Astro uses artificial intelligence to go to spaces where it thinks it will be useful. Astro decided around day two that the kitchen would be the place. Even when I’m making dinner and I ask Astro for cooking timers and music, I want

it out of the way. To get Astro to leave, you tell it to return to its charging station, or go to a different room.

According to our Amazon voice history, my family sent it back to the charging station over 70 times in the past two weeks.

You can turn off this feature. An Amazon spokeswoman told me the robot should get smarter over time, and that the company is looking to improve the feature.

Astro’s careful driving skills are impressive.

In a narrow townhouse with a crawling 8-month-old, a skittish dog, various adults and a wily 4-

By NEIL SHAH

No music fan wants to miss out on a concert by one of their favorite artists, especially after two years of a pandemic. But Nick Carrey recently found himself in exactly that dilemma.

The 20-year-old student wanted to see the British pop singer and songwriter Charli XCX perform this month in New York at the Hammerstein Ballroom. But another one of his favorite artists, the pop-punk band The Story So Far, is rolling through town the same night.

“Everyone is playing at once, so you have to pick and choose,” Mr. Carrey says. The number of shows “feels overwhelming.” (Ultimately, he picked rock over pop, buying tickets for The Story So Far.)

The pandemic brought the concert industry to a halt. Now, it’s the opposite: An unprecedented number of musicians are hitting the road at the same time, hoping to make up for lost revenue, music executives say, even as concerns about a fresh wave of Covid-19 grow. That is creating a traffic jam of concerts that are scheduled for the same week, or even the same night.

This month, New York City’s concert calendar packs in stars such as the Strokes, Lorde and Bruno Mars, along with innumerable buzzy acts like Big Thief. On April 26—a Tuesday—there are at least three notable shows for an adventurous pop-music fan: pop phenom Olivia Rodrigo (Radio City Music Hall), Irish post-punk band Fontaines D.C. (Brooklyn Steel, a 1,800-capacity venue) and Southern punk-rockers Lee Bains III + the Glory Fires (the



## Concert Offerings Hit a Busy New Stage

club TV Eye in Queens). Two days later, Bruno Mars will make history as the first Nigerian artist to headline Madison Square Garden.

The unusually jammed calendar risks frustrating fans and hurting the profit of smaller or less-popular artists, festivals and venues, music executives say.

People in the concert industry expect 2022 to be the biggest year ever, with things going into high gear

this spring and summer. Superstars like Ms. Rodrigo and Bad Bunny, along with dozens of other acts, will pass through towns in closer proximity than usual, either for newly scheduled concerts or ones rescheduled from 2020 and 2021.

Fans may be thrilled by the bounty of shows, but it’s a bummer when they miss out on shows that are dear to them. Plus, it’s exhausting to attend shows back-to-back,

or attend multiple shows in a week.

It’s expensive, too. Concert-ticket prices have soared for years: The average ticket price at the end of 2021—about \$78—was up 14% from 2019, according to Pollstar. And with gasoline and grocery prices jumping amid the highest levels of inflation seen in four decades, some fans appear to be starting to dial back, industry professionals say.

The concert glut hits artists, too. Bigger arena acts and marquee festivals could benefit if more fans than usual splurge on pricier shows with higher production values. But club and theater acts could be hampered by weaker-than-normal sales.

According to one industry estimate, ticket sales for midsize touring acts have in some painful cases slumped 20% to 30% compared with prepandemic. The lower turnout, in turn, hurts the beverage sales of the venues these acts play.

Competition isn’t the only challenge. Acts are grappling with personnel, truck and equipment shortages, along with a jump in labor and fuel costs. The combination of lower sales and higher costs means it’s harder to eke out a profit on the road.

“If you’re not out there with a special story, or a special narrative, you just better be careful,” says Brent Smith, executive vice president and managing executive at Wasserman Music, a talent agency whose clients include Billie Eilish, Coldplay and Drake. “Or maybe it’s best to sit this one out.”

For the past decade, revenues and the number of shows have grown at a fast clip. “What you’re seeing in 2022, and what we’ll see in 2023, and probably beyond, is

that on steroids,” says Arthur Fogel, president of global touring at Live Nation Entertainment Inc., the world’s No. 1 concert promoter.

In a typical year, roughly half of music’s touring artists go on the road, executives say, with the other half taking its turn the following year. The pandemic disrupted that rhythm. An unusually high number of musicians scrambled to book shows for 2022 to ensure they had places to play when something resembling normal returned. As a result, last summer, it seemed like 2022 would become complete gridlock. As plans were formalized, some artists pushed their plans to 2023, but things remain unusually busy, executives say.

“The freeway is crowded and super-slow, but it’s not standstill traffic,” Wasserman Music’s Mr. Smith says.

In March, Indira Lambert, a 36-year-old physical therapist’s assistant, headed to Madison Square Garden to watch rapper Tyler, the Creator perform an intense 90-minute set for a rapturous crowd. The hip-hop star’s elaborate stage production—which included a light-blue-pastel-colored lodge and a moving speedboat from which he performed at times—drew comparisons to the past arena spectacles of Kanye West, one of her heroes.

Ms. Lambert unfortunately had to skip another show to attend this one: rock band Tame Impala, playing about 5 miles away at Brooklyn’s Barclays Center. She’s probably not alone. “People who would see Tyler would also see Tame Impala,” she says. The two artists’ fan bases overlap.

“I wish I could see both,” she says.

ILLUSTRATION BY CHAVA HOVELL/THE WALL STREET JOURNAL

PERSONAL JOURNAL.

By RAY A. SMITH

Even people who loathe asking for a raise can ill afford not to amid the highest inflation many have seen in their working lives.

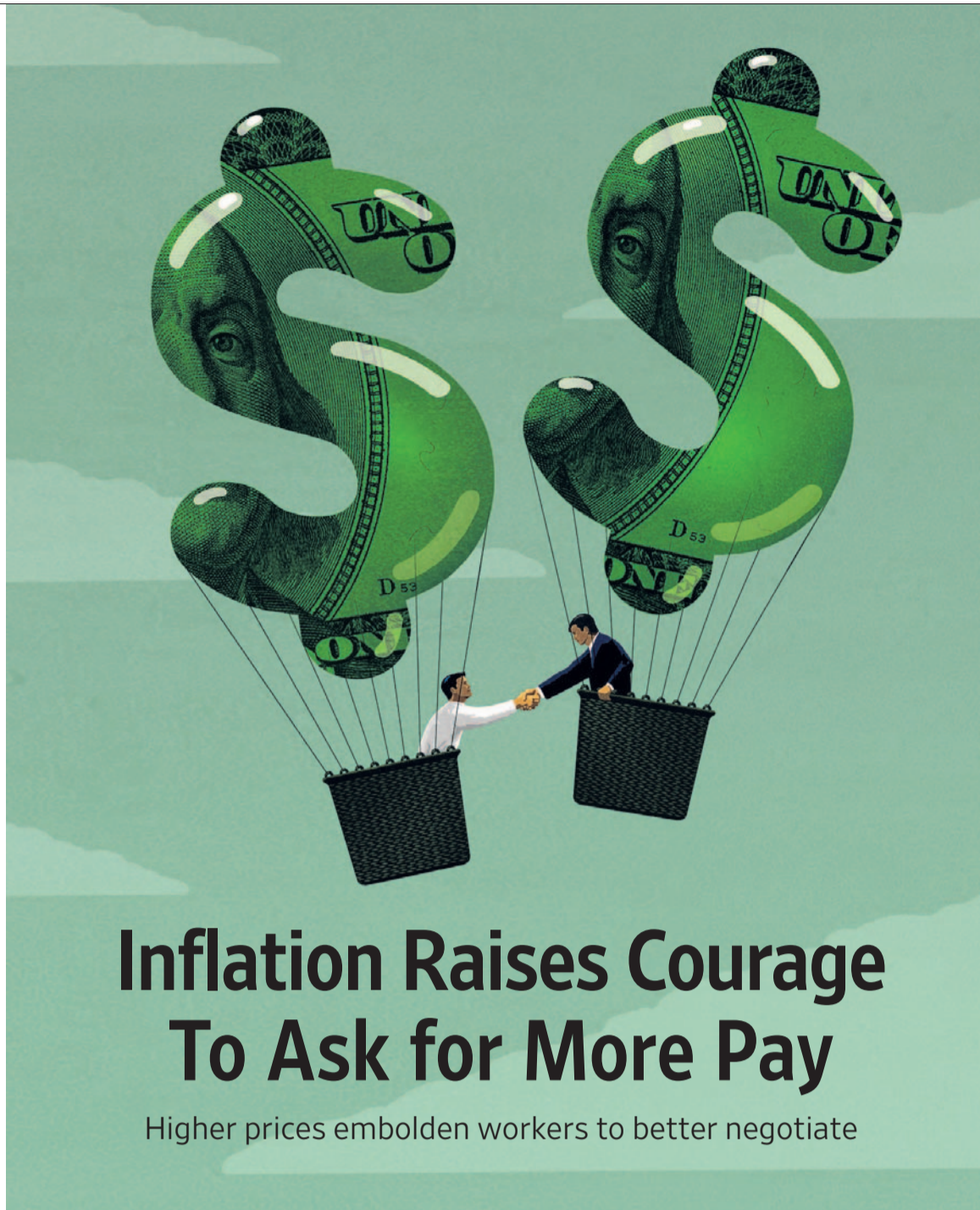
Those who don't push for more pay risk losing out on what extra money companies are putting toward raises this year. Employers say they set aside an average 3.9% of total payroll for wage increases in 2022—the most since 2008—according to the Conference Board, a research group.

That isn't likely to cover workers' fast-rising costs: The U.S. consumer-price index, a measure of the cost of goods and services across the economy, rose at a 7.9% annual rate in February, the fastest pace in four decades. And many companies aren't factoring inflation into pay decisions, partly because they worry about reacting too fast and overpaying, says LaCinda Glover, senior principal in consulting firm Mercer LLC's career practice. In a Mercer survey of more than 300 U.S. companies in February, 66% said they weren't changing salary budgets because of inflation.

Yet prices for gasoline, cars, housing and other essential goods have been surging for more than a year, wiping out many of the pandemic-era gains workers have made in pay. In this especially tight labor market, people aren't just switching jobs: Many say inflation and a surplus of jobs are emboldening them to push for raises harder than they might have in the past, even if those factors aren't the focus of a pitch for more money.

"Giving my boss concrete reasons as to why I feel like I deserved the raise besides just, 'I want more money,' definitely helped," says Janna Ossinsky, a 26-year-old marketing manager in New York, who, since last fall, has gotten two raises.

She says she won the first pay jump—to \$77,000 a year from \$67,000—when she was promoted in October to manager. Then came her annual performance review in March, and another proposed raise to \$80,000. This time she says she countered with a request for \$85,000—and got it.



# Inflation Raises Courage To Ask for More Pay

Higher prices embolden workers to better negotiate

Ms. Ossinsky says she had done her homework, explaining she didn't think the \$80,000 was fair considering her skills, additional responsibilities and the M.B.A. degree she earned last year. She practiced the pitch with her mother and senior colleagues, which she says gave her the confidence to go to the mat for it.

"The more you say it, the more you validate it, the more you get

comfortable talking about it," Ms. Ossinsky says.

Even if inflation is your main reason, though, it is risky to build your argument for a raise around it since rising prices affect nearly everyone, says Alexandra Carter, director of the Mediation Clinic at Columbia Law School and author of "Ask For More." Instead, "start from a place of demonstrating and forecasting your own value to this

company," she says.

Cringe at the thought of haggling at your pay review? One approach is to let your boss suggest a percentage first. If it is too low, Ms. Carter recommends asking first how the company arrived at that figure.

"Questions are the No. 1 underutilized superpower in negotiations," she says. Acknowledge the number as a great start, she says,

then point out accomplishments that might have been overlooked to justify why you are asking for more.

For people who hate to negotiate, keeping the discussion as objective and fact-based as possible can help make asking for a raise less nerve-racking, says David Buckmaster, a compensation executive and author. Write down what you plan to say beforehand and be ready to cite market data on salary ranges—though avoid arriving with a manila folder stuffed with printouts—he advises.

## 7.9%

Annual rate of inflation in February, the fastest pace in four decades

Improved salary-tracking websites, plus salary transparency laws in Colorado, New York City and other states and cities have made it easier to get more accurate compensation data that is harder for employers to dismiss, he points out. "There are a lot better tools now than there were pre-pandemic," he says.

Justin Smith, a 25-year-old software engineer, says he was initially nervous asking for a big raise in March, when he transitioned from a contract position for an investment bank in Chicago to a full-time staff role. He decided to push for a \$100,000 annual salary—up from the \$65,000 he earned as a contractor—after researching salaries for similar positions at his firm and at rival companies and factoring in his move to a more expensive rental apartment.

He says he made his case over a Zoom call with his company's human-resources department by describing his contributions to his team and citing email kudos from colleagues.

The company balked at the \$100,000 but agreed to \$90,000. "I overshot because I knew they would try and wrangle me down," he says.

His advice for others? Don't be afraid to ask for more than you think you will end up with. "There's a lot of wiggle room to negotiate," he says.

ILLUSTRATION BY MICHAEL GLENWOOD

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Ophelia Lovibond, above, is a magazine editor in 'Minx.' Below, baseball returns on Thursday.

## WHAT TO WATCH 'Minx,' Mysteries And MLB

By CHRIS KORNELIS

"MINX" TACKLES feminism and pornography in the 1970s. Jane Seymour enlists a teenager to help her solve murder mysteries in "Harry Wild." Also, Major League Baseball begins its regular season on Thursday. Here's where to stream it all:

**'Minx'** (HBO Max)  
There has been a lot of full-frontal male nudity going around on TV and film lately, but the only male nudity Ellen Rapoport wanted showing up in "Minx" is workplace nudity.

This is easier for "Minx" than most because the comedy is set in the 1970s world of soft-core magazine pornography.

Joyce Prigger (Ophelia Lovibond) dreams of starting a feminist magazine called The Matriarchy Awakens that will bring her a Pulitzer and friendship with Gloria Steinem. Then she meets Doug Renetti (Jake Johnson), the publisher of a growing empire of pornographic magazine titles who encourages her to "hide the medicine" that is her message under the cover of naked male bodies.

The result is Minx, a magazine for women that includes the kinds of pictures Renetti knows how to sell with the articles Prigger wants to write.

"To us, it was like: If there would be nudity in the workplace, that's when we would put it in," Ms. Rapoport says. "We didn't just randomly shove in nudity because we could."



The final two episodes of the first season of "Minx" begin streaming April 14 on HBO Max.

**'Harry Wild'** (Acorn TV)  
"Harry Wild" is a lot like "Murder, She Wrote," if Jessica Fletcher showed more of an interest in sex and wine. Ms. Seymour's Harry Wild is a newly retired literature professor who likes to unwind with a bottle of red and a roll in the hay. Much to the chagrin of her son, a local police detective, she begins leveraging her literature chops to help solve murder mysteries around Dublin. For

help, she isn't afraid to enlist her teenage granddaughter (Rose O'Neill). And she turns a teenage boy who tried to rob her (Rohan Nedd) into her assistant.

The first two episodes of "Harry Wild" are streaming now on Acorn TV.

**Major League Baseball** (Various)

Here's a look at a few of the places you can stream Major League Baseball games once things get started on Thursday:

**Apple TV+** is streaming a "Friday Night Baseball" double-header this season. The initial games are available free to stream on Apple TV+, even if you don't subscribe to the service.

**ESPN's** "Sunday Night Baseball" broadcasts are streaming on the ESPN app.

**SiriusXM** satellite radio is carrying every game from every team. Subscribers of TuneIn's premium tier can stream the audio of every game, too. Fans outside their favorite team's home TV market can still subscribe to watch their games at MLB.TV.

Keep an eye on **Peacock**. The Wall Street Journal reported in March that the streamer was completing a deal with MLB to stream 18 games starting as early as 11:30 a.m. ET on Sundays.

Note: Different teams have different streaming and broadcast opportunities. Check with your home team for all available ways to stream their 2022 games.

FROM TOP: HBO MAX; GETTY IMAGES

## ARTS IN REVIEW

## CULTURAL COMMENTARY

## ‘The Last Waltz’: Slow Fade

Martin Scorsese’s now-restored 1978 film of The Band’s farewell concert has a strange grandeur



By PETER TONGUETTE

From “Jazz on a Summer’s Day” (1959) to “Woodstock” (1970) and beyond, many of the best-known concert films use *cinéma vérité* techniques to evoke the full concert experience. In these films and others, cameras point every which way to capture the artists on the stage and the crowd below.

Martin Scorsese, however, took a different, less literal and considerably more polished tack with his classic 1978 concert film “The Last Waltz.” The documentary, which the Criterion Collection has just released in a restored version on 4K UHD and Blu-ray, presents the farewell performance that the rock group The Band threw for itself at San Francisco’s Winterland Ballroom on Thanksgiving Day in 1976. Mr. Scorsese opted for intimate, cinematically sophisticated onstage views of The Band—consisting of Rick Danko, Levon Helm, Garth Hudson, Richard Manuel and Robbie Robertson—and the extraordinary roster of guests who helped the group close the curtain, among them Bob Dylan, Joni Mitchell and Muddy Waters.

Apart from some mood-setting footage at the beginning (including a shot of attendees lining up to get inside the Winterland) and interview material with members



Left to right: Bob Dylan, Rick Danko and Robbie Robertson, top; The Band performing, above.

of The Band, Mr. Scorsese seldom strayed from the stage and only included occasional glimpses of those in attendance. In his hands, the film was a memorialization of a great performance featuring iconic artists—not necessarily a documentary on the reaction (or fashions) of the crowd that night. It’s a concert film of rare purity.

“With *The Last Waltz*, I thought to myself, We’ve seen the

ultimate audience movies in *Monterey Pop*, and certainly *Woodstock*,” Mr. Scorsese, who worked as an editor on “Woodstock,” recalled in film critic Richard Schickel’s interview book “Conversations With Scorsese.” “What do we care? We’re the audience. *The Last Waltz* is for everybody, and let’s just go with it.”

The result is a masterpiece of both sound and sight: Working

with a top-flight group of cinematographers—in addition to the main director of photography, Michael Chapman, six additional directors of photography are credited, including László Kovács and Vilmos Zsigmond—Mr. Scorsese largely eschewed the rough, catch-as-catch-can-style photography characteristic of many concert films. Instead, the filmmakers planted cameras on or near

the stage to capture angles reminiscent of feature films. For example, when Ronnie Hawkins joins Mr. Robertson for an enthusiastic performance of “Who Do You Love?” the two are photographed from multiple angles: head-on, from behind and in profile. Again contrasting “The Last Waltz” with “Woodstock,” Mr. Scorsese told Schickel, “This was staged, more studied in a way, much more planned out.”

To facilitate Mr. Scorsese’s unusually dynamic style, several of the best passages in “The Last Waltz” were photographed in a studio, including a stunning performance of “The Weight” in which the camera starts on Mr. Robertson on his double-neck guitar, slowly approaches Mr. Helm at the drums and then suddenly

**We know, with every passing song, that we are getting one step closer to the end.**

speeds up to him before he reaches the famous lines in the song’s chorus: “Take a load off Fanny, take a load for free.” This is followed by a shot of Danko and Robertson that pulls back until it reveals the back of Mavis Staples, around whom the camera then revolves until her face fills the frame. Later, during a performance of “Evangeline,” Mr. Scorsese creates a picture of a kind of musical heaven as the camera drifts amid a dry-ice-filled stage, wafting from members of The Band to an angelic Emmylou Harris, wearing a blue dress and illuminated in a ghostly pale light.

Like most memorable concerts, the one shown in “The Last Waltz” acquires greater and greater gravity as it progresses: We know, with each song, that we are a step closer to the end, and by the time Ringo Starr and Ronnie Wood join the others for an ecstatic performance of “I Shall Be Released,” we know that it’s just about over. Yet the strange grandeur of this film is not merely a function of what we hear but also what we see, including the majestic final shot: In another segment made in a studio, The Band plays the rueful instrumental theme from the film as the camera recedes from the stage and drifts up toward the top of a set that is otherwise empty of people. If ever a concert film deserved to be called autumnal, it’s this one, in which a great group said farewell while joined by a once-in-a-lifetime assembly of colleagues—and on Thanksgiving, no less. Mr. Scorsese’s style contributes immeasurably to the film’s enduring wistfulness.

In “The Last Waltz,” this great American filmmaker transformed The Band’s aural artistry into visual music of the highest order.

*Mr. Tonguette is a contributing writer at the Washington Examiner magazine.*

## TELEVISION REVIEW | JOHN ANDERSON

## Kore-eda’s ‘The Truth’: Fictionalizing Fact

“THE TRUTH” won’t set you free. In fact, it won’t leave you alone, partly because of the movie within the movie that serves as a metaphor for the entire story: Somewhere in a sci-fi future, a woman facing terminal illness flees to outer space, where time slows to the point that she doesn’t age. Her daughter, however, does. And over the course of their infrequent reunions on Earth, the daughter gets older while the mother remains the same.

It’s enough to make you shudder. Not so the rest of “The Truth,” which is funny, wry, emotionally potent, and like most films by Hirokazu Kore-eda (“Shoplifters,” “Nobody Knows,” “After Life”) operates on multiple levels—usually some kind of domestic tragicomedy under which lies profound existential disquiet. The first film made outside his native Japan by the director, it dates to 2019 (it is welcome whenever) and operates in a zone where very little light separates the performers from what they’re performing.

Mr. Kore-eda has frequently dealt with questions of aging and death and the philosophical conundrums of his own art form. (He had planned to become a novelist, it is said, which comes as no surprise.) What he needed for this French-language film was an actress of a particular stature willing to subsume her own ego while playing a narcissist as well

as a provocateur, a daunting combo. She arrived in the person of Catherine Deneuve, as Fabienne Dangeville, a diva who enjoys a Deneuve-ian stature in France and whose devotion to *la vérité* (also the title of her book) is little more than casual. Her daughter, Lumir (Juliette Binoche), has come from New York with her husband, Hank (Ethan Hawke), and daughter, Charlotte (the wonderful Clémentine Grenier), with the expectation of vetting Fabienne’s memoir. To Lumir’s surprise, she finds it already published and on sale. To her further alarm, she finds her mother has fabricated Lumir’s entire childhood and bestowed upon herself a maternal devotion that never existed.

Lumir is not alone in her dismay: Fabienne’s devoted manager, Luc (Alain Libolt), discovering that Fabienne has not mentioned him in the book at all, resigns to go live with his grandchildren. (“You have grandchildren?” is Fabienne’s predictable reaction.) The fulcrum of “The Truth” is the dismissive manner by which Fabienne regards almost everyone, including her daughter, who has the unwelcome yet irresistible job of short-circuiting the smoke machine of her mother’s imperious mythmaking.

What provides the deeper dramatic conflict amid Fabienne’s relationships is her latest project, the

aforementioned sci-fi film, titled “Memories of My Mother,” in which Fabienne is playing the 73-year-old version of the daughter, while the part of the never-aging mom is played by up-and-comer Manon Le noir (Manon Clavel). Fabienne has been drawn to the part because Manon reminds her—and everyone else—of the late and very much lamented Sarah Mondavan, an actress who had been, at some remote time, not only Fabienne’s best friend but a surrogate mother to Lumir. Among the novelistic touches in Mr. Kore-eda’s script is the name Mondavan—or *monde d’avant*, French for “the world be-

fore.” Before what is the mystery of the piece. (The “Memories of My Mother” element was adapted from the short story by the Hugo Award winning Ken Liu, which also inspired “Beautiful Dreamer,” a film by David Gaddie.)

Ms. Clavel is radiant, and that’s partly because her character is oblivious to the disturbance she’s caused, both by her presence in the film being shot and by her mere existence: She’s precisely the kind of star Fabienne once was—and Ms. Deneuve as well, an immaculate creation of a period in French film with which the earthier and perhaps more adventurous Ms.

Binoche contrasts mightily, just as Lumir (as in Lumière Brothers?) contrasts with Fabienne. Amid this heady mix of actorly riches we also get Ludivine Sagnier, who’ll play the sci-fi film’s mother figure as a 38-year-old, while providing another link in the chain of French film stars playing film stars in a movie that makes a mockery of immortality—the thing that cinema, in its persistence, deludes us into thinking possible. And which Mr. Kore-eda explores with mischievous intent.

**The Truth**  
AMC+ and IFC Films Unlimited



Juliette Binoche, Catherine Deneuve, Ethan Hawke and Clémentine Grenier in Hirokazu Kore-eda’s ‘The Truth’

# SPORTS

## The Stars Missing the NBA Playoffs

By Christian Richey

WHEN LEBRON JAMES and the Los Angeles Lakers were bounced in the first round of last year's NBA playoffs, they made huge changes to their roster and vowed this year would be different.

In a way, they were right: The Lakers didn't make the playoffs. The Lakers being officially eliminated from the playoffs and even the play-in tournament with yet another loss on Tuesday night was the beginning of what once sounded like an unthinkable possibility for the league: a postseason without LeBron James and Kevin Durant for the first time since they have been in the NBA.

With the Lakers out, and the Brooklyn Nets potentially on the outside looking in, two of the game's biggest talents have seen tumultuous seasons knock their star-laden teams off course. Both teams came into this season with stacked rosters, full of current and former All-Stars, loaded with championship aspirations. Both teams have been massive disappointments.

The Nets still have a chance to make the playoffs and make the kind of deep run that makes everyone forget about the chaos of their regular season, but they have sunk themselves into a position where an elusive title appears increasingly unlikely. They are bound for the play-in tournament, which means that, going into Wednesday night, they had to win at least one and possibly two games just to sneak into the playoffs, at which point they will face the No. 1 or No. 2 seed in the first round.

But the Lakers would envy the Nets' unenviable situation.

If the Nets cling to the No. 8 seed, they would likely face a plunging Cavaliers team as Kyrie Irving returns to Cleveland. A win in that game would get them into the playoffs. But a loss would position them for a one-game, play-offs-or-bust situation, as would limping to the No. 9 or No. 10 seed. Either way, their reward would be meeting the Miami Heat, Boston Celtics, 76ers or defending champion Milwaukee Bucks in the first round—and possibly having to get past three of those four teams to make the NBA Finals.



LeBron James is out of the playoffs.



Tiger Woods on the 8th tee during a practice round at Augusta National this week.

## The 8,000-Yard Problem Looming Over the Masters

Modern golf is fueled by power more than ever. Augusta National keeps making its holes longer. That may not be a sustainable solution.

By Andrew Beaton

Fred Ridley, the chairman of the stoic Augusta National Golf Club, delivered an unusually blunt message last year about his club's ability to combat one of its biggest challenges: the escalating power of modern golfers.

Golf course designers have been in an intensifying battle with players who now use sheer power to overcome all obstacles that are thrown in their way. The Masters, the only major held at the same course every year, has tried to keep up by constantly tinkering its famed grounds and making Augusta National longer.

But constantly chopping down trees, moving tee boxes back and sending in construction crews may not be a sustainable solution. That was Ridley's message. The tension over this issue at the Masters is approaching a breaking point.

"We hope there will not come a day when the Masters or any golf championship will have to be played at 8,000 yards to achieve that objective," Ridley said. "This is an important crossroads."

The Masters in 2022 won't be 8,000 yards long. It will be closer than ever, however: The listed distance of 7,510 yards is the lengthiest in the major's history.

It follows the evolution of the game throughout the last couple of decades that has been defined by one prevailing theme: Power is king. And that is raising questions about the direction of the sport and this iconic tournament.

Backed by the type of big data that has flooded sports in recent years, the best golfers on the planet have increasingly learned that the smartest way to tackle the most difficult courses is to blast the ball as hard as possible and live with the consequences when it misses the fairway. Not everyone is a fan of the aesthetics. Yet this is increasingly how the top pros tackle the toughest tournaments.

For years now, golf's governing bodies have been studying the problem. Mike Davis, then the head of the U.S. Golf Association, in 2017 described the "horrible" impact of distance on the sport. Since then, the USGA and U.K.-based R&A have issued a series of reports that analyze the annual changes in the game. And those changes are sweeping.

In under 20 years, from 2003 to 2021, the average distance of drives has jumped from 285.9 yards to 296.2 yards on measured holes, according to the latest Annual Driving Distance Report. Where this growth is clearest is among the players who hit the ball farthest. Nineteen years ago, just 26.6% of PGA Tour drives went at least 300 yards. In 2021, that was 43.5%. It is increasingly routine for golfers to club the ball the length of three football fields.

"Any further significant increases in hitting distances at the highest level are undesirable," the report says.

The long-term question is whether there should be tweaks to the specifications of golf balls to reduce their boom. In the mean-

time, what was once dubbed "Tiger-proofing"—when courses would grow in length to account for the prodigious power of a younger Tiger Woods—is how many clubs try to reckon with an entire generation of golfers, many of whom now hit it farther than Woods.

Other iconic courses and tournaments have potent natural defenses to stymie golfers. The wind at the British Open can send the best struck balls far off course. U.S. Open hosts grow the rough so long and dense that golf balls can

### No. 11 at Augusta is 'basically a new golf hole,' says Rory McIlroy.

be difficult to find.

Augusta National has its armor, too—famously tricky greens, rolling hills and difficult angles that force players to constantly alter the trajectory of their shots. But when golfers hit the ball farther, that can imbalance the risk-reward equation they face at this course in particular.

The increasing driving prowess of golf pros makes the holes shorter. The solution is to make the holes longer. That's what Augusta National did again this year.

The 11th hole, nicknamed "White Dogwood" and the beginning of the famed Amen Corner, is one of

the holes that has been overhauled to accommodate this modern reality. The par-4 was 505 yards a year ago. It's 520 yards now. Adding 15 yards to a hole, though, does not simply make it 15 yards longer.

The idea is that any changes and added distance should alter—and challenge—what shots are reasonable and feasible for the best golfers. Those tweaks, when done right, can amplify the threat from hazards that already exist.

No. 11 "is basically a new golf hole," Rory McIlroy said Tuesday.

McIlroy noted that the tee shot on 11 is actually less daunting because a collection of trees on the right side of the hole have been removed. That could make going that way more appealing—but a handful of trees, located where a pro might just land his tee shot, are still there to create havoc.

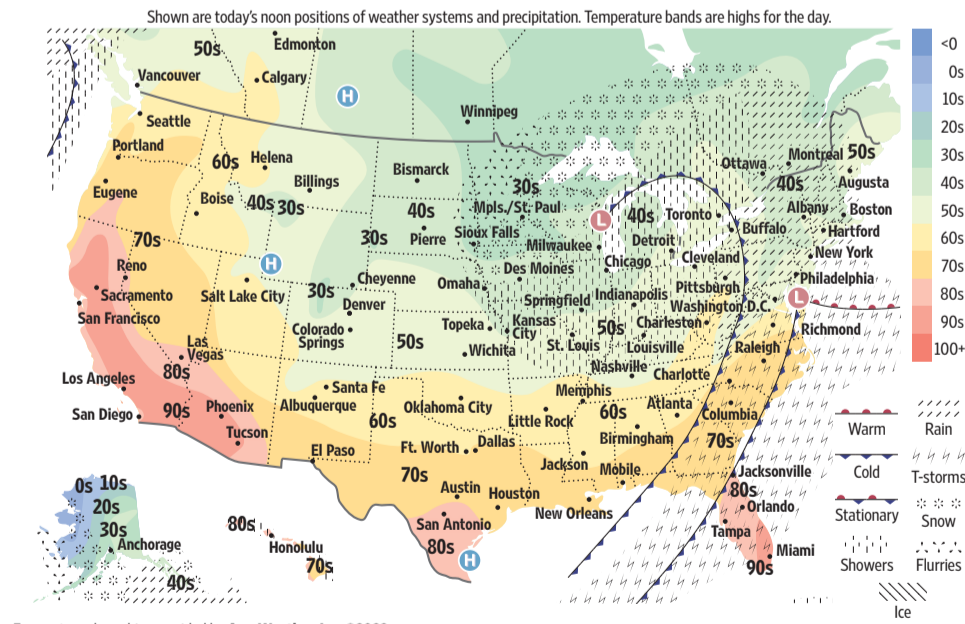
The hole's added length, then, will prove particularly difficult for players' second shots. They have to reckon with an additional 15 yards to a green that is notoriously hard to land on—this hole already historically ranked as the second toughest on the course. The water left of the green is now more in play, making the angle of any approach shot more critical than it already was.

"The penalty for missing the second shot is greater than it was before," McIlroy said.

The 15th is the other one that was notably stretched out. At 550 yards, it's now 20 yards longer. "Firehorn" has ranked as the second-easiest hole during the Masters. The par-5 is often reachable in two shots, giving players a chance at eagle and the opportunity to make a late charge to finish a round.

The new location of the tee box juices up the pitfalls of doing that. Anyone who wants to go for the green in two is now forced to go up the right side to avoid a cluster of trees that can get in the way. Those extra 20 yards won't be especially fun for anyone whose ball lands in the water—which happens to be right in front of the green.

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#### U.S. Forecasts

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

Table with 4 columns: City, Today Hi Lo W, Tomorrow Hi Lo W. Lists major cities like Anchorage, Atlanta, Austin, Baltimore, Boise, Boston, Burlington, Charlotte, Chicago, Cleveland, Dallas, Denver, Detroit, Honolulu, Houston, Indianapolis, Kansas City, Las Vegas, Little Rock, Los Angeles, Miami, Milwaukee, Minneapolis, Nashville, New Orleans, New York City, Oklahoma City.

#### International

Table with 4 columns: City, Today Hi Lo W, Tomorrow Hi Lo W. Lists cities like Amsterdam, Athens, Baghdad, Bangkok, Beijing, Berlin, Brussels, Buenos Aires, Dubai, Dublin, Edinburgh.

#### Today Tomorrow

Table with 4 columns: City, Today Hi Lo W, Tomorrow Hi Lo W. Lists cities like Frankfurt, Geneva, Havana, Hong Kong, Istanbul, Jakarta, Jerusalem, Johannesburg, London, Madrid, Manila, Melbourne, Mexico City, Milan, Moscow, Mumbai, Paris, Rio de Janeiro, Riyadh, Rome, San Juan, Seoul, Shanghai, Singapore, Sydney, Taipei City, Tokyo, Toronto, Vancouver, Warsaw, Zurich.

### The WSJ Daily Crossword | Edited by Mike Shenk

Crossword grid with numbered squares and blacked-out areas.

#### CRUNCH TIME | By Mike Shenk

- Across: 1 "Place de la Concorde" painter, 6 Company headquarters, perhaps, 10 Seriously injure, 14 Fall ad verb, 15 Palm with purple berries, 16 Devastating 2017 hurricane, 17 Like a shot, 20 Perceptual quintet, 21 Hurdled, in Hereford, 22 Dresses down, 24 Target of refinement, 26 In the, in Italian, 27 Arby's logo feature, 28 Uber alternative, 31 As a chaperone, say, 34 Vulnerable to a takeover bid, 35 Having a key, 36 Copier tray abbr., 37 Ted who portrayed Isaac on "The Love Boat", 41 Knitted nursery item, 43 Familiar, 44 Eyesore, 47 Nap sack, 48 Tokyo-born peace activist, 49 X, at times, 50 Goes from green to red, perhaps, 53 American Federation of Teachers president Weingarten, 55 Huarache or waraji, 57 Labour and Conservative, e.g., 62 #1 hit for Starship in 1986, 63 Unappealing gruel, 64 Answer from a knocker, 65 Asteroid studied by a 1990s probe, 66 Takes a hatchet to

Down crossword clues: 17 Crunch cousin, and a feature of four answers in this puzzle, 28 "Better to reign in Hell, than serve in Heaven" writer, 29 Con men?, 30 Hanks's four-time co-star, 32 Seizes, 33 Larynx part, 38 Sartre, Singer or Solzhenitsyn, 39 Singer Stefani, 40 Objectives, 42 Metal source, 44 Ill-humored, 45 About even (with), 46 Hobbyist, say (old English ballad), 50 Basis for some vaccines, 51 Elba of "Luther" amount, 52 LaBelle in the Apollo Theater's Legends Hall of Fame, 54 "\_\_\_ you're told!", 55 Park City powder, 56 Phone fillers, 58 "More or less", 59 Corrida cry, 60 Running ratite, 61 Autumnal equinox mo.

Previous Puzzle's Solution grid with words like TIGERS, ENEMY, BABY, NOAH, MOVIE, ASEA, FIVEVOWELS, LIEN, ONEBIT, DIDI, IASK, ANIME, DOH, NINECONSONANTS, GONG, ONTO, TIEUP, URN, AND, MUS, RBI, STEPH, ASAP, OVEN, THREESVLLABLES, RAIT, RICED, BIGHAD, FRESH, HOE, AURA, TENNETTERS, STOP, ERIE, ERIAS, HOGS, SPANK, ROLO.

## OPINION

## Don't Let Putin Win in Ukraine



WONDER LAND  
By Daniel Heninger

In no sense now can Vladimir Putin be allowed to win in Ukraine. People shouldn't have to be shot in the back of the head with their hands tied behind them to make that clear, but such is history's record of humanity slow-walking counterattacks against mass slaughter.

Mr. Putin was going to defeat Ukraine quickly. Now he isn't. But he can still win if the West's commitments to Ukraine, however impressive, produce a frozen conflict, as Joint Chiefs of Staff Gen. Mark Milley predicted to Congress Tuesday when he said the conflict could last "years for sure." Time like that is Mr. Putin's friend because he has Stalin's stomach for death, and eventually we won't.

### After its failure to achieve a quick victory, Russia's Plan B is scorched earth.

It is good in the wake of the Bucha atrocities that President Biden and Europe's leaders are talking about holding Mr. Putin and his associates accountable for war crimes—once it is possible to collect evidence. Still, one doesn't have to be Volodymyr Zelensky to notice that these good intentions have little to do with the reality that the current level of help from the North Atlantic Treaty Organization still leaves Ukraine in purgatory, with one foot in Mr. Putin's hell and the other stretching toward deliverance by the West.

A stirring of moral sensibilities is always welcome, but Bucha, Mariupol and these events have surfaced new realities that the West's political leadership can't pretend away into some future when, as they hope, this is over.

A few weeks ago, it was possible at least to describe as an endgame talking point the possibility that Ukraine would be divided into western and eastern parts, ceding control to Russia of the Donetsk and Luhansk regions in eastern Donbas and possibly Crimea if the Putin army establishes a land bridge through Mariupol.

That result, however, assumed the war would default into a traditional military standoff between competing armies. That's not what is happening in Ukraine. It is increasingly clear that after failing to secure a quick win, Mr. Putin's Plan B is scorched earth.

Using crudely targeted long-range missiles, land mines and his army's historic instinct to barbarity, he is simply destroying Ukraine—its people, its economy, whole cities and infrastructure. After the current "pause," he'll go back for more.

The consequences of this obviously unexpected scale of destruction are significant for the West's calculations. At this point all the arguments, such as they are, for affirming a negotiated settlement that turns so much of Ukraine over to Mr. Putin have become impossible to credit.

It will take a decade and unimaginable amounts of capital to rebuild what Mr. Putin has destroyed. Who exactly is go-



A Ukrainian soldier at a grave in Bucha on Apr. 6.

Any notion Russians themselves may have entertained that somewhere at the bottom of all this was a rationale for uniting with the medieval political state known as the *Kievan Rus* is now exposed as a gross lie by their leader. Mr. Putin was willing to settle for nothing more than the dirt.

In the absence of anything but passing press contact with the U.S. president, a question often put to those who interpret for Mr. Biden at the White House, Pentagon and State Department is whether we want Ukraine to win. After this week, I think the better question is: Are we willing to make Mr. Putin lose?

Saying that he's experiencing a "strategic defeat" is a dodge. Every day—or year—that he is killing and wrecking, he's winning. Vladimir Putin has to lose in Ukraine, not only in the eyes of the aghast outside world. NATO's current military and political status quo—the arms flows and ratcheting sanctions—just isn't enough.

It's a terrible thing to say, but one suspects that for some in Washington, Berlin and Paris, the world's roaring moral outrage at these atrocities lets them kick the harder decisions about raising the military costs for Mr. Putin into another week. If the media is writing about Bucha, genocide and war crimes, the argument fades for sending Ukraine high-altitude missile defenses, counter-artillery radar and other "escalatory" military equipment.

Eventually, Putin wins. Don't let him.  
*Write heninger@wsj.com.*

ing to do that? Dividing Ukraine in two would effectively turn the eastern part into a Cold War East Germany, which would create the destabilizing post-Yalta imbalances that existed for decades between the wealthy West and those living in the Third World East.

To rebuild the Ukraine under his control, Mr. Putin would have to send vast amounts of his oil and gas revenue into the region. Fat chance of that on the scale needed.

Any serious rebuilding of Mariupol, Mykolaiv and other cities ceded to Russia will never happen without capital investments from Western banks and governments, making us the morally humiliated paymasters for Mr. Putin's demolition. Why is this man smiling?

Until the invasion, Ukraine's economy was growing, including a vital new technology sector, and leaning toward the West. Absent the Putin lunacy, Ukraine could have become an economic "land bridge" between the European Union nations to the west and the modern economy younger Russians were building to the east. Now much of Ukraine is rubble, and the Russian market will be a ruin for years.

BOOKSHELF | By Anthony Paletta

## Kissing The Clouds

Supertall

By Stefan Al  
(Norton, 296 pages, \$30)

In this age of staggeringly massive buildings, merely scraping the sky is a quaint accomplishment. City skylines throughout the world now include towers that reach atmospheric heights unthinkable in an earlier era. As Stefan Al writes in "Supertall: How the World's Tallest Buildings Are Reshaping Our Cities and Our Lives," these lofty structures are "the cathedrals of our time."

Supertalls arrive with the same frequency as characters in the Marvel Cinematic Universe. Mr. Al, a Dutch architect based in New York, writes that "we are living in an urban age where the most tangible architectural expression . . . is the supertall." In 1996, he notes, the Council on Tall Buildings and Urban Habitat only classed four buildings as "supertall": 984 feet or taller. "Today, there are more than one hundred seventy, with about a dozen completed every year—each taller than the Empire State Building."

Some exemplars include Dubai's Burj Khalifa (163 stories), the Shanghai Tower (128) and Kuala Lumpur's Petronas Towers (a paltry 88). Mr. Al's account spans the behemoths of Asia and the Middle East, the pencil-thin towers of Manhattan, the eccentric geometries of high-rise London, the vertical gardens of Singapore, and more.

The sheer volume of calculation required to build and keep these structures aloft and functioning is astounding. Mr. Al, who has written an excellent book on the architecture of the Las Vegas Strip, explains these esoteric technical challenges in lucid fashion. If steel was the literal foundation for the first century of skyscrapers, reinforced concrete is that of the second. The latest "ultra-high-performance" concrete, Mr. Al explains, supports "about 26,000 pounds of pressure per square inch—the weight of three African elephants on an area the size of a postage stamp."

As Mr. Al informs us, the precise ingredients of concrete, and the ways in which you combine them, are vitally important. Local sand was too round and small for the Burj Khalifa in Dubai, so Australian sand was shipped in. One key innovation in recent decades is the use of "superplasticizers," synthetic polymers that render concrete stronger and workable for longer.

Supertalls don't merely have to support their own weight; they have to resist wind pressure. The darkest prospect is vortex shedding, in which a strong wind causes air to separate from the building's surface, "creating two symmetrical and adjacent low-pressure eddies on the downwind side," as Mr. Al writes. As wind speed increases, the vortexes begin to alternate from side to side, which could lead to disaster if the movement coincides with the building's natural vibration. "In this case," Mr. Al writes, "even small amounts of wind can lead to major oscillations, and could lead to collapse." He likens the phenomenon to an opera singer shattering a wine glass.

Wind pressure has spurred developers to devise irregular shapes, relieving the monotony of the rectangle. The Canton Tower in Guangzhou, China, for example, is something of a cylinder cinched in the middle, while the Turning Torso in Malmö, Sweden, twists upward. Tuned mass dampers, large devices that move in the reverse of the tower's motion, are standard in these sorts of buildings.

### Today's skylines include buildings that reach unprecedented atmospheric heights—and require much calculation to keep operating.

Getting to the top is a challenge; walking 3,000 stairs is not an option. Contemporary supertalls rely on innovations like high-speed "express" elevators and double-decker cars. The Empire State Building's elevator initially traveled 14 miles per hour; current elevator speed is up to 47. Elevators today are safer than ever: The Shanghai Tower features safety gears that "can withstand friction heat as high as 1,000 degrees Celsius" and a telescopic buffer at the base of the shaft that serves as a life net.

Another problem (and massive environmental hazard) is the tremendous amount of climate control required in supertalls, where operable windows are generally unthinkable. The Burj Khalifa, for instance, has seven double-level mechanical floors to move water and supply air-conditioning. Desert supertalls may seem the diatomic foe of energy efficiency, but Mr. Al surveys some recent experiments to find ways of mitigating this waste.

According to Mr. Al, New York is the city of the "super slenders," which are largely residential, as opposed to the commercial skyscrapers of the previous century. Some of these "Billionaires' Row" slyphs are ugly, but he puts in a welcome good word for the concept. "Super slenders balance the skyline," he writes. "Aesthetically speaking, their thin peaks add big crescendos, allowing for diminuendos elsewhere, avoiding the otherwise monotonous solid wall of equally high-pitched buildings."

Hong Kong features a far denser skyline but has done a better job of integrating the buildings into the city, with plentiful direct connections to transit and frequent links between buildings above the first floor. In Singapore there have been welcome efforts to achieve more sustainable buildings and to bedeck them with greenery. The architect Moshe Safdie topped his Marina Bay Sands with a "SkyPark." The city's Tree House, at 24 stories, may not be supertall, but one of its sides is covered by a vertical garden.

Mr. Al's account isn't simple boosterism, but it does dodge the tone of miserablism that characterizes so much attention to our skylines. Supertalls are fascinating and immensely complicated undertakings that demand admiration—and lots of work. Even if tweaks are necessary, the story of what's come about in the age of the supertall is gripping. "If we can harness our ingenuity to build structures up in the clouds," Mr. Al wisely counsels, "then we can also create structures that are good for the planet down on earth."

Mr. Paletta is a writer in Brooklyn, N.Y.

## Trump's Two-Month Primary Test

By Karl Rove

The midterms are still months off, but primaries and conventions are approaching in April and May. They're spiced this year with an unusual element: Donald Trump has endorsed many candidates in key races, aiming to field a general-election team of loyalists who will amplify his message that the 2020 presidential race was stolen.

The first contest will be April 23, when Michigan Republicans hold a convention to nominate candidates for attorney general, secretary of state and other down-ballot offices (primaries for governor, Congress and state Legislature are Aug. 2). If Mr. Trump's candidates for attorney general and secretary of state prevail at the convention, that sets up a clear test this fall of the power of his core message, since they both share his view that his 154,188-vote Michigan defeat resulted from massive fraud.

The next contests are May 3 in Ohio. The state will have contests for Senate and governor that will test Mr. Trump's popularity. He hasn't endorsed a Senate hopeful, but most are running on MAGA themes. Nor has he endorsed anyone for governor, though incumbent Mike DeWine has two challengers who emphasize their loyalty to Mr. Trump.

On May 10, Nebraska and West Virginia hold primaries. Mr. Trump already suffered a setback when his call for a serious opponent to take on

Nebraska Rep. Don Bacon—who sinned by supporting the bipartisan infrastructure bill—failed. In the GOP governor's primary, Mr. Trump endorsed businessman Charles Herbster last October, but he's opposed by state Sen. Brett Lindstrom and University of Nebraska Regent Jim Pillen (who has been endorsed by term-limited Gov. Pete Ricketts). Recent surveys show these three candidates are within 5 to 10 points of one another in a nine-person field.

### The GOP contests running until the end of May will help show if he still has appeal.

West Virginia features a rare incumbent-on-incumbent match-up between Reps. David McKinley and Alex Mooney, whose districts were combined when the state lost a congressional seat in reapportionment. Mr. Mooney has the Trump endorsement. Like Mr. Bacon, Mr. McKinley drew Mr. Trump's ire by supporting the infrastructure bill.

A week later, on May 17, Idaho and North Carolina hold primaries. Mr. Trump has favorites in both. He endorsed Idaho Lt. Gov. Janice McGeachin last November against incumbent Gov. Brad Little. The last public poll on Dec. 22 had Mr. Little leading

Ms. McGeachin 64% to 24% head to head and at 59% in the seven-person field.

North Carolina has 14 candidates seeking the GOP's nod for retiring Sen. Richard Burr's seat. Last June, Mr. Trump endorsed Rep. Ted Budd over two other major contenders, former Gov. Pat McCrory and former Rep. Mark Walker (both are friends of mine, and I've donated to Mr. McCrory). Whether the GOP keeps hold of this seat will be vital to creating a Republican majority in the Senate. A new Emerson Poll has Mr. Budd at 38%, the first poll in which he leads. Mr. McCrory is at 22% and Mr. Walker at 9%. Mr. Trump rallies for Mr. Budd on Saturday and invited Rep. Madison Cawthorn, another endorsee, to speak.

The controversial Mr. Cawthorn faces an eight-person primary in his western North Carolina seat. His principal opponents are state Sen. Chuck Edwards (endorsed by Sen. Thom Tillis) and GOP district chairman Michele Woodhouse, whom Mr. Cawthorn endorsed when he opted to run in a Charlotte district before flipping back to his old district.

May 24 features three barnburners. Mr. Trump recruited former Sen. David Perdue to challenge Georgia Gov. Brian Kemp, whom the former president savaged as "a turncoat" at a March 26 rally in the state. But March 6 Fox News poll put Mr. Kemp at 50% to Mr. Perdue's 39%, and the RealClearPolitics average has 47% Kemp, 38% Perdue at the

time this is written.

Alabama holds its Senate primary that day, too. It's expected to result in a runoff between Business Council of Alabama President Katie Britt and "Black Hawk Down" veteran Mike Durant. Both ran despite Mr. Trump's early endorsement of Rep. Mo Brooks, who proved so hapless that the former president recently revoked his endorsement to avoid an embarrassing third-place finish.

There are also primaries in Pennsylvania on May 24 for senate and governor. Mr. Trump hasn't backed a candidate for either office. The Senate front-runners are businessman and Gulf War vet Dave McCormick and TV personality Mehmet Oz. As in North Carolina, keeping this open seat in GOP hands this fall is critical to electing a Republican Senate majority.

The next two months will determine whether Mr. Trump's readiness to endorse so many candidates and oppose so many incumbents is seen as gutsy or hubris. For any of his favorites who've won by the end of May, November will provide an additional test of the former president's messaging and political appeal—as well as further insights into the strength of Mr. Trump's grip on the GOP.

Mr. Rove helped organize the political-action committee *American Crossroads* and is author of "The Triumph of William McKinley" (Simon & Schuster, 2015).

## Life, and Baseball, During Wartime

By Fay Vincent

My earliest baseball memories date from 1946, when I was 8 and the Boston Red Sox lost the World Series to the St. Louis Cardinals. I recall the sorrow the Sox fans in my New Haven, Conn., neighborhood grimly endured.

World War II had ended a year earlier, and I associated its conclusion with the return home of my beloved uncle Ed from Italy and also with emergence from the odd wartime life of ration books, drawn shades at night and the worries about dangers I barely understood as a child.

Baseball has always meant good times, and when I was taken to a double-header at

Yankee Stadium, that represented life's perfection. In one of my first big-league games, I saw Bojangles Robinson do his celebratory tap dance on top of the Yankee dugout and didn't understand why it was special,

### The game went on even in the 1940s, bringing relief and joy on the home front.

just as I saw Connie Mack in the A's dugout in a dark suit and didn't know why my father pointed him out either. I learned only later that much of the baseball experience is not about the game on the field.

Even during World War II, life went on. I learned to read and do arithmetic. FDR told baseball in 1942 to continue play, as Churchill had kept the cinemas open during the savage German bombing of England in 1940. With a new war in Europe, life will go on, and the baseball season opens Thursday.

When baseball resumed on Sept. 21, 2001, after a 1½-week suspension owing to the 9/11 attacks, it was a boost for America's morale, especially in New York City. I doubt the distraction of baseball will provide more than modest relief from the horrors occurring in Ukraine. Still, distractions become more important in difficult times.

Baseball may be a bit apologetic this week as it tries to

get fans to forget the labor battle that was resolved in the very latest inning and delayed the opening by a week. But the games are incapable of failing to provide pleasure.

The designated-hitter rule in the National League isn't the only big change in the new agreement between team owners and players. It also permits ads on base bags and player uniforms. Owners greed has some limits, and this seems an error. Imagine the historic Yankee uniforms sullied by ads for food and drinks? When is George Steinbrenner where we need him? No war can keep big stuff like that from being debated.

Mr. Vincent was commissioner of baseball, 1989-92.

## OPINION

## REVIEW &amp; OUTLOOK

## LETTERS TO THE EDITOR

## Student Loan Forbearance—Forever?

President Biden has used the pandemic to justify doing by fiat what he can't pass through Congress, including his eviction moratorium and vaccine mandate. Now his Administration is effectively canceling student debt on the installment plan.

## Biden extends the debt moratorium again, and more may be coming.

That's the import of the Administration's announcement Wednesday that it is again extending the pause on student loan payments and interest accrual, this time through August. Mr. Biden said the economy is stronger than ever and the country can safely "return to more normal routines," but student borrowers apparently still aren't ready to return to making normal loan payments.

If they aren't now, they'll never be. The unemployment rate for bachelor's degree holders in March was 2%. Many borrowers have built a financial cushion from pandemic stimulus payments and the past two-year freeze on loan payments. Some have used the savings, which have averaged \$400 per month, to pay off higher-interest debt or invest in stocks.

Like most pandemic relief programs, student loan forbearance was supposed to be temporary. Congress in March 2020 waived payments and interest accrual through September 2020. President Trump and Mr. Biden repeatedly extended the pause, spending money that Congress never appropriated.

The Committee for a Responsible Federal Budget (CRFB) estimates the loan pause has cost taxpayers more than \$100 billion, and the latest four-month extension will add another \$15 billion to \$20 billion.

The extension will mostly benefit those who need it the least—higher earners with graduate degrees. By CRFB's estimate, a new lawyer has already received \$30,000 of debt cancellation due to interest cancellation during the pandemic and higher-than-expected inflation. In-

flation benefits debtors by eroding the value of current debt balances.

Because graduate degree holders have much more debt, and their loans carry higher interest rates, they benefit most from the government forbearance. A recent master's degree recipient has received on average \$13,500 in relief, three to four times more than someone who just completed a bachelor's or associate's degree.

Mr. Biden points to a recent New York Federal Reserve analysis that supposedly shows borrowers would struggle to resume making payments. On the contrary. The study actually found that delinquency rates for commercially-owned federal loans not covered by the pause fell early in the pandemic and then returned to pre-pandemic levels by the end of 2021. That's not a catastrophe.

Private loan delinquencies have declined steadily throughout the pandemic as borrowers aided by several rounds of stimulus payments reduced their balances. But federal loan borrowers didn't strive to pay down their debt. Why would they if their balances weren't accruing interest?

You can never go broke betting on Washington cynicism, and the Administration's latest extension timeline suggests a political calculation. Could it be teeing up even more sweeping loan forgiveness, to be announced in August as the new school year and the fall election campaign begin?

Progressives are demanding that President Biden forgive at least \$50,000 per borrower by executive order. They say the Administration can cancel debt using the same authority that it's using to waive monthly payments. This would be an even bigger usurpation of Congress's power of the purse. What a way to stick it to Americans who didn't attend college or who have diligently repaid their loans.

## Revolt of the Parents, Vol. 3

America's fed-up parents on Tuesday sent another set of school board incumbents to the timeout corner to reflect on what they've done wrong. This time the elections were in Waukesha, Wis., a suburb of Milwaukee. The races were nonpartisan officially, yet it was a win for a slate backed by the state and local GOP.

## The GOP is winning local races over Covid policies and curriculum.

Three Waukesha school incumbents lost their seats, one in the primary, two on Tuesday. "Our children have endured an awful lot in the past two years navigating a pandemic that unleashed mandates, restrictive rules, remote learning and constant changes to their normal school routine," one of the winning challengers, Mark Borowski, says on his website. He also criticizes—and he ran against—"equity initiatives" that "infiltrated district curriculum," while dividing students and "espousing falsehoods about America."

The incumbents protested that Mr. Borowski and the other challengers were running on national GOP talking points. But the arguments had local resonance.

Last year a Waukesha kindergarten teacher was suspended for a day after she refused to take down a gay and transgender pride flag she had hung in her classroom. The local teachers union urged staff to wear rainbows in solidarity. Parents could be forgiven for wondering about this seeming focus on ideological activism instead of education.

## Biden Wants to Be No. 1—in Taxes

Democrats say they're going to make one more major effort to pass President Biden's Build Back Better plan, despite soaring inflation and the end of the Covid emergency. The mooted deal seems to involve a giant tax increase, half-a-trillion dollars in green-energy subsidies, and perhaps more social spending.

This is a bad idea with especially bad timing given economic uncertainty as interest rates rise. And look no further than Mr. Biden's recent budget to see why. He is proposing \$2.5 trillion in new taxes that would give the U.S. the highest or near-highest tax rates in the developed world.

That's the finding of the nonpartisan Tax Foundation, which compares top tax rates across 37 members of the Organization for Economic Cooperation and Development. The review looks at each country's federal and regional taxes on individual and corporate income, plus capital gains. Mr. Biden's proposals would vault the U.S. into first place in all three categories, if he combined his budget with the Build Back Better Act he and Democrats would still like to pass.

The biggest jump is in taxes on capital gains, as the top combined rate would rise to 48.9% from 29.2% today. That's a 67% increase in the government's take on long-term capital investments. The new top rate would be more than 2.5 times the OECD average of 18.9%. Nothing like reducing the U.S. return on capital to get people to invest elsewhere.

Mr. Biden would also lift the top combined tax rate on corporate income to 32.3% from 25.8%. That would leap over Australia and Germany, which have top rates of 30% and 29.9% respec-

tively, and it would crush the 22.8% OECD average.

Corporate taxes are at the heart of international competition, and the Biden hike would reverse U.S. progress in a global tax-cut trend. Taxes on corporate income have declined world-wide since 1980, and Congress's 2017 tax reform was intended to make U.S. rates competitive again.

U.S. companies had kept earnings overseas, rather than pay punitive tax rates to bring them back home. Lowering the rate prompted an immediate change. In each of the first two years after the top federal rate was slashed to 21%, U.S. companies repatriated \$470 billion more than the average from 2010 to 2017, according to the Brookings Institution.

Mr. Biden would also put the U.S. at the top of the noncompetitive list for personal income taxes, with multiple increases that would put the combined American rate at 57.3%. Compare that with 42.9% today and an average of 42.6% across the OECD. To borrow Mr. Biden's favorite tax selling point, is more than half of what someone earns a "fair" enough "share" to pay?

Mr. Biden is also still claiming that "nobody making less than \$400,000 a year will pay a penny more in federal taxes." Not true. Corporate taxes are paid by workers, shareholders and consumers of all incomes. Reductions in the after-tax return on capital will reduce the value of companies, which will be reflected in lower 401(k) and retirement account balances for all workers.

The Tax Foundation adds that the tax increases would reduce the size of the economy over time by 0.5%, which is also real money for all Americans. A tax increase that returns the U.S. to the top of the global tax tables should be called the China Empowerment Act.

## The Second Booster and the FDA's Emergency

In "FDA Shuts Out Its Own Experts in Authorizing Another Booster" (op-ed, April 4), Marty Makary focuses on the wrong question. He chastises the Food and Drug Administration for not holding an advisory committee on this emergency-use authorization, but there was no need to hold one.

There's no value in convening an expert panel when the facts are clear: A second booster safely increases Covid-19 antibody count in higher-risk cohorts (age 50+, immunocompromised, some pre-existing conditions). No need for outside advice when the data speaks so plainly.

The more important question is: What are sufficient antibody levels? We don't know. More antibodies are better than fewer, but that's not an answer. A second booster is a new tool in our pandemic arsenal, but we lack the knowledge to use it with finesse.

The FDA's emergency-use authorization also raises the question: What's the emergency? With both infection and hospitalization rates low, should we be scaring people into a

second booster when we don't know what "adequately protected" means?

PETER J. PITTS  
New York

Mr. Pitts is president of the Center for Medicine in the Public Interest. A former FDA associate commissioner, he led the FDA's Office for Advisory Committee Oversight.

Having served four terms as the industry representative on various FDA advisory panels and presented to many as well, I conclude that each panel's purpose is most often to diffuse accountability. The FDA won't typically bring to a panel an issue whose outcome hasn't been predetermined. It rarely learns anything new from the panels' deliberations. But if something goes wrong after approval, the FDA can claim "we relied on our expert advisory panel" and spread the blame. Meanwhile, when external pressure is significant, as with Covid, shortcuts or delays such as those cited in Dr. Makary's article crop up.

GLEN PAUL FREIBERG  
Rancho Santa Fe, Calif.

## Steel Mills Don't Need the Oligarch's Pig Iron

Regarding "U.S. Sanctions Oligarch, Exempts His Companies" (Page One, March 31): There is no necessity for pig iron or anything else that Russian oligarch Alisher Usmanov produces to be allowed to avoid U.S. sanctions. President Biden was brave enough to put sanctions on Russian oil, which affects gasoline prices in the U.S. It is hard to understand why the same principle isn't applied to the enormously successful steel mills in the U.S. identified in your article.

There is no problem getting pig iron in the U.S. My company, Stelco, located in Ontario, has capacity of a million tons a year of pig iron, of which less than 10% is now being used. Two other major U.S. companies either produce or have an-

nounced the construction of production facilities for pig iron or a pig-iron substitute known as HBI (hot briquetted iron). Allowing sanctions avoidance is immoral and unnecessary for business purposes because there is plenty of untapped availability in North America.

The avoidance of sanctions helps the powerful oligarchs and directly assists the Russian economy, which is the target of the sanctions. Unless and until we apply sanctions in a way that causes pain, we won't be able to stop the catastrophe taking place in Europe, and we will be judged by history.

ALAN KESTENBAUM  
Executive chairman and CEO  
Stelco Holdings Inc.  
Hamilton, Ontario

## The Biden Wealth Tax's Forced Liquidations

Put aside the constitutional questions. Jason Furman's support for a wealth tax on unrealized appreciation ("Biden's Better Plan to Tax the Rich," op-ed, March 29) is based significantly on a market-liquidity argument, fairly identifying that an estate basis step-up creates large incentives to hold stocks longer than many investors otherwise would.

The Biden plan would enhance liquidity, however, through widespread forced liquidations, with harsh economic consequences, including clear downward market pressure from sell-offs to fund taxes. Perhaps most significant would be the deterrence to invest in startups and private companies without liquid or, often, any traded market, leading to many fire-sale exits—potentially devastating to companies and investors alike. Even orderly liquidations over the proposed five-year window could leave some founders and investors with negative net worth should a cata-

strophic event occur to their companies after accrued tax liabilities, or where margin loans to fund taxes become due on highly devalued assets.

Further, one can easily anticipate the necessary Rube Goldbergesque regulations for implementing broad-based mark-to-market rules, and the certain litigation that will come with administering exceptions, exemptions and costs of establishing valuations. Surely, it would give rise to an extra—and entirely legal—economic drag of tax-avoidance schemes. And it isn't hard to imagine the politicization of granting exceptions and special treatment for the right kind of companies and shareholders.

MARK NOONAN  
New Canaan, Conn.

## Parents Want More Choice With Their Kids's Education

Your editorial "Iowa's School Choice Opportunity" (April 4) urges Iowa to follow the lead of several states in expanding educational opportunities by more closely tying state aid to students, rather than school districts. I would like to share New Hampshire's successful experience in doing just that.

Last year the Granite State established education savings accounts, giving families of modest means the opportunity to enroll in a nonpublic school or home school, with their tax dollars following their children. We projected only a few dozen to perhaps a few hundred families would use this option in the first year. In fact, more than 2,000 New Hampshire families have set up ESAs to pay for their preferred school choices. I wish Iowa similar success.

Parents know best what their children need. Affluent parents already have choices. Empowering parents of modest means to choose the best opportunity for their children is critical.

STATE SEN. JEB BRADLEY (R., N.H.)  
Concord, N.H.

Mr. Bradley is majority leader of the New Hampshire State Senate.

## Beneath Russia's Musical Supremacy, I Find Ukraine

In his review of Elizabeth Wilson's book "Playing With Fire" (Books, April 2), Norman Lebrecht suggests that, given Russia's invasion of Ukraine, "This may not be the timeliest moment to proclaim Russia's creative superiority, but the musical facts are incontrovertible." He points out that in the last century Russia produced four of the world's greatest pianists: Sergei Rachmaninov, Vladimir Horowitz, Sviatoslav Richter and Emil Gilels.

Today, only Rachmaninov would be considered Russian. Horowitz, Richter and Gilels were all born in what is now Ukraine. The same is true regarding the great Russian violinists of the 20th century: Jascha Heifetz was Lithuanian; Mischa Elman, Nathan Milstein and David Oistrakh were all from Ukraine. The musical facts show that Ukraine also has a rich cultural heritage.

ED DAVIS  
Brooklyn, N.Y.

## Enough Luddite Nostalgia!

I read the letters (April 5) mostly praising Faith Bottum's op-ed praising the stick shift ("The Dying Art of Driving a Stick Shift," op-ed, March 28). Can we expect a similar call and response to the rotary phone, manual typewriter, manual dough mixer and, of course, the waterfall to power factories without the need to burn smelly fossil fuels?

DAVID SILVERSTONE  
West Hartford, Conn.

Letters intended for publication should be emailed to wsj.letters@wsj.com. Please include your city, state and telephone number. All letters are subject to editing, and unpublished letters cannot be acknowledged.

## Pepper ... And Salt

THE WALL STREET JOURNAL



"Waiter, I don't mind a fly in my soup but I draw the line at the backstroke."



## OPINION

## Russia's Military Troubles Could Be America's

By Seth Cropsey

Western observers of Russia's failure in Ukraine likely will soon begin arguing that Moscow's inefficiencies diminish Washington's need to rebuild the U.S. military. But Russian failure has stemmed from logistical issues, and the U.S. military's capabilities, like Russia's, aren't prepared for major combat with a global power.

The Russian military didn't invest enough in logistics, despite spending lavishly on the polished hardware that appears in military parades. The Russian military, like its Soviet predecessor, remains a conscript force and has neither enough professional noncommissioned officers to maintain equipment nor enough officers trained in logistics. In combat, there is a major difference between a military driver with three years of training and an 18-year-old conscript

## If the U.S. doesn't improve its logistics, a defense of Taiwan against China is likely to fail.

with a driver's license. The Russians expected a Ukrainian collapse, but logistical incompetence prevented Russia from supporting multiple fronts simultaneously. Russia has now withdrawn its bloodied units from northeastern Ukraine toward the Donbas region and has abandoned a significant amount of armor and artillery in the process.

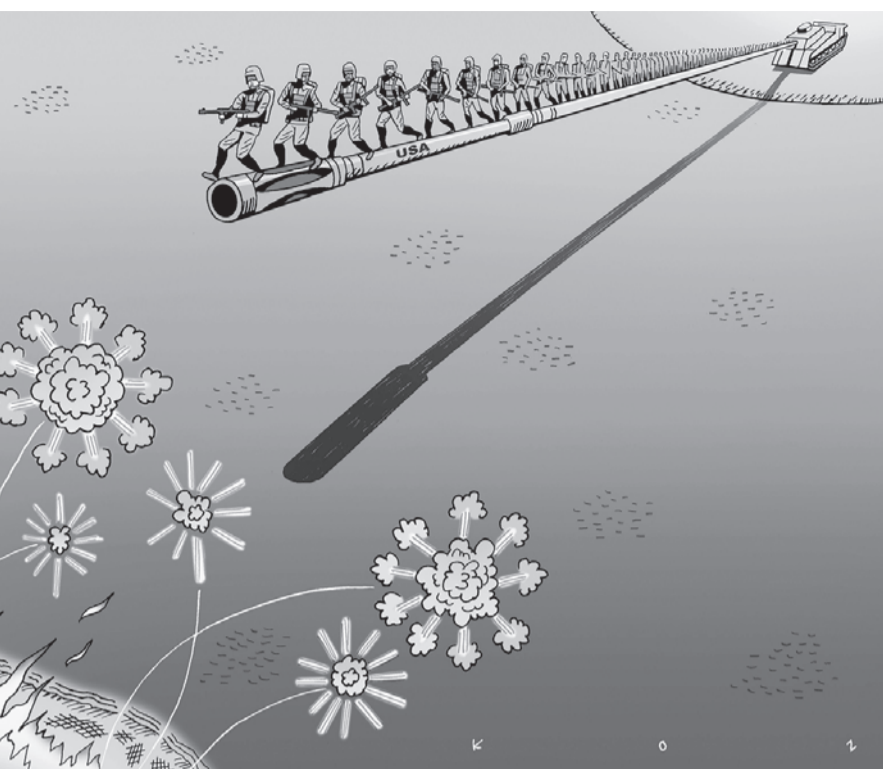
It is tempting to ascribe this failure to authoritarian conditions and assume that American and allied armed forces would be immune to such incompetence. But the U.S. military may encounter logistical problems at a similar scale to Russia if the U.S. defends Taiwan against an assault by China. The People's Liberation Army (PLA) isn't the Russian military, nor does it face the same operational difficulties.

The U.S. has one crucial advantage over Russia: American forces designated for immediate engagement have more resources and are more capable than their Russian counterparts. The U.S. Navy's carrier strike groups and submarines operate constantly in the Indo-Pacific, with two strike groups and some two dozen submarines deployed. These forces could defend Taiwan during a week of intense combat around the Taiwan Strait and West Philippine Sea. But after a week American advantages would decline.

Unlike Russia, China wouldn't need to operate at a major scale in enemy territory. Taiwan is 14,000 square miles, compared with Ukraine at 233,000 square miles. The Taiwan Strait is about 110 miles wide. The PLA's current difficulty is on land. It doesn't have the amphibious capacity to sustain a beachhead from which ground operations on Taiwan can be launched. But it has built a navy capable of high-end combat, with a large, diverse missile arsenal that can bombard any target within the First Island Chain and provide cover for warships moving into the West Philippine Sea.

Because of Taiwan's limited anti-ship missile arsenal and restricted naval capabilities, Chinese aircraft and warships could return to the mainland to rearm, defended by a comprehensive ground-based anti-air network. China would need to project power only 300 miles from its coast using long-range missiles and submarines to keep U.S. forces at arm's length as it assaults Taiwan after disabling the island's air defenses.

In contrast, the U.S. would need to sustain forces across thousands of miles of open ocean sparsely dotted with islands. The most important is



Guam, America's crucial Indo-Pacific logistics hub, which is vulnerable to Chinese missile attack. Improved missile defenses, and a permanent offensive U.S. military presence on Guam and throughout the Marianas archipelago, would improve the island's defensibility. Currently, Joint Region Marianas has five homeported submarines, no permanent fighters or bombers, and a seasonally rotated surveillance drone unit. U.S. Indo-Pacific Command has yet to deploy a permanent missile defense system on the island.

U.S. military equipment and support would need to be transported to Guam or further to U.S. forces operating in theater. American warships have more experience than any other nation's with the refuel and resupply of warships at sea. But replenishment in an active combat theater is dramatically different than in peacetime, and the U.S. has had few logistical obstacles in conflicts since World War II.

The U.S. can't sustain the flow of

men and materiel to a combat zone for longer than a few months. The U.S. Military Sealift Command is designed for peacetime sustainment, not wartime support. The Chinese military would target MSC ships with missiles and perhaps with submarines. There are far too few American-flagged tankers to fill the logistical gap, and the U.S. can't depend on foreign-flagged shipping.

Even if a vessel is "friendly" flagged, international maritime transport is a fluid business, and actors fair and foul often use shell companies to maximize transport consistency and flexibility. An allied-flagged merchant vessel could be under indirect Chinese or Russian ownership and refuse to transport American goods or be compromised for intelligence purposes. Of the U.S.-flagged fleet, a significant portion would need to remain dedicated to domestic transport between American ports during wartime.

The U.S. could turn to its National Defense Reserve Fleet, a group of

mothballed merchant and transport ships kept floating for reactivation in a crisis. Allegedly, this fleet's Ready Reserve Force of 41 ships could be activated within five to 10 days, and ideally in under 48 hours. During a 2019 test, however, only 60% of these ships were seaworthy within that time, and only 40% could leave port.

Ready Reserve Force ships would need to be manned by merchant mariners. But the U.S. Merchant Marine is shrinking: Poor pay, long hours, low funding, and outsourcing have created an aging workforce. This restricted labor pool would be exhausted in months. Then the U.S. would face a logistical crisis on par with Russia's, though likely without the collapse of morale and command that

have occurred in Ukraine. A long war carries obvious risks for China, but Russia's experience in Ukraine provides reasons for Chinese strategists to consider a long war and its costs if they try to seize Taiwan. Given America's logistical issues, a long war may be China's best bet. A year of economic brutality and sustained combat might wear the U.S. down and force capitulation.

Americans shouldn't feel encouraged by Russian missteps in Ukraine. But Moscow's mistakes should cause the U.S. to consider its own difficulties in defending its interests and values in the Pacific.

*Mr. Cropsey is founder and president of Yorktown Institute. He served as a naval officer and as deputy undersecretary of the Navy. His books include "Mayday: The Decline of American Naval Supremacy" and "Seablindness: How Political Neglect Is Choking American Seapower and What to Do About It."*

## Climate-Change 'Solutions' That Are Worse Than the Problem

By Jason De Sena Trennert

If you can afford a Tesla, you probably find it hard to imagine that there are some 3.5 billion people on Earth who have no reasonably reliable access to electricity. Even less obvious may be the way rich countries' pursuit of carbon neutrality at almost any cost limits economic opportunities for the world's poor and poses serious geopolitical risks to the West.

Anyone on an investment committee has likely spent untold amounts of time discussing ways to mitigate the impact of climate change, but they've likely never heard anyone state one simple and incontrovertible fact: The widespread exploration and production of fossil fuels that started in Titusville, Pa., not quite 170 years ago, has done more to benefit the lives of ordinary people than any other technological advance in history.

Before fossil fuels, people relied on burning biomass, such as timber or manure, which was a far dirtier and much less efficient source of energy. Fossil fuels let people heat their homes in the winter, reducing the risk of death from exposure.

Fossil-fuel-based fertilizers greatly increased crop yields, reducing starvation and malnutrition. Before the advent of the automobile, the ability for many people to venture far from their hometown was an unfathomable dream. Oil- and coal-burning transportation opened up access to education, commerce, professional opportunities, and vital services such as medicine. There has been, and remains, a strong correlation between the use of fossil fuels and life expectancy.

Limiting the availability of fossil fuels in the name of climate activism would cut off many of the world's poor from these benefits. Climate activists worry about a potential "existential crisis" decades down the road, but poor people, really poor people, face an existential crisis every day. Even for those who aren't among humanity's most unfortunate, rising energy prices force serious economic trade-offs. Purposely eschewing America and Europe's own natural resources increases costs to consumers, raises the cost of doing business, and limits economic growth. Viewed with this in mind, the debate over emissions seems

like an upper-class problem.

If Chinese belligerence and increasing authoritarianism over the past two years have taught us anything, it is that no amount of trade and international cooperation will instill what are generally considered to be Western values in other civilizations who have no real desire to adopt them. Trusting China

## The political assault on fossil fuels comes at the expense of the poor, peace, and the environment.

to do anything other than what is directly in its own best interests, especially when it comes to the trade-offs between economic development and climate issues, would seem to be in direct conflict with history and common sense—and it poses serious geopolitical risks to the international democratic order. The war in Ukraine has emphasized how leaving European and American fossil fuels in the ground can

put the West at the will of dictators, increasing the risk of atrocities, war or even the use of weapons of mass destruction. An easing of regulations on drilling in the U.S. and easier regulations on liquefied natural gas exports to flood the global market with oil and natural gas would do far more than any sanctions to stop Vladimir Putin's barbarism.

The climate-change solutions the West is pursuing also pose a danger to the environment. The lodestar of the environmental movement today appears to be electric vehicles. One would be hard-pressed to find a product more dependent on resources from extractive materials. An electric car requires almost four times as much copper as an automobile powered by an internal combustion engine. The widely accepted goal of having 30% of the world's vehicle sales be electric by 2030 would require enormous investments in mining industries that are decidedly not eco-friendly.

And whatever emission cuts America and Europe manage to make by forcing electric vehicles and other inefficient technology on

consumers will be negated by emissions from other nations. Regimes like Russia and China won't put aside their geopolitical ambitions for climate activism; developing countries like India won't sacrifice economic development and their peoples' well-being in the hope it'll slow global warming.

Sadly, environmentalism has grown into a secular religion in which reasonable debate is regarded as heresy. But if politicians and voters can approach climate change with an open mind, they'll see that economic growth is likely to solve the issue without heavy-handed government intervention. History has shown that free markets produce incredible leaps in human ingenuity. The greater access the world has to all sorts of energy sources, the faster humanity will discover new technologies that are more environmentally friendly. Rationing fossil fuels would only retard the process of decreasing carbon emissions and cost lives in the process.

*Mr. Trennert is chairman and CEO of Strategas, an investment-strategy, economic, and policy research firm.*

## Wish the Fed Luck as It Seeks a Soft Landing on Inflation

By Alan S. Blinder

Americans don't agree on much these days, but there seems to be one thing we strongly agree on: Inflation is far too high. A recent Gallup poll found concern with inflation easily topping the list of the nation's economic worries.

It also tops the Federal Reserve's worry list, and Chairman Jerome Powell has pledged to "use our tools" to bring inflation down. "Use our tools" in this context is a euphemism for raising interest rates. But what, specifically, is the Fed trying to accomplish with higher rates?

And are its tools enough to do the job?

The central bank's latest economic projections, from March 16, answer the first question: The Fed is trying to engineer a soft landing by the end of next year, with unemployment about where it is today (3.6%) and inflation down to 2.6%—as measured by the Fed's favorite index, the inflation rate for personal consumption expenditures excluding food and energy, or core PCE for short.

How likely is the Fed to achieve those ambitious goals? A few months ago I would have answered

that it had a fighting chance—probably below 50%, but not trivial. Lefty Gomez, a star pitcher for the New York Yankees in the 1930s, famously declared that he'd "rather be lucky than good." To pull off a soft landing, a central bank must be both lucky and good. The Fed has managed it several times over the years, if you aren't too fussy about the definition of "soft."

The Powell-led Federal Reserve is skillful and smart. I trust it to be "good." But the luck part turned strongly against it when Russia invaded Ukraine. That brutal war is now causing substantial adverse supply shocks around the world because Russia and Ukraine were major suppliers of both food and energy. As we all remember from the 1970s and '80s, adverse supply shocks like these are stagflationary. They drive inflation up and real economic growth down.

By how much and for how long are impossible to know today because no one knows the future course of the war. The direction is clear, however: Inflation is headed higher, and economic growth will slow down. Both of these developments will make it harder to achieve a soft landing. The Fed's odds are now substantially below 50-50.

To get a sense of the difficulty, start by forgetting about the latest number on headline Consumer Price Index inflation—7.9% over the past

12 months. There is basically nothing a central bank can do about food and energy prices, which is why most economists focus on core rather than headline inflation. In addition, the Fed's 2.6% target applies to PCE inflation, not CPI inflation.

## Powell's post-pandemic optimism didn't count on adverse supply shocks from the war in Ukraine.

Those two adjustments bring us to the core PCE inflation rate, which is running at "only" 5.4% over the past 12 months. That's still way above the Fed's expressed target for the end of 2023 (and even more above its long-run target of 2%). So the Fed is trying to cut 2.8 percentage points from the inflation rate without causing a recession. It was going to be a heavy lift before the war, and it looks even heavier now.

The bloody conflict in Ukraine is already driving food and energy prices higher, which will boost headline inflation in the coming months. Core inflation won't be immune because food and energy prices seep into virtually all other prices, albeit in muted form. What product doesn't include energy in its cost, either directly (to keep the lights on)

or indirectly (via delivery trucks)?

Beyond that, the longer inflation remains high, the more it gets embedded into wages and other contractual arrangements. When workers see inflation coming, they want to be compensated for it. And once higher inflationary expectations get entrenched, they affect price- and wage-setting throughout the economy, making a soft landing harder to achieve.

Fortunately, expected inflation doesn't appear to have gotten out of hand, at least not yet. The 10-year "break-even" inflation rate implied by bond prices is only 2.8%. That's a bit higher than the Fed would like, but only a bit. The key questions: How long will the expectations dam hold if high inflation continues? If the dam breaks, how much will the Fed have to raise interest rates to beat down inflationary psychology?

Before the war, it looked as if the Fed might glide by. Inflation appeared likely to turn down soon, and expectations of future inflation probably would have followed. Now, unfortunately, that optimism looks rather out of date.

So let's all join Lefty Gomez in wishing Jay Powell and company good luck. They'll need it.

*Mr. Blinder, a professor of economics and public affairs at Princeton, served as vice chairman of the Federal Reserve, 1994-96.*

## THE WALL STREET JOURNAL.

PUBLISHED SINCE 1889 BY DOW JONES &amp; COMPANY

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## WORLD NEWS

## Ex-Police Officer Set to Lead Hong Kong

City's No. 2 official will run to succeed Carrie Lam in election closely orchestrated by China

BY ELAINE YU  
AND DAN STRUMPF

HONG KONG—A former policeman and government security chief is poised to become Hong Kong's next top official after declaring his intention to run for the job, a succession that would signal Beijing plans no letup in its national security crackdown in the city.

John Lee, currently the city's No. 2 official, is the only serious candidate so far to throw his hat into the ring for the contest, which is decided by an election committee of around 1,500 mostly Beijing loyalists and closely orchestrated by China's

central government. If chosen, he would succeed Carrie Lam, who said Monday she would step down June 30 after a five-year term, her tenure marked by mass protests and a recent Covid-19 surge that killed thousands of elderly people.

Like Mrs. Lam, Mr. Lee was on a list of Hong Kong and mainland officials slapped with U.S. sanctions in 2020 for their role in the crackdown on Hong Kong's pro-democracy movement. He has been a staunch defender of a national security law imposed by Beijing in June 2020 that has been used to quash dissent, detain political opponents, and purge the legislature of lawmakers who are deemed disloyal to Beijing.

"No country will allow its legislative structure, parliament or congress to be filled up by traitors, foreign



John Lee has supported Hong Kong's crackdown on protests.

agents or proxies of foreign forces," Mr. Lee told the United Nations Human Rights Council last month. "The Hong Kong electoral system must therefore be protected from exploitation and from foreign interference."

Mr. Lee played a key role in the government's push to allow extraditions to mainland China in an ill-fated bill that triggered mass antigovernment protests in 2019, the biggest unrest the city had seen

in decades. He has thrown his support behind additional security legislation for the city.

"He never strikes me as someone that's going to give you some sweet talk," but he does seem willing to listen, said Bernard Chan, a top government adviser. "Given a task, he's going to then get it done," he added, describing Mr. Lee as no-nonsense and straightforward in style.

Ivan Choy, a political scientist at the Chinese University of Hong Kong, said Mr. Lee's ascension to the city's top post would send a strong message about Beijing's priorities for the city.

"If John Lee were to become the next chief executive, it would mean that the national security concern would become the main concern of the Beijing authorities," Mr. Choy said.

Besides enforcing Beijing's

increasingly authoritarian measures in the city, the next chief executive faces a raft of other challenges.

They include rebuilding Hong Kong's international reputation that has been battered by the crushing of dissent, strict Covid-19 border policies and one of the world's deadliest Omicron outbreaks. Foreign business groups have warned that the financial center has grown increasingly isolated over the past two years and workers have left the city in droves. Other persistent issues include some of the world's highest property prices and inequality.

Mr. Lee's popularity isn't much higher than Mrs. Lam's, according to a poll conducted in March by the Hong Kong Public Opinion Research Institute. His approval rating stood at 35%, compared with 27% for Mrs. Lam.

## China Services Sector Hits Lowest Level in 2 Years

BY JASON DOUGLAS

SINGAPORE—Activity in China's services sector tumbled in March at its fastest pace since the onset of the Covid-19 pandemic, as lockdowns aimed at smothering outbreaks in major cities kept millions at home and pummeled consumer spending.

The data add to signs the world's second-largest economy will struggle to meet Beijing's growth goals for the year as authorities wrestle with China's worst Covid-19 outbreak in two years. Cases have

triggered lockdowns in parts of the country as distant as the southern technology hub of Shenzhen and the northeastern industrial province of Jilin.

On Tuesday, authorities extended a lockdown in Shanghai, an industrial powerhouse and major port, adding to renewed anxiety over global supply chains. Logistics operators report that restrictions are already making it harder to move goods around and keep factories operating at full capacity.

The number of ships awaiting a berth in Shanghai and the

nearby port of Ningbo is increasing, according to data from Kuehne+Nagel International AG, a Switzerland-based global logistics operator. About 100 vessels were waiting to dock on Monday, up from 82 on Friday and 62 Jan. 1, data shows.

The port is open but operations have slowed because of manpower shortages, a Kuehne+Nagel spokesman said. He added that the larger challenge is inland, where trucks are beset by delays caused by testing requirements and other public-health restrictions.

"This is a risk to global

supply chains," said Aaditya Mattoo, chief economist for East Asia and the Pacific at the World Bank, referring to the continuing disruption from Covid-19.

How severe the disruption gets depends on how long it lasts, he said, though he added that China has shown in earlier phases of the pandemic that its industrial engine can recover rapidly once restrictions are eased.

A gauge of services sector activity in China published Wednesday tumbled to its lowest level since February 2020,

as dozens of provinces imposed strict anti-coronavirus restrictions that prevented people from moving around and weighed on consumer spending.

The Caixin China services purchasing managers index dropped to 42.0 in March from 50.2 in February, Caixin Media Co. and research company IHS Markit said. A reading below 50 indicates activity is contracting rather than expanding.

"The latest wave of the Covid-19 epidemic hit China's services sector hard," said Wang Zhe, a senior economist at Caixin Insight Group.

Service-sector employment fell again, according to the index, while new orders and export demand also declined. Business confidence reached a 19-month low.

Highlighting the effect of the lockdowns, trips within China by travelers visiting family and friends over this week's traditional three-day tomb-sweeping holiday were down 26.2% from a year earlier, China's Ministry of Culture and Tourism said Tuesday.

—Bingyan Wang in Beijing contributed to this article.



China has used mass testing, mandatory quarantines and sweeping lockdowns to counter a surge in Covid-19 cases in Shanghai.

## Doctor's Viral Recordings Tap Into Anger at Strategy to Curb Pandemic

BY WENXIN FAN

HONG KONG—Until Saturday, Dr. Zhu Weiping was a little-known epidemiologist working for Shanghai's Pudong district. That was when two recordings in which she shared blunt criticism against the city's Covid-19 policies went viral and she became a beacon for many fed-up residents.

Each recorded phone call, between the government scientist and a member of the public, has been shared hundreds of thousands of times on WeChat, spreading the contention that Beijing's strategy of mass testing, mandatory quarantine and sweeping lockdowns isn't working against the highly transmissible Omicron variant in the city of 25 million people.

Dr. Zhu told one of the callers that Shanghai's medical resources had been exhausted because of what she said was an overreaction to Omicron.

Any prospect that the mounting opposition to current policies would prompt China's financial capital to switch course ended with the arrival of President Xi Jinping's antipandemic chief to direct efforts against Shanghai's worsening outbreak.

The official, Vice Premier Sun Chunlan, on Saturday said China would stick to its zero-Covid strategy, and announced the mobilization of tens of

thousands of medics from across the country to assist Shanghai with mass testing of all its residents and in looking after positive cases in government isolation centers.

Late Monday, the government said a two-phase lockdown that was scheduled to end on Tuesday would remain in place until the situation be-

## A Shanghai doctor says the government overreacted to the Omicron variant.

comes clearer. Also on Monday, authorities completed a round of tests for all Shanghai residents. A total of 30,000 new cases were found Monday and Tuesday. The day before the lockdown was unveiled, authorities had said the city's economy was too important to risk such disruption.

Dr. Zhu's straight-talking style and unvarnished opinions on where the city has fallen short have won her fans: Some likened her to Ai Fen, a doctor in Wuhan who sounded alarm bells in December 2019 about a mysterious illness that was later identified as the coronavirus.

For most people, catching the variant is like getting the

flu, Dr. Zhu said. Yet the government hasn't taken on board advice by her and other medical experts to let infected people with mild or no symptoms isolate at home. As a result, she said, compulsory quarantine has stretched the city's limited public-health resources.

"Which country would handle influenza this way?" Dr. Zhu asked during an exchange with one caller who complained that his father had been taken into quarantine despite the official health app's indicating he had negative test results. Dr. Zhu said the caller's father should have refused to get into the ambulance. "You know that it has no resources," she said, referring to the quarantine facility.

The caller, whose identity hasn't been revealed, told her he was recording the conversation. Dr. Zhu said she had no objection if he posted it online.

Dr. Zhu didn't respond to emailed requests to comment. The Shanghai government didn't respond to requests to comment about her criticism.

The Pudong Center for Disease Control and Prevention, a district-level public-health agency where Dr. Zhu works, issued a brief statement on Saturday saying it was aware of the recording and was investigating the caller's complaint about data displayed on the health app.

The other caller who spoke to Dr. Zhu, a Shanghai science writer who shared their exchange on his public blog, confirmed their conversation with The Wall Street Journal but declined to comment further.

Not all Shanghai's residents oppose the government's strategy. Many who still fear Omicron marveled at the scale of the mobilization, with long convoys of buses bringing in reinforcements over the weekend.

"They came to Shanghai's rescue," said an unidentified resident in one of the many videos on social media highlighted by the local authorities.

As Dr. Zhu's recordings circulated, residents in many of the city's housing compounds have pushed back against the quarantine rules.

With the lockdown extension, housebound residents were unable to observe a three-day tomb-sweeping festival that ended Tuesday, and mourned instead from home.

"Sorry I couldn't come back to pay tribute, because of some very ridiculous reasons," wrote Yu Jun, a Shanghai-based artist, addressing his deceased relatives in a blog. "For 3,000 years, which dynasty did not allow tomb sweeping in early spring?"

◆ Lockdown keeps Shanghai workers living in office..... B3

## Shanghai Covid Deaths Prompt Cremation Fight

BY WENXIN FAN

HONG KONG—Families of patients who died recently at Shanghai's biggest elderly-care facility are demanding to know whether a Covid-19 outbreak that hit in the past few weeks led to their deaths, with some refusing a request by the hospital to cremate the bodies.

At least 20 patients died in recent weeks at the Donghai Elderly Care Hospital, according to members of several families, who said they are still trying to understand why. The facility asked for the families' permission to cremate the bodies that were being kept in the hospital morgue, the relatives said.

Several relatives said while some families had agreed, fearing the bodies would start to decompose, they had refused, demanding to protect evidence that might show how the deaths happened.

One of the families said they demanded an autopsy.

Ma Hua said she and her siblings were devastated by the sudden news their 82-year-old father, Ma Xiansheng, had died Thursday. She said they weren't alerted that their father was in critical condition, and rejected repeated requests from the hospital to send the body to a crematorium. "I can't accept this," Ms. Ma said.

Donghai Elderly Care Hospital hasn't publicly commented or confirmed any deaths. Reached by phone, a representative of the hospital declined to comment.

"We're busy coping with the outbreak," he said, before hanging up.

In a letter of condolence

shared by some of the families, the hospital offered an apology for the outbreak and their loss. The hospital didn't respond to questions about the letter.

The dispute at the hospital is a stark example of the frustration and anger building in the city as it struggles to control the still-growing outbreak.

Shanghai reported a record 17,077 new cases on Wednesday, as a citywide lockdown remained in place. Shanghai has yet to report any outbreaks or deaths at elderly-care facilities. The Shanghai government didn't respond to a request to comment.

On Saturday, two Chinese publications, Sixth Tone and Caixin Media, reported on the Donghai situation, but their stories were taken offline within two hours. Caixin, a respected news magazine, said two nearby crematoriums had picked up a dozen bodies from the hospital.

Donghai, a 20-year-old facility overseen by a state-owned food conglomerate, is the city's biggest elderly-care center by capacity, with 1,800 beds.

Orderlies at the hospital said they had seen several bodies, and that at least 100 patients had tested positive for Covid-19. The Wall Street Journal reported previously.

Coronavirus also spread at Shanghai Tongkang Hospital, a privately owned facility that accommodates more than 1,000 patients, the Journal has reported.

At least one elderly patient died there, though it couldn't be determined whether the death was related to Covid-19.



A Shanghai site where residents were being tested for Covid-19.

# BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

Thursday, April 7, 2022 | B1

S&P 4481.15 ▼ 0.97% S&P FIN ▼ 0.66% S&P IT ▼ 2.55% DJ TRANS ▼ 3.34% WSJ \$IDX ▲ 0.22% 2-YR. TREAS. yield 2.500% NIKKEI (Midday) 26812.51 ▼ 1.97% See more at WSJ.com/Markets

## Treasury Yield Soars Above 2.6%

**Bonds sell off as Fed minutes signal plan to shrink balance sheet, raise rates rapidly**

By SAM GOLDFARB

U.S. government bond yields rose Wednesday, with mounting evidence that the Federal Reserve plans to rapidly raise interest rates and reduce its bondholdings lifting the 10-year Treasury yield above 2.6%.

Yields, which rise when bond prices fall, have been climbing for most of the year but have taken another big leg up this week based on speeches from Fed officials and minutes from the central bank's March 15-16 meeting.

Released Wednesday afternoon, the minutes showed Fed officials last month strongly considered raising rates by a half-percentage point. Officials also neared agreement on a plan in which they would reduce the central bank's bondholdings by allowing as much as \$60 billion of Treasuries and \$35 billion in mortgage-backed securities to mature each month without being replaced by new bonds.

Treasury yields were already higher on the day before the minutes were released. They briefly fell afterward only to climb back up. By the end of the session, the yield on the benchmark 10-year U.S. Treasury note had settled at 2.606%, its highest close since March 2019, compared with 2.554% Tuesday.

Investors in recent months have also been inclined to sell bonds first and ask questions later, having entered into unfamiliar territory, in which the outlook for inflation and central-bank policy is unclear. On Tuesday, a big rise in yields was triggered by statements from Fed governor Lael Brainard that signaled fighting inflation was the priority for the central bank.

The comments, which emphasized the Fed would shrink its portfolio of Treasuries and mortgage-backed securities at a faster pace than after the 2007-09 financial crisis, echoed prior signals from Fed Chairman Jerome Powell but were notable in part because Ms. Brainard was a vocal advocate last year warning against prematurely tightening

monetary policy.

"Investors are lost when it comes to understanding the impact of Fed policy" that lacks specifics with regard to the balance sheet and an endgame, Jim Vogel, interest-rates strategist at FHN Financial wrote in a note to clients before the minutes were released.

Even with more clarity about the central bank's balance-sheet plans, the potential impact on Treasuries is far from obvious.

The Fed's efforts to shrink its balance sheet will reduce a source of demand for Treasuries. But the consequences for yields could depend on the amount of future government borrowing and the extent to which the government chooses to fund itself with longer-term

debt rather than short-term bills, analysts said.

The impact of higher short-term rates, meanwhile, is more straightforward. Yields on Treasuries largely reflect expectations for what short-term rates will average over the life of a bond, and the expected path has shot upward this year based on continued high inflation readings and signals from the Fed.

As it stands, interest-rate derivatives show investors expect the fed-funds rate to end the year at around 2.5% and quickly top 3% next year, having only just been lifted by the Fed to a range between 0.25% and 0.5% after starting the

*Please turn to page B11*

◆ Technology stocks lead indexes lower ..... B11

## Zelle Emerges As Rival To Cards

By ANNAMARIA ANDRIOTIS AND DAVID BENOIT

Banks are debating a plan to bring Zelle to the checkout at big retailers.

The money-transfer service boomed during the pandemic, when people avoided ATMs and replaced cash and checks with digital money transfers. Zelle recorded some 1.8 billion transactions in 2021 totaling \$490 billion, both more than double their prepandemic levels.

That growth has opened up new possibilities for Zelle and sparked a disagreement among the banks that own it—a group that includes JP-Morgan Chase & Co., Bank of America Corp. and Wells Fargo & Co. At the center of the debate is whether it is in the banks' best interest to promote a payment option that competes with card networks Visa Inc. and Mastercard Inc., according to people familiar with the matter.

Banks collectively earn billions of dollars each year from fees merchants pay when shoppers use credit and debit cards. A payment option that moves funds directly between shoppers' and merchants' bank accounts could chip away at that. But Visa and Mastercard set the fees and take some for themselves, and sidestepping the card networks would allow banks to set rules and fees on their own. Zelle's newfound popularity has some bank executives asking if the service could be the way to do that.

Wells Fargo and Bank of America are in favor of expanding the service to retail payments, according to people familiar with the matter, eyeing the popularity of such offerings in Asia. Bank of America customers made more Zelle transactions than wrote paper checks for the first time ever last year.

Executives at JPMorgan, America's largest bank, aren't convinced it is the right time for a Zelle expansion and are urging first more focus on protecting consumers from fraud, the people said. U.S. Bancorp and Capital One Financial Corp. are undecided, they said.

Banks in favor of the move could try it out on their own,

*Please turn to page B2*

## Younger Men Head Back to Movie Theaters

By ERICH SCHWARTZEL

LOS ANGELES—A new set of heroes is saving the day in Hollywood: young men.

Studios have resumed releasing big-budget films over the past year, and the ones that make the most money are those that draw out young men and teens who are more comfortable returning to theaters than older people and women after more than a year of Covid-19 shutdowns.

Last weekend's No. 1 release, the comic-book adaptation "Morbius" starring Jared Leto, collected \$39 million from an opening-weekend audience that was about 60% male, and 46% under the age of 25, according to Sony data. Earlier releases "The Batman," "Uncharted" and "Spider-Man: No Way Home" all saw auditoriums skew about 60% to two-thirds male, with most of those ticket-buyers falling under the age of 30, according to distribution executives.

"Which movies seem to be bubbling to the top? It's the superhero movies, the action movies," said Jeff Goldstein, president of domestic distribution for Warner Bros., which released "The Batman."

The young men most willing to return to the movies are causing executives to rejigger their release strategies, they

say, and influencing what postpandemic entertainment looks like for everyone. The demographic's eagerness to return to normal cements a trend that was already under way in the entertainment industry, when "fanboy" movies that lean on comic-book heroes and action spectacles suck up much of the box-office oxygen. Going forward, the consistent turnout of young men at theaters could see fewer big-screen releases as studios ship romantic comedies and dramas straight to streaming services.

For movies this year that opened to more than \$20 million—a crop that included superhero releases but also horror flick "Scream" and prank film "Jackass Forever"—audiences were roughly 59% male, with about 36% of ticket buyers being men under 30, according to Comscore, which tracks box-office data. The least represented demographics: girls under the age of 18, and all moviegoers older than 55.

The bifurcation has become a self-fulfilling prophecy, distribution executives say, since studios have seen young men return to the theater in healthier numbers—and then decided to release movies that will appeal to them.

Some psychology is at

*Please turn to page B2*

Annual domestic box-office revenue

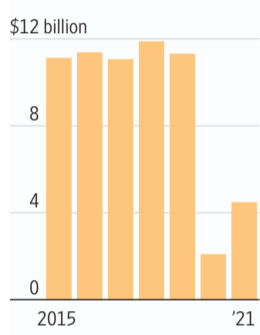


PHOTO ILLUSTRATION BY LYNNE CARY/WVSJ; EVERETT COLLECTION (5); ASSOCIATED PRESS

**Top grossing films of 2022, in millions\***

Film	Gross (Millions \$)
The Batman	300
Spider-Man: No Way Home <sup>†</sup>	290
Uncharted	115
Sing 2 <sup>†</sup>	110
Scream	75
Dog	70
Jackass Forever	55
The Lost City	55
Death on the Nile	50
Morbius	40

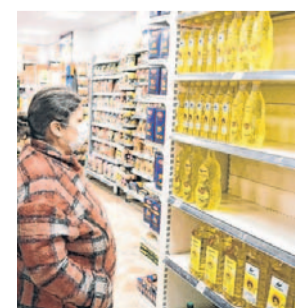
\*As of April 6 †Released in Dec. 2021 Note: Data are for U.S. and Canada Source: Box Office Mojo

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Dave & Buster's buys another entertainment company as it emerges from Covid crisis. B3



#### COMMODITIES

The Ukraine war brings a shortage of sunflower oil that has driven up prices. B6

## Musk Stirs Interest in Growth-Hungry Twitter

By SALVADOR RODRIGUEZ

Twitter Inc.'s move to add Elon Musk to its board gives the social-media company a new weapon to deploy in its hunt for user and revenue growth.

Twitter, after a fight with activist Elliott Management Corp., said a little over a year ago that it would work to at least double its revenue to

\$7.5 billion by the end of 2023 and reach at least 315 million monetizable daily active users at that time.

The company reached \$5.08 billion in revenue at the end of last year, up 37% from the previous year. User numbers increased 13% to about 217 million daily users. If the company maintains this pace through the end of 2023, it would exceed its revenue tar-

get, though miss the mark for enlarging its user base.

"Musk, who clearly enjoys the platform with his sometimes controversial and always entertaining tweets, brings an air of excitement to the company," said analyst Daniel Newman of Futurum Research, an advisory business that focuses on digital technology. "His larger role in the company could pave the way for

more user growth and a likely better-than-average market performance as investors will be betting on his contributions to the company's next wave of growth."

Mr. Musk, a longtime Twitter user now with more than 80 million followers, has demonstrated his tweets spur the kind of debate online that helps drive user engagement on social-media platforms and,

with that, revenue.

The Tesla Inc. chief executive has sparked arguments on Twitter topics including his electric-car company and—because he runs SpaceX—planetary travel. His missives have moved markets and the price of the cryptocurrency bitcoin.

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◆ Twitter to test new edit function..... B4

## Surge in Oil Challenges Banking's Green Shift

By AMRITH RAMKUMAR

Wall Street arranged more bonds and loans for clean-energy projects than oil-and-gas companies in the first quarter. The shift could be short-lived amid the push to boost fossil-fuel supplies after Russia's invasion of Ukraine.

Banks underwrote more than \$100 billion of bonds and loans for clean-energy uses in the first quarter and arranged \$95 billion in borrowing for oil-and-gas firms. The pace of underwriting slowed in both categories from last year,

when total oil-and-gas and green debt issued in each area totaled about \$570 billion.

The shift toward more green-debt underwriting has been dramatic in recent years. The ratio of oil-and-gas to green debt underwritten fell to 0.9 in the first quarter from 1 last year. In 2018, four times as much money was raised by banks for fossil fuels than for clean-energy uses.

Debt underwriting involves finding buyers and backstopping prices when necessary. It is one of the main ways banks

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The pace of underwriting for both clean energy and oil and gas has slowed. A solar farm in Maine.

ROBERT F. BUKATY/ASSOCIATED PRESS

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Mark Wahlberg and Tom Holland star in 'Uncharted,' one of the movies that has proved popular with young men this year.

## Young Men Go Back to The Movies

Continued from page B1  
work, too. Young men have been the demographic most comfortable taking risks when it comes to resuming group activities, according to studio executives, while older audiences and families with unvaccinated children stay home.

Hollywood executives saw this come to life with the first big-budget release after Covid-19 closed theaters for months: "Godzilla vs. Kong," which collected nearly \$50 million over five days in April 2021. "Black Widow" and "Shang-Chi and the Legend of the Ten Rings"—both comic-book adaptations—followed. That October, Sony's "Venom: Let There Be Carnage"—another comic-book movie—again demonstrated that young men would venture out for a certain kind of movie. It collected \$214 million at the box office.

Warner Bros. released "Godzilla vs. Kong," and by the time it would put out "The Batman" about a year later, roughly a third of the latter's audience would be men under the age of 25.

While such movies get consumers back to theaters—where they will also spend on popcorn and cocktails—overall moviegoing remains far below prepandemic levels. Sales in the U.S. and Canada in 2021 totaled \$4.6 billion, less than half of the \$11.4 billion in tickets sold in 2019, according to Comscore. And while movies such as "Uncharted" perform well relative to other releases in the market, they are still underwhelming when budget and marketing expenses are taken into account.

"Uncharted" has collected about \$140 million in the U.S.

and Canada so far—about \$30 of which was contributed on a recent Friday evening by Camden Skene, a 15-year-old in Los Angeles who borrowed some cash from his parents for a screening at an AMC theater in the city's Grove shopping plaza.

Since theaters have reopened, Mr. Skene has been back relatively often. "Uncharted" followed outings to "Spider-Man: No Way Home" and "The Batman." He's planning to see "Morbius," the next "Aquaman" installment—"oh, and the new 'Jurassic Park,'" he added.

"I watch basically all of the big movies," he said.

Avid moviegoers like Mr. Skene have returned to the theater about as frequently as they did before Covid-19, according to studio data, while casual moviegoers, who tend to be older and often women, have stayed away. If older audiences do head to the movies, they are more likely to do so after opening weekend when auditoriums aren't as crowded.

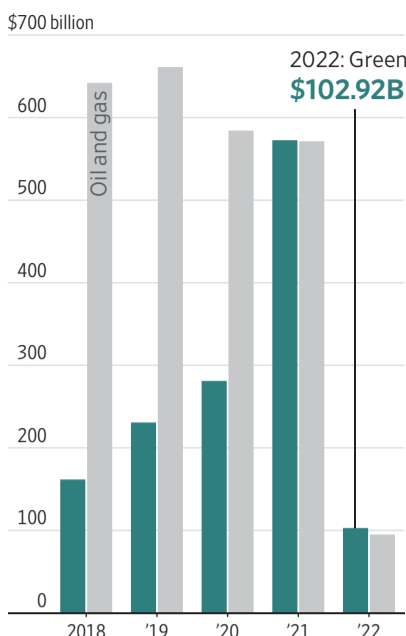
Studio chiefs and exhibitors say they hope the young men buying tickets today function as early adopters who convince their girlfriends, parents and grandparents to return as well. Some recent releases, such as "The Lost City" with Sandra Bullock and "Dog" with Channing Tatum, drew out female audiences. There are signs that studios will program for a broader array of audiences this summer, when female-skewing titles such as "Downton Abbey: A New Era" and "Where the Crawdads Sing" hit screens.

Overall, though, the number of movies being released has fallen—from around 165 wide-release titles in a year to an expected 95 this year, said Mr. Goldstein of Warner Bros.

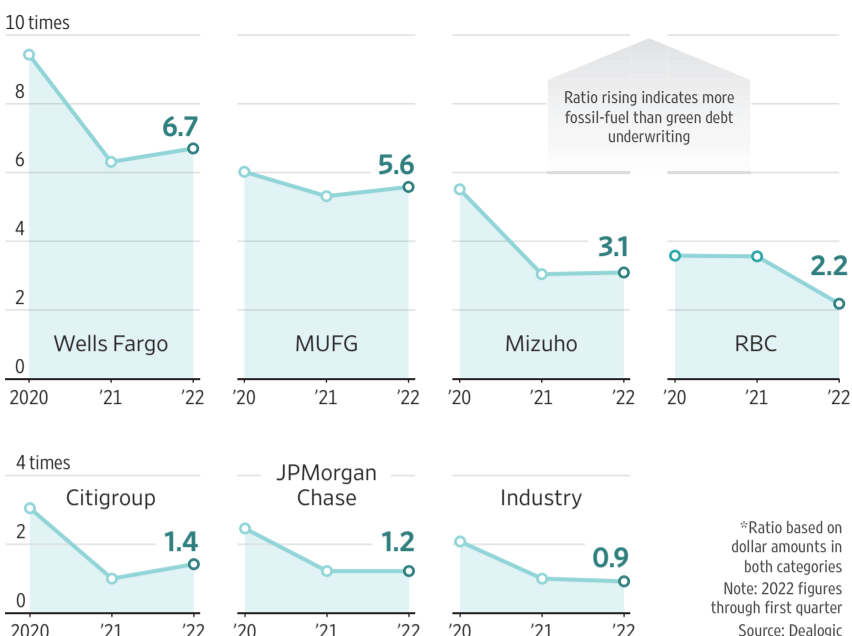
That ratchets up the pressure to have a surefire hit with each big-screen release.

"They have to be bull's-eyes every time," Mr. Goldstein said. "Big concept, big stars, big productions. You can't cheat."

## Annual amount of bonds and loans raised by category



## Annual ratio of oil-and-gas debt underwriting to green debt underwriting by bank\*



## Oil's Surge Challenges Green Shift

Continued from page B1  
help companies and governments raise money. The data don't include direct lending, equity underwriting or other borrowing linked to sustainability measures.

While the overall industry did more green underwriting in the quarter, some banks reversed course. Citigroup Inc. arranged more green debt than fossil-fuel debt for the first time last year. In the first quarter, it did more oil-and-gas debt. Other banks that underwrote more oil-and-gas than green debt while also seeing the ratio increase in the first quarter include Wells Fargo & Co., Mizuho Financial Group Inc. and Société Générale SA.

Banks say they can't transition away from fossil fuels too quickly given limitations on clean-energy capacity and that their lending activity reflects broader industry trends. Oil and natural-gas prices have surged, turbocharged by

the war in Ukraine, improving the outlook for many producers and prompting calls for increased output. Meanwhile, supply-chain disruptions have pushed up costs and delayed many clean-energy projects.

Still, some analysts argue that many banks overstate their commitment to limiting climate change because they are still consistently funding fossil fuels.

"It's really tough to know when it's turning into greenwashing," or misleading about climate progress, said Margaret Peloso, a partner at law firm Vinson & Elkins LLP who advises banks on environmental issues.

Many financiers also say they must work with companies to bring down emissions rather than divesting from high-emitting industries.

JPMorgan Chase & Co., the largest U.S. bank and biggest energy-sector financier last year, cut the ratio of oil-and-gas to green-debt underwriting to 1.2 last year from 10 in 2018. The ratio stayed at that level in the first quarter, again indicating more fossil-fuel activity than the broader industry. JPMorgan last year pledged oil-and-gas companies in its portfolio would substantially reduce operational carbon intensity—emis-

sions per unit of output—by 2030.

Analysts say carbon-intensity targets are less aggressive than outright emissions-reduction figures because carbon intensity can decline while overall emissions increase.

Citigroup in January said it was targeting a large absolute drop in financed energy-sector emissions by 2030, a move that analysts said surpassed similar pledges by its peers. Its ratio of oil-and-gas to green-debt underwriting rose to 1.4 in the first quarter from

## Some analysts argue banks overstate their commitment on the climate issue.

nearly 1 last year. Citigroup Chief Executive Jane Fraser spoke at last year's Glasgow global summit about the need to scale climate solutions and has said the bank might have to cut off clients to meet its climate targets.

Wells Fargo arranges much more fossil-fuel debt than green debt, with a ratio of 6.7 in the first quarter and 6.3 last year. That is down from

68 in 2018. The San Francisco-based lender recently joined other banks in saying it would cut its net emissions to zero by 2050.

Among the energy companies that raised billions in debt through large banks in the first quarter were commodity traders Vitol SA and Trafigura Pte. Ltd. and oil-and-gas producer ConocoPhillips.

Many environmentalists are also concerned that the pace of clean-energy financing is slowing, delaying the spending needed to reach the world's climate goals and reduce global reliance on oil and gas. Biotech firm Amgen Inc. and Honda Motor Co. were among those that raised green bonds to reduce emissions last quarter, but the total amount raised was well below last year's pace.

Some analysts say between five and 10 times last year's total in green bonds and loans is needed annually by the middle of the decade to accelerate the energy transition.

"The rest of this year will give us a good indication of whether it's feasible or not," said Krista Tukiainen, head of market intelligence at the Climate Bonds Initiative, a non-profit promoting green investment.

## Zelle Arises As a Rival To Cards

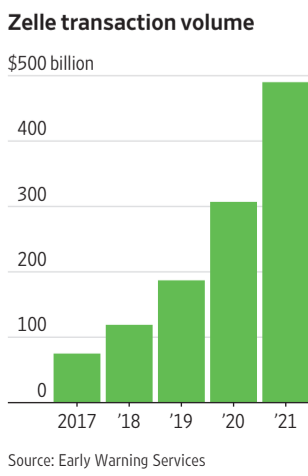
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but a vote from Zelle's owners is needed before the service can be activated across all of the banks that use it, some of the people said. Seven banks own Early Warning Services LLC, the company that operates Zelle, and around 1,450 financial institutions offer Zelle to their customers.

Some banks are reaching out to merchants to gauge interest in a pilot that would allow them to accept Zelle for online payments as soon as this year, the people said. How it would work, what to charge the merchants for the service and what incentives to offer consumers are all being debated, the people said.

Zelle has already added features that serve businesses and is "working with financial institutions to explore more opportunities," a spokeswoman for Early Warning Services said.

There is no guarantee such a service would catch on in the U.S., where card payments reign supreme. Large merchants banded together several years ago to offer shoppers a pay-by-bank-account option, but the effort ultimately fizzled out.

Past failures haven't stopped companies from trying. Discover Financial Services recently partnered with a financial-technology firm to enable bank-account payments over its network.



Source: Early Warning Services

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## BUSINESS NEWS

# Lockdown Keeps Shanghai Workers Living in the Office

HONG KONG—The Covid-19 pandemic forced many people to learn to work from home. In China's financial center, it is now the opposite challenge: learning to live—round the clock—at the office.

By Elaine Yu,  
Natasha Khan  
and Cao Li

As China seeks to stamp out new outbreaks quickly with flash lockdowns and sweeping restrictions on movements, some companies in Shanghai have asked workers to stay in their offices for days or weeks at a time.

Zheng Xiangru, an employee at Industrial and Commercial Bank of China Ltd., one of China's largest state-owned banks, said he had already spent more than two weeks cooped up in an office.

Mr. Zheng says he must be physically present to settle transactions using the bank's internal systems, adding that he volunteered for the assignment and would receive extra compensation in return. The 28-year-old account manager sleeps on a foldable bed and drapes a sleeping bag over his body. To make conditions more tolerable, he brought along a small blue blanket and a pillow from home. He blasts rock and rap music after work as a stress-reliever—"because it's loud," he said.

Shanghai, home to thousands of Chinese and international financial institutions and a local economy worth \$660 billion, has tried to avoid blanket restrictions until recently. As authorities shut offices, schools and public transport across swaths of the city, companies are trying to keep the financial hub running as they comply with Shanghai's anti-Covid measures.

## 17K

New Covid-19 cases reported Wednesday in Shanghai

On Monday, authorities said that the lockdown would be extended until further notice. Shanghai on Wednesday reported a record high of more than 17,000 new Covid-19 infections in the city, most of them without symptoms.

Since mid-March, a number of banks, asset-management firms and other financial institutions in the city have said they have moved staff to live at their workplaces to avoid interrupting operations, according to company and state-media posts on social media.

Some of China's largest factories have also adopted a bubblelike system.

Mou Jiahao, 35, a risk manager at a subsidiary of Shanghai-based Orient Securities Co., said he has been living in his office for three weeks, with the company offering stipends to workers willing to do so.

He sleeps by his cubicle, eats meals prepared by the firm's cafeteria, and has gradually adapted to communal living with more than a dozen mostly male colleagues, each with their own nighttime habits and skincare routines. He was initially able to pick up fresh sets of clothes from home but could no longer make such runs after a wider lockdown began in recent days.

"In our spare time, we would chat about all kinds of things," said Mr. Mou. "It's like going back to my days as a student."

A company spokeswoman said it was more efficient to

process urgent client requests from the office.

Some Shanghai Stock Exchange staff had moved into their offices, the state-run People's Daily newspaper reported March 29, a day after the city's first major lockdown began. At the Shanghai Futures Exchange, rows of temporary beds were set up for workers to keep the trades flowing, the newspaper reported.

HSBC Holdings PLC's fund management joint venture in China wrote on its official WeChat social-media account that some employees, following the company's appeal, kept the office staffed in-person at all times to ensure business could continue as normal.

The Shanghai Stock Exchange, the city's futures exchange and the HSBC joint venture didn't respond to requests to comment.

While some were able to plan their live-in arrangements at work, other office workers had less notice.

Yan Yuejin, a property analyst in Shanghai, found himself unexpectedly sequestered with his colleagues in the office early last month after authorities found positive cases in the vicinity. More than 2,000 staff working in three buildings in the area were shut indoors for seven days and tested frequently, he said.

"When it gets to 8:00 and 9:00 at night, people start changing into slippers and pajamas. The next thing you know, you are brushing your teeth next to your boss. It's so awkward," the 38-year-old said.

On the first day of their isolation, everyone was excitedly taking pictures to post on social media, Mr. Yan said. By the seventh day, the novelty was gone. Some colleagues took to waking as early as 5 a.m. to get access to the office shower before other colleagues.

Jennifer Dong, 26, was getting ready for bed one night in early March when she was summoned back to her office to isolate with colleagues for two days after authorities discovered a potential coronavirus patient working 34 floors below them. Ms. Dong and her co-workers in the real-estate-services firm entertained themselves by drinking champagne, watching movies and playing minigolf using office supplies. But things got less enjoyable when it came to bedtime.

"You will find out that your more gentle and quieter colleagues can actually snore so loudly," said Ms. Dong, who found herself wedged between two female colleagues whose snorts kept her up.

In some cases, municipal officials have handed out care packages including sleep masks, plastic slippers, soap, toothbrushes and packets of disposable underwear, according to one Shanghai office worker who was forced to huddle for two nights with roughly 100 colleagues.

For Stephanie Sam, a communications professional in Shanghai, carrying around a bag of daily necessities became second nature. Worried she would be swept up in an unannounced quarantine, she constantly carried enough antibacterial and facial wipes, face wash and toothpaste to last her two weeks. Later, she added coffee sachets and flip flops.

Her dog also went wherever she did—to the supermarket, a vaccination appointment and to a dinner party—to ensure they wouldn't be separated abruptly.

"Leaving your house was like playing a game of roulette," Ms. Sam said, recalling the first few weeks of March. "You just never knew when or where you might get stuck."

# Dave & Buster's Expands in Deal

By WILL FEUER

Dave & Buster's Entertainment Inc. said it has agreed to buy family entertainment company Main Event in a deal valued at \$835 million.

Once the all-cash deal closes, which is expected later this year, Main Event Chief Executive Officer Chris Morris will take the reins as CEO of Dave & Buster's, the companies said.

Shares of Dave & Buster's fell 8.4% to \$42.51 on Wednesday following the news.

The deal follows what was a challenging stretch for the industry as the Covid-19 pandemic temporarily closed indoor entertainment venues and pressured operations, forcing some companies in the space to seek bankruptcy protections.

Dallas-based Dave & Buster's, which offers a mix of food, drinks and arcade games,



Main Event has about 50 locations offering arcade and other games.

avoided bankruptcy at the end of 2020, when it announced layoffs and warned that it might need to file for such protection if it couldn't reach a deal with its lenders.

But the company returned to profitability in 2021 as its venues reopened and many

Americans emerged from the pandemic.

Main Event, which owns about 50 locations that offer bowling, laser tag, arcade games and virtual reality experiences across the U.S., is owned by Australian leisure company Ardent Leisure

Group Ltd. and investment firm RedBird Capital Partners.

Dave & Buster's Chairman and interim CEO Kevin Sheehan said Main Event's focus on families with young children will complement Dave & Buster's main demographic of young adults. Mr. Sheehan said the deal will allow both businesses to better differentiate their offerings to their core demographics.

The two brands will continue to operate separately after the deal closes, the companies said.

Mr. Sheehan said the geography of Dave & Buster's 145 venues works well with Main Event's locations.

Mr. Morris has served as CEO of Main Event since 2018. In that time, he expanded the company's footprint by over 30% and more than doubled earnings before interest, taxes, depreciation and amortization, Main Event said.

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A makeshift bed in Shanghai resident Yan Yuejin's office.

TECHNOLOGY

WSJ.com/Tech

# Twitter Looks to Develop an Edit Button

Social-media platform will begin testing the new function in the coming months

By GARETH VIPERS

Twitter Inc. is developing a feature that will allow users to edit tweets after they have been posted, the company said.

The announcement comes after Tesla Inc. Chief Executive Elon Musk revealed a 9.2% stake in the social-media company and asked his followers in a poll if they wanted the feature.

“We’ve been exploring how to build an Edit feature in a safe manner since last year

and plan to begin testing it within @TwitterBlue Labs in the coming months,” Twitter’s head of consumer product Jay Sullivan said in a tweet Tuesday.

The edit function has been one of the most requested features among Twitter users for some time, the company said.

“People want to be able to fix (sometimes embarrassing) mistakes, typos and hot takes in the moment,” Mr. Sullivan said. The company was aware such a function could be misused, he said.

“Without things like time limits, controls, and transparency about what has been edited, Edit could be misused to alter the record of the public conversation. Protecting the integrity of that public conver-

sation is our top priority when we approach this work,” he said.

Mr. Musk’s poll attracted 4.4 million votes. Twitter’s communications team denied that the move was related to the poll, but Parag Agrawal, the company’s chief executive, retweeted it, saying “The consequences of this poll will be important. Please vote carefully.”

On Monday, Mr. Musk, who has been a longtime critic of Twitter, disclosed a large stake in the company, making him one of its biggest shareholders.

The surprise move sent Twitter’s stock up 27%, its largest one-day percentage gain on record. Still, little is known about Mr. Musk’s inten-

tions. He has previously revealed in the attention from his more than 80 million Twitter followers, and criticized the service broadly.

The company later said it would appoint him to its board, bringing the billionaire social-media agitator inside the fold.

The outspoken entrepreneur hasn’t been shy about questioning Twitter’s values. In recent weeks he has mused publicly about its commitment to free speech and has said he was considering starting a rival social-media platform of his own.

“Free speech is essential to a functioning democracy,” Mr. Musk said in a tweet last month. “Do you believe Twitter rigorously adheres to this

principle?” In the accompanying poll, 70% of the more than two million respondents voted no.

“He’s both a passionate believer and intense critic of the service which is exactly what we need on @Twitter, and in the boardroom, to make us stronger in the long-term. Welcome Elon!” Mr. Agrawal said after the news was announced.

Reactions to the edit button were mixed on Twitter, with many users questioning the impact such a function could have for credibility and overall discourse on the platform.

“Unpopular opinion, I know, but I don’t want Twitter to add an edit button feature. I think it will likely make Twitter worse overall,” wrote An-

drew Stroehlein, the European media director for Human Rights Watch.

“For example, I don’t see how it won’t be abused by extremist politicians & pundits to send out a rallying call of hate, incitement or targeted abuse, and then edit it to avoid being penalized,” he added.

Others welcomed the move, saying it would enable important corrections and clarifications which can often get lost in the noise on such a popular platform.

Sandip Kamat, who works in product management at HP Inc., suggested Twitter put a time limit on the feature. “Great. Allow edit for 60 seconds. Show ‘edited’ tag. Done!” he wrote on Twitter.



Samsung got a boost from its latest lineup of Galaxy S22 flagship smartphones, which made their debut in February.

## Samsung Says Chips, New Phone Power 50% Rise in Operating Profit

By JIYOUNG SOHN

SEOUL—Samsung Electronics Co. forecast record quarterly revenue and a 50% rise in first-quarter operating profit from the prior year, owing to strength for memory chips and a robust rollout of its latest smartphones.

Samsung’s performance speaks to how the prolonged chip shortage continues to boost business for tech suppliers. But sales of the South Korean company’s memory chips and smartphones could face risks of decline in the months ahead as factors including the Russia-Ukraine war and inflation could damp consumer sentiment.

On Thursday, the world’s largest maker of memory chips and smartphones said it forecasts operating profit of 14.1 trillion South Korean won, equivalent to about \$11.6 billion, for the quarter ended March 31. That compares with 9.4 trillion won for the year-earlier quarter.

Revenue is expected to

reach 77 trillion won, up about 18% from the prior year. It would mark Samsung’s highest-ever quarterly revenue, just topping the prior record of 76.6 trillion won set in the prior quarter.

Samsung’s outlook topped market expectations. Analysts polled by S&P Market Intelligence were expecting on average 13.5 trillion won in operating profit and 74.9 trillion won in revenue.

The Suwon, South Korea, company reports full earnings later this month.

Samsung is considered a bellwether for the tech world as it is both a major electronics maker and a supplier to consumer-electronics rivals including Apple Inc. and Sony Group Corp.

Samsung generates most of its operating profit from semiconductors and has a dominant position in memory chips that give devices their multitasking ability and data storage.

Prices of the two major types of memory chips—both

DRAM and NAND flash—in the first quarter remained higher than the same point last year. But production holdups due to shortages of other types of semiconductors have led to some pullbacks in memory demand from the prior quarter, said Sanjeev Rana, a Seoul-based senior analyst at brokerage CLSA. But memory prices held up better than expected, propping up profit, he said.

DRAM prices could decline by as much as 5% in the second quarter, from the prior three-month period, due in part to weaker consumer demand for tech gadgets because of inflation and unknown economic fallout from the continuing Russia-Ukraine war, according to TrendForce, a Taiwan-based tech-market researcher.

But NAND flash prices are expected to rise by 5% to 10% in the second quarter as supply became tighter following a raw-material contamination that disrupted production at Japan’s Kioxia Holdings Corp.

and Western Digital Corp. in early February, TrendForce projects.

Samsung is also expected to have gotten a boost from its latest lineup of Galaxy S22 flagship smartphones, which made their debut in February. The South Korean firm kept prices the same as last year’s models. But the premium devices, which bring in the highest margins, are the main drivers of the company’s smartphone profit.

Global demand is 20% higher for the Galaxy S22 than its predecessor, based on the first six weeks of sales, Samsung recently said. Samsung is the largest smartphone vendor in Russia with a 30% market share as of the fourth quarter of 2021, according to Counterpoint Research.

Last month, the company said it had suspended shipments of all of its products to the country because of geopolitical developments and was monitoring the situation.

## Musk Stirs Interest In Platform

Continued from page B1

Twitter shares rose on the day Mr. Musk’s investment became public and on the following day, when his board appointment was announced. The gains added roughly \$10 billion in market value over the period, a sign of investor enthusiasm regarding the billionaire entrepreneur’s role at the company. Twitter shares declined 0.4% Wednesday to \$50.76.

Mr. Musk has long been heavily engaged on Twitter, at times bantering on the platform with founder Jack Dorsey. On Jan. 31, he began a weeklong Twitter-share buying spree that turned him from a regular user of the platform into the company’s largest investor, with a stake of more than 9%. On Monday, Twitter appointed Mr. Musk to its board.

“We believe Musk’s presence alone will help drive greater interest, and we view him as the most influential person attached to the company,” Angelo Zino, senior equity analyst at CFRA Research, wrote in a note. “Ultimately, the goal is to better monetize the platform, and we think Musk can only help, not hurt the process, with his recent criticism of the company as a refreshing sign.”

Over the past two years, Twitter has experimented with new features and products intended to fuel user engagement and more revenue, with mixed results.

In late 2020, the company launched Fleets, a feature that allowed users to post full-screen photos and videos that disappeared after a day, similar to the stories features available on rival services Instagram and Snapchat. The company shut down that feature in August 2021, saying “we haven’t seen an increase in the number of new people joining the conversation with Fleets like we hoped.”

Twitter had more success with a feature it began testing in December 2020 called Spaces, which let users congregate in audio-only rooms. The feature was successful enough in testing to be launched a few months later to Twitter users with more than 600 followers.

The company followed that with Twitter Blue, a paid version that offers subscribers

exclusive features. Twitter rolled out the feature in June 2021 to users in Canada and Australia and opened the subscription service more broadly in the U.S. and New Zealand on Nov. 9. Among the features included in the \$2.99 monthly service is the ability for subscribers to use nonfungible tokens they own as their Twitter profile pictures.

The addition of Mr. Musk to Twitter’s board could spur further “idea generation,” Mr. Zino said. “That’s something that’s much needed when you look at the Twitter platform. It’s clearly lacked some innovation over the last several years.”

Twitter declined to comment.

There are also potential points of friction between Mr. Musk and Twitter, which in recent years stepped up its content moderation to address concerns that discourse on the platform had become a turnoff for some users. Mr. Musk, who has described himself as a “free-speech absolutist,” has

### ‘His larger role in the company could pave the way for more user growth.’

raised questions about Twitter’s approach to the issue. “Free speech is essential to a functioning democracy. Do you believe Twitter rigorously adheres to this principle?” he tweeted last month.

Some analysts said Mr. Musk could influence Twitter to ease up on content moderation or reinstate users, such as Donald Trump. The company banned the account of the then-president in January 2021, citing what it said was a risk of incitement to violence. That move drew sharp criticism from Mr. Trump and some of his supporters.

Such changes could spur user growth and engagement if more users come onto the service and more debates are sparked, but it could also scare away advertisers, said Ali Mogharabi, senior equity analyst at Morningstar.

“There have been some advertisers that favor content moderation,” Mr. Mogharabi said. “If there’s more, as Musk put it, freedom of speech, then you could see some advertisers not necessarily pull out completely but just be a little bit more hesitant because they fear that their ads may be placed along with some bad content or conflicting content.”

## Better.com Plans Further Employee Cuts Through Buyouts



CEO Vishal Garg had apologized for laying off staff via Zoom.

By CAMILLE FURST AND JOSEPH PISANI

Better.com, the online mortgage lender which has had two rounds of layoffs since December, is offering some employees a voluntary agreement to leave the company.

Better.com is giving eligible U.S. employees in corporate and on the product, development and engineering teams the option to take a voluntary separation package, according to a memo to employees which was viewed by The Wall Street Journal. The agreement offers 60 working days of severance pay and health insurance coverage.

The memo didn’t say how

many people would get separation package offers.

A company spokesperson confirmed the plans. The company has about 6,000 employees in the U.S. and India, the spokesperson said.

The New York-based company already laid off 900 people in December during a Zoom call, drawing criticism and prompting Chief Executive Vishal Garg to apologize. He took time away from the company in December and returned in mid-January.

The company’s board of directors at the time said Mr. Garg worked with an executive coach during his break.

The company, which is backed by SoftBank Group Corp., laid off about 3,000 people last month.

Better.com and other mortgage lenders benefited from a wave of home buying and refinancing at the beginning of the Covid-19 pandemic as interest rates hit historic lows. But mortgage rates are rising and fewer people are expected to refinance this year.

The letter, which was signed by Richard Benson-Armer, Better.com’s chief people, performance and culture officer, said the company had to make additional cuts because of recent uncertainty in the mortgage market.

“As many of you know, the uncertain mortgage market conditions of the last couple of weeks have created an exceedingly challenging operating environment for many

companies in our industry,” Mr. Benson-Armer said in the letter.

“This is requiring many of them to make difficult decisions in order to sustain their businesses,” he said. “Despite ongoing efforts to streamline our operations and ensure a strong path forward for the company, Better is no exception.”

Workers under the age of 40 who receive the offer will have up to seven days to accept it. Those 40 or older have 21 days to accept the offer.

“While this voluntary separation exercise is difficult, we remain confident in the strong path ahead for Better,” Mr. Benson-Armer said in the letter.

TECHNOLOGY

# Laundering Crypto Is the Tricky Part

By DAVID UBERTI

Many eyes in the crypto world are on a 42-character address on the Ethereum blockchain, which has unclear ownership and is currently home to the equivalent of about \$600 million.

Hackers stole the funds from players of online game

**CYBERSECURITY**

“Axie Infinity” in a March 23 heist uncovered last week. The criminals have moved millions of dollars of assets in recent days, according to blockchain-monitoring tools, but the majority of funds remain in place, leaving victims and outside observers awaiting next moves.

Crypto’s transparency has turned money laundering into a perverse spectator sport. Transaction records on public blockchains give authorities a bird’s-eye view of stolen funds equivalent to tens or hundreds of millions of dollars, often pilfered by targeting poorly secured software bridges that transfer assets between blockchains.

The openness leaves successful cyber thieves facing a key question: How do you launder a nine-figure score?

“When there’s a hack like that, everyone is watching the wallets,” said Kimberly Grauer, director of research at Chainalysis Inc., a blockchain-analytics firm. “So you better damn well know what you’re going to do.”

The fate of the money stolen from “Axie Infinity” users, one of the largest such thefts, has become a topic of speculation. On Etherscan, a monitoring platform where users can see transactions to and from the address in question, com-

menters claiming to be victims, broke college students or Ukrainian refugees have posted messages asking the hackers to spread their newfound wealth.

The developer behind “Axie Infinity,” Singapore-based Sky Mavis Ltd., said it intends to reimburse or recover the stolen funds. On Wednesday, the company said it raised \$150 million from investors including crypto exchange Binance in a funding round it aims to use to help pay victims.

The individuals behind last month’s theft targeted the Ronin Network, a software bridge developed by Sky Mavis that allows “Axie Infinity” players to transfer assets earned in the game.

Last week, blockchain ana-

## Hackers stole the funds from players of the online game ‘Axie Infinity.’

lysts and amateur digital sleuths watched as ether valued at about \$20 million moved to crypto exchanges based in the Bahamas and Seychelles. On Monday, an additional \$12 million of assets flowed into a mixer, which blends different cryptocurrencies to help obscure their sources.

Mixers can have their own security compromises and are dependent on having enough crypto on hand to exchange illicit deposits for cleaner funds, said Mitchell Amador, chief executive of Immunefi, a bug-bounty platform focused on decentralized systems.

“For [\$600 million] that



The individuals behind last month’s theft targeted a software bridge that allows ‘Axie Infinity’ players to transfer assets earned in the game. Above, two players of the game last year.

would take years at present liquidity amounts,” he said of mixing. “You have to be real patient to make that kind of investment.”

Governments in the U.S. and other countries have ramped up law-enforcement efforts to seize stolen funds and bolstered money-laundering regulations for crypto exchanges.

Such efforts make the transfers of some Ronin Network funds to exchanges potentially dicey, said Jess Symington, research lead at Elliptic Enterprises Ltd., a blockchain-analytics firm.

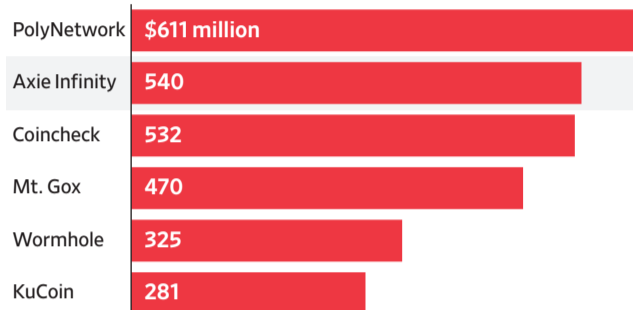
“This might be an opportunity for law enforcement to jump in,” she said.

Some victim companies have tried to pay off their hackers in return for getting their cryptocurrency back.

After the Qubit Finance app was hit with an \$80 million heist in January, the decentralized lending platform publicly offered \$2 million “with no persecution” for the rest of the funds. It is unclear if the hackers took the deal, but a crypto address linked to the exploit on Etherscan still holds more than \$76 million of funds.

The app’s developers have

**Largest crypto hacks, in dollars**



Note: Values are derived from prices at the time of the hack.

Source: Elliptic

since said on Twitter that they have reduced their team’s size and taken out a loan to help compensate users. Qubit didn’t respond to requests for comment.

Following a \$320 million hack in February of the Wormhole bridge, investors behind the project said they reimbursed users’ funds in a move that helped stabilize crypto prices underpinning the applications that the bridge helps support. Wormhole later offered a \$10 million reward for hackers who spot such vulnerabilities in the future, saying on Twitter that “we believe it’s important to keep the good guys motivated.”

While companies such as Sky Mavis can more aggressively hunt for bugs, individual victims are often left watching their money move across blockchains with the hope that it is somehow recovered or reimbursed, said Yayin Zhou, co-founder of China-based blockchain security firm BlockSec.

“For users, honestly, there is not much to do,” he said.

# Game Maker Gets Funds for Hacking Victims

By SARAH E. NEEDLEMAN

The cryptocurrency startup behind the popular online game “Axie Infinity” raised \$150 million to help it reimburse users after hackers last month stole more than \$500 million worth of cryptocurrency, one of the biggest thefts in the sector’s 13-year history.

“Axie Infinity” publisher Sky Mavis Ltd. said Wednesday that the funding round was led by cryptocurrency-exchange giant Binance with participation from game developer Animoca Brands Corp., venture-capital firms Andreessen Horowitz and Accel, and cryptocurrency funds Paradigm and Dialectic. Sky Mavis said the funds will be combined with its own funds to compensate victims of the hack, which accessed assets worth about \$540 million on the date of the theft, March 23.

“Sky Mavis is committed to reimbursing all of our users’ lost funds and implementing rigorous internal security measures to prevent future attacks,” Chief Executive Officer Trung Nguyen said.

The Ronin network that Sky Mavis’s users rely on for making cryptocurrency transactions will reopen once the company undergoes a security upgrade and several audits, it said. That process could take several weeks.

In the meantime, Binance is supporting the network by providing cryptocurrency withdrawals and deposits for “Axie Infinity” users, Sky Mavis said.

“Axie Infinity” is an online game that fits into a fast-growing genre known as earn-to-play. Such games center on the buying, trading and selling of virtual assets backed by nonfungible tokens, or NFTs.

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BUSINESS NEWS

# Scramble for Cooking Oils Lifts Prices

Sunflower-oil shortages trigger rise in costs of rapeseed, palm and olive oils

By SAABIRA CHAUDHURI

Russia's invasion of Ukraine sparked a shortage of sunflower oil that pushed prices of other edible oils to record highs, hitting food makers and consumers grappling with inflation.

Ukraine is a major producer of sunflower oil, making up over 47% of the world's exports, according to research firm Mintec. But shipments of sunflower oil—and seeds used by crushers elsewhere—have ground to a halt amid the war, disrupting supplies of a commodity widely used for cooking and as an ingredient in products like margarine, mayonnaise and bread.

The shortage of Ukrainian sunflower oil triggered a domino effect that underscores how interconnected global commodity markets are pushing up the price of other oils produced elsewhere, including those not ordinarily considered substitutes for sunflower oil.

The disruption comes on top of high prices for edible oils after crop failures in Canada and South America.

"We were already in the middle of an inflection point," said Luciano Chiumiento, commercial director of Italian pesto maker CLAS SpA, ordinarily a major user of sunflower oil. "Then there was the war and it made everything more crazy."

Global sunflower oil prices were up 44% at the end of March compared with a year earlier, while rapeseed oil had risen 72%, according to Mintec. The price of soybean oil is up 41%, palm oil gained 61% and olive oil is 15% higher. Other than olive oil, all the rest hit record prices in March, says Mintec.

At first, many food manufacturers switched to rapeseed oil, the easiest substitute for sunflower oil, said Gary Lewis,



The shortage of Ukrainian sunflower oil is pushing up demand for alternatives. Sunflower oil at a supermarket in Istanbul.

tion changes, raising the risk that some consumers could unknowingly consume rapeseed. The FSA concluded the risk of allergies to rapeseed is very low.

Grocery stores in some European countries, including Belgium and Spain, have rationed sunflower oil, while British supermarket chain Iceland recently said it would include more palm oil in its products because of the sunflower oil shortage.

Iceland said it made its decision with "huge regret" after having pledged in 2018 to remove palm oil from its own-label products because of concerns about deforestation.

"The only alternative to using palm oil under the current circumstances would simply be to clear our freezers and shelves of a range of staples including frozen chips and other potato products," Iceland's Managing Director Richard Walker wrote in a blog post.

Ukraine, whose national flower is the sunflower, has been a major exporter of the oil pressed from the plant's seeds for decades.

Global agricultural trading houses including Cargill Inc., Archer Daniels Midland Co. and Bunge Ltd. invested in ports, grain facilities and processing plants in the Black Sea area since at least the early 2000s. Since the war, Bunge, ADM and Cargill suspended their Ukrainian sunflower refining operations.

Much of Ukraine's sunflower oil exports—like its sizable grain shipments—are sent to developing countries, where higher food prices will have an outside impact on poorer consumers.

India is the world's largest importer of edible oils, sourcing most of its sunflower oil from Ukraine. India also gets its sunflower oil from Russia, the world's second-largest exporter, which said it would introduce export quotas starting later this month. Russia said it would ban the export of sunflower and rapeseeds from April until the end of August to protect domestic supply as prices surge.

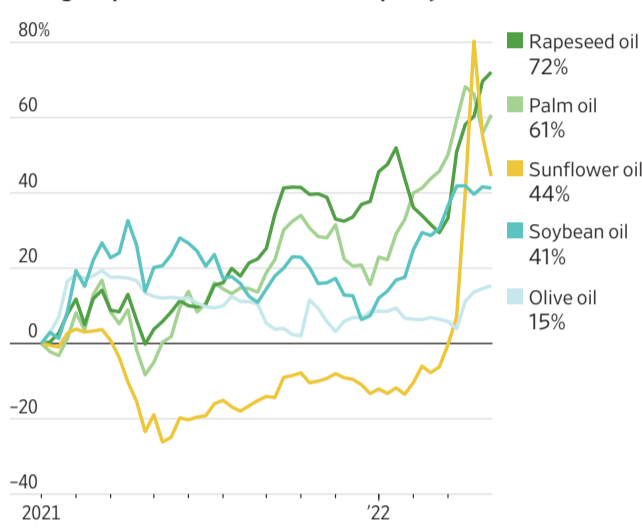
head of KTC Edibles Ltd., a U.K. seller of cooking and ingredient oils.

Rapeseed oil prices quoted by crushers quickly jumped between 40% to 50%, Mr. Lewis said. Rapeseed supplies then soon began to run low, too. Now, KTC isn't selling either sunflower oil or rapeseed oil, he said, because they can't get hold of them.

Sunflower oil is a popular cooking oil and an attractive ingredient for products like mayonnaise and margarine because of its relatively mild flavor and wide availability. Substituting in palm oil can be tough because it is more dense, while soy oil raises allergy risks and concerns over genetically modified organisms, said Albert McQuaid, chief science and technology officer for Irish ingredients maker Kerry Group PLC. The company is in the process of swapping sunflower for rapeseed oil in the emulsifiers it makes for mayonnaise and margarine makers.

Olive oil, a relatively niche and expensive product, has emerged as a more unlikely

Change in price of edible oils over the past year\*



\*As of March 30

Source: Mintec

substitute, executives say.

Prices of refined olive oil generally trend about four times higher than those of sunflower oil, while global production of sunflower oil is more than seven times as large as olive oil, according to Walter Zanre, U.K. head of Italian olive-oil brand Filippo Berio. The recent price jump shows

how far the search for substitutes has spread, he added.

Filippo Berio is planning on raising the prices of its olive oils globally by about 20%, with rises in some places starting in May once existing supplies run out. "Because of the scale of the increases, olive crushers are not delivering at prices contracted at in Feb-

ruary," said Mr. Zanre. "They are demanding the new market price in order to deliver."

For its line of pestos, of which sunflower oil is ordinarily a key ingredient, Filippo Berio is running taste tests and shelf-life assessments to see if it can swap in rapeseed oil. Here, too, the company plans to raise prices, said Mr. Zanre.

CLAS is exploring rapeseed oil, and soybean oil, as potential alternatives to sunflower oil, which makes up about 40% of an average pesto. Mr. Chiumiento said higher prices for all these oils mean higher prices on shelves are unavoidable.

Since the outbreak of war in Ukraine, CLAS increased prices on its pestos by between 30% and 50% and would need to raise prices as much as 60% to 70% if it keeps product formulations the same, Mr. Chiumiento added.

As more producers substitute sunflower oil with rapeseed, the U.K.'s Food Standards Agency conducted risk assessments to test for allergies. The agency said it doesn't expect label changes to move as quickly as formula-

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BIGGEST 1,000 STOCKS

Table with 10 columns: Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg. Lists top 1,000 stocks by market cap.

New Highs and Lows

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. % CHG-Daily percentage change from the previous trading session.

Table with 10 columns: Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg. Lists new highs and lows.

Table with 10 columns: Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg. Lists new highs and lows.

Table with 10 columns: Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg. Lists new highs and lows.

Dividend Changes

Dividend announcements from April 6.

Table with 6 columns: Company, Symbol, Yld%, Amount, Frq, Payable/Record. Lists dividend announcements.

IPO Scorecard

Performance of IPOs, most-recent listed first

Table with 6 columns: Company, SYMBOL, Wed's IPO date/Offer price, % Chg From price, Company, SYMBOL, Wed's IPO date/Offer price, % Chg From price. Lists IPO performance.

Borrowing Benchmarks

wsj.com/market-data/bonds/benchmarks

Money Rates

April 6, 2022

Key annual interest rates paid to borrow or lend money in U.S. and international markets.

Table with 4 columns: Category, Rate, Week, -52 WEEK-. Lists various interest rates.

Table with 10 columns: Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg. Lists new highs and lows.

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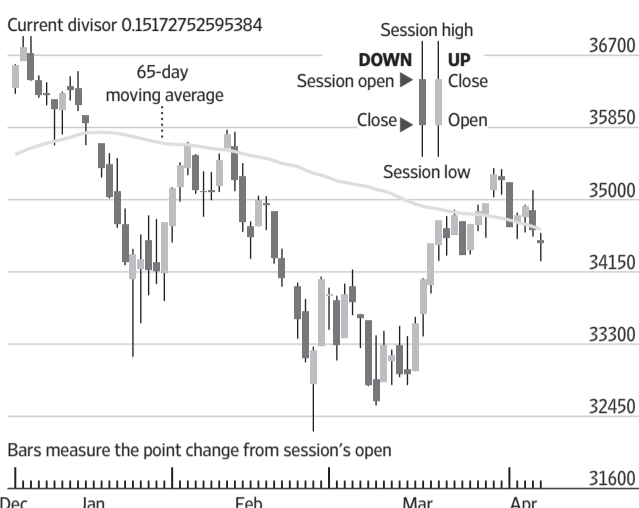
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Dividend yield 2.04 1.78
All-time high 36799.65, 01/04/22



\*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; \*Based on Nasdaq-100 Index

S&P 500 Index

4481.15 ▼43.97, or 0.97%
Trailing P/E ratio\* 25.57 45.45
P/E estimate\* 20.11 23.12
Dividend yield\*\* 1.38 1.45
All-time high 4796.56, 01/03/22



Nasdaq Composite Index

13888.82 ▼315.35, or 2.22%
Trailing P/E ratio\*\* 33.54 38.14
P/E estimate\*\* 26.09 29.05
Dividend yield\*\* 0.71 0.76
All-time high: 16057.44, 11/19/21



Major U.S. Stock-Market Indexes

Table listing major U.S. stock market indexes including Dow Jones, Nasdaq Stock Market, S&P 500, and other indexes with their latest values and changes.

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges.

Most-active issues in late trading

Table of most-active issues in late trading, listing company names, symbols, volumes, and price changes.

Percentage gainers...

Table of percentage gainers, listing company names, symbols, and their percentage increases.

Trading Diary

Volume, Advancers, Decliners

Table summarizing trading diary statistics: Total volume, Advancers, Decliners, Issues traded, etc.

International Stock Indexes

Table of international stock indexes by region/country, including MSCI ACWI, Euro STOXX, Nikkei 225, etc.

Percentage Gainers...

Table of percentage gainers in international markets, listing company names and their percentage increases.

Most Active Stocks

Table of most active stocks, listing company names, symbols, and trading volumes.

QR code and text for tracking real-time U.S. stock quotes and tracking most-active stocks.

Text and graphic for tracking the performance of selected global stock indexes, bond ETFs, currencies and commodities.

Percentage Losers

Table of percentage losers, listing company names and their percentage decreases.

Volume Movers

Table of volume movers, listing company names, symbols, and trading volumes.

CURRENCIES & COMMODITIES

Currencies

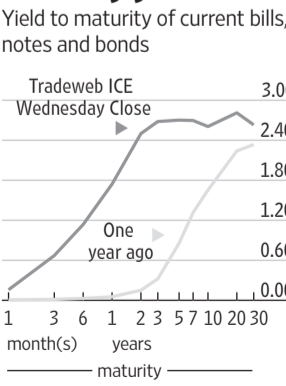
Table showing U.S.-dollar foreign-exchange rates in late New York trading for various countries like Argentina, Brazil, Canada, etc.

CREDIT MARKETS

Consumer Rates and Returns to Investor

Table showing U.S. consumer rates (Five-year CD yields, Federal-funds target rate) and returns to investor for various bank products.

Treasury yield curve



Forex Race



Corporate Borrowing Rates and Yields

Table of corporate borrowing rates and yields for various bond types like U.S. Treasury, Aggregate, etc.

Commodities

Table of commodity prices including DJ Commodity, Crude oil, Natural gas, and Gold.

COMMODITIES

Futures Contracts

Table of Metal & Petroleum Futures, Agriculture Futures, and NY Harbor Oil (NYM) prices. Columns include contract name, open, high, low, settle, change, and open interest.

Table of Interest Rate Futures, including Ultra Treasury Bonds (CBT), Treasury Bonds (CBT), and Treasury Notes (CBT) prices.

Table of Currency Futures, including Japanese Yen (CME), Canadian Dollar (CME), British Pound (CME), and Swiss Franc (CME) prices.

Table of Index Futures, including Mini DJ Industrial Average (CBT), Mini S&P 500 (CME), and Mini Nasdaq 100 (CME) prices.

Cash Prices

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 Energy, Metals, Fibers and Textiles, Grains and Feeds, and Food. Columns include commodity name, price, and open interest.

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=SNL 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 4/5

Source: Dow Jones Market Data

Bonds | wsj.com/market-data/bonds/benchmarks

Tracking Bond Benchmarks

Return on investment and spreads over Treasuries and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Table of Bond Benchmarks showing return on investment, yield, and spread for various bond categories like Broad Market, U.S. Corporate Indexes, and Global Government.

\*Constrained indexes limit individual issuer concentrations to 2%; the High Yield 100 are the 100 largest bonds. \*In local currency. \*Euro-zone bonds. \*\*EMBI Global Index. Sources: ICE Data Services; Bloomberg Fixed Income Indices; J.P. Morgan

Macro & Market Economics

Watching the Gauges: U.S. Supply and Demand

Inventories, imports and demand for the week ended April 1. Current figures are in thousands of barrels or thousands of gallons per day, except natural-gas figures, which are in billions of cubic feet. Natural-gas import and demand data are available monthly only.

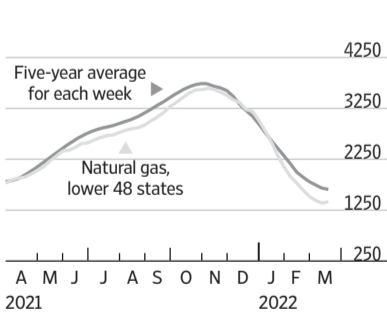
Table of Supply and Demand Gauges including Inventories (000s barrels), Imports (000s barrels per day), and Weekly Demand (000s barrels per day).

Exchange-Traded Portfolios | WSJ.com/ETFResearch

Table of Exchange-Traded Portfolios (ETFs) showing largest 100 exchange-traded funds, latest session.

Natural gas storage

Billions of cubic feet; weekly totals



Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. Treasuries on benchmark two-year and 10-year government bonds in selected other countries; arrows indicate whether the yield rose (▲) or fell (▼) in the latest session

Table of Global Government Bonds mapping yields and spreads for countries like U.S., Australia, France, Germany, Italy, Japan, Spain, and U.K.

Source: Tullett Prebon, Tradeweb ICE U.S. Treasury Close

Corporate Debt

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific expectations

Investment-grade spreads that tightened the most...

Table of Corporate Debt showing investment-grade spreads that tightened the most, including Bank of America, Legg Mason, State Street, and ING Groep.

...And spreads that widened the most

Table of Corporate Debt showing spreads that widened the most, including Delta Air Lines, JPMorgan Chase, Walt Disney, and Morgan Stanley.

High-yield issues with the biggest price increases...

Table of Corporate Debt showing high-yield issues with the biggest price increases, including Carnival, Navient, Intesa Sanpaolo, and Deutsche Bank.

...And with the biggest price decreases

Table of Corporate Debt showing high-yield issues with the biggest price decreases, including American Airlines, Hughes Satellite Systems, Dish DSB, and Transocean.

\*Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury, 100 basis points=one percentage pt.; change in spread shown is for Z-spread. Note: Data are for the most active issue of bonds with maturities of two years or more

Source: MarketAxess

BANKING & FINANCE

HSBC Lifts Stake in China Securities Venture to 90%

By QUENTIN WEBB

HSBC Holdings PLC boosted its holding in its Chinese securities joint venture to 90% from 51%, the latest in a series of moves by global banks to take greater ownership of investment-banking operations in mainland China.

The increased holding will give the British banking giant a bigger share in the financial performance of the Shenzhen-based subsidiary, which underwrites securities offerings, publishes research, advises on mergers and helps clients trade domestic stocks and bonds.

The London-based lender said Wednesday it had bought the 39% stake in HSBC Qianhai Securities Ltd. from its partner, state-owned Qianhai Financial Holdings Co. The latter has retained a 10% stake in the business. HSBC didn't say how much it paid.

HSBC has moved to sharpen its focus on Asia in recent years, saying in 2021 that it would pour \$6 billion of investment into the region over five years. China is an integral part of that shift, including a plan to hire 3,000 onshore wealth planners.

Asia is already HSBC's main profit center, generating \$12.2 billion of profit before tax last year, or nearly 65% of the bank's total. And Hong Kong and mainland China are two of its most lucrative markets, alongside the U.K., producing pretax profits of \$5.9 billion and \$3.3 billion respectively.

"Our increasing stake in HSBC Qianhai Securities reflects our commitment to developing China's rapidly growing capital markets," said David Liao, co-chief executive of HSBC Asia-Pacific, in a



A Hong Kong branch of HSBC, the British banking giant that has moved to sharpen its focus on Asia.

statement. An HSBC spokeswoman said the increased stake would give the bank more board seats and greater flexibility in managing the unit, and would help justify its making more investment in the business.

HSBC Qianhai Securities started operating in late 2017, and was the first majority foreign-owned securities joint venture in China. At the time, HSBC was able to take advantage of an economic-partnership deal between Hong Kong and mainland China to get ahead of international rivals in

securing that approval. Since then, Beijing has opened the doors more fully to foreign financial firms, including Wall Street banks and big U.S. money managers, thanks partly to a trade deal with Washington. Goldman Sachs Group Inc. and JPMorgan Chase & Co. were both cleared last year to take full control of Chinese securities units.

Western banks are jostling for bigger roles in what has become one of the world's largest financial markets. As of February, Shanghai- and Shenzhen-listed stocks were worth

some \$13.7 trillion, according to the World Federation of Exchanges, while central-bank data shows that China's bond markets, broadly defined, were worth about \$21.4 billion.

The most-recent annual report on HSBC Qianhai Securities' website showed the unit made a loss of 136 million yuan, equivalent to \$21.4 million, in 2020, on operating income of 260 million yuan. It ended with 1.45 billion yuan in assets and 202 staff.

—Clarence Leong contributed to this article.

Voyager Raises \$100 Million for Decarbonization

By MARC VARTABEDIAN

A new climate-focused firm, Voyager Ventures, has raised \$100 million for its first fund, a vehicle to back startups working on technology to help decarbonize transportation, energy systems and food and materials production, among other sectors.

In raising the funds, Voyager tapped a roster of entrepreneurs and founders from Silicon Valley and venture investing who share the firm's vision of cutting global carbon use, Founders Sierra Peterson and Sarah Scarsic said.

"We turned down capital and conversations that we did not see as aligned with our mission of rapid and ethical decarbonization of the world's economy," Ms. Peterson said.

Among the investors are Logan Green, chief executive officer of Lyft Inc., and his wife Eva Green; Chris Stolte, a co-founder of Tableau Software; Tobias Lütke, co-founder and CEO of Shopify Inc., and Jeff Immelt, a former CEO of General Electric Co. and now a venture partner at New Enterprise Associates.

Voyager's founders also landed capital from Albert Wenger, a managing partner at Union Square Ventures, and Ann Bordetsky, a partner at New Enterprise. Environmental groups, like the Nature Conservancy and the Grantham Foundation, also invested.

The cash-raising is part of a resurgence in climate-focused investing as companies and governments double down on lightening their carbon footprints. From mid-2020 to mid-2021, investors poured about \$88 billion of venture funding into climate tech globally, a 210% jolt

from the previous 12 months, according to research firm PricewaterhouseCoopers International Ltd.

Voyager, which is based in New York and San Francisco, will invest in preseed-, seed- and Series A-stage companies from its Fund I, cutting checks ranging mostly from \$500,000 to \$5 million for North American and European tech startups. The fundraising began in the spring of last year and closed in February of this year.

Late last year, Voyager began raising money for a separate fund, called Voyager Select I, and plans to close it at

The new climate-focused fund taps a pool of tech and VC notables.

\$100 million. A growth fund, it will make larger investments at later rounds, starting at Series A and B stages.

Before launching Voyager, Ms. Scarsic co-founded car-sharing firm Getaround Inc. and researched bioengineering strategies for carbon removal.

Advances in technology, a more favorable political climate and a sharper corporate focus on reducing climate damage gave the pair confidence the bet will be lucrative, Ms. Scarsic said.

"These fundamental technology advances also unlock a wide range of new business models in areas like energy arbitrage, battery management and recycling, demand response and grid resilience," she said.

Biggest 1,000 Stocks | WSJ.com/stocks

Table with multiple columns listing stock symbols, company names, and their performance metrics (Close, Net Chg, %Chg) for the top 1,000 stocks.

Mutual Funds

Table listing various mutual funds, their categories, and their performance metrics (NAV, YTD %Chg, %Ret).



