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Macron, Le Pen Face Off Ahead of Sunday's French Election



PARIS MATCH: French President Emmanuel Macron and far-right contender Marine Le Pen clashed in a televised debate Wednesday, the only one before Sunday's runoff, as voters' economic worries dominated the campaigns. A2, A8

Netflix Shares Fall 35%, Its Rivals Drop, Too

Pershing Square sold its stake at a loss, Ackman says; stock is down 62% this year

By Caitlin Ostroff and Gunjan Banerji

Netflix Inc. shares fell 35% on Wednesday, recording their worst day since 2004, after the streaming giant reported that it lost subscribers in the first quarter.

William Ackman, the billionaire investor whose fund bought more than three million shares of Netflix in January, said Wednesday that the fund had sold its stake at a loss. In a letter to investors, Mr. Ackman wrote that Netflix would reduce returns at the fund, Pershing Square, by 4 percentage points. That implies a loss of around \$400 million.

In January, Mr. Ackman said Netflix sported an "attractive valuation"; on Wednesday he wrote, "We have lost confidence in our ability to predict the company's future prospects."

The stock was the S&P 500's worst performer of the day. The shares shed more than a third of their value, finishing down \$122.42 to \$226.19.

Investors had expected that

- ◆ Madison Avenue welcomes idea of Netflix with ads..... A4
◆ Heard on the Street: Company faces long intermission..... B12

Russia Presses Eastern Front As West Sends Ukraine Arms

By Yaroslav Trofimov

PAVLOHRAD, Ukraine—Russian forces made incremental gains on Wednesday in their offensive in eastern Ukraine's Donbas region, as the West rushed more weapons to the outgunned Ukrainian military.

In the Donbas port city of Mariupol, besieged by Russian forces since late February, Ukrainian defenders said time was running out and asked to be evacuated to a third country, alongside the wounded and the civilians sheltering in the shrinking area still under

Ukrainian control. Russia has insisted on an unconditional surrender and kept pounding the Ukrainian forces—who are mostly holed up in the Azovstal steel plant—with artillery and airstrikes.

With fighting intensifying, the Biden administration is considering sending another \$800 million in military aid to Ukraine to boost its defenses against Russia.

President Vladimir Putin of Russia, meanwhile, oversaw the test-launch of a nuclear-capable intercontinental ballistic missile that he said would force

those who are threatening his country "to think twice."

Ukraine's General Staff said Wednesday that Russian forces had tried to attack the Ukrainian-controlled part of Donbas from the north and northwest, with artillery barrages followed by probes of weak points in Ukraine's defenses along the front line.

After seizing the town of Kreminna over the weekend and advancing toward the villages of Torske and Zelena Dolyana, Russian forces are regrouping ahead of an expected new push toward the town of

Lyman, northeast of Slovyansk, one of the main cities in Ukrainian-held Donbas, the Ukrainian military said. Russian forces also entered the village of Dibrovne north of Slovyansk, the military said.

Ukraine is reinforcing its units in the area while trying to counterattack southeast of the

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- ◆ Putin oversees test launch of missile..... A5
◆ Kremlin promotes domestic social-media platforms..... A5
◆ U.S. and allies walk out on Russia at G-20 meeting..... A6

The Oligarch With The Most to Lose

Steel magnate Alexey Mordashov built Western ties and stayed out of politics

By Angel Au-Yeung and Stu Woo

In late December, brothers Nikita and Kirill Mordashov did as their father asked and transferred their shares in a mining company to the Russian oligarch, Alexey Mordashov had given his children stakes in the family business as part of a succession plan but decided they weren't quite ready, according to a person close to him.

Two months later, after Russia invaded Ukraine, Mr. Mordashov was racing to get those shares off his hands again. This time, he trans-

ferred a roughly \$1 billion stake to Marina Mordashova, the mother of four of his other children, according to public documents and the person close to the oligarch. Later that day, the European Union froze his European assets.

Western governments have levied a barrage of sanctions targeting Russian tycoons with penalties meant to strip away their wealth and financially isolate them. Governments hope they might pressure Russian leader Vladimir Putin into ending the war.

Mr. Mordashov, 56, has

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INSIDE



PERSONAL JOURNAL Employers boost efforts to stand out as they woo recruits on college campuses. A9

BUSINESS & FINANCE Procter & Gamble posts big sales gain but warns consumers may pull back. B1

Tesla's Profit Hits Record as It Looks To Boost Output

By Rebecca Elliott

Tesla Inc. posted a greater than sevenfold increase in first-quarter profit to reach a record as Chief Executive Elon Musk said the company could boost vehicle production more than expected this year despite supply-chain bottlenecks and disruptions in China.

Mr. Musk said on Wednesday that Tesla likely would produce more than 1.5 million vehicles in 2022, up more than 60% over last year. The company's long-term goal is to increase vehicle deliveries by an average of 50% annually. Production in China would recover strongly, he said.

The world's largest car com-

pany by value is recovering from a shutdown at its Shanghai factory, where work was suspended March 28 because of strict government measures meant to slow the spread of Covid-19. Tesla said it lost about a month of production from the shutdown.

"Shanghai is coming back with a vengeance," Mr. Musk said as the company reported that sales in the first three months of the year had jumped about 80% from a year earlier to \$18.76 billion, generating a record profit of \$3.32 billion. That topped the previous high

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◆ Musk offers hint of his intentions for Twitter..... B2

'Bing Bong!' Why the New York Subway Sound Is Everywhere

Old closing-door tone is suddenly a national catchphrase, TikTok trend

By Haley Velasco

One of teacher Ashley LaGrow's students was using the classroom's bathroom in Bettendorf, Iowa, when the third-grader sang out a refrain once reserved for New York City's underground.

"I was at my small group table, teaching my kids," says Ms. LaGrow, 28. "All of a sudden, I hear 'bing bong, bing bong.'" Within seconds, the whole group joined in, and a chorus of bing bongs stalled their lesson.

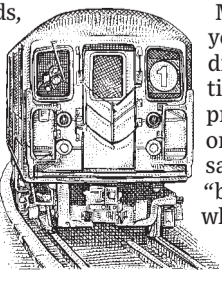
The tone, dating back nearly nine decades, usually follows a voice telling New York subway riders to "stand clear of the closing

doors, please." Lately, the bing bong has moved beyond the city. President Biden joined the Jonas Brothers for a vaccine PSA on TikTok using the sound. Coffee-and-breakfast chain Dunkin' has used it in an ad.

In Little Rock, Ark., Justin Buck began dropping "bing bong" into conversations because "It just got stuck in my head."

Mr. Buck, the 32-year-old executive director of an addiction-recovery nonprofit, first heard it on TikTok. "I started saying it," he says, "but I didn't know what the context was because I live in Ar-

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Stand clear

Housing Market Frenzy Eases As Prices Still March Higher

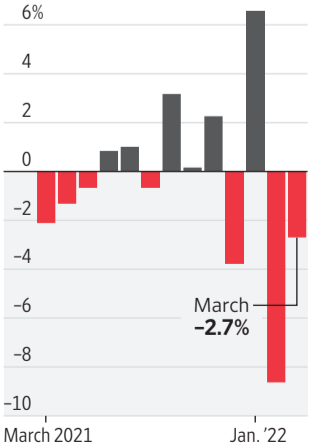
By Nicole Friedman

U.S. home prices soared 15% to a record in March while mortgage rates continued to rise rapidly, slowing home sales in what has been the hottest housing market in more than 15 years.

Existing-home sales fell 2.7% last month from February, the National Association of Realtors said Wednesday. March sales fell 4.5% from a year earlier.

The rise of remote work and the pursuit of more space unleashed a powerful wave of home buying when Covid-19-related lockdowns started to ease in the middle of 2020. The frenzied housing market, supported by ultralow interest rates at the time, lifted home prices throughout the country. Homes for sale often stayed on the market for less than a month, and sometimes only

U.S. existing-home sales, change from a month earlier



Note: Seasonally adjusted annual rate; March 2022 is preliminary. Source: National Association of Realtors

home sales is reverting to pre-pandemic levels, said Lawrence Yun, chief economist for the National Association of Realtors. With mortgage rates at 5% and back to their highest level since 2011, Mr. Yun said he expects home sales in 2022 to decline 10% from last year.

The combination of higher borrowing rates and an extremely low inventory of homes for sale has led some buyers to give up. Purchase mortgage application volume was down 3% last week from a week earlier and declined 14% from a year ago, according to the Mortgage Bankers Association's seasonally adjusted index.

"We do see a lot of serious, preapproved buyers that were ready to go just a month ago, and now they're not in the market anymore," said Monika Prasai, a real-estate agent in

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U.S. NEWS

# Florida Senate Votes To End Disney District

BY ROBBIE WHELAN AND ARIAN CAMPO-FLORES

The Republican-led Florida Senate passed a bill Wednesday that would eliminate a special tax district that allows Walt Disney Co. to govern the land where its theme parks sit, as lawmakers target the company for opposing legislation restricting classroom instruction on gender and sexuality.

The GOP-led House will likely vote to approve the measure Thursday. Republican Gov. Ron DeSantis, who called for lawmakers to consider such a bill in a special session he convened this week, has made it clear he would sign it. Losing the nearly 40-square-mile district near Orlando could be a major blow to Disney's Florida operations.

The special district, created in 1967 and known as the Reedy Creek Improvement District, exempts Disney from a host of regulations and certain taxes and fees. It has allowed the entertainment company to manage its theme parks and resorts in the state with little red tape for more than 50 years.

It saves Disney tens of millions of dollars a year, according to a person familiar with the company's finances who studied the issue over a decade ago.

On Wednesday, Disney declined to comment on the bill. A representative of Reedy Creek didn't reply to messages seeking comment.

Mr. DeSantis and GOP lawmakers have clashed with Disney over the company's opposition to the recently signed Parental Rights in Education law, which critics call the "Don't Say Gay" legislation. The measure prohibits classroom instruction on sexual orientation and gender identity through grade three, and limits it for older students to material that is "age-appropriate."

Disney initially didn't comment on the legislation, but came under pressure from employees to oppose it. After it passed, the company pledged to push for its repeal and to fight similar bills in other states.

Under the bill passed by the Senate 23-16 on Wednesday, any special district established prior to the ratification of the

Florida Constitution in 1968, and not renewed since then, would be dissolved on June 1, 2023. Disney could seek to re-establish a special district after its dissolution.

Reedy Creek, which has a permanent population of about 50, as well as its own board of supervisors and fire department, allows Disney to construct new buildings and expand its parks without having to adhere to state or county regulations related to construction, wastewater management and drainage. It encompasses four theme parks, two water parks, a sports complex and hotels, stores and restaurants.

"You'll notice you never see potholes when you drive up to Walt Disney World. That's because Disney doesn't have to wait for the county to come fix them," said David Ramba, executive director of the Florida Association of Special Districts.

If the bill is signed into law, responsibility for Reedy Creek's governance would likely fall to Orange County and to a lesser extent Osceola County, according to Mr. Ramba.

"Orange County Govern-



A bill passed by the Florida Senate on Wednesday would eliminate a special district that exempts Disney from certain regulations and taxes. Above, tourists visited Walt Disney World in January.

ment is monitoring the special session in Tallahassee, particularly when it comes to unfunded cost shifts to local governments," Mayor Jerry Demings said in a statement. An Osceola County spokeswoman said the county is monitoring the legislation, but declined to comment further.

Disney currently pays property and other taxes to both counties. In addition, the company, as the primary landowner at Reedy Creek, provided most of the \$153 million in revenue from taxes and fees that the

district collected in fiscal 2021. That money covers all of the district's governing expenses, including paying about 400 employees' salaries and servicing about \$977 million in long-term bond debt that Reedy Creek has issued over the years.

If the district is dissolved, that debt would become the responsibility of the taxpayers in Orange and Osceola counties, Mr. Ramba said, but the counties would likely set up a new special taxing district in order to tie bond payments to the tax revenue produced by

Disney's properties within Reedy Creek. Also, some of the taxes and fees Disney currently pays Reedy would go instead to local governments.

There are two other valuable benefits that Disney receives from the state that lawmakers haven't targeted in the current clash with the company. One is a \$570 million tax break that Florida offered the company to move about 2,000 employees to the state. The other is an Orange County law that earmarks hotel room taxes in the county to promote tourism.



## Arizona Fire Spreads Rapidly, Forcing Hundreds to Evacuate

A fire near Flagstaff, Ariz., ballooned in size as high winds and dry conditions fueled flames, forcing hundreds of people to evacuate the area.

As of Wednesday evening, the Tunnel Fire had spread to more than 19,000 acres with no containment, up from over 6,000 acres Tuesday evening.

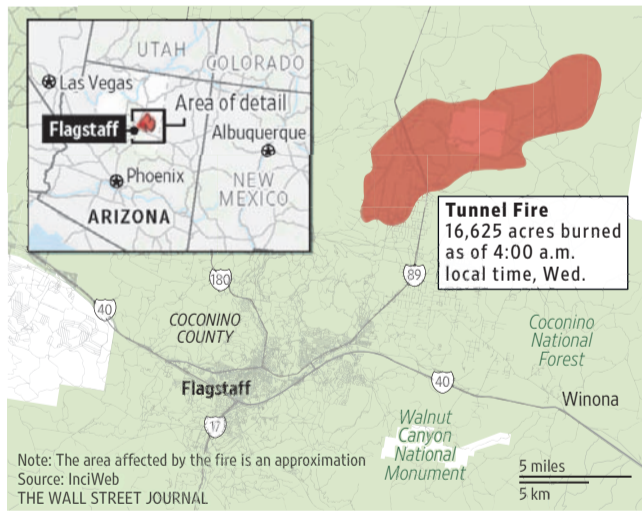
The blaze, first reported Sunday afternoon, is in an area with dry grass and brush and scattered Ponderosa pine about 14 miles north of Flagstaff. Flames rapidly moved northeast overnight

Tuesday into Wednesday, crossing U.S. Highway 89 toward Bonito Park and the Sunset Crater National Monument area.

Winds up to 30 miles an hour complicated efforts to contain the Tunnel Fire on Wednesday. Above, a home destroyed by the fire on the outskirts of Flagstaff.

Evacuations began Tuesday in the Timberline-Fernwood area along U.S. 89. The Coconino County Sheriff's Office said Wednesday it had evacuated many communities in the fire area.

—Allison Prang



## 'Rust' Producers Fined for Safety Lapses

BY KATHERINE SAYRE AND DAN FROSCH

Producers of the film "Rust" knew that firearm safety procedures weren't being followed on the set and failed to intervene, leading to the fatal shooting of the film's cinematographer by star Alec Baldwin, according to a report released by New Mexico workplace inspectors.

New Mexico's Occupational Health and Safety Bureau said Wednesday it was imposing a civil penalty of nearly \$137,000 on Rust Movie Productions LLC, the maximum fine allowed under state law, in connection with the Oct. 21 shooting. During preparations for a scene, Mr. Baldwin discharged a live round from a revolver, killing Halyna Hutchins, the 42-year-old cinematographer. The film's director, Joel Souza, was also wounded.

The report found that the production company and management were indifferent to employees' safety by failing to follow film industry guidelines, such as having daily safety

meetings when firearms are being handled and ensuring guns aren't pointed at anyone, except under certain conditions.

"Our investigation found that this tragic incident never would have happened if Rust Movie Productions LLC had followed national film industry standards for firearm safety," New Mexico Environment Cabinet Secretary James Kenney said in a news release.

In a statement, Luke Nikas, Mr. Baldwin's attorney, said the report makes clear that Mr. Baldwin's role in the production was limited to script changes and creative casting, and he had no authority over the matters involved in the reported violations on set. "We are confident that the individuals identified in the report will be held accountable for this tragedy," Mr. Nikas said.

A spokesman for Rust Movie Productions didn't respond to a request for comment. Mr. Baldwin was also a producer of the movie.

According to the report, Rust management ignored concerns from set workers about

two firearm misfires that occurred on Oct. 16 and took no action to implement safety measures after the incidents.

The New Mexico workplace investigation was based on more than a dozen interviews and more than 500 documents, state officials said.

The report found that the film's armorer in charge of weapons, Hannah Gutierrez Reed, wasn't given adequate time to perform her duties overseeing the use of guns, because she had a second role assisting with props on set. Ms. Gutierrez Reed wasn't given proper authority to determine whether gun training was needed, or time to thoroughly inspect ammunition, according to the report.

Days before the shooting, the film's line producer, Gabrielle Pickle, in an email told Ms. Gutierrez Reed that she was focusing too much on her gun-handling role, and not doing enough work on props, according to the report. In the same email, Ms. Pickle said that a shotgun was twice seen left unattended after a scene.

A film set's line producer typically oversees daily operations and budgets.

In response, Ms. Gutierrez Reed told Ms. Pickle the guns would be a priority "because when they are not that's when dangerous mistakes can happen," according to the report.

Ms. Pickle didn't respond to requests to comment.

"As we have stated before, had anyone from production called Hannah back into the church before the scene to consult with her, this tragedy would have been prevented," said Jason Bowles, Ms. Gutierrez Reed's lawyer.

Investigators have interviewed a range of people involved in the movie including Ms. Gutierrez Reed and assistant director David Halls, who handed the gun to Mr. Baldwin during the rehearsal.

The report found that Mr. Halls didn't consult with Ms. Gutierrez Reed before handing the gun to Mr. Baldwin, assuming it was loaded with so-called dummy rounds.

A lawyer for Mr. Halls said she hadn't yet read the report.

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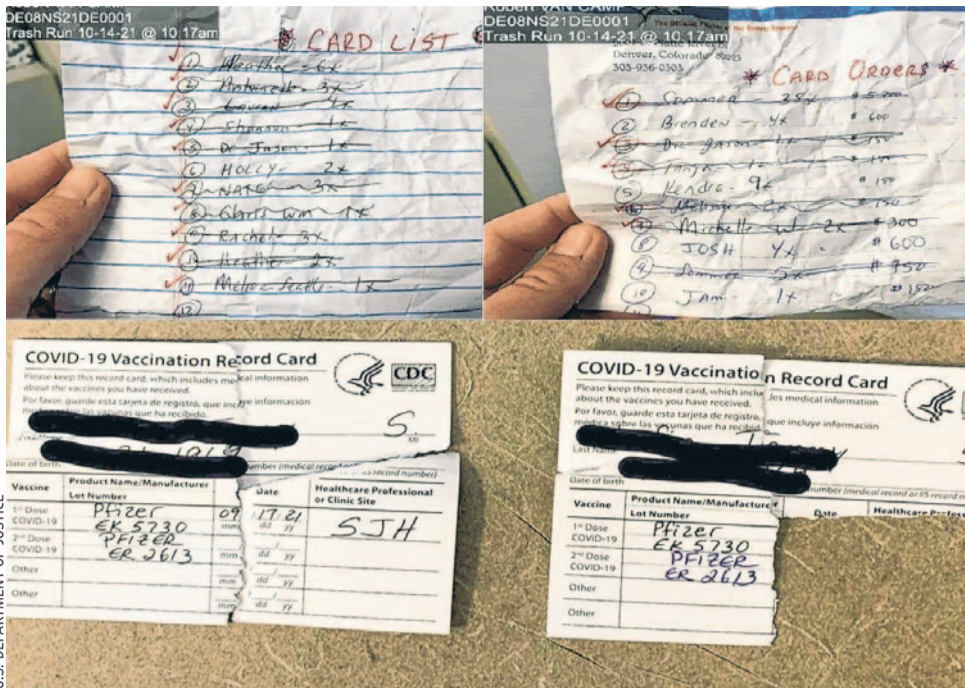
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U.S. NEWS

U.S. Alleges Covid-19 Fraud

BY ARUNA VISWANATHA AND SADIE GURMAN

Federal prosecutors charged about 20 people in the past two weeks with allegedly engaging in various fraud schemes related to the Covid-19 pandemic that amounted to about \$150 million in improper government claims, around \$20 million of which have been paid, officials said.



Federal agents said they pulled various documents, including numerous torn-up Covid-19 vaccination cards, from the trash at the Colorado home of businessman Robert Van Camp.

A doctor who ran drive-through Covid-19 testing sites in Maryland, for example, allegedly billed Medicare for many of those tests, along with \$1.5 million in other lengthy physician visits that purportedly accompanied them, but never actually happened.

ami allegedly billed Medicare for \$134 million in fraudulent claims, using relaxed telemedicine rules to sign orders for unnecessary genetic tests and medical equipment. And people in New Jersey, California and Colorado allegedly sold hundreds of fake vaccine cards created to look like official Centers for Disease Control and Prevention records.

partment's Covid-19 fraud enforcement efforts. In the wake of the pandemic, prosecutors and regulators pored over Medicare billing data, spotting anomalies and pursuing a range of investigations. Last year, prosecutors charged another dozen healthcare providers with fraud schemes related to the pandemic totaling \$143 million in allegedly false bills to government programs.

DOJ to Appeal Ruling On Mask Mandate

BY SADIE GURMAN AND BETSY MCKAY

The Justice Department on Wednesday said it would appeal a federal judge's ruling invalidating a mask mandate for public transportation after the Centers for Disease Control and Prevention said such an order remains necessary for public health.

The move came after the CDC said its assessment concluded that an "order requiring masking in the indoor transportation corridor remains necessary for the public health." The agency added that it "will continue to monitor public health conditions to determine whether such an order remains necessary." The department filed a notice that it would appeal later Wednesday.

which can't be enforced unless the Biden administration wins its appeal or a stay of the court's order. The Transportation Security Administration, which lifted the mask requirement after the judge's ruling, referred questions about enforcement to the Justice Department, which didn't respond to a request for comment.

The CDC said it believes the mask mandate is within its legal authority.

nor opposed to one, according to a poll by the Associated Press-NORC Center for Public Affairs Research released Wednesday. Wearing masks is most critical in crowded or poorly ventilated settings, which include forms of transportation, the CDC said.

Streamers' Shares Take Hit

Continued from Page One the company would add new users in the quarter. Instead, after the market closed on Tuesday, Netflix said it ended the first three months of the year with 200,000 fewer subscribers than it had in the fourth quarter and said it expected to lose two million global subscribers in the current quarter.

shares represented its biggest single-day percentage drop since Oct. 15, 2004, when they fell 41%, after announcing plans to lower its fees and postpone international expansion. Wednesday's decline slashed \$54.3 billion from the company's market capitalization, Netflix's largest one-day market-value loss on record.

dles to Netflix's growth. "Nobody was expecting Netflix to announce they lost subscribers. They were expecting a slowdown in subscriptions, but seeing Netflix losing subscribers is a big deal," said Ipek Ozkardeskaya, senior analyst at Swissquote Bank, an online broker.



as of afternoon trading, in what is known as premium, surpassing what they spent on options tied to Amazon.com Inc. or an exchange-traded fund tied to the S&P 500, according to data provider Shift Search by Vesica Technologies.

its subscription fee earlier this year. The growing number of streaming options has made consumers more price-sensitive. Netflix is among the few major streaming services that has yet to entertain offering a cheaper, ad-supported option.

Advertisement for The Pomona Plan of Pomona College, featuring a tree logo and text: 'Your Source of Security in Uncertain Times... SAMPLE ANNUITY RATES FOR INDIVIDUALS\*... Call us to start a conversation (800) 761-9899...'

Marketers Love Idea of Netflix With Ads

BY MEGAN GRAHAM AND PATIENCE HAGGIN

The advertising industry welcomed Netflix Inc.'s decision to explore offering a lower-priced ad-supported version of its service, a move that would give marketers a chance to reach younger viewers who have abandoned traditional television.



The option could help advertisers reach younger viewers, with shows like 'Stranger Things,' above. already offering lower-priced, ad-supported versions, including Walt Disney Co.-controlled Hulu, Warner Bros. Discovery Inc.'s HBO Max and Comcast Corp.'s Peacock.

# THE UKRAINE CRISIS

## Putin Oversees Test Launch of Missile

Russian president says intercontinental-ballistic exercise will make enemies 'think twice'

By EVAN GERSHKOVICH

Russian President Vladimir Putin oversaw the first test launch of an intercontinental ballistic missile on Wednesday that he said would make those threatening his country "think twice," in his latest nuclear saber-rattling. Since sending Russian troops into the neighboring country in late February, Mr. Putin repeatedly has raised the threat of nuclear war in an effort to deter the U.S. and the North Atlantic Treaty Organization from getting involved in the conflict. The Russian Defense Minis-

try said the launch was the first in the testing program, and analysts said it likely wouldn't be deployed for use in the near future.

The ministry announced Wednesday afternoon it had successfully launched the RS-28 Sarmat system, a heavy intercontinental missile that the ministry noted could hit targets anywhere in the world and evade existing and future antimissile-defense systems.

"This truly unique weapon will force all who are trying to threaten our country in the heat of frenzied, aggressive rhetoric to think twice," Mr. Putin said in televised comments.

The Russian president, who was shown overseeing the launch by videoconference from the Kremlin, added that the Sarmat missile was made using only domestic compo-



Russia's Defense Ministry said Wednesday it had successfully launched the RS-28 Sarmat missile system.

nents. U.S. sanctions have targeted companies producing parts for the Russian military.

Russia's Defense Ministry said the Sarmat was launched from the Plesetsk cosmodrome in the northern Arkhangelsk

region and struck a target on the Kamchatka peninsula some 3,500 miles to the east.

The test-launch has long been expected since Mr. Putin first announced Russia had developed the missile in 2018,

but it has been delayed several times. A senior U.S. defense official said Moscow notified Washington in advance of the flight test through arms-control procedures.

As the Russian military has faced fierce resistance from Ukrainian forces buttressed by enforcements of Western weaponry, concerns have grown in the West that Russia could consider using a so-called tactical nuclear weapon to turn the tide in its favor.

Several days ahead of the invasion, Mr. Putin led an exercise of Russia's strategic forces, launching some of the country's most cutting-edge missiles. The Sarmat missile was expected to be launched at that training.

At the start of the war, Mr. Putin warned of consequences "the likes of which you have never seen in history" if the

West intervened.

"The Russian leadership's rhetoric in the nuclear sphere has one main goal: Constantly sending a reminder that there can be no military solution to the Russia problem and to not even try something," said Dmitry Stefanovich, a research fellow at the Moscow-based IMEMO RAS think tank.

Nikolai Sokov, a senior fellow at the Vienna Center for Disarmament and Non-Proliferation, said that while the launch of the Sarmat was expected, Russia could have delayed it to avoid escalating tensions, similar to how the U.S. put off a routine test of its Air Force Minuteman III missile last month.

Instead, the Russians used the launch "as a good reminder to say: 'We have nuclear weapons, so you sit there quietly,'" Mr. Sokov said.

## Kremlin Promotes Domestic Social-Media Platforms

The Kremlin is waging a new influence campaign: Persuading Russians to quit Western social-media platforms.

As part of an expansive effort to control the narrative about its invasion of Ukraine, the Kremlin is pushing Russians to embrace homegrown alterna-

By Sarah E. Needleman and Evan Gershkovich

tives. Russian authorities have put up firewalls around several Western social-media platforms and are threatening more. Now they have to convince Russians used to the freedoms of YouTube and Instagram that censored domestic social networks can deliver moneymaking opportunities and equally large audiences. And that they aren't just cheap knockoffs.

The Ministry of Digital Development of the Russian Federation last month said it was taking emergency measures to draw attention to domestic so-

cial-networking apps. Rutube, Russia's answer to YouTube, and Fiesta, an Instagram-like app, have since enjoyed a huge surge in downloads, though so have apps that enable people to access recently banned outlets.

The country's communications watchdog, Roskomnadzor, blocked Facebook and Instagram last month after their owner, Meta Platforms Inc., placed restrictions on Russian media outlets.

Meta and other social-media companies also paused advertising in Russia, making it harder for content creators to generate revenue from a Russian social-media account.

Prime Minister Mikhail Mishustin told the State Duma: "This will return our youth, and give us our own field."

The Kremlin's campaign to encourage Russian upstarts over Western platform operators has put users and content creators in their crosshairs. While people world-wide are turning to YouTube, Instagram

and other social-media outlets for news and firsthand accounts of the violence, Russia has made it riskier to provide the online content that is in demand. The government passed a law that threatens prison for anyone publishing what authorities deem to be false information about the invasion. The law applies to both traditional and social media.

Gazprom-Media, a unit of the Russian energy giant Gazprom PJSC and the owner of Rutube, has been leading Russia's effort to develop social-media alternatives, with the government's backing. Gazprom in November launched Yappy, a homemade version of TikTok. Earlier this month, Kremlin spokesman Dmitry Peskov said that money would be invested in Rutube to make it more user-friendly.

These efforts have had some success. Fiesta, which launched in November, reached No. 1 in downloads among top free iPhone apps in Russia on Apple

Inc.'s App Store for five days last month, according to analytics firm Sensor Tower Inc. Rutube gained 1.1 million downloads across both Apple's App Store and Alphabet's Google Play in Russia last month, while Yappy has gained two million downloads through

Popular Rutube videos include titles such as 'How I cured my acne.'

them since the start of February, Sensor Tower's data show.

Still, Russian users are sticking with foreign platforms. Last month, nearly two billion visits to YouTube came from Russian web-browser users across mobile web and desktop, according to estimates provided by analytics firm Similarweb Ltd.

And apps and browser extensions that enable people to access recently banned social networks have been thriving. Demand for virtual private networks, or VPNs, shot up nearly 2,700% compared with the average daily demand in the week leading up to the start of the invasion, said Top10VPN.com, from London-based research company PrivacyCo Ltd. It estimates that the Kremlin has blocked more than 900 websites relating to the war. According to Similarweb, Instagram had 157 million visits from Russian web users based on the same metrics as YouTube.

Some Russians simply aren't impressed by the alternatives. Veniamin Prozorov, a 30-year-old graphic designer in Moscow, said he has no interest in leaving YouTube, which he uses for alternative opinions to Russian state media and for entertainment. He also uses Twitter, through a VPN, and Telegram, an encrypted platform.

"I unequivocally will not go to Rutube because it's a cheap surrogate that won't ever be able to replace YouTube," he said. "I tried to use it but I had an extremely negative impression from the quality of the video and content that was posted."

The platform, which is organized more like Netflix than YouTube, has sections for news, shows, recommended videos, new video bloggers and TikTok-like shorts. The news is solely from state-backed media, and on a recent day the content was predominantly pro-war. Other popular videos included titles such as "Swimming in a warm pool" and "How I cured my acne."

For some content creators in Russia, the country's platform alternatives aren't large enough for them to make a living. They also don't expect the devoted fan bases they have spent years cultivating on mainstream apps to suddenly move to Russian networks.



Evacuees waited to board a bus and leave the city of Mariupol on Wednesday.

## Russia Presses At Front

Continued from Page One city of Kharkiv, in an effort to disrupt Russian supply lines and cut off forces that massed for the main thrust of the offensive in the town of Izyum.

Ukrainian forces also destroyed a dam on the Oskol river, flooding the area and making roads and fields impassable to Russian armor—a tactic they successfully employed northwest of the capital, Kyiv, in March.

Days before launching the war on Feb. 24, Mr. Putin recognized the independence of the so-called Donetsk and Luhansk people's republics, the two statelets carved out with Russian assistance in about one-third of Donbas in 2014.

Moscow considers all of Donbas as the territory of these republics, and—after failing to seize Kyiv in the first phase of the war—proclaimed the "liberation" of Donbas its key aim.

While Russian forces have withdrawn from the northern regions of Kyiv, Chernihiv and Sumy after sustaining severe losses, they have continued to occupy most of the southern regions of Kherson and Zaporizhzhia, as well as a large part of the Kharkiv region.

Kharkiv, Ukraine's second-most-populous city before the war began, is subjected to

daily artillery barrages that have reduced many neighborhoods to rubble.

"The aggressor is trying to frighten us, to break our spirit—but it will fail," Kharkiv Mayor Ihor Terekhov said Wednesday, adding 1,929 high-rises in the city have been destroyed by Russian attacks. "Shelling is becoming more widespread and more cruel with every day."

Ukrainian officials said that seizing Donbas is an intermediate objective for Mr. Putin, and that his initial aim—destroying Ukraine as an independent state—hasn't changed. Should Moscow succeed in destroying Ukraine's best units in Donbas, it could push forward and try to take Kyiv again, they said.

Peace talks have stalled in recent weeks, with both sides waiting for the outcome of the unfolding battle for Donbas.

Kremlin spokesman Dmitry Peskov said Wednesday that Russia gave Ukraine a draft document with Moscow's terms for a peace deal, the latest development in so-far fruitless negotiations that began in February. "The ball is in their court, we are waiting for an answer," Mr. Peskov said, without offering details. President Volodymyr Zelensky of Ukraine said he hadn't received the proposal.

Ukraine possesses a fraction of the artillery and armor that Russia has deployed to the front line. Moscow also has an overwhelming advantage in aviation, using jet fighters, helicopter gunships and armed drones. It is firing dozens of cruise missiles daily at targets in Donbas and across the coun-

try, with Ukraine's weak air defenses able to shoot down only a handful.

Ukraine's government has been asking its Western partners for months to supply it with more heavy weapons, particularly long-range artillery, tanks, wide-area air-defense systems and aircraft. The U.S. and some allies are only now beginning to respond.

President Biden said Wednesday the U.S. and its allies were working to provide more military supplies to Ukraine. "Weapons and ammunition are flowing in daily," Mr. Biden said.

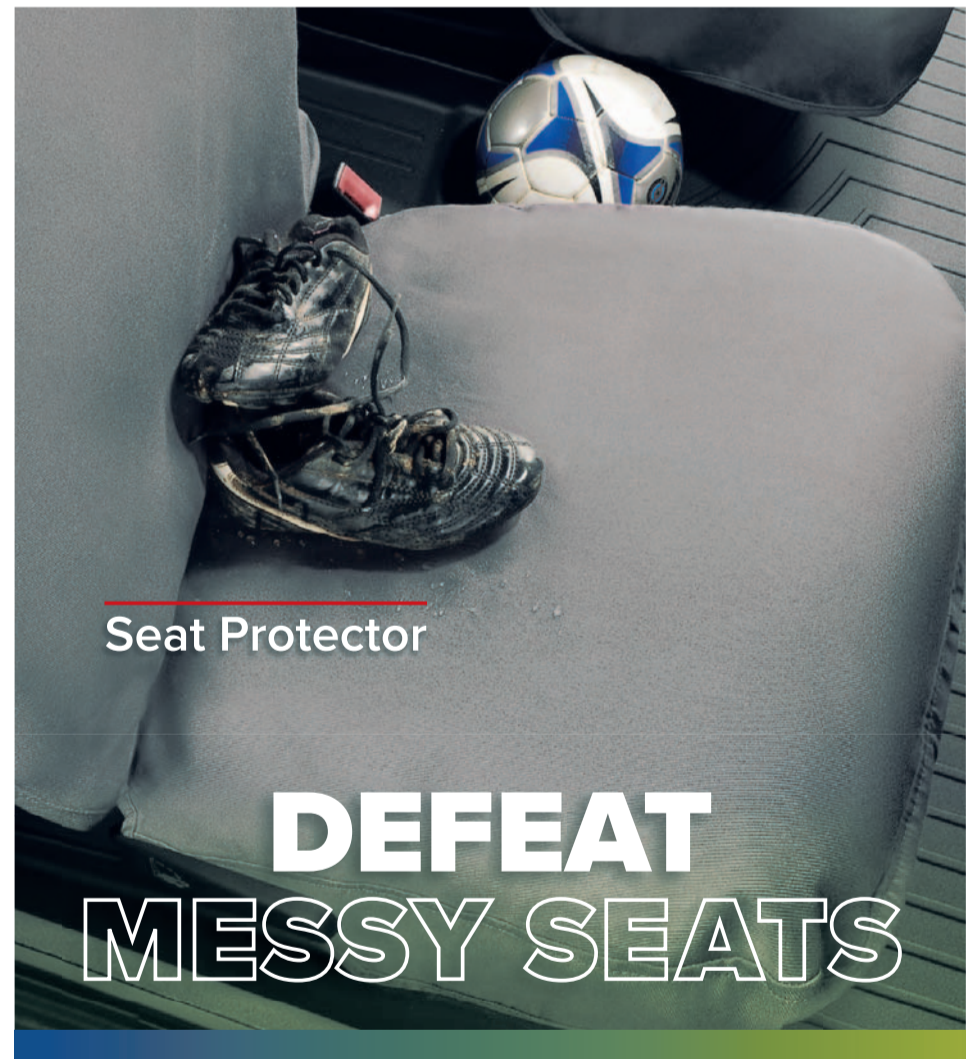
The president didn't provide details about a possible new \$800 million package of weapons for Kyiv but last week he authorized a similarly sized package, which includes for the first time heavy artillery—18 howitzer guns. Unlike Soviet-model artillery pieces in the Ukrainian arsenal, those guns use 155mm ammunition, which is more readily available in the West. The leaders of Canada and the U.K. also have pledged to give Ukraine more artillery.

"This will become an artillery conflict, they need support with more artillery, that is what we will be giving them," U.K. Prime Minister Boris Johnson said.

—Evan Gershkovich contributed to this article.

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## THE UKRAINE CRISIS

## Abramovich Associate Denies Taking Control of His Assets

BY MAX COLCHESTER

LONDON—Eugene Tenenbaum, a Canadian businessman who recently was sanctioned by the U.K. government for his links to Russian tycoon Roman Abramovich, said he doesn't hold assets on the oligarch's behalf and that he will now seek clarification from the British government on his sanctioning.

Mr. Tenenbaum is a director at U.K. soccer team **Chelsea FC**, which Mr. Abramovich is in the process of trying to sell, and has worked with the Russian for more than 20 years.

The British government sanctioned Mr. Tenenbaum last week, claiming that the Ukrainian-born businessman took control of an Abramovich-linked investment company called **Ervington Invest-**

**ments Ltd.** on the day of Russia's invasion of Ukraine. The British government froze Mr. Tenenbaum's assets citing his association with the sanctioned Mr. Abramovich.

"I am not the owner of these companies nor the beneficiary of the assets these companies possess nor have I ever been. I do not hold assets for Mr. Abramovich or his family and Mr. Abramovich or his family have not transferred any assets to me," Mr. Tenenbaum said Wednesday. "I will now seek clarification from the authorities on these matters."

The merry-go-round of assets linked to Mr. Abramovich shows the challenge that Western authorities face in pinning down what exactly targeted Russian oligarchs and their wider associates directly

controlled and when.

Hours after Russia invaded Ukraine, on Feb. 24, control over Norma Investments Ltd., an investment vehicle long associated with Mr. Abramovich, was shifted into the name of another long-term Abramovich associate named David Davidovich, The Wall Street Journal has reported. Mr. Davidovich also was sanctioned last week by the U.K. government. He couldn't be reached to comment.

A representative of the U.K. Foreign Office wasn't available to comment.

On the same day that Mr. Davidovich took control of Norma, corporate filings in the U.K. show that the vehicle sold Ervington Investments to Mr. Tenenbaum via a Jersey-registered company, Heathville Investments Ltd., which Mr.

Tenenbaum previously owned.

Shortly after that transaction, Mr. Tenenbaum told Reuters: "I know the company's investments and employees well, and buying Ervington provides me with an opportunity to continue to work with this business, under my control and for my, and the employees', benefit."

Then on March 29, corporate filings showed Heathville Investments no longer owned Ervington. The U.K. government said ownership of Ervington passed back to Mr. Davidovich. A person familiar with the matter said Mr. Tenenbaum was unable to complete the purchase of Ervington because he wasn't able to transfer funds, which were blocked due to Mr. Abramovich being sanctioned.

## U.S., Allies Walk Out On Russians at G-20

BY ANDREW DUEHREN

WASHINGTON—Treasury Secretary Janet Yellen, Federal Reserve Chairman Jerome Powell and other top finance and central banking officials walked out of a meeting of the group of 20 major economies when the Russian delegation started speaking, laying bare the fracturing among the world's most powerful economies after Russia's invasion of Ukraine.

Russian Finance Minister Anton Siluanov virtually joined the G-20 meeting, which is taking place in Washington this week during the spring meetings of the International Monetary Fund and World Bank, according to people familiar with the meeting. Along with the officials who walked out of the meeting, some others who had joined virtually turned off their cameras when Mr. Siluanov started speaking,

according to one of the people.

Ukrainian Finance Minister Sergii Marchenko and European Central Bank President Christine Lagarde, as well as members of the British, Canadian, French, German and European Union delegations walked out of the meeting, according to the people familiar with it. Chrystia Freeland, the deputy prime minister of Canada who joined the walkout, posted on Twitter a photo of the group that walked out and said that Russia shouldn't be included in G-20 meetings.

Before she left, Ms. Freeland told Russian staffers who attended the meeting in-person that they were complicit in war crimes, according to one of the people familiar with the meeting. She said they should convince Russian President Vladimir Putin to end the war or quit their jobs, according to the person.

## Oligarch With Most To Lose

Continued from Page One

more at stake than most of his peers. One of Russia's richest men, his net worth is higher than that of any individual on the EU's sanctions list, according to the Bloomberg Billionaires Index. His fortune centers on his 77% stake in Severstal PAO, among the world's biggest steelmakers, which sells its products all over the world, particularly in Europe, where it has a large staff and operations. It has long depended on global financing to keep operating, a channel now under threat from sanctions.

Unlike other oligarchs, who have either embraced sanctions as a badge of honor or tried to pivot away from pariah status, Mr. Mordashov has decided to try to manage through the mess.

He has moved to protect his large Western shareholdings while taking steps to focus his steelmaking business on new markets in Asia and Africa. He is pursuing legal waivers in the U.S. and U.K. that would allow Severstal to make debt payments to bondholders, according to an announcement the company filed with the London Stock Exchange—a move the company hasn't been able to do since sanctions were levied.

In announcing its sanctions, the EU said Mr. Mordashov "is benefiting from his links with Russian decision makers." The U.K. followed the EU and sanctioned him and several other oligarchs on March 15, resulting in a combination of penalties that froze their assets and made it difficult for their businesses to operate across Europe. The U.S. Office of Foreign Assets Control hasn't sanctioned him; the office declined to comment.

Mr. Mordashov had fashioned himself an apolitical businessman who kept the Kremlin at arm's length, said the person close to him. He had dedicated much of his career pushing Russia toward the West. The fluent English and German speaker had lobbied for Russia's entry into the World Trade Organization and once led a Brussels-based global steel trade group. He had paid tuition for 200 of his employees to go to business school in England.

The sanctions lumped him together with oligarchs like Igor Sechin, chief of Russian oil producer Rosneft. After the U.S. targeted Mr. Sechin in 2014 over Mr. Putin's annexation of Crimea, Mr. Sechin had said Washington's action was a sign he was doing his job. Mr. Sechin is now under the new EU and U.K. sanctions. Rosneft didn't respond to requests for comment.

On the evening the EU sanctioned him, Mr. Mordashov issued a statement saying he has never been close to politics and didn't see how sanctioning him would help solve the Ukraine conflict. Without mentioning Mr. Putin, he called what was happening in Ukraine "a tragedy for two fraternal nations" and said he hoped the "bloodshed" would end soon.

Since Feb. 18, he has lost about a quarter of his wealth, which Bloomberg now esti-



The empire of Alexey Mordashov, below, centers on his 77% stake in steelmaker Severstal. He is also German travel giant TUI's biggest shareholder.



mates at \$22 billion.

Through a family spokeswoman, Mr. Mordashov, his sons Nikita and Kirill, and Ms. Mordashova declined to be interviewed for this article.

## Leaning West

Mr. Mordashov's career has been characterized by his success navigating Russia's post-communist chaos while embracing Western markets and business management.

He was born north of Moscow, where his parents worked at a steel mill. He secured a postcollege job at the mill as an economist and, in 1992 at age 27, became its chief financial officer. One of his priorities was fending off Moscow-based tycoons targeting the mill during Russia's upheaval toward capitalism, he told The Wall Street Journal in 2004. Mr. Mordashov and his peers set up a company that bought steel from the mill and resold it, using the proceeds to buy shares of Severstal, which means Northern Steel in Russian.

He became CEO in 1996 and by the early 2000s was among industrialists who regularly met with Mr. Putin. Yet Mr. Mordashov has said he was different from other oligarchs because he had few political connections. "We never had any high-placed patrons in the government," he said in the 2004 Journal profile.

He also leaned West, hiring McKinsey & Co. to find bottlenecks in Severstal and encouraging employees to go to business school at England's Northumbria University, his alma mater. Anders Aslund, an adviser to Russian and Ukrainian governments in the 1990s,

recalled Mr. Mordashov speaking at a Moscow university in the early 2000s about hiring McKinsey and getting mobbed by students afterward. "He was treated like a rock star," Mr. Aslund said.

In 2006, Mr. Mordashov saw a chance to bridge his Russian and Western business worlds after Indian-owned Mittal Steel made a hostile bid for Luxembourg-based rival Arcelor. He met Mr. Putin and won his blessing for a counterbid, the Journal reported that year. Arcelor's chairman, making a case to shareholders to accept Severstal's offer, called Mr. Mordashov a "true European," noting his English and German proficiency.

Mittal eventually outbid Mr. Mordashov, who then pursued smaller deals, including buying an ArcelorMittal facility in Maryland for \$810 million in 2008.

He was "really a Western-style manager," said Michael Harms, head of the German-Russian Chamber of Commerce from 2007 to 2016. "That's why the sanctions on him are not wise and also not fair, because he was one of the best representatives of the modern face of Russian business."

Mr. Mordashov retreated from the U.S. after Moscow annexed Crimea in 2014. That year, he sold two major U.S. steel mills for a combined \$2.3 billion. Four years later, the U.S. sanctioned one of his companies for assisting in delivering turbines to Crimea. In Europe, he gradually built a stake in German travel giant TUI AG, becoming its biggest shareholder. During the pandemic-triggered global travel collapse, he put up more capital to bolster TUI financing.

The oligarch recently began setting up a second generation of Mordashovs to play a leading role in his empire. He is father of seven children from three mothers, said the person close to him. In 2019, he transferred significant stakes in TUI and Nord Gold, which had been spun off from Severstal, to sons Nikita and Kirill.

On Dec. 28, 2021, both brothers transferred their Nord Gold stakes back to their father, according to U.K. records. That day, the pair also sold their TUI shares back to their father, public records show.

Mr. Mordashov had asked them to make the move, feeling Nikita, now 21, and Kirill, now 22, weren't mature enough to hold such stakes, the person close to him said.

## Mr. Mordashov has decided to try to manage through the sanctions.

In late February, Mr. Mordashov's business lieutenants told him news reports suggested the EU was about to sanction him, the person said. He transferred stakes in Nord Gold to Ms. Mordashova, according to U.K. records. He transferred the TUI shares from subsidiaries he controlled to an entity named Ondero Ltd., TUI said in a press release. A TUI spokesman declined to comment. Nord Gold didn't respond to requests for comment.

On Feb. 28, the EU announced sanctions against Mr. Mordashov and other oli-

garchs. It cited his role as head of Severgroup, an entity owning 5.4% of Bank Rossiya, alleged by Western officials to be the personal bank of senior Russian officials. The EU said Bank Rossiya also opened branches in the Ukrainian region of Crimea, helping Russia consolidate the area it illegally annexed. Brussels said Severgroup had significant stakes in a media group controlling television stations that support Moscow's attempts to destabilize Ukraine.

Mr. Mordashov's spokeswoman said that his stakes in Bank Rossiya and the media group are minor, and that he isn't involved in day-to-day decision-making at either organization. Bank Rossiya didn't respond to requests for comment.

On March 3, Mr. Mordashov held a virtual town-hall meeting from Moscow for Severstal employees, according to a summary of the meeting that Severstal posted on social media. He said the company didn't plan to lay off any employees and was in a stable financial position.

Severstal lawyers started work applying for a special license from the U.K. and the U.S. Office of Foreign Assets Control to let its bank, Citigroup Inc., transfer funds to pay interest to bondholders, said the person close to Mr. Mordashov. Severstal also announced its applications in a statement to the London Stock Exchange on April 1. While the U.S. hasn't sanctioned Mr. Mordashov, Severstal said that Citigroup froze the payments due to regulatory investigations. Citigroup declined to comment.

The share price of Severstal, which previously did signifi-

cant business in EU countries such as the Czech Republic, Italy and Poland, has fallen by about a third since Russia invaded Ukraine.

## German inquiry

On March 18, TUI said it was informed that Ondero, the entity to which Mr. Mordashov transferred his shares, was controlled by Ms. Mordashova, the mother of four of Mr. Mordashov's children. It said that the German Federal Ministry for Economic Affairs and Climate Action was investigating the transaction, which would be invalid until at least the end of the probe.

A spokeswoman for the German agency said it was conducting an investment-screening procedure relating to TUI. Without disclosing the individuals involved, she said the probe was unrelated to sanctions but rather an investigation into whether the transaction threatens Germany's public order or security.

Italian authorities said they seized one of Mr. Mordashov's yachts, the 213-foot Lady M, as well as property on the Mediterranean island of Sardinia. Late last month, the 465-foot megayacht Nord, equipped with two helicopter pads, a cinema and swimming pool—the person close to Mr. Mordashov said it belongs to the oligarch—completed its three-week journey from the Seychelles in the Indian Ocean to Vladivostok, a far-eastern Russian city near the Chinese and North Korean borders.

Locals have been visiting the harbor and posting selfies with the vessel.

—Justin Scheck contributed to this article.

# WORLD NEWS

## Israel Targets Gaza After Rocket Fire

GAZA CITY—Israel carried out a wave of airstrikes in Gaza and militants fired a volley of rockets from the Palestinian territory, the second exchange of fire this week raising fears of a widening conflict amid heightened tensions over access to holy sites in the contested city of Jerusalem.

By Dov Lieber, Anas Baba and Fatima AbdulKarim

Israel's military said its warplanes targeted a military post and an underground site where chemical materials are stored for making rocket engines. It added the strikes would significantly impair rocket production capabilities for militants in Gaza.

The airstrikes came soon after Israeli police said at least part of a rocket fired by militants late Wednesday landed near a home in the Israeli town of Sderot located close to the Gaza border. At least four more rockets were fired from Gaza later on, which were intercepted by its Iron Dome

aerial-defense system, according to the Israeli military.

There weren't any immediate reports of injuries on either side.

No militant group has claimed responsibility for the two attacks yet. Wednesday's rocket fire comes after threats from Islamist group Hamas earlier in the day against a Jewish nationalist march to potential flashpoints in Jerusalem in a show of sovereignty over the contested city, following days of clashes between Israeli security forces and Palestinians. Israel says, as a policy, it holds Gaza ruler Hamas responsible for any fire from Gaza and targets the militant group's operations in the event of attacks.

Hamas spokesman Hazem Qassem said the Israeli strikes would only increase the group's support for "our people in Jerusalem, and the protection of our holy sites, no matter the cost."

The rocket fire came after right-wing groups tried to march through a popular thoroughfare for Arab residents that leads into Jerusalem's Old

City. Hundreds of protesters chanting nationalist and anti-Arab slogans made their way through Jerusalem in the early evening, many waving Israeli flags. Hard-line lawmaker Itamar Ben-Gvir was among the crowd, but police blocked Mr. Ben-Gvir and other marchers from reaching the Damascus Gate, a flashpoint between Arabs and Jews in Jerusalem and an entry point to the walled Old City. Some chanted "Ben-nett, go home!" as they directed their anger at Israeli Prime Minister Naftali Bennett, who had indicated that he wouldn't let the march happen.

Tensions in the city are running higher than usual this year because of a rare overlapping of religious holidays that have brought tens of thousands of worshippers to Jerusalem's Old City since Friday as Muslims observe Ramadan and Jews celebrate Passover.

Neither side wants to be seen retreating from Jerusalem, which both Israelis and Palestinians claim is at the heart of their long-running conflict. The latest exchanges of fire between Gaza and Israel



Israel's Iron Dome antimissile system intercepts rockets launched from the Gaza Strip.

echoed an 11-day conflict last year. More than 250 people were killed, mostly in Gaza, making it the latest of several major conflicts between the two sides since the Islamist Hamas group secured control of Gaza in 2007.

Both Israel and Hamas have an incentive to prevent the current situation from escalating this time. But such considerations can change quickly.

Another conflict with the Palestinians could undermine Israel's attempts to build rela-

tions with Arab states after it normalized ties with the United Arab Emirates and some others in 2020. Already, it has faced a torrent of criticism from many of its regional allies over the Jerusalem clashes, including from the U.A.E. and Jordan. Israel's government also faces a potential mutiny from an independent Arab party, which has warned it would quit the ruling coalition if violence around the Al Aqsa mosque in Jerusalem continues.

The stakes for Hamas, which controls Gaza, appear higher. The militant group's arsenal is depleted after it fired thousands of rockets at Israel in last year's standoff. Authorities in Gaza are still rebuilding after Israeli counterstrikes devastated vital infrastructure in the impoverished Palestinian enclave. It also needs foreign aid for the reconstruction, and governments with which the group holds close contacts are pressuring Hamas to dial down the tension.

## U.K. Court Allows Extradition of Assange; Appeal Is Likely



Stella Moris, wife of Julian Assange, speaks outside a London court.

By Max Colchester

LONDON—A London court said WikiLeaks co-founder Julian Assange's extradition to the U.S. to face spying charges could proceed once the government approves it, but the prospect that he could appeal means the long-running legal saga could still be many months from resolution.

Mr. Assange has four weeks to make written representation to U.K. Home Secretary Priti Patel, who has to sign off on any extradition. Should Ms. Patel decide to extradite him,

Mr. Assange can then appeal her decision in the U.K. High Court. The appeals process could last for another three to six months, said Nick Vamos, a lawyer at Peters & Peters Solicitors LLP.

Mr. Assange, 50 years old, is wanted in the U.S. on 18 counts of conspiring to disclose classified information and conspiring to hack a military computer.

The alleged offenses relate to the publication in 2010 and 2011 by WikiLeaks of a huge trove of classified material that painted a bleak picture of

the American campaigns in Iraq and Afghanistan, and their aftermath.

Mr. Assange, who has been held at the U.K.'s high-security Belmarsh prison since 2019, has repeatedly defended his work and the wider WikiLeaks project as public-interest journalism that exposed wrongdoing by the U.S. and other governments.

In court, Mr. Assange's lawyer said he had "serious submissions" to make.

The U.S. Justice Department didn't respond to a request to comment.

In December, the U.S. government won an appeal to extradite Mr. Assange.

In their ruling Wednesday, Lord Chief Justice Ian Burnett and Lord Justice Tim Holroyde said diplomatic assurances given by the U.S. that Mr. Assange wouldn't be held under the strictest maximum-security conditions if extradited were sufficient to clear the path to extradition.

The U.K.'s Supreme Court last month refused to hear Mr. Assange's appeal against his extradition based on a narrow legal question.

## Tesla Posts Record Profit

Continued from Page One of \$2.3 billion set in the preceding quarter. Results beat Wall Street's expectation on both sales and profit.

However, factories are likely to continue operating below capacity through 2022, due largely to supply chain bottlenecks, the company said.

Tesla delivered around 310,000 vehicles globally in the first quarter, up from 184,877 a year earlier and 308,650 in the fourth quarter.

Tesla shares closed down nearly 5% Wednesday, before advancing more than 4% in late trading after the company posted its quarterly results, which were buoyed by an uptick in revenue from regulatory credits.

The company sells the credits to rival auto makers that need them to comply with emissions-related rules. Such sales brought in \$679 million in the most recent quarter aided by a one-time benefit, up from \$518 million a year earlier. Credit sales have long been critical to Tesla's bottom line, though they have dwindled in recent quarters. The company has said it would become less reliant on them.

Mr. Musk joined the Tesla earnings call almost a week after making a \$43 billion nonbinding bid to take over Twitter Inc. The social-media company adopted a so-called poison pill a day after Mr. Musk made his offer. The move makes it harder for any investor to purchase 15% or more of the company's stock. Mr. Musk, on the Tesla call, didn't address the Twitter situation.

In Shanghai, Tesla had about a week's worth of vehicle-parts inventory at its factory and was working with local authorities and suppliers to address logistics problems, local government-run Shanghai Television reported.

Shanghai-area manufacturers have had trouble getting parts delivered, because China's travel restrictions

have made it difficult for trucks to enter the region, analysts have said.

Customers, meanwhile, are having to wait longer to get behind the wheel of a new Tesla. As of March, U.S. buyers could expect to wait about eight months for a new long-range Model Y compact sport-utility vehicle, one of the company's most popular products, according to Bernstein Research. Delivery lead times historically have been around two to eight weeks domestically, the firm said.

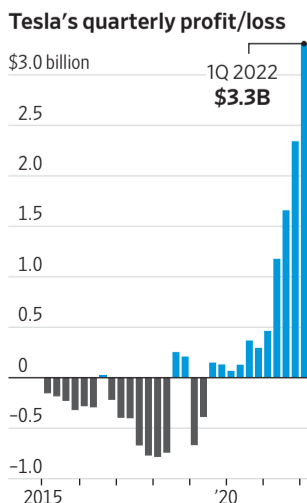
Tesla in recent weeks delivered its first Model Ys made at its new plants in Germany and Texas. Mr. Musk has said localizing production would im-

**'Shanghai is coming back with a vengeance,' Elon Musk says.**

prove Tesla's economics in the long run.

The auto maker has been charging more for its cars amid inflation and persistent supply-chain bottlenecks. The cost of one configuration of the Model Y jumped 30% in the year ended in March, according to Bernstein. Price rises in China haven't been as extreme, ranging between 5% and 11% in the same period, depending on the model, Bernstein data show.

In some cases, Mr. Musk said, suppliers are requesting 20%-30% more for parts than



Sources: FactSet; the company

they did last year. "I think the official numbers actually understate the true magnitude of inflation," Mr. Musk said.

Tesla signaled software sales would become an increasingly important profit driver. By the end of the year, it said it expects an advanced driver-assistance feature designed to help vehicles navigate cities to be available to everyone in the U.S. who has purchased Tesla's "Full Self-Driving" package. Tesla has been gradually releasing trial versions of the technology, which more than 100,000 people are testing, Mr. Musk said in a recent TED interview. The system, which costs \$12,000 upfront, doesn't make vehicles autonomous.

Mr. Musk provided additional details on Wednesday about the dedicated robotaxi he teased earlier this month, saying he hopes the vehicle, which won't have a steering wheel or pedals, will enter volume production in 2024. Mr. Musk said a trip in such a vehicle would cost less than a bus ticket.

Tesla is working to open the company's fast-charging network in the U.S. to electric vehicles made by other manufacturers, Senior Vice President Andrew Baglino said. The company launched a pilot program last year that allows non-Tesla drivers in parts of Europe to use its charging network.

The company also is taking steps to enable more of its customers to insure their vehicles through Tesla. It is aiming for 80% of U.S. customers to have access to a Tesla insurance product by the end of the year, Chief Financial Officer Zachary Kirkhorn said.

The auto maker, like many in the industry, is also contending with soaring costs for the materials used in the rechargeable batteries that power electric vehicles. Raw materials account for 80% of the cost of a lithium-ion battery, up from 40% in 2015, according to Benchmark Mineral Intelligence, which tracks the battery supply chain.

Mr. Musk, who tweeted earlier this month that lithium prices had "gone to insane levels," revisited the idea that Tesla might get into the business of mining and refining the metal and urged others to do so as well.

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## WORLD NEWS

## Macron, Le Pen Focus on Ukraine War

In only debate before vote, candidates spar over Russia, economic toll of the invasion

BY NOEMIE BISSEBÉ  
AND STACY MEICHTRY

PARIS—French President Emmanuel Macron and Marine Le Pen clashed over Russia's invasion of Ukraine, trading blows over which candidate was closer to Moscow and better equipped to navigate the economic fallout from the war.

Wednesday's duel on national television was the first and only debate between the

candidates, making it a pivotal event for millions of French voters who tuned in before casting ballots in Sunday's runoff election. Polls show Mr. Macron leading Ms. Le Pen by about 9 percentage points, a margin that pales in comparison to the 32-point margin Mr. Macron notched in 2017.

A snap poll of TV viewers that polling firm Elabe conducted after the debate showed that 59% of respondents found Mr. Macron the most convincing, compared with 39% for Ms. Le Pen.

Ms. Le Pen sought to paint Mr. Macron as a leader out of touch with the everyday economic realities of French house-

holds struggling to cope with inflation fueled by the war.

Mr. Macron tried to cast Ms. Le Pen as a puppet of Russian President Vladimir Putin, highlighting the campaign loan of 9.4 million euros, equivalent to \$10.2 million, that Ms. Le Pen's party took from a Russian-Czech bank with ties to the Kremlin in 2014. Mr. Macron said the loan, which the party is still paying off, made Ms. Le Pen beholden to the Kremlin.

"You depend on Russia and Mr. Putin," Mr. Macron said. "You are not talking to other leaders—you're talking to your banker—when you're talking to Russia," he added.

"I am a woman absolutely and totally free," Ms. Le Pen replied. Ms. Le Pen said she turned to the bank, because French ones wouldn't lend to her.

Ms. Le Pen said she condemned Russia's invasion and supported Mr. Macron's efforts to shepherd sanctions targeting Russian banks and oligarchs, but opposed extending them to oil and natural gas.

Mr. Macron, she said, had cozied up with Mr. Putin, hosting the Russian leader at the Palace Versailles at the start of his five-year term and later at a presidential residence on the French Riviera. Mr. Macron also traveled to the Kremlin in

the run-up to the war in an attempt to avert the invasion.

The wide-ranging debate was a study in contrasts between Ms. Le Pen, a nationalist who wants to claw back powers from the European Union, and Mr. Macron, a champion of the EU who has sought to emphasize his experience on the world stage.

Mr. Macron took aim at Ms. Le Pen's plan to ban the Muslim head scarf from public places in a country that is home to one of Europe's largest Muslim minorities. "The head scarf is a uniform imposed by Islamists," Ms. Le Pen said.

"You will create a civil war,"

Mr. Macron said. "What you propose is a betrayal of the French spirit and the Republic," he added.

The Macron government has moved to close mosques and Islamic associations for Islamist separatism, which Mr. Macron describes as a political and religious project to create a parallel society where religious laws take precedence over civil ones.

Ms. Le Pen has tried to shift the public's attention to pocketbook issues. She has crisscrossed the country pledging to massively cut taxes on fuel and other essentials, and give businesses incentives to raise salaries.

## Presidential Election Hinges on the Far-Left Vote

BY NOEMIE BISSEBÉ  
AND NICK KOSTOV

PARIS—The duel between President Emmanuel Macron and far-right leader Marine Le Pen in France's presidential election Sunday hinges on voters whose first choice to lead the nation was a far-left, pro-immigration anticapitalist.

Supporters of Jean-Luc Mélenchon hold the key in the runoff because the candidate's third-place finish, with 22% of the vote, nearly qualified him for the final contest. Ms. Le Pen got 23.2% and Mr. Macron 27.9%.

Casting a ballot for either Mr. Macron or Ms. Le Pen, however, is an awkward fit for the Mélenchon camp. Part of what animated Mr. Mélenchon's campaign was the aversion many voters felt toward Mr. Macron, a former investment banker and champion of the European Union. Mr. Mélenchon campaigned on clawing back powers from the EU and leaving the North Atlantic Treaty Organization. He aimed to tax financial transactions, limit dividend payments to shareholders, plow money into public services and nationalize part of the energy

sector to develop wind power.

Five years of pro-business policies under Mr. Macron, from loosening worker protections to abolishing the wealth tax, have alienated many on the left and opened the door for Ms. Le Pen to notch an upset. A recent Elabe poll has Ms. Le Pen trailing the president by 9 percentage points.

Voting for Ms. Le Pen, however, is also a tough sell for many Mélenchon voters. Some are drawn to Ms. Le Pen's pledges to fight inflation by slashing taxes on fuel and other essentials. But the far-left politician's supporters staunchly oppose her plans to limit the place of immigrants in French society and ban the Muslim head scarf from public places.

"It's an impossible choice," said Christian Verez, a Mélenchon voter. "I won't vote."

A surge in abstentions presents a challenge to Mr. Macron. In the 2017 runoff he drew 60% of Mélenchon voters to beat Ms. Le Pen by 32 percentage points. An Elabe poll taken after the first round this year showed that 33% of Mélenchon voters plan to skip the runoff vote or cast a blank bal-



Jean-Luc Mélenchon's third-place finish in the presidential vote, with 22% of the ballots, nearly qualified him for Sunday's runoff.

lot. About 25% say they will vote for Ms. Le Pen, while 42% plan to back Mr. Macron.

A survey that the Mélenchon campaign conducted of 215,292 people who voted for him found that 66.6% planned to abstain or cast blank ballots in the runoff. The poll said 33.4% of respondents planned to vote for Mr. Macron. The survey didn't give respondents the option of choosing Ms. Le Pen.

The other major candidates in the first round clearly have sig-

naled how they expect their followers to vote. Far-right former TV pundit Éric Zemmour, who finished with 7.1% of the vote, has called on his supporters to back Ms. Le Pen, while conservative Valérie Pécresse, with 4.8%, has backed Mr. Macron.

Mr. Mélenchon, however, has been more elusive, urging his supporters to not vote for Ms. Le Pen, but stopping short of a Mr. Macron endorsement.

"You must not give a single vote to Ms. Le Pen," he said in

his concession speech.

Mr. Macron and Ms. Le Pen are scrambling to lure Mélenchon supporters.

Last week, Mr. Macron traveled to Strasbourg, eastern France—home to the European Parliament—where Mr. Mélenchon led in the first round with 35.5% of the vote. Mr. Macron told voters there he was open to revisiting his plan to overhaul France's pension system and raise the country's retirement age to 65 from 62, a proposal that drew ire from supporters of Mr. Mélenchon, who proposed to lower it to 60.

Marouane Galici, a 29-year-old lawyer who voted for Mr. Mélenchon in round one, said he planned to back Mr. Macron in the runoff, comparing the choice between Ms. Le Pen and the incumbent to catching the plague or coronavirus. "I'd rather get Covid," he said.

Ms. Le Pen, meanwhile, traveled across France, saying she planned to govern by holding a series of referendums. Mr. Mélenchon campaigned on the idea of using referendums to approve a host of measures including European accords and other new treaties.

Ms. Le Pen has proposed referendums on issues ranging from her push for proportional representation into Parliament—something Mr. Mélenchon championed—to her plans to amend the constitution to give French nationals priority over immigrants in seeking jobs, welfare benefits and public housing—an idea Mr. Mélenchon loathes.

"Even those who do not like all my proposals should vote for me, since they will have the opportunity, thanks to the measures I propose here, to vote for or against them on a case-by-case basis," Ms. Le Pen told a news conference.

Dominique Torini, a 57-year-old taxi driver in northern France, said he plans to vote for Ms. Le Pen after casting his ballot for Mr. Mélenchon in the first round. He likes her pledge to cut taxes on essentials and to allow those who started working young to retire early.

For decades, voters have rallied behind establishment candidates in the runoff to bar the Le Pen family from France's highest office, a political coalition known as the "front républicain."

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## Member Voices

The Wall Street Journal CMO Network connects the decision-makers behind the world's most influential brands to discuss what — and who — is driving today's trends and chart the path forward.



Eileen Diskin

Chief Marketing Officer and Senior Vice President, Comcast Business

**When faced with a new challenge, what's your decision-making process and where do you turn to for trusted information or advice?**

I'm a strong believer in the power of people. When I stepped into my role at Comcast Business, I made a concerted effort to get an even deeper understanding of the business and its inner workings by going on a roadshow and spending time with countless people throughout our organization. This helped me create an unvarnished assessment of the industry landscape and our go-to market strategy opportunities for the Comcast Business brand — all while identifying a game plan to get there. Taking a broad, holistic view allows me to better understand the big picture and identify the levers we need to pull more functionally to achieve that plan.

**What's in your toolbox for investing in your team — to help them stay focused, feel supported and be productive?**

Feeling supported and being an engaged, productive team starts — and ends — with culture. Trust is the cornerstone of a successful organization, and the key to building trust is creating a culture of empathy. I invest in my team by promoting open, transparent communication and encouraging diversity of thinking and collaboration. I want people to have a

point of view and feel empowered to speak their mind and bring ideas to the table. Comcast Business is one of the largest contributors to the growth of Comcast Cable and enjoys a deeply entrepreneurial culture. We are a growth organization, and our continued growth wouldn't be possible without fostering the right kind of culture for our employees.

**What are you most proud of in your current role?**

I'm incredibly proud of how the company came together during the pandemic to support both our residential and business customers as well as our employees. My team is on a mission to transform and continually strengthen the Comcast Business brand. We've done that through new strategic partnerships and purpose-led programs, including a 10-year sponsorship of the PGA TOUR and a partnership with CNBC.

I'm also very proud of our role in Comcast's company-wide efforts to support low-income and underrepresented communities through the Lift Zones and Comcast RISE programs. Lift Zones are part of Comcast's multiyear commitment to launch more than 1,000 WiFi-connected community centers nationwide. Each Lift Zone is powered by a combination of Comcast Business connectivity and

security solutions. Comcast RISE is a multiyear, multifaceted initiative that provides underrepresented small business owners negatively impacted by the pandemic with access to the digital tools and funding they need to thrive. Finally, I'm proud to say both our brand health and business performance continue to consistently grow quarter over quarter. This is a testament to the resiliency of the diverse customer base Comcast Business supports every day — from Main Street to Wall Street.

**What new technology are you most excited about?**

The past two years have shown us that connectivity is truly the lifeblood of today's businesses. I'm excited about new technologies that will power new possibilities and prepare businesses for what's next. At Comcast Business, that means innovating with new technologies like 5G private wireless, which will help organizations like the Wells Fargo Center in my hometown of Philadelphia improve operations and enhance the fan experience. Also, late last year, Comcast Business closed its acquisition of Masergy, an industry pioneer in software-defined networking and cloud platforms for global enterprises. I'm excited to see the impact Masergy will have on Comcast Business's growth trajectory and enhance the value we bring to large and midsized companies around the world.

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Representatives of numerous employers talked with students at a Baylor University career fair.

bringing in representatives from 45 Texas school districts.

Jack Diaz, a 22-year-old student graduating in May 2023 from Northeastern University, attended a Boston event in recent weeks for college students seeking jobs in fintech and connected with a recruiter from John Hancock on LinkedIn afterward.

It was the first time that Mx. Diaz, who uses the gender-neutral honorific, had attended a career fair since high school. In person, "it was just easier to understand the kind of work I would be doing," Mx. Diaz said.

The John Hancock recruiter, Omolara Oshodi, said she logged in the next day to more than 100 emails from attendees, which was exciting in a competitive market. She said candidates will be considered for a fall hiring push for 150-plus roles in finance, communications, engineering and sales.

Many employers and colleges say virtual information sessions and early conversations will continue in parallel with in-person recruiting, especially for companies with limited travel budgets or those seeking to attract a wider pool of applicants.

More than 40% of 114 companies said coffee chats, information sessions and career fairs would take place equally virtually and in person in the future, according to a survey from research company Veris Insights.

McKinsey & Co. said its incoming summer class of interns and full-time hires comes from the widest variety of schools the firm has ever had, which can be attributed in part to digital recruiting, said Kristin Altenburg, associate director of recruiting.

Before the pandemic, the insurance company Travelers Cos. would have pizza or coffee with students at Bentley University in Waltham, Mass., said Janet Ehl, the career center's executive director. To replicate the get-togethers virtually this spring, company representatives sent gift cards to a food-delivery service before video meetings with students, the company said.

In lieu of live, online information sessions, North Carolina Central University in Durham, N.C., asked employers to record short videos that play on a loop in some academic buildings or at the beginning of some classes, said Cierra Wilson, the university's assistant director of employer relations. The career center posts some of the videos on social media, too.

Ms. Wilson has advised companies to strip down production for Gen Z students, who perceive videos that are too slick as inauthentic. Short videos can help companies "build their brand awareness" at the historically Black university, she said, adding that companies are competing to hire students of color.

"They're inundated with so many employers wanting to connect with them," she said. "They're finding the employers they connect with the most are authentic."

## Employers Pull Out the Stops To Woo Recruits on Campuses

BY LINDSAY ELLIS

As job recruiters swarm back to America's college campuses, career fairs aren't enough to stand out in the competitive labor market. Now, some employers are pulling out all the stops with intimate gatherings and flashy presentations.

Young professionals coming out of college this spring are in high demand. Employers plan to hire at least 30% more new graduates this year than they did last year, according to the National Association of Colleges and Employers. In some fields, including technology, finance and consulting, starting salaries are even in the six figures. And while many in Gen Z say they wish to work remotely at least part of the time, some are eager to partake of office life.

Fifty-three Baylor University students attended an invitation-only speed-networking event with employees of Academy Sports + Outdoors in the presidential suite of the campus's football stadium in late March. The students were chosen because of their grades, activities, majors and desired careers paths. They ate hors d'oeuvres and learned about Academy while taking in a sweeping view of the gridiron through floor-to-ceiling windows.

One student, senior Madison Manherz, said she took the event



Young professionals coming out of college this spring are in high demand.

more seriously because of its location and exclusivity. She prepared by tailoring her elevator pitch to the company. Her father brought to campus a dress and heels from her family's home in The Woodlands, about 150 miles away from the campus in Waco, Texas.

Students across majors—considering jobs in finance, marketing and the supply chain—attended the event. Dubbed "Academy Night," the Baylor event is one of several that the company is hosting at Texas universities as an official re-entry to in-person recruiting, said Bill Ennis, Academy's senior vice president and chief human-resources officer.

Booths at a career fair are "kind

of impersonal" compared with a private event in the presidential suite of a stadium, Mr. Ennis added. Academy expects five to seven Baylor students to accept offers the company made after the event and plans to hire 35 to 40 students from Academy nights across the state.

"This environment, this wow factor, probably drew out a few more kids," he said.

This semester, several companies are operating from a similar playbook, giving students standout experiences to make a stronger hiring pitch. Companies and colleges said more of this semester's recruiting, including at career fairs, is in person than at any time since the pandemic began.

Tesla Inc. parked vehicles near Baylor's library for several hours in advance of an information session on campus in February. University of Southern California's undergraduate business school held an in-person, Boeing-sponsored case competition for students during the current spring semester. Executives and Boeing alumni helped mentor the students and judged the presentations. Boeing paid scholarship money to the winners.

Arrive Logistics, an Austin, Texas-based freight-transportation company, sent the company's two co-founders to the Miami University in Oxford, Ohio, for a lecture in an executive speaker series, and the next day one held coffee chats with juniors and seniors, said Nicole Furnia, director of university relations for Arrive Logistics. The company hires students for several roles, including in business development.

"Gone are the days of the regular info sessions," said Ms. Furnia. Many students haven't experienced a recruiting cycle on campus and are learning how to network and interview in person, she added.

At the end of March, St. Cloud Technical and Community College, in Minnesota, held its first in-person job fair since 2019, and the school estimated that more than 540 students and 150 employers attended. On April 1, the University of Houston's College of Education hosted an in-person teacher job fair, its first in more than two years,

## New York's 'Bing Bong!' Is Everywhere

Continued from Page One  
kansas and only have ridden the New York transit system once."

The #bingbong hashtag on TikTok had generated 1.3 billion views as of April 18.

Liz Eiseman, a staffing-agency recruiter in Boston, heard the bing bong from a colleague who kept tossing it into a sales presentation. After his manager asked him why he was repeating it, the colleague confessed that his son thought it would be hilarious if his dad bing-bonged his way through.

"In Boston, anything to do with New York City, we just look the other way," says Ms. Eiseman, 27, and the bing bong is among rare exceptions: "We take the finest parts."

The sound's creator was Pullman Co., which built a prototype named the Green Hornet for a new subway-car line that went into service in 1934, according to New York's Metropolitan Transportation Authority, which says much about the tone's nascence has been lost to history.

The tone went silent during World War II, when the city scrapped the cars so the aluminum bodies could go toward the war effort. In 1971, the

bing bong sound returned starting with the R44-type cars. All subway car types built from that version onward have included the bing bong sound.

Then in April 2021, a rapper from Coney Island named Nems dropped it in a segment of "Sidetalk," a one-minute interview-style street-video series created by New York University students Trent Simonian and Jack Byrne for Instagram and other platforms.

In the segment, Nems interviewed people while they breakdanced, sang and praised Coney Island. Nems, 35, said "bing bong" while bantering with a neighborhood friend.

"It's like a hip-hop phrase,"



Nems says. "I was just feeling funny one day and I was like, 'bing bong.'"

On Oct. 20, "Sidetalk" headed to the New York Knicks' season opener. After the Knicks' double-overtime win over the Boston Celtics, the hosts filmed pumped-up fans.

Among them was Jordie Bloom, 27, who had watched the Coney Island video at a bachelor party. He looked at the camera and yelled, "bing bong!"

"I ripped it and left," Mr. Bloom says. On Oct. 22, the Knicks tweeted a highlight of a dunk from the game, with the lone caption: "Bing bong."

Following the win, multiple "Sidetalk" videos took off, with people lip-syncing the expletive-filled dialogue from the interviews—including the bing bong.

In December, President Biden teamed up with the Jonas Brothers for the PSA. Companies began deploying the tone in advertising, including Dunkin', which in January used the "Sidetalk" bing bong soundtrack in a social-media campaign for its omelet bites. "Dunkin' is a daily ritual for people," says Melanie Rabino, director of brand engagement at the company, "and so is the subway."

"There's kind of a cool factor. It's like, 'Oh, I've been to New York before, I know what that is,'" says Joel Beckerman, a composer and producer. "Even if you're not a New Yorker, or even if you've seen a movie that's in New York, you know what that sound is."

New York City Mayor Eric Adams in a March 14 TikTok blended a smoothie, listened to Beyoncé and said "bing bong."

"New Yorkers are using this slang," said Fabien Levy, press secretary for Mr. Adams's office, "and so he wanted to connect with them this way."

Part of the bing bong's appeal is the choice of notes—a major third, with two whole steps apart—said



Students Trent Simonian and Jack Byrne created the video series 'Sidetalk.'

Alex Case, associate professor in the Sound Recording Technology program at the University of Massachusetts Lowell. The sound's pitch range is close to a human voice, he said.

"You could sing along with it," Mr. Case said. "It brings it into the range of a human voice and makes it more accessible."

MTA conductors appreciate the utility of the tone, says Max Diamond, a subway conductor and member of the New York City Transit S.P.E.E.D. team, which is dedicated to finding ways to safely speed up rides by reviewing the system's speed limits and signals. It "exists to keep trains moving," he says, but recently "It has really taken over the city....Sometimes you hear the doors

close and you hear passengers laugh a little bit."

For Samantha Walsh in Winchester, Va., saying bing bong has been a way to keep in touch with her best friend in Victoria, Texas. "My best friend has a very similar algorithm" on TikTok, she says, which helps them stay in touch by sharing videos that they're both interested in.

The 27-year-old executive assistant, who has visited New York City just once, says the tone's allure is its shortness, its "sing-songy tone" and its recognizability. And it's gratifying to say it to no one at all, she says: "If it's really quiet at home for too long and I just want to say something random, I'll just say that."

PERSONAL JOURNAL.



**ON THE CLOCK**  
**CALLUM BORCHERS**

# Office Efforts To Go Green Are Back

But are they really cutting waste, or just wasting time?



**T**hey are in every office: the evangelists who urge colleagues to use less paper, recycle those Diet Coke cans and compost their food scraps.

They have held their tongues for the better part of two years, understanding (while silently be-moaning) the use of packaged, disposable everything as companies tried to minimize Covid risk.

Now, the office environmentalists have had enough.

"I try not to worry about how people reacted in an emergency," says Marcela Gutiérrez-Graudiņš, who adds that she cringed but didn't protest when her co-working space in San Francisco replaced coffee mugs with paper cups in the name of hygiene in 2020. Now, she's dismayed to see so many office returners—who presumably brewed their own coffee at home during lockdowns—once again sipping lattes and Americanos in throwaway cups.

"I worry about this being an excuse to go back to bad habits," she says.

The conundrum for Ms. Gutiérrez-Graudiņš and others who play the role of the office climate conscience is that the payoff from better habits isn't always clear; battles against pollution are sometimes waged in vain, and some colleagues think zealous advocates are largely virtue signaling.

Ms. Gutiérrez-Graudiņš heads a marine conservation group that backed a successful campaign to ban single-use plastic bags in California in 2014. The ban was suspended in 2020, amid concerns that shoppers might spread the coronavirus on reusable totes. (We've since learned the virus is far more likely to spread by air.)

The rule has since been reinstated, but she says she has observed sustainability efforts at companies going backward.

Companies are touting litter pickups, tree plantings and other green initiatives ahead of Earth Day this week. They are also plunging back into carbon-spewing business trips, among the most carbon-intensive things

businesses can do, according to the World Economic Forum. The juxtaposition may prompt some workers to wonder how much difference they are making by stashing metal straws in their carry-ons.

Meanwhile, in many reopened offices, bottled water has returned to ensure no one's Hydro Flask or Yeti leaves a trace of saliva on the cooler spout. Individually wrapped sandwiches have taken the place of family-style platters at catered lunches to keep everyone's fingers on their own food.

Environmentalism isn't part of Arica Saltzman's job description at a healthcare software firm in New York, but she recently helped get the company to issue monogrammed plates, glasses and mugs to its roughly two dozen workers as a back-to-office gift.

The personalized items are a green alternative to disposable flatware and plates, Ms. Saltzman reasons.

"It's not like you're using some-

## Some workers feel that attempts at workplace sustainability are all just 'green theater.'

body else's," she says. "Everybody's using their own, and we're washing them and not filling up the garbage."

Plus, lazy co-workers can't get away with leaving dirty dishes in the sink when their names are inscribed.

Ms. Saltzman is so dedicated to reducing her office's carbon footprint that she and a small group of colleagues take turns fishing misplaced recyclables out of trash cans and putting them in the correct bins.

She might want to skip the next few sentences of this column.

"I worked for a number of cleaning companies...and we had

one black garbage bag that everything went in," says Kit Andres. "Everything."

Mx. Andres, who uses the gender-neutral honorific, says this was the case at what they describe as a "progressive" company in upstate New York. Realizing that recycling bins are sometimes props was painful for a child of the '90s who grew up watching "Captain Planet," an animated superhero whose mission was to "take pollution down to zero."

Mx. Andres's experience doesn't represent the practice in every office, of course, and they haven't worked as a cleaner for a few years. But there is little evidence that true recycling rates have significantly improved.

The pandemic-era increase in plastic consumption—for everything from takeout containers to PPE—followed decisions by China and several other countries to stop taking mixed recyclables off Americans' hands.

Less than 10% of the plastic

generated in the U.S. every year is actually recycled, according to the Environmental Protection Agency. Most winds up in landfills or incinerators, even if it is properly sorted.

All that can make workers roll their eyes at office sustainability efforts. Some feel it is all just "green theater." One person told me he tries to set a record for single-use plastic waste every time he goes into the office, just to tweak certain colleagues. Others grumble that executives—people with the power to enforce systemic changes—should be the targets of finger wagging, not rank-and-file employees.

Elana Mintz, director of an education nonprofit in Washington, D.C., tries to model what she expects from her staff by going out of her way to find boxed water (yes, that is a thing) to reduce plastic waste at her organization's events. And she takes it upon herself to try to cut plastic consumption in other offices, too.

"Pls consider moving away from disposable plastic for all staff events," she tweeted last month at the Twitter account of DCist, a news and culture site that covers the capital. DCist had posted a tweet about an office taste testing of LaCroix's new cherry blossom seltzer flavor—along with a photo that revealed its staff used throwaway cups for the sampling.

"I really don't like social-media burns," she says. "I don't want to be that person. I try to do it in a kind way."

Liz DeForest recalls slapping a sticky note on a kitchen cabinet in the Columbus, Ohio, office of an investment bank where she worked several years before the pandemic. The little paper featured a handwritten haiku:

*Every day we use  
One sleeve of styrofoam cups  
Consider a mug*

"It was not acknowledged at all," she says.

These days, Ms. DeForest lives in Sacramento and flies quarterly to an office in New York. Influencing colleagues' behavior as a remote worker is hard, so she settles for setting a quiet example when she's in the building.

"I make a point of using a real mug and a metal spoon," she says. "I'm visible doing that, but I'm not proactively advocating for what other people should do at this point."

# A Social-Media App Sans Filters

By DALVIN BROWN AND CORDILIA JAMES

**A**t a seemingly random point every 24 hours, Kevin Lee gets a notification to post a selfie.

"Time to BeReal," says the alert on his phone, and a two-minute countdown clock begins.

Some mornings, the 27-year-old software engineer from Los Angeles receives the notification before he's gotten out of bed. "I look terrible. But I just do it," Mr. Lee said.

He's one of nearly 6.8 million people who've downloaded BeReal over the past two years, according to data from mobile-market intelligence company Sensor Tower. The app—pitched by its makers as an authentic, unfiltered alternative to the curated posts on Instagram and TikTok—has gained currency among younger people, particularly college students. Most of BeReal's users, such as Mr. Lee, joined this year, according to researcher Apptopia.

The French app, which is available for iPhones and Android phones, pings users once in 24 hours to snap a photo using their smartphone's front- and rear-facing cameras. The prompt's timing is unpredictable for users and changes every day, and no photo filters are allowed. Unlike the most dominant social-media platforms, there are also no ads, and there are no visible follower tallies.

BeReal's limited approach to posting and perusing is an alternate to apps such as TikTok and Instagram, which count more than a billion active monthly users apiece and plow money and engineers into making products more engaging for users. BeReal has a different pitch: Post quickly, scroll and go live your life. For some Gen Z users, that's a magnetic idea.

Nathan Carey, a 22-year-old student in Ireland, joined the app three weeks ago after hearing about it from his college friends. The rather mundane posts—people watching TV or cooking din-

ner—let him see his friends' lives as they are, rather than through highly curated images, he said.

"You can be more vulnerable," Mr. Carey said.

After receiving an alert to "BeReal," users have two minutes to snap a photo. If they're busy or in a place they shouldn't be taking selfies—such as the bathroom—BeReal allows users to post outside of that time frame, with a catch: The app tells their friends the photo is late and shows precisely how late they are. That has caused people to snap photos while in class

the posts draws Snapchat comparisons. The combination is resonating with people who have started to shun the highly curated photos and videos that dominate feeds on many social networks.

The biggest social-media apps started as ways for people to share updates with friends. But as those apps evolved to feature more idealistic versions of people's lives, big creator economies have flourished on the platforms, with influencers posting highly curated content to attract followers and sponsors.

The change means users



After an alert, users have two minutes to post a photo.

and on the road, but many times, BeReal ends up with images of the photographer looking down at their feet.

BeReal prevents users from lurking: To see anyone's images, users have to first share their own. If a user posts late, they don't have as much time to view others' photos; all posts reset when the next notification goes out. The aim is to share real life, when it's happening.

What BeReal has going for it, say users and social-media experts, is its embrace of spontaneity and authenticity. It's a mix of Wordle (the popular word game that can be played only once a day) and Meta Platforms' Instagram (minus those filters). And the fleeting lifespan of

often see more commercial posts, creating a hole that an app such as BeReal could try to fill, said Pamela Rutledge, director of the Media Psychology Research Center in Newport Beach, Calif. Yet, she says, BeReal and other new social-media networks will have staying power only if they can keep people and their friends using the app.

"Lots of apps are fun to try, but the point of a social-media app is to connect with others," Dr. Rutledge said.

BeReal wants users to portray their lives rather than share images to amass influence, a spokesperson said. "We want to make people feel good about themselves and their lives," the spokesperson said.

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## ARTS IN REVIEW

## CULTURAL COMMENTARY

## At 50, the Appeal Of 'The Godfather' Can't Be Refused

BY PETER COWIE

Like a great Bordeaux, Francis Ford Coppola's masterpiece "The Godfather," which is 50 years old this year, has ripened and improved over time. Crime had traditionally been described by the movies, from "Little Caesar" to "The French Connection," as something gritty, almost repellent. Yet here was a film that exalted the most ruthless of murders with the dramatic sweep of grand opera. More important, Mario Puzo's saga created a vibrant range of personalities, from Don Corleone and his sons to the Mafia chieftains who oppose them.

**Francis Ford Coppola's masterpiece, created with Mario Puzo, remains a gripping tale.**

Until Puzo's novel "The Godfather" appeared in 1969, most Americans were unaware of the history of the Mafia. Gangsters took the form of Edward G. Robinson, James Cagney or even Humphrey Bogart. Puzo and Mr. Coppola had the inspiration to superimpose what could have been merely an unsavory saga on a well-trieved matrix—that of a family and its feuds—from Shakespeare to "The Forsyte Saga" and beyond.

An undercurrent of humanity pervades the whole film, stemming from Marlon Brando's performance as Don Corleone. Family life and Mafia business are intermingled, starting with the wedding sequence and the Don's dis-

cussions with Bonasera and Johnny Fontane. Throughout "The Godfather," people gather at tables—to discuss business, or to eat and laugh and argue.

The characters are as rich and rounded as any in the work of Jean Renoir or Ingmar Bergman. We identify with each and every one, their tensions and rivalries. Of course we loathe their cold-blooded approach to life. We almost admire their stoic acceptance of their fate (for example, when Tessio, having betrayed the family, is escorted away to an off-screen execution). We find it engaging that Clemenza should teach Michael how to make meatballs in tomato sauce, and tell Rocco to leave the gun in the car but "take the cannoli," after arranging the death of his driver. We sympathize with the spineless Fredo as he crumples in despair after seeing the Don gunned down, or when he's chastised by Michael for his ill-considered behavior in Las Vegas.

Mario Puzo said how proud he was that "The Godfather" was never used as a term for a gangster until I made it up." Don Corleone and his sons and button-men are in thrall to a complex system that governed life for centuries. Only one man, Michael (played with almost satanic subtlety by Al Pacino), seeks to subvert this code of behavior with its roots in the hills and villages of Sicily, where family vendettas can last across generations. He dares, against all advice, to assassinate a police captain, McCluskey. Exiled and sequestered in the sunlit hills of Sicily, Michael can reflect on his destiny; he returns to America with a deep-down thirst for vengeance on those who killed first his brother Sonny and then, in Corleone, Michael's young wife,



Al Pacino as Michael and Marlon Brando as Don Corleone in 'The Godfather,' above; Juno Temple as Bettie McCartt, Miles Teller as Al Ruddy, Dan Fogler as Francis Ford Coppola and Patrick Gallo as Mario Puzo in 'The Offer,' below

Apollonia. But by then we can't withdraw our sympathy for Michael, and throughout the rest of the film—and "The Godfather Part II" (but that's another story)—his relentless perfidy holds us in an

iron grasp.

"The Godfather" brims with virtues that set it apart from conventional crime movies. The bewitching music by Nino Rota that matches the many moods of the drama. The production design by Dean Tavoularis that reflects the somber menace of the story and evokes New York in the immediate postwar years. The cinematography by Gordon Willis, justly dubbed "The Prince of Darkness." The deadpan humor that spawned a raft of phrases that have entered the vernacular, from "I'm gonna make him an offer he can't refuse" to "I'm a businessman—blood is a big expense." And most underrated of all is the classical style that Mr. Coppola brought to the film: the pace of a thriller but the textural richness of a novel. By eschewing flamboyant effects and camera movements, Mr. Coppola dwells consistently on the personalities rather than the action.

"The Offer," a Paramount+ miniseries beginning April 28, recreates the dissension between Mr. Coppola and Robert Evans, head of production at Paramount studios. Yet despite these production is-

sues, "The Godfather" traverses its almost three-hour length with a smooth and persuasive narrative flow, from the wedding celebration at the start to the synchronized slaughter of the final sequence. The moments of terrible violence are planted at strategic intervals—the horse's head incident, the murder of Luca Brasi, Michael's shooting of Sollozzo and McCluskey, or the death of Apollonia.

In the garden scene involving Michael and his aged father, we actually feel an almost wistful affinity with two men who, after all, have murdered other human beings without compunction. The reconciliation between the old Don's faded hopes and his son's pragmatic ambitions is more affecting than even the garroting of Luca Brasi or Carlo Rizzi. "You can never lose your family," Michael's mother tells him in "Part II." The genius of "The Godfather" is that we too feel part of that family.

*Mr. Cowie has written more than 30 books on the cinema, including biographical studies of Akira Kurosawa, Ingmar Bergman and Francis Ford Coppola.*



A seven-part documentary on Vladimir Putin's sex life? Nyet. "Russian Doll," season 2, marks a return to the New York surreal-estate of Nadia Vulvokov (Natasha Lyonne), the hipper-than-thou habitué of the East Village who discovered back in 2019 that the only thing worse than death was a death that never ended: Regularly popping out of her season-long 36th birthday party, she suffered a series of lethal accidents, returning each time to the scene of the existential crime.

You can't say that matters were resolved, exactly, at the end of season 1, even though Nadia and Alan (Charlie Barnett), her lone fellow traveler, reconciled their time loops and wound up in the same place and moment. As season 2 begins, Nadia, now turning 40, finds herself in an even more multiverse-ial conundrum after she gets aboard a subway car where almost everyone is smoking (under the nose of a cop with a German shepherd) and there are ads for "Cats" and "Sophie's Choice": It's a 6 train stuck in 1982, though why there's no graffiti is a mystery. (It does show up in episode 2.) Another question is why, when Nadia catches her reflection in a window, she sees her mother, Nora (Chloë Sevigny), who is pregnant. With whom? You might well ask.

Nadia, whose multiple brushes with death have left her even more sardonic than she was when the series first appeared (production of the second season was delayed by the pandemic), is not inhabiting her

## TELEVISION REVIEW | JOHN ANDERSON

## 'Russian Doll': Mommy and Me

mother's body as much as her cosmic space, and her history—which is going to involve the disappearance 40 years earlier of the family fortune, a bag of Krugers that Nadia's Holocaust-survivor grandmother bought years before, having lost any faith in banks. The theft caused a family rift that Nadia, in and out of her mother's space, is going to try to mend. Some may find the use of apartheid-era South African bullion—never mind Jewish stereotypes, never mind the Holocaust—to be a plot device in questionable taste. It does all seem a bit easy, never mind cheap.

But the allure of "Russian Doll" isn't really about the ornate plotlines, time hopping, body hopping, or people giving birth to themselves. It's about Ms. Lyonne and her volatile character, who is not just an uncannily interesting



Chloe Sevigny, left, and Natasha Lyonne, above, in the second season of the show

acting, but an anthropological phenomenon as well—a representation of a certain stratum of urban life and a type we probably know. Nadia is a character who's being performed for our entertainment, but she's also a character who's performing for herself—as written, directed and portrayed by Ms. Lyonne, most of Nadia's often-snarly lines go right over the heads of the people around her and are delivered purely for her own entertain-

ment (and, only coincidentally, ours). As garrulous as she seems to be, as well as irritating, superior and sarcastic, Nadia can be who she is because of the anonymity that comes with life in the big city. She's a one-woman show in many ways, constituting both cast and audience. She's free, and she's sad.

She's also well over the top, and a bit shticky now that we know her as well as we do (those of us who ate up the first season, anyway); Ms. Lyonne's presentation is a little Mae West, a little Rodney Dangerfield, with maybe a dash of Leo

Gorcey in a Bowery Boys movie. But she's also as consistently funny as anyone on a series, mini- or otherwise. The program also deserves credit for making its convoluted, spoiler-lousy story as clear and accessible as it is. If "Russian Doll" were a place, it would be less like the grid plan of Manhattan and more like the incoherence of Boston. But Ms. Lyonne is certainly an entertaining tour guide.

**Russian Doll, season 2**  
Netflix

# SPORTS

## Wimbledon Bans Russians

By JOSHUA ROBINSON

WIMBLEDON, THE WORLD'S oldest Grand Slam tennis tournament, will ban players from Russia and Belarus from competing there this summer in the sports world's latest response to the invasion of Ukraine. The club said on Wednesday that given "such unjustified and unprecedented military aggression, it would be unacceptable for the Russian regime to derive any benefits from the involvement of Russian or Belarusian players with The Championships."

Under the current rankings, the move would bar two of the top 10 men in the world (U.S. Open champion Daniil Medvedev and Andrey Rublev), along with three of the top 20 women (Aryna Sabalenka, Anastasia Pavlyuchenkova, and former No. 1 Victoria Azarenka).

Wimbledon's decision followed a recommendation in February from the International Olympic Committee that global sports federations bar Russian and Belarusian athletes from their competitions. Those delegations were soon removed from the Paralympics in Beijing and soccer's world governing body booted Russia from World Cup qualifying. Sports from badminton to curling quickly followed suit.

Until this week, tennis had stopped short of banning individual athletes from tournaments, preferring instead to focus sanctions on national teams at events such as the Davis Cup and Billie Jean King Cup. The Association of Tennis Professionals, which oversees the men's tour, didn't agree with Wednesday's move.

"We believe that today's unilateral decision by Wimbledon and the [Lawn Tennis Association] to exclude players from Russia and Belarus from this year's British grass-court swing is unfair and has the potential to set a damaging precedent for the game," the ATP said.

The French Open, which begins in Paris May 22, hasn't announced any plans to prevent Russian or Belarusian players from taking part. Wimbledon kicks off on June 27.



Daniil Medvedev is ranked No. 2.



## The Splash Brothers Have Added a Poole

The emergence of Jordan Poole might help the Warriors flip the playoffs

By BEN COHEN

THE most productive 3-point shooter in the NBA over the past two months is a radiant guard for the Golden State Warriors with the supreme confidence and lack of conscience to launch at any time of the game from any place on the court. It isn't Stephen Curry or Klay Thompson.

Jordan Poole was a backup making less money than 300 people in the league who had never been in the playoffs until this week—and he might be the player who swings this NBA season.

There were very few people who would have predicted that Poole would be so central in determining the next champion.

Two years ago, he struggled as a rookie. Last year, it wasn't clear the Warriors would pick up the option on his contract.

When he was sent down to the G League, the hope was that he could become a useful role player. Instead the Warriors seem to have

found another star. His numbers this season look like they could belong to someone else on his team.

Poole made the most threes of anyone in the league after the All-Star break. He shot a higher percentage than Curry himself. He was efficient. He was audacious. Then the playoffs began and he became a revelation.

The abrupt emergence of Poole as Golden State's latest threat is the kind of wrinkle that can flip the NBA playoffs. Suddenly the incredible value that he brings on and off the court has made him one of the league's most important players.

This guy who was still in college when the Warriors made five straight Finals appearances now appears to be essential to their chances of getting back.

The last time they were this good, the Warriors were playing in another city. Thompson hadn't injured his ACL, torn his Achilles or boated to work. Draymond Green hadn't suffered through a losing season. Curry hadn't unleashed the

prettiest sight in basketball with nobody in the arena to see it. This was so long ago in the Bay Area that Elon Musk looked at Twitter as a place to discuss rockets.

So the Warriors were in a strange place when they turned the 28th pick in the 2019 draft into a shifty guard from Michigan named Jordan Poole.

### Poole was still in college when the Warriors made five straight Finals appearances.

But a player dripping with youthful energy is quickly seizing his place among the franchise legends he calls his colleagues.

Andre Iguodala floated the idea of a maximum contract extension. Green offered the ultimate compliment by comparing him to Curry whizzing around the court slipping defenders. Curry called him the

type of player who can influence a game and a series—and, because he's on the Warriors, he can influence the whole season.

"Without him," Thompson says, "we would not be where we're at." But how Poole developed into such an exuberant, unexpectedly vital player reveals a great deal about the way decisions are made, teams are built and dynasties are maintained in the modern NBA.

To understand what makes Poole so crucial to the Warriors, it's necessary to have a basic understanding of NBA economics.

By devoting a huge chunk of their salary cap to Curry, Thompson, Green and Andrew Wiggins, they are squeezed financially to fill out their roster. They need to find complementary pieces on cheap deals. That means they have to hit on their draft picks.

What makes rookies the most reliable source of basketball value is their warped contracts. Since they can't negotiate their first deals—the 28th pick in 2019 would collect the same paycheck no matter where he's playing—they become inefficiencies in the market. They are the rare players with misaligned talents and salaries. A potential star on a rookie contract is a luxury they couldn't afford otherwise. No free agent on the open market can offer so much production for so little money.

The problem is that players who are still available toward the end of the first round are inherently risky bets.

Most bust. But some pay spectacularly.

"It's so hard," Warriors president Bob Myers said immediately after drafting Poole in 2019. "Me sitting up here pontificating is just guessing."

They also invest millions of dollars to find out if their guesses were right or wrong. If they're wrong, that pile of cash is a sunk cost. If they're right, the wins are their profits.

They appear to have been right about Poole.

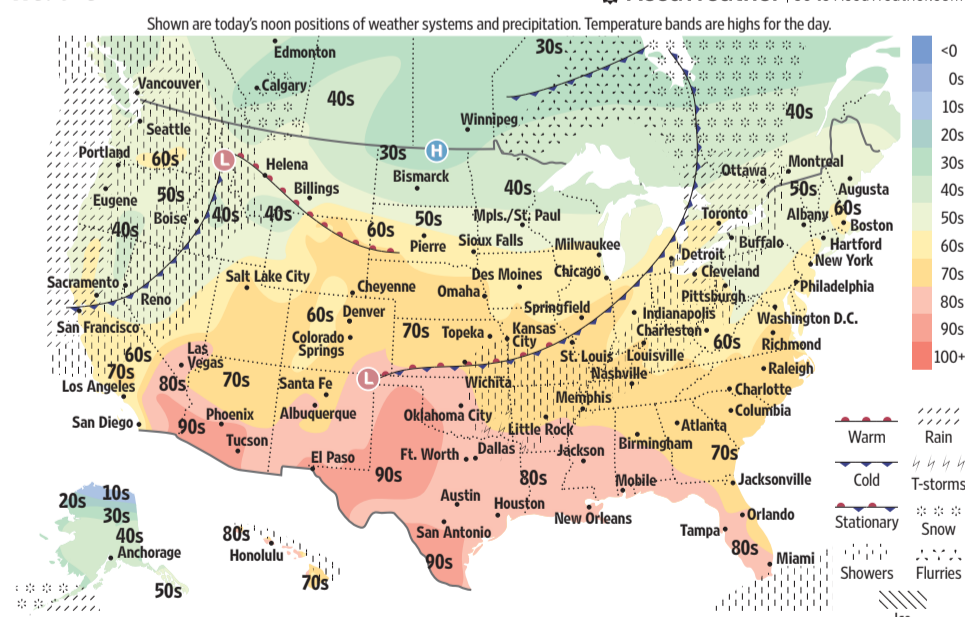
The most telling sign of how Poole fits the present and future of the Warriors is how he plays next to Curry, Thompson, Green and Wiggins. That lineup had never been on the court before this week, when they played 11 minutes together in the playoffs. The Warriors managed to win those minutes by 29 points.

How much Poole is worth to the Warriors turns out to be a question they have to answer soon. He's eligible for a contract extension this summer and due for a raise from \$2.1 million to the \$20 million range—or higher.

On the night that Golden State drafted Poole, Myers spoke openly about uncertainty. At that moment, he knew as much about Poole as anyone in the NBA, and it was just enough to know how much he couldn't possibly know.

"We'll see," he said three years ago. "It really matters what they look like a year, two, three years from now."

### Weather AccuWeather | Go to AccuWeather.com



### U.S. Forecasts

Table with columns for City, Today (Hi, Lo, W), and Tomorrow (Hi, Lo, W). Lists cities like Anchorage, Atlanta, Austin, etc.

### International

Table with columns for City, Today (Hi, Lo, W), and Tomorrow (Hi, Lo, W). Lists cities like Amsterdam, Athens, Baghdad, etc.

### City

Table with columns for City, Today (Hi, Lo, W), and Tomorrow (Hi, Lo, W). Lists cities like Frankfurt, Geneva, Havana, etc.

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

Crossword puzzle grid with numbers 1-63 and letters.

Crossword clues and solutions. Includes clues like '63 Bit for Bartlett' and '28 Preposition for Proust'.

### STOP GAP | By David Alfred Bywaters

Word search puzzle with clues like '23 Dry', '43 Org. with headquarters at 1111 Constitution Ave.', etc.

### Previous Puzzle's Solution

Grid showing the solution to the previous crossword puzzle.

**OPINION**

# Biden’s Foggy War in Ukraine



**WONDER LAND**  
*By Daniel Henninger*

President Biden is willing to say the Russians are committing genocide in Ukraine, but he won’t say his goal there is to defeat Russia or Vladimir Putin. Because the North Atlantic Treaty Organization’s rule of thumb for the conflict is not to “provoke Putin,” the Ukrainians’ valiant fight has had to operate in a policy twilight zone with a goal between not-quite-losing and not-quite-winning.



**Destruction at a steel plant in Mariupol, Ukraine, last week.**

shooting war and a global social-media phenomenon. Social media allows millions—a crowd—to form up for any reason. As of two months ago, that crowd is fighting globally for Ukraine.

Before February, it was an article of faith among prospective U.S. presidential candidates, especially Republicans, that they were obliged to respect America’s desire to turn inward and away from the world. Suddenly, some 87% in a recent CBS poll say stopping Russian aggression is in U.S. interests.

The political stakes in Ukraine’s outcome have arrived at a point no previous war has achieved in such a short span of time. Just weeks ago, “off-ramp” was the phrase du jour; some sort of stand-down with Russia was at least discussable. Not any more.

The new keyword is credibility. Lose Ukraine after all this, and the credibility of the U.S. and NATO will be damaged for years. Who would trust them? Taiwan? To say nothing of the world’s fence-sitting nations who don’t want to “provoke Putin.”

Western Europe’s unexpectedly quick commitment to aiding Ukraine in the war’s first phase created a cascade of global nonprofits’ support for Ukraine’s refugees and fighters. They haven’t done this to settle for a frozen conflict. The animating force could not be more clear: freedom versus tyranny. If Mr. Putin wins now, the global demoralization will be incalculable.

Willingly, Ukraine became a single-nation proxy for World War III and the now-obvious, inevitable confrontation with Russia’s messianic dictator. The moment has arrived in this war for Mr. Biden to clear something up with one presidential assertion: “We’re in this thing to win.”

*Write henninger@wsj.com.*

## The world awaits one clear presidential assertion: ‘We’re in this thing to win.’

That has become unthinkable.

As the battle moves into its next phase—a more traditional tank and artillery war in the nation’s east and south—the Ukrainians want to win. A question persists: What do the Western powers want? If not victory, what?

An apocryphal phrase from the U.S. war in Vietnam was “we had to destroy the village to save it.” That crude strategic paradox presents itself again. Ukraine’s Foreign Minister Dmytro Kuleba said last weekend, “Mariupol doesn’t exist anymore.” Ukraine is being systematically destroyed. To save them—or us?

Conventional wisdom holds that Russia’s expensively reconstituted military failed badly in its early ground operations. That is true. Kyiv didn’t fall. Less discussed is that Mr. Putin’s formidable inventory of cruise missiles, despite Pentagon reports of a high failure rate, is leveling much of Ukraine. The world’s outpouring of support for Ukraine is in great part a consequence of images of buildings bombed to pieces by missiles. Lviv in the west was largely spared until Russian air-launched missiles hit the city Monday. Absent Ukraine receiving enough modern air-defense systems, Mr. Putin can do more of this almost at will.

Mr. Biden’s off-handed remark that the Putin invasion is a genocide against Ukrainians triggered speculation about the president’s reason for invoking it. Was Mr. Biden merely mentioning a word he overheard in a national security meeting or signaling a new direction in U.S. policy?

One interpretation is that the random reference to genocide was meant to increase pressure on nations sitting on the sidelines. French President Emmanuel Macron worried about an “escalation of words.” *Don’t provoke Putin.*

Still, Mr. Macron indirectly raised the right question:

Where exactly are we going in Ukraine? Mr. Biden’s oh-by-the-way rhetoric again puts U.S. policy in a frustrating zone of unclarity. Is it possible U.S. policy is in fact inching toward helping the Ukrainians drive the Russians out of their country—victory—or is the administration working toward a Cold War containment of Russia, with a carved-up Ukraine effectively on the other side of a new Iron Curtain?

Diplomatic ambiguity has its uses, and it’s possible that with its commitment to send \$800 million of advanced military equipment to Ukraine, the U.S. goal has indeed become to help Ukraine win without publicly rubbing defeat in Mr. Putin’s face.

What’s still not clear is whether Mr. Biden and NATO recognize the unprecedented forces the war has put in motion beyond the Ukrainian theater.

Ukraine’s war is described as the biggest military event in Europe since World War II. A more relevant contextual setting is to understand this is the first war ever fought inside the fully developed world of social media.

Elon Musk’s war with Twitter is news, so to speak, because he has some 82 million followers whose effects ripple outward. Ukraine is both a

## Please, Democrats, Follow Warren’s Plan

**By Karl Rove**

I hereby repudiate last week’s column—not just some of what I wrote, but every sentence, phrase and word.

I’m not abandoning my views because of the gentle ribbing I took from friends and readers that I gave aid and comfort to Democrats by suggesting their party play down the Biden-Harris-Pelosi-Schumer agenda and instead localize as many contests as possible.

No, I renounce what I wrote last week because one of America’s great political minds—someone perfectly in sync with the attitudes of the nation, especially its rural regions—has eloquently insisted that the road to a Democratic victory in November lies in the Democrats framing the fall election as a referendum on the party’s national agenda.

My views were changed by Massachusetts Sen. Elizabeth Warren’s explanation in last Sunday’s *New York Times* of how her party can turn the midterms into a historic victory. She argued that to “convince voters we will deliver meaningful change,” Democrats must pass their entire agenda—and if Republicans oppose those policies, “force them to take those votes in plain view.”

Ms. Warren said her party should start with a budget-reconciliation deal that raises taxes on businesses so they finally “pay their share to fund

vital investments in combating climate change and lowering costs for families.” The senator doesn’t say how to corral 50 Senate Democrats and 216 of the 221 House Democrats to pass such a package—other analysts may quibble that the votes simply aren’t there—but no matter.

The senator lists a variety of progressive policies Congress would have to vote on. These include price controls aimed at “stopping companies from jacking up prices” and stopping oil and gas companies from making “gobs of money off this energy crisis.” America’s 735 billionaires must “pay more in taxes” because the “clean energy, affordable care, and universal pre-K” initiatives Ms. Warren wants will require trillions in new spending. She doesn’t say where the votes are for all this or how the fiscal math works.

Congressional approval isn’t necessary for all the senator’s suggestions. Ms. Warren also demands President Biden take executive action, beginning by canceling some student debt. I was under the impression that erasing any of the \$1.75 trillion owed the U.S. Treasury would legally require legislative action, but Ms. Warren asserted it is “an action the president could take entirely on his own.” She doesn’t touch on how this giant gift to some college grads will fly with everyone who paid back student debt or didn’t incur any.

The senator also fails to

explain how current polling lines up with her complaint that Republican senators “blocked much of [Democrats’] promised progress.” Her party’s star bill—Build Back Better, the biggest expansion of the federal government since Lyndon Johnson’s Great Society—likely contributed to declining Democratic popularity with swing voters. The Senate vote was “in plain view,” but political strategists on both sides of the aisle still predict a sweeping GOP victory in the midterms.

### She recommends pushing a slate of left-wing priorities ahead of the midterms.

If Ms. Warren doesn’t sway you, there’s Vice President Kamala Harris’s simplistic counsel at a recent New York fundraiser Democrats must “remind people . . . what’s at stake and why elections matter and what we stand for.” Democrats “have to be able to talk with them, understanding where people are right now.” I would’ve thought the president’s 41% approval rating or the polls showing 65% of voters believe the country is on the wrong track were useful ways to “understand where people are.”

Finally, there’s the tactical brilliance of the president, who

the Politico Playbook reported Tuesday will shortly begin attacking Republicans “for not having a plan to bring down inflation.” The idea seems to be that this will deflect criticism from Mr. Biden and put responsibility where few believe it should be—on the congressional minority. The White House doesn’t seem to understand that Republicans have a plan to curb inflation by stopping the government’s aggressive spending that is piling up debt.

After hearing the wisdom of Ms. Warren, Ms. Harris, and unnamed White House aides, I persist in my hope that Democrats nationalize the heck out of the midterms. I pray that they force votes on Ms. Warren’s whole progressive shebang, causing deeper rifts inside the Democratic Party, demonstrating their inability to govern, and painting a big target on every Democratic candidate in a swing district or state. My dearest dream is that Mr. Biden rams through executive orders that exceed his authority and get taken down by the courts, while Democrats attack the GOP for not having a plan to fight inflation. Because if they do all this, the anticipated Republican midterm victory will turn into a Republican tsunami.

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

## There’s More to Wealth Than Work

**By Walter E. Block**

Does inflation increase wealth? That is the contention of some economists and business journalists who should know better. Inflation has a silver lining for economic welfare, they claim, or price increases are good for the economy as a whole.

The argument in a nutshell is that inflation induces newly impoverished retirees back into the labor force. Their work increases gross domestic product, and we will all benefit from the increased goods and services it creates. So too for those who put off retirement, unable to afford it because of inflation.

It is true that inflation

makes people on fixed incomes poorer, and that some people respond by going back to work. But does that really help the economy?

No. It boosts the GDP and its growth prospects, but it hardly amounts to an overall

### Retirees’ re-entering the labor market isn’t good for the economy.

economic benefit. Economics 101 teaches that there is such a thing as a labor-leisure dichotomy. Why don’t people seek to work all the time? Because they value the leisure they would thereby forgo

more highly than the additional money they could earn. Most people are reasonably happy with 40-hour weeks and a vacation of one month a year or so. But GDP would be higher if they labored 80 hours a week and took no holiday at all. The prospects for economic growth would also increase.

Would the average person be happier, and would it help the economy, if people were compelled to work that much more merely to boost GDP? Of course not. Most people would be miserable with 80-hour workweeks, and economic conditions would be worse, not better.

The same considerations apply to the decision to retire.

Many people look forward to retirement and regard the leisure they obtain as a greater value than the extra wages they could earn by remaining on the job. But then inflation hits. They feel—and actually are—poorer than they were before. So they return to the labor force.

The returning workers may have more money, but, based on their own revealed preference, the leisure they had to forgo was of even more value. That decision is good for the economy, only if we define “the economy” merely as maximizing GDP.

*Mr. Block is a professor of economics at Loyola University New Orleans.*

**BOOKSHELF** | By Tunku Varadarajan

# Elephants and Friendly Relations

## Diplomatic Gifts

**By Paul Brummell**  
*(Hurst, 423 pages, \$29.95)*

When Bhupinder Singh, an Indian maharaja, visited Berlin in 1935, he finagled his way into an audience with a reluctant Adolf Hitler. The two hit it off so well that a few formal minutes on the Führer’s calendar turned into lunch, with follow-up meetings over the next few days. At their final encounter, Hitler presented his new eastern friend with a dazzling Maybach DS-8 Zepppelin Cabriolet, a sleek convertible 18 feet long.

In “Diplomatic Gifts: A History of Fifty Presents,” Paul Brummell tells us that the bestowal on the maharaja of such a car was an attempt by Hitler to steer him away from the British, for whom he had actively recruited Sikh soldiers during World War I. The ploy was unsuccessful. Bhupinder died in 1938, still faithful to the Raj, and his son—mortified by the Nazi Maybach on the palace grounds—gave the car away.

Mr. Brummell is a British ambassador, currently the queen’s man in Latvia (hardly a sinecure after Russia’s invasion of Ukraine). He has served as the British envoy in such places as Barbados, Romania and Turkmenistan and combines a bubbling passion for arcane history with a polished proficiency in the diplomatic arts. His book, arranged chronologically, takes the reader through an enchanting—and occasionally puzzling—range of gifts made

by one nation (or its ruler) to another, starting with a gift of two gold-plated statues, made in 1353 B.C. by Egypt’s pharaoh to a king in Mesopotamia.

Gifts, Mr. Brummell says, have been “a feature of diplomatic engagements across all eras and continents.” At their finest, they have “constituted a symbol of lasting friendship between two powers,” like the Statue of Liberty from the people of France or the Japanese cherry trees that “herald springtime” in Washington. A wry Brit, Mr. Brummell isn’t blind to diplomatic

gifts as a “comedic footnote to international relations,” none more exquisitely mirthful than the straw penis-sheath given to the Duke of Edinburgh on a visit to the Pacific island-state of Vanuatu.

If this jaunty and instructive book has a flaw—and it is, mind you, a minor one—it lies in the somewhat labored semiotics of gift-giving in the introduction. “The gifted object,” writes Mr. Brummell, “is different from other ostensibly identical objects by virtue of its being a gift.” Elsewhere he tells us that since U.S. law prevented George W. Bush from using three Battistoni silk ties given to him by Prime Minister Silvio Berlusconi of Italy, these gifts, “destined not to be worn,” had “the form of ties, but not the function of them.” (Woody Allen had a word for this sort of thing in his movie “Annie Hall”: heavyosity.)

It’s best to skip straight to the good stuff, with which this book is brimming. Exotic animals, “gifts guaranteed to impress,” feature prominently in Mr. Brummell’s account. Communist China made diplomatic presents of pandas, most famously in 1972, when Ling-Ling and Hsing-Hsing were flown to Washington as cuddly ambassadors after President Nixon’s historic visit to Beijing.

In earlier times, Mr. Brummell writes, “unfamiliar animals could seem magical.” This was the case with the elephant presented by Caliph Harun al-Rashid to the Carolingian emperor Charlemagne in A.D. 802. The gifting of a mighty beast such as an elephant, Mr. Brummell tells us, would suggest power and majesty on the part of both the giver and the receiver. And the impracticality of the gift “added to its prestige.” The elephant took five years to reach Charlemagne, with only one of the three emissaries sent by the emperor to fetch it—a man called Isaac the Jew—surviving the journey back from Baghdad.

## In hopes of fostering goodwill, all sorts of things have been given by one head of state to another: diamonds, exotic animals, fancy neckties.

Another pachyderm was gifted in 1514 by King Manuel I of Portugal to Pope Leo X, a man who was himself of elephantine proportions (needing to be winched out of bed by two servants). The present was a sensation, since “no elephant had been seen in Rome since the time of the empire,” as Mr. Brummell notes. The purpose of the gift was to demonstrate Portugal’s new-found reach in India—which is also why Manuel, the next year, dispatched to Rome a rhinoceros that had been gifted to the Portuguese by an Indian sultan. Although the re-gifted rhino drowned in a shipwreck off the northwestern coast of Italy, it lives on in a woodcut by Albrecht Dürer, making it, Mr. Brummell says, “one of the most famous representations of an animal in art history.”

Diplomatic gifts to the U.S. are a notable part of Mr. Brummell’s catalog, and no account would be complete without reference to the diamond-studded porcelain statue given to Benjamin Franklin by King Louis XVI in 1785. Franklin had been the U.S. ambassador to France, and the lavish gift was commensurate with his standing in Louis’s court. Congress allowed Franklin to keep it, even if, as was feared, it might signal that he was beholden to the French. Such a gift from an absolute monarchy wasn’t a good look for Enlightenment America, and it led directly in 1787 to the passage of the Foreign Emoluments Clause at the Constitutional Convention. Henceforth no U.S. official could receive a gift from “any King, Prince or foreign State.”

The Emoluments Clause, writes Mr. Brummell, would “change the nature of diplomatic gifts from a personal to a regulated transaction.” The clause works overtime: In the 16 years of the administrations of Mr. Bush and Barack Obama, 1,099 gift packages were recorded as received by the president. Those tempted to see it as a wet-blanket measure—one that denied a hard-working president the pleasure of Italian ties—would do well to consider Valéry Giscard d’Estaing. In 1973, when finance minister of France, he was made several gifts of diamonds by Jean-Bédél Bokassa, the tyrannical (and reputedly cannibalistic) president of the Central African Republic. Giscard became president the next year. In 1981, he lost the presidential election to François Mitterrand, due in no small measure to his failure to come clean over the diamonds. “They were not big stones,” he said in his defense.

*Mr. Varadarajan, a Journal contributor, is a fellow at the American Enterprise Institute and at NYU Law School’s Classical Liberal Institute.*

REVIEW & OUTLOOK

Handing Putin the Nuclear Advantage

Vladimir Putin has made veiled threats about using nuclear weapons in Ukraine, and the Biden Administration says it is worried. This makes it all the more puzzling that President Biden is canceling a new weapon that would be a nuclear deterrent.

Biden wants to kill a cruise missile needed to deter Russia and others.

The latest Pentagon budget request nixes the sea-launched nuclear cruise missile, or SLCM-N. This missile is considered a "tactical" nuclear weapon that has a lower yield than "strategic" options and might be used on battlefield targets. The missile could be launched from submarines or destroyers.

This weapon is aimed at deterring a known risk: Russia's up to 2,000 tactical nukes, including weapons "employable by ships, planes, and ground forces," as the Pentagon's 2018 Nuclear Posture Review noted. The Russian nuclear inventory includes "air-to-surface missiles, short range ballistic missiles, gravity bombs, and depth charges for medium-range bombers, tactical bombers, and naval aviation, as well as anti-ship, anti-submarine, and anti-aircraft missiles and torpedoes for surface ships and submarines," and more.

Mr. Putin is not afflicted by Western misgivings about nuclear weapons. He sees his arsenal as an advantage he can exploit to bully the West into backing down, and he's willing to accept risks Western leaders would not. Take the scenario our contributor Matthew Kroenig laid out in these pages in 2018.

Russia invades Estonia. "The U.S. comes to the defense of its NATO ally, but as American troops flow forward, Russia uses a tactical nuclear weapon on a U.S. carrier group in the Baltic Sea, killing a few thousand. If you were president, how would you respond?" The point is to force NATO into a choice between full nuclear war or surrender.

NATO relies on gravity bombs stored across Europe to deter this behavior or respond if necessary. But getting these tactical nukes to the target requires NATO pilots to penetrate sophisticated air defenses. The risks of being shot down are significant. The U.S. recently deployed a low-yield nuclear weapon on ballistic-missile submarines, but America has only about a dozen of these subs.

Enter the SLCM-N, which would be less of an escalation than reaching for the ballistic subs and could strike much faster than calling in strategic bombers. The Trump Administration proposed the SLCM-N in 2018. Message to Mr. Putin: If you drop a nuke on NATO soil, the alliance has the will and ability to respond in kind. This reduces the risk Mr. Putin will use a nuke.

This is not some novel weapon, and it doesn't abrogate U.S. treaty obligations. The U.S. Navy had a nuclear-tipped Tomahawk missile during the Cold War that President Obama retired in 2010. The SLCM-N could serve as a deterrent without procuring large quantities or deploying it on every attack submarine.

It would also be useful in dissuading China from using a nuke on Taiwan, without the longer and fraught debate of, say, putting American nuclear weapons on Japanese soil. Which brings us to another point: If allies perceive the U.S. either can't or won't respond if they're attacked by Russia or North Korea or someone else, they will develop their own nuclear deterrent. The SLCM-N could reduce proliferation at a volatile moment.

The Trump Administration said the U.S. might reconsider the SLCM-N if "Russia returns to compliance with its arms control obligations, reduces its non-strategic nuclear arsenal, and corrects its other destabilizing behaviors." How's that working out? Now Mr. Biden is surrendering this leverage—probably to placate progressives who are opposed to nuclear weapons as an article of faith.

Several U.S. flag officers have told Congress they think the country needs the missile, and such candor from the brass is notable. The head of U.S. Strategic Command has warned of a "deterrence and assurance gap." Chairman of the Joint Chiefs General Mark Milley said he thinks "this president or any president deserves to have multiple options to deal with national security situations." Good advice.

Many in Congress want to restore the SLCM-N in the military budget, and we hope they succeed. Nuclear weapons are a grim reality of modern life, but they are more likely to be used if adversaries believe the U.S. and NATO lack an adequate nuclear deterrent.

The Tennessee GOP Empire Strikes Back

The November elections are looking good for Republicans, who can pound Democrats on everything from inflation to foreign policy. So naturally the GOP is engaging in some self-destructive behavior: Witness the spectacle in Tennessee, where the state party has booted a congressional candidate endorsed by Donald Trump off the primary ballot.

We've told readers about the shenanigans in Tennessee, where state legislators recently tried to disqualify some candidates for Congress by passing a three-year residency requirement in the middle of an election cycle. This was a naked effort to hamstring the political competition. The bill became law without the Governor's signature earlier this month, but state officials ruled it doesn't apply retroactively.

Candidates such as Morgan Ortagus, who moved to the state last year and is running for an open House seat in the fifth district, would thus be free to take her case to voters. But on Tuesday the state GOP's executive committee voted to keep Ms. Ortagus and other candidates off the ballot.

Ms. Ortagus's campaign has said she meets the party's qualification requirements, one of

which is having voted in three of the last four primary elections, and not merely in Tennessee. A candidate can also qualify if a party leader vouches for a candidate as a "bona fide" Republican, which by any measure Ms. Ortagus is. She was a spokesman in the Trump Administration's State Department. She's been endorsed by President Trump, who at least for these purposes is a Republican.

Remarkably, it gets worse. A sponsor of the residency bill, state Senator Frank Niceley, waded in with a nasty remark to NBC that: "I don't think Trump cares one way or the other," about the party's moves. "I think Jared Kushner—he's Jewish, she's Jewish—I think Jared will be upset. Ivanka will be upset. I don't think Trump cares." Ms. Ortagus is Jewish, and the innuendo here is not subtle.

This is the express lane to shrinking the Republican Party and losing elections. The Republican National Committee has been thinking about a 2024 convention in Nashville, but Milwaukee is looking better all the time. Ms. Ortagus's campaign says it's evaluating next steps, but the best outcome would be for the state GOP to reverse its decision and swear off self-embarassment.

How to Kill Infrastructure on the Sly

Americans are going to need a split-screen for the Biden Administration's policy contradictions. Even as the President on Tuesday promoted the bipartisan infrastructure bill he signed last November, the White House moved to make it harder to build roads, bridges and, of course, oil and natural-gas pipelines.

The White House revises NEPA rules that will scuttle new projects.

The White House Council on Environmental Quality is revising rules under the National Environmental Policy Act for permitting major construction projects. CEQ Chair Brenda Mallory says the changes will "provide regulatory certainty" and "reduce conflict." Instead, they will cause more litigation and delays that raise construction costs, if they don't kill projects outright.

NEPA requires federal agencies to review the environmental impact of major projects that are funded by the feds or require a federal permit. Reviews can take years and run thousands of pages, covering the smallest potential impact on species, air or water quality. Project developers can be forced to mitigate these effects by, say, relocating species.

While the 1970 law was intended to prevent environmental disasters, it has become a weapon to block development. The Trump Administration sought to fast-track projects by limiting NEPA reviews to environmental effects that are directly foreseeable—e.g., how a pipeline's construction would affect a stream it crosses.

Some liberal judges, however, have interpreted NEPA broadly to require the study of effects that indirectly result from a project such as CO2 emissions. Now the Biden Administration is mandating this. CEQ's new rule will require agencies to calcu-

late the "indirect" and "cumulative impacts" that "can result from individually minor but collectively significant actions taking place over a period of time." This means death by a thousand regulatory cuts for many projects.

The Transportation Department will likely have to examine how a highway expansion could increase greenhouse-gas emissions in concert with new warehouses. The Federal Energy Regulatory Commission might have to calculate how a new pipeline would affect emissions from upstream production and downstream consumption.

Wait—didn't FERC recently walk back its policy to do exactly this? The White House is thumping its nose at West Virginia Sen. Joe Manchin, who blasted FERC's now-suspended policy for shutting "down the infrastructure we desperately need as a country."

The rule's obvious intent is to make it harder to build pipelines, roads and other infrastructure that would enable more U.S. oil and gas production, even as the Administration makes phony gestures to reduce energy prices. Last Friday the Administration announced it would comply with a court order to hold oil and gas lease sales on public land. Those leases won't matter if energy companies can't get federal permits for rights-of-way.

While fossil fuels may be the rule's political target, don't be surprised if green energy is snagged in this trip-wire. Environmental groups have used NEPA to block new mineral mines and transmission lines that connect distant renewable energy sources to population centers. In this Administration, the left hand doesn't seem to know what the far left hand is doing.

LETTERS TO THE EDITOR

Medicare Learns to Say No—but Why Here?

The Food and Drug Administration's job is to determine whether a treatment is safe and effective. As your editorial "Sandbagging an Alzheimer's Treatment" (April 14) notes, that is a clinical judgment.

Whether the treatment is cost-effective and should be paid for by the government or insurers is a political judgment, not a clinical judgment. "This is the first time CMS has restricted drug coverage in such a way," you write. It's about time. The Centers for Medicare and Medicaid Services should spend money where it will do the most good. That means cost-benefit analysis, which progressives are not known to embrace. They shouldn't be criticized for doing so now.

S. PAUL POSNER  
New York

Your editorial stresses the political motivation behind CMS's refusal to approve Medicare coverage for a promising medication for Alzheimer's. This may be political, but it is certainly cruel. Alzheimer's patients watch from the inside as their mental capacities erode, gradually losing everything in the present, unable to remember the names of spouses, children and best friends, and eventually unable to care for themselves fully. Death is a gift, but it doesn't make up for the cruelty of their final years. Who else suffers? Their family and friends, who suffer in a different way, totally aware, conscious and alert the entire time.

I practiced medicine for 49 years. I am horrified by the cruelty of CMS.  
DOUGLAS A. KRAMER, M.D.  
Middleton, Wis.

The Fed Should Mind Its Monetary Ps and Qs

In economics, it always pays to mind your Ps and Qs: prices and quantities. In "Inflation and the Fog of War" (op-ed, April 15), Reuven Brenner focuses on prices. He cautions that, when it comes to measuring inflation, there can be slips between the cup and the lip, particularly during times of crisis, such as war and Covid lockdowns. He then makes the case that measured inflation, like the consumer-price index, should, in the postpandemic environment, be taken with a grain of salt. According to Mr. Brenner, yield-curve spreads and the value of the dollar would provide better price indicators of the stance of monetary policy.

What do Mr. Brenner's preferred Ps, the yield curve and the value of the dollar, tell us? The yield curve has flattened and the dollar is strong, curiously indicating Fed tightness. But

traditional Ps, like the CPI, price-sensitive commodity prices and the price of gold, are all up, signaling looseness.

When we look at Qs, namely the quantity of money (M2), they, too, signal excessive monetary looseness. Since the start of the pandemic in March 2020, M2 has grown by a cumulative 40.9%—an unprecedented 18.7% annualized rate. That rate significantly exceeds the "golden growth rate," the 6% a year that would allow the Fed to hit its 2% inflation target.

The starting point for any analysis of inflation is the quantity theory of money. When the Qs are soaring, most of the Ps follow. That is where we are today. Whether looking at Ps or Qs, the Fed has been and still is unreasonably loose.

PROF. STEVE H. HANKE  
Johns Hopkins University  
Baltimore

The 'America First' View Is Firmly Anti-Putin

In "The Right's Russia Temptation" (op-ed, April 11), Jeffrey Scott Shapiro alleges that "leading America-firsters are parroting the Kremlin's narrative" on the war in Ukraine and are mistaking Vladimir Putin for a strong nationalist leader like former President Donald Trump.

While some in Washington casually call themselves "America First," we at the America First Policy Institute, who served in senior positions in the Trump administration, have been abundantly clear in condemning Mr. Putin's destructive invasion of Ukraine and the atrocities his military is committing there. Assertions that this movement has taken a "dangerous turn" or is pro-Putin are nonsense.

We have been on television almost every day discussing Mr. Putin's unprovoked invasion. We stand with the people of Ukraine. We want to see Ukraine armed to the teeth and are concerned that the Biden administra-

tion appears to be dragging its feet. The true America First movement opposes Mr. Putin and the Russian invasion of Ukraine.

KEITH KELLOGG AND FRED FLEITZ  
America First Policy Institute  
Washington

Lt. Gen. Kellogg, USA (Ret.) was national security adviser to President Trump and Vice President Pence. Mr. Fleitz was chief of staff of the National Security Council.

Mr. Shapiro doesn't mention Mr. Trump's own irresponsible admiration for Mr. Putin up to the time of the invasion of Ukraine. Whether he has changed his tone or mind since then, it seems to me that he might temper his followers' views on the matter. Has he?

MARTHA FRANCOIS  
Hillsboro, Ore.

Arab Incitement to Violence Against Jews, Then and Now

Regarding Jonathan Spyer's op-ed "What's Behind the New Wave of Terrorism Against Israel" (April 12): Unfortunately there is nothing new about it. Arab terrorists have been attacking Jews for many decades, even before Israel's rebirth in 1948. They massacred Jewish civilians in Hebron in 1929, for example, and have been killing Jews seeking a peaceful existence in the Jewish homeland since at least the latter part of the 19th century.

Anti-Semitic incitement pours forth daily from Palestinian educational, religious and government outlets. Jews who quietly visit their holiest site, the Temple Mount, are accused of "storming" the nearby Al Aqsa mosque, an accusation that helped foment the 1929 massacre as well. Palestinian Authority President Mahmoud Abbas proclaims a type of apartheid by stating that not one Jew can reside in any area he controls, and accuses Jews of "contaminating" Muslim holy sites with "their filthy feet." Arab terrorist attacks on Jews in Israel will not stop until there is a fundamental change in this ideology.

DANIEL H. TRIGOBOFF  
Williamsville, N.Y.

Coal and Gas Can Be Part Of Net-Zero Energy Solution

Tomas Philipson's comparison of "cheap green energy" with fossil fuels is a false dichotomy ("What Global Warming Has in Common With Covid," op-ed, April 13). Reliable, affordable and secure energy transmission requires an all-of-the-above approach—renewables, nuclear, coal and gas.

By focusing on achieving net-zero carbon emissions from energy generation, regardless of the method, we can innovate on all forms of electron production. If we focus technology investments on existing infrastructure, markets can act more nimbly in bringing energy online through carbon-capture retrofits and renewable sources.

Technology exists today to eliminate carbon emissions from fossil-fuel power generation. With innovation and an investment environment that treats all net-zero energy sources equally, a reliable and affordable net-zero-emission energy future can be a reality.

JIM GRECH  
President and CEO, Peabody Energy  
St. Louis

Aircraft Carrier Has a Future

Col. Colin Meyer's letter to the editor (April 15) dismisses aircraft carriers as useless by puffing up the putative power of Chinese hypersonic missiles. They're "nicknamed the 'carrier killer,'" apparently.

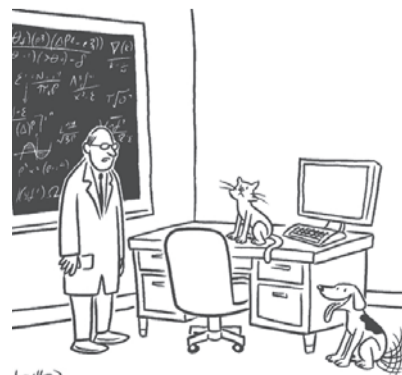
Hitler nicknamed his missiles *wunderwaffe*, or miracle weapons, but that didn't do all that much to make the Allies turn tail. Besides, if future warfare has rendered obsolete the aircraft carrier, why is China currently building four of them?

ROBERT FRAZER  
Salford, U.K.

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Pepper ... And Salt

THE WALL STREET JOURNAL



"Okay, String Theory has stalled. I think we're finally ready to look into Chew-Toy Theory."

## OPINION

## Has France's Populist Moment Arrived?

By Adam O'Neal

*Paris*  
Give the French electorate credit for consistency. In 2017 Emmanuel Macron easily won the presidency over the nationalist Marine Le Pen. Since then plenty of politicians—from insurgent outsiders to the establishment's upper crust—auditioned for the role of chief rival to the heterodox but centrist president. Yet Sunday's presidential election will be a rematch of five years ago, as most every poll since 2017 has suggested. While a Le Pen victory appears even less likely than Brexit or Donald Trump's rise, the consequences could be just as profound and are worth keeping in mind.

### Probably not, although nationalist Marine Le Pen has never been so close to winning the presidency.

France has a presidential runoff system in which the first round's top two candidates run against each other two weeks later. On April 10, Mr. Macron finished first with 27.8% and Ms. Le Pen behind him with 23.2%—an improvement for both but not far from their 2017 results.

"As someone who's 46—who followed the campaigns since 1981, when I was 6 years old—for the first time I felt there is this weird campaign where there is really no campaign," says Alexandre Pessey, director of the Institut de Formation Politique, a conservative political training organization that hasn't taken a position in the contest. Mr. Macron formally announced his re-election bid less than six weeks before the first voting and hardly campaigned. Instead, he focused on diplomacy

around Russia's invasion of Ukraine. "It worked not too bad because they were fighting each other, all the others, killing each other," Mr. Pessey says of the first round of voting. "And he arrived and he just picked up what was left."

But polls after the first round showed Mr. Macron, whose approval rating has been underwater for more than four years, beating Ms. Le Pen head to head by only single digits. His advantage has widened to about 10 points in recent days, but he won by 32 in 2017. His first term and Ms. Le Pen's improvement as a candidate go a long way to explaining the decline.

Mr. Macron, a former banker and a creature of the French elite bureaucracy, vowed in 2017 to end the country's long-running economic malaise. He headed off challenges from the right by promising to fight "Islamist separatism." He made early economic progress with labor-market and tax reform. Unemployment, particularly among young people, fell. Still, his economic record would look a lot stronger if it weren't for climate-pandering policies. And his nearly successful push for pension reform was derailed by Covid-19, as he embraced lockdowns and vaccine passports with gusto.

Then came Vladimir Putin's attempted conquest of Ukraine. Mr. Macron's outreach to Moscow preceded the invasion and had annoyed some European allies for years. But during the crisis he effectively played the role of statesman for a domestic audience by speaking with Mr. Putin and other global leaders regularly. The Polish prime minister recently criticized Mr. Macron for his frequent calls with the Russian pariah. The French president responded by



Challenger Marine Le Pen and President Emmanuel Macron.

calling the Polish leader, who has spoken about having Jewish family members, "an extreme-right anti-Semite who bans LGBT people."

France is always a fickle ally, though it's a highly capable power with an admirable focus on its own sovereignty. The U.S. could use more friends like that in Europe. But Mr. Macron has heightened divisions within the West, famously calling the North Atlantic Treaty Organization brain dead in 2019.

Still, that's nothing compared with what Ms. Le Pen could do. That America seeks French subservience is a common belief in France. Ms. Le Pen takes this to the extreme by embracing Mr. Putin. Although she condemned this year's invasion, she earlier backed his seizure of Crimea and called for France to leave NATO's command structure.

"As soon as the Russian-Ukrainian war is over and has been settled by a

peace treaty, I will call for the implementation of a strategic rapprochement between NATO and Russia," she said last week. On Monday she reiterated the point, arguing that it was necessary to prevent a Russian-Chinese alliance—even though Moscow and Beijing already made clear in February their partnership has "no limits." But voters themselves, to the extent the campaign resonates at all, are focused more on basic economic issues like inflation.

Ms. Le Pen is generally hostile to free trade and the European Union. She calls for a range of tax cuts for those under 30 years old. She wants a wealth tax on financial assets. She would push for a reduction in the value-added tax for energy to 5.5% from 20%. No wonder data suggest the farther a French voter lives from a train station, the more likely he is to support Ms. Le Pen. She also has improved dramatically as a

retail politician after years on the campaign trail, and she'll have a shot at redemption in Wednesday evening's debate after a weak performance five years ago. Many of my French interlocutors brought up her love for cats unprompted as an example of her human side.

No one I spoke with—from political junkies to everyday voters—predicts a Le Pen victory. But there is a narrow path to power, and it runs through the far left. Jean-Luc Mélenchon, the French Bernie Sanders, attracted packed rallies and narrowly missed the second round. He hasn't endorsed Mr. Macron but called on his supporters "not to give a single vote" to Ms. Le Pen. Laurent Frémont, a French political consultant, tells me that for the left, the second round means picking between "la peste ou le choléra"—the plague or cholera. If Ms. Le Pen wins, it's simply because "the left abstained from voting."

That Mr. Macron remains so formidable is all the more remarkable given that in the first round Ms. Le Pen beat Mr. Macron among voters under 60. Aware of the vulnerability, he has declared the election a "referendum on the environment and a referendum on youth." He has called for a cap on executive pay and suggested any renewed push for pension reform would be less ambitious than the last iteration.

By triangulating between left and right, Mr. Macron seems poised to retain a second-round majority but few enthusiastic supporters. This would be enough for another five years in office but a dubious mandate for any serious reform.

*Mr. O'Neal is a Europe-based editorial page writer for the Journal.*

## California's Medical 'Misinformation' Crusade Could Cost Lives

By Allysia Finley

Early in the pandemic, Covid patients with very low oxygen levels were put on ventilators, the standard of care for severe respiratory diseases. But some doctors noticed that severely ill patients responded better to noninvasive ventilation such as high-flow nasal tubes. They shared their findings with other physicians, and gentler oxygen support became the norm. That change in treatment has saved tens of thousands of lives.

But it would have been illegal under a new bill that Democratic lawmakers have proposed in California. The legislation would require the state Medical Board to take action against doctors found to be spreading "misinformation" related to the "nature and risks of the virus, its prevention and treatment; and the development, safety, and effectiveness of COVID-19 vaccines."

What is "misinformation"? It's not clearly defined, but the bill would instruct the board to consider whether a doctor's order or opinion deviates from the "standard of care" (i.e., recommendations by government bodies or treatments that are widely used by healthcare practitioners) and is "contradicted by contemporary scientific consensus."

So doctors who prescribe or recommend treatments that haven't been approved by the Food and Drug Administration for Covid-19—for example, the antidepressant fluvoxamine, which has shown strong results in trials—could be disciplined and even lose their medical licenses no matter if they have scientific evidence to support them. Same for doctors who disagree with masking and vaccines for children.

"The bill would put physicians' licenses at risk if they say the vaccines are anything other than safe and effective," says Teryn Clarke, a neurologist in Newport Beach, Calif. "But all medicines and medical procedures carry a risk of adverse events, and patients deserve to know what those potential risks are."

Much of what was learned early in the pandemic was from doctors sharing their clinical experiences and knowledge. Patients receiving oxygen did better when placed in a prone position, for instance, and the steroid dexamethasone could tamp down the "cytokine storm" in severely ill patients. Early in the pandemic some doctors hypothesized that the virus could spread through aerosols, and therefore 6 feet of distance wouldn't necessarily prevent infection. This outlier view could have been deemed

misinformation under California's law. It is now conventional wisdom.

California's bill would punish doctors for discussing disfavored ideas, making it almost certainly unconstitutional. Some liberal public-health experts say that makes the Constitution the problem. "Vaccine misinformation during the COVID-19 pandemic underscores how reverence

### As with Covid treatment, the intolerance of different views risks stifling clinical advances.

for freedom of speech in the US intensifies our vulnerability to public health threats," Stanford's Michelle Mello recently wrote in the *Journal of the American Medical Association*.

Ms. Mello laments "the Supreme Court's attachment to a particular conception of free speech rights," which limits the government's ability to impose speech restrictions. She suggests that state medical boards can "suspend the licenses of physicians whose statements constitute unprofessional conduct," which could

include "misinformation" as they define it.

A couple of doctors in a recent *JAMA* commentary float some First Amendment workarounds. They say it may be constitutional merely to "threaten disciplinary action by licensing boards against health professionals whose speech to patients conveys incorrect science or substandard medicine."

That's essentially what Illinois is doing. The state's Department of Financial and Professional Regulation warned in November that doctors could face disciplinary action for failing to "conform with evidence-based medicine and standards of care" when treating Covid patients. It also encouraged doctors to report their peers for "misinformation."

The Federation of State Medical Boards last summer warned that physicians who spread misinformation about the Covid-19 vaccine risk "disciplinary action by state medical boards, including the suspension or revocation of their medical license." So doctors in other states could also be disciplined for, say, suggesting children don't need to be vaccinated.

The intolerance of different viewpoints that is infecting the medical profession may itself be a public-health threat. Emails obtained by the

American Institute for Economic Research showed how the National Institutes of Health's Francis Collins and Anthony Fauci tried to discredit the authors of the Great Barrington Declaration, which opposed the lockdown consensus. "This is a fringe component of epidemiology," Dr. Collins told the *Washington Post*. "This is not mainstream science. It's dangerous."

What's actually dangerous is silencing debate on critical public-health issues. Mainstream science is often wrong, as vaccine expert Paul Offit explains in his book "Overkill: When Modern Medicine Goes Too Far." Dr. Offit details how many conventional medical recommendations, like finishing a course of antibiotics or giving Tylenol to reduce a child's fever, aren't supported by science and can do more harm than good. Many recommendations have changed over time as scientists learn more and do more studies.

As Dr. Clarke says: "Dissent and discussion are intrinsic to the evolution of scientific and medical knowledge. To limit that will certainly hamper our progress in understanding and combating this virus."

*Ms. Finley is a member of the Journal's editorial board.*

## What Janet Yellen Gets Right About the World Economic Order

By Thomas J. Duesterberg

The Ukraine war "has redrawn the contours of the world economic outlook," Treasury Secretary Janet Yellen said in an April 13 speech. She invoked the precedent of the Bretton Woods meeting in 1944, which designed the current economic system following World War II.

The Biden administration tends to place undue faith in multilateral solutions to global problems, but Ms. Yellen offered one clear and path-breaking idea that officials should seriously consider: a new trade architecture "on terms that work better for American workers." Calling out especially China for its support

of Russia, she asserted that the new system should be organized by "countries we know we can count on."

Given China's failure to abide by the trade rules it agreed to when it joined the World Trade Organization in 2001, combined with China's support of Russian aggression and Xi Jinping's determination to establish economic independence and global dominance, trade reform ought to work toward a new system that excludes China. What should this new architecture look like, and can the WTO help shape the new order?

The unfortunate reality is that the WTO remains paralyzed by long-standing differences. For four years, the U.S., European Union and Japan

have tried to craft better subsidy rules to discipline Chinese practices, but Beijing and other state-dominated economies can easily block any substantive improvement, as major changes in most areas require full consensus.

Additionally, the pandemic reinforced demands by countries such as India and South Africa to weaken intellectual-property protections, which the Biden administration appears to support in some formulation. India is at best a selective supporter of WTO rules, tolerating mostly those that allow it economic autonomy and protectionist levels of tariffs.

The Ukraine war has enhanced North-South differences in intergovernmental organizations. Brazil, India, Indonesia, Mexico, Vietnam and many African nations abstained from a United Nations General Assembly vote to suspend Russia from the Human Rights Council, fearing backlash from Russia and China for siding with the West.

As Ms. Yellen suggests, the best way forward on a new trade architecture starts with "plurilateral trade agreements" among American allies. A first step would be for the U.S. to rejoin what started out as the Trans-Pacific Partnership. That agreement was shaped by the Obama administration and includes good rules on subsidies and digital trade, the latter an area Ms. Yellen specifically mentioned. Bipartisan opposition in the 2016 presidential race doomed U.S. membership in the

TPP. The 11 members of the successor agreement include U.S. allies Japan, Australia, Canada and emerging economic powers in southeast Asia such as Vietnam and Malaysia, which are at risk of being subsumed into a Chinese-led economic order. With some work on rules to prohibit imports of products made with parts

### The U.S. should develop new trade agreements 'on terms that work better for American workers.'

largely sourced in China, the U.S. ought to rejoin this partnership and help recruit other countries, especially Indonesia and technology powerhouses South Korea and Taiwan.

Another early goal of a reworked trade framework ought to be a free-trade agreement with the U.K. A more ambitious variation might be such an agreement between the "five eyes" group—the U.S., U.K., Australia, Canada and New Zealand—or even working to include these traditional allies in the U.S.-Mexico-Canada Agreement. Such an initiative would create a zone for what Ms. Yellen calls "friend-shoring." As the U.S. tries to establish more resilient supply chains, the mineral resources of Canada and Australia and specialized technologies of the U.K. could be crucial. These resources would allow the U.S. to avoid relying solely

on subsidized domestic production of rare-earth metals, green technologies or semiconductors.

An aspirational goal for the U.S. should be a free-trade agreement with the EU. But until the EU decides that it needs to choose firmly between the U.S. and China and rethink its ambitions to become an independent technology and regulatory superpower, any such trans-Atlantic agreement is out of the question.

World economic leaders gathering this week for the International Monetary Fund and World Bank annual meetings in Washington should focus on the opportunity presented by widespread condemnation of the Russia-China entente and begin considering a revised trade order. Some of Ms. Yellen's other ideas, especially funding increases and governance modernization for the IMF and World Bank, risk increasing Chinese influence. Governance reform implies—and China will insist on this—making China's voting rights commensurate with its proportion of the global economy. The experience of Chinese influence at the World Health Organization ought to counsel against this. America's interests, and those of its democratic allies, would be better served by a new economic order without Chinese participation.

*Mr. Duesterberg is a senior fellow at the Hudson Institute. He served as an assistant secretary of commerce, 1989-93.*

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WORLD NEWS

# Covid Worries Keep Masks On in Asia

Face coverings remain near universal, as U.S. drops rules; 'corona won't go extinct'

By MIHO INADA

TOKYO—Chie Matsuda learned from a morning TV show here Wednesday that passengers on U.S. airplanes had just been allowed to take off their masks.

It was a moment of celebration for some Americans, but Ms. Matsuda didn't like the sound of it.

"I'd be uncomfortable if the person next to me on the plane was unmasked," said the 64-year-old retiree as she ate a sandwich outside a Tokyo shopping mall. "We haven't figured out yet how we could live with the coronavirus. At this phase, we'd better take a more conservative approach."

Pictures of maskless Americans packing sports stadiums, attending business meetings and now riding on airplanes look like they come from another planet for people in much of Asia, where masking is nearly universal and likely to stay that way for some time.

Japan in particular offers a counterpart to the U.S. trend: Mask requests are generally voluntary, yet compliance is widespread.

"I believe it's a product of peer pressure," said 22-year-old college student Ryo Takahashi, who was wearing a cloth mask Wednesday as he waited in line at a McDonald's restaurant. Mr. Takahashi said he wasn't worried much about getting infected because he is young and the current Omicron variant tends not to cause serious illness, but he said he was still wearing a mask so as not to stand out.

Major U.S. airlines quickly dropped the mask mandate after a federal judge in Florida on Monday said a federal mandate exceeded the authority of the Centers for Disease Control and Prevention. Many people responded by removing their masks, some in midflight as news of the ruling spread.

Those scenes aren't likely to be repeated in East Asia soon. From Thailand to South Korea, either Japanese-style social pressure or government mandates have kept people masked.

In South Korea, where an Omicron wave has receded after peaking in March at a level



CHARLY TRIBALLEAU/AGENCE FRANCE-PRESSE/GETTY IMAGES

Riders wear masks on a Tokyo train. Mask wearing is mostly voluntary, but remains widespread.

that exceeded the worst U.S. outbreak, officials have lifted restrictions on the size of gatherings and business operating hours. But a mask mandate remains.

Jeon Hae-cheol, minister of interior and safety, said Wednesday that the mandate might be lifted for outdoor settings in May. Officials said masks will have to be worn in

doors for a considerable time. "The importance of mask-wearing remains formidable," Mr. Jeon said.

Hong Kong is set to relax social-distancing rules Thursday after its own Omicron wave eased, but it too is keeping its mask mandate in public places—even for those exercising outdoors. Violators are subject to a fine that is equiv-

alent to more than \$600.

In Japan, mask-wearing was reasonably common even before Covid-19 when people had colds or allergies.

Toshihiro Tajima, a 63-year-old engineer, said he planned to wear a mask for the rest of his life. "Given my age, I'm concerned, because corona won't go extinct," he said.

Infection levels in Japan,

South Korea and some other parts of Asia remain higher than in the U.S. as the Omicron BA.2 subvariant continues spreading. Shops, restaurants and event halls in Japan ask visitors to keep their face coverings on except when they are eating. At school, students wear masks most of the time and eat lunch quietly. Signs are ubiquitous in train stations.

A survey in March by Planet Inc., a Tokyo data-services company, found that more than a third of respondents intended to keep wearing a mask all the time even after the coronavirus is under control, while half said they would wear a mask sometimes.

After the U.S. ruling, Japanese airlines said they would continue asking passengers on both domestic and international flights to wear face coverings onboard and at airports.

Ms. Matsuda, the Tokyo retiree, said she was thinking of flying to Spain and Portugal after the pandemic dies down. After watching the news Wednesday, she said she might avoid U.S. carriers.

—*Timothy W. Martin in Seoul and Natasha Khan in Hong Kong contributed to this article.*

# Elder Statesman Challenges Erdogan

By JARED MALSIN

ISTANBUL—President Recep Tayyip Erdogan is facing his toughest re-election challenge yet, and his main opponent is a bespectacled former accountant who is long on policy pronouncements and short on charisma.

Kemal Kilicdaroglu, 73 years old, has been a fixture in Turkish politics for nearly as long as Mr. Erdogan. Broadly respected as an elder statesman but derided for a dull public persona, he faces the task of leading a disparate six-party alliance into the June 2023 elections, in the hope of toppling Mr. Erdogan after two decades in power. The alliance has yet to choose a presidential candidate, but Mr. Kilicdaroglu is the leader of the bloc's largest party.

The president's polling numbers have been cratering since last year when an economic crisis caused the Turkish lira to lose as much as 45% of its value in three months. The crisis is largely Mr. Erdogan's own doing, economists say. He pressured the central bank to cut interest rates four consecutive times in 2021 despite rising inflation, causing the lira to implode and sparking protests and labor unrest.

Mr. Kilicdaroglu has made restoring mainstream economic policy a centerpiece of his campaign. He has assembled crowds



ADEM ALTAN/AGENCE FRANCE-PRESSE/GETTY IMAGES (2)

Recep Tayyip Erdogan, top, has remained in power for two decades. Kemal Kilicdaroglu is leading a six-party alliance into the 2023 vote.

at his rallies, where people vent about the declining rule of law and the soaring cost of living.

"There is no government that won't be defeated by the cooking pot," said Mr. Kilicdaroglu in an interview with The Wall Street Journal, quoting a Turkish saying in a nod to his belief that the struggles of the

working class in the economic crisis will topple Mr. Erdogan.

Political analysts say Mr. Kilicdaroglu could hardly be more different from Mr. Erdogan, a charismatic populist.

A longtime accountant for the Turkish finance ministry and the leader of the Republican People's Party, or CHP,

since 2010, Mr. Kilicdaroglu had advocated abolishing the powerful presidency that was installed through a referendum under Mr. Erdogan in 2017.

Mr. Kilicdaroglu is the face of an opposition that has lost a series of elections over a decade. His CHP sees itself as the torchbearer of Kemalism, the secular, westernizing ideology of modern Turkey's founder, Mustafa Kemal Atatürk. Critics, view the CHP as the party of elite "white Turks" who ran the country highhandedly for decades before the Islamist AKP swept to power in 1999.

"He's coming from the bureaucracy," said Seren Selvin Korkmaz, executive director of IstanPol, a think tank. "This is a weakness for Kilicdaroglu. But on the other hand, Turkish people do not want a new Erdogan."

Mr. Erdogan has remained in power through a combination of savvy maneuvering and restrictions on political speech since he became prime minister in 2003. His best chance of staying in office could be to exploit the weaknesses of the opposition.

In March, 33% of voters said they would vote for Mr. Erdogan, while 34% said they would vote for any of his rivals, says the Turkish polling agency MetroPOLL. The mayor of Istanbul, CHP member Ekrem Imamoglu, also beats Mr. Erdogan, as does opposition alliance partner Meral Aksener.

# Few New Clues Found In China Plane Crash

By ELAINE YU

HONG KONG—China's initial report into what led a China Eastern Airlines Boeing 737-800 to nosedive into a mountain last month, killing all 132 people on board, offers few new clues to help solve the mystery behind the nation's worst air disaster in almost three decades, a summary of the findings shows.

There were no problems found in the maintenance records or flying conditions at the time of the disaster, the Civil Aviation Administration of China said Wednesday summarizing its findings. As lead investigator, CAAC is required to submit a preliminary report to the International Civil Aviation Organization and involved parties—including the U.S., where the Boeing was manufactured—within 30 days of the March 21 crash.

Investigators are now focusing on the painstaking process of piecing together evidence explaining why the jet pitched toward the ground, with a last-recorded speed of 1,010 kilometers per hour (628 miles an hour) before disintegrating on impact. The CAAC said it had so far found nothing abnormal with the operation of the flight before the crash.

Data from the aircraft's se-

verely damaged flight recorders—best known as black boxes—is still being recovered and analyzed, CAAC said. The National Transportation Safety Board, the U.S. agency that investigates transportation accidents and is participating in the probe, has helped download information from the two recorders in its lab in Washington, D.C.

The preliminary report, which the CAAC said contains no analysis or conclusion about the cause of the crash, hasn't been made public. According to the ICAO's rules, China can decide to keep it confidential, although countries are encouraged to produce a publicly available final report within 12 months of a crash.

The Boeing jetliner had been approved to fly and its flight crew were qualified, the CAAC said. Radio communications between the pilots and air-traffic controllers on the flight from Kunming to the southern metropolis of Guangzhou had been normal before radar warned of a deviation in the plane's cruising altitude at 2:20 p.m., just four minutes after the last exchange with ground control.

Air-traffic controllers immediately hailed the jet but received no response, the summary said.

## WORLD WATCH

HONG KONG

### YouTube Blocks Official's Account

Google's YouTube blocked the campaign account of Hong Kong's only leadership candidate, citing U.S. sanctions, in a move that ratchets up tensions between big tech companies and the city's government.

John Lee, a former policeman who is set to become the city's next top official, first declared his candidacy in an April 9 live stream posted to both Facebook and YouTube.

But on Wednesday, the YouTube channel for Mr. Lee's campaign said the account was terminated for violating Google's terms of service.

A Google spokeswoman said the company acted under applicable U.S. sanctions laws without specifying which rules the account violated.

Mr. Lee told a press conference Wednesday that it was disappointing that YouTube had taken action against him, but said that the blocking wouldn't have any effect on his campaign.

—*Selina Cheng*

NATO

### Ukraine Experts Join Cyber Exercise

A large NATO cyber exercise taking place this week includes simulated attacks on power grids and financial-messaging systems, with Ukrainian experts taking part.



JEWEL SAMADO/AGENCE FRANCE-PRESSE/GETTY IMAGES

DEMANDING CHANGE: Protesters shouted slogans during an antigovernment demonstration near the president's office in Colombo, Sri Lanka, on Wednesday, demanding President Gotabaya Rajapaksa's resignation over the country's crippling economic crisis.

Ukrainian and U.S. cyber defense experts are participating on the same team in this year's Locked Shields exercise, which began Tuesday and is organized by the North Atlantic Treaty Organization's Cooperative Cyber Defence Centre of Excellence.

Participants from NATO countries,

as well as from allies including South Korea, Brazil, Finland and Sweden, are defending systems set up for the exercise against attacks modeled on actual ones.

This year's exercise doesn't feature cyberattacks that mimic recent Russian hacking in Ukraine because the scenarios were

planned before the Feb. 24 invasion, said Jaak Tarien, director of the Estonia-based NATO center.

Details of the simulations aren't public, but some scenarios reflect concerns related to the war in Ukraine.

For the first time, the exercise includes attacks on a power

grid, a previous target of Russian hackers there, he said.

Ukraine has been the object of cyber tactics going back to 2014, Mr. Tarien said.

Russia has repeatedly denied any involvement in cyber intrusions in Ukraine or elsewhere.

—*Catherine Stupp*

ETHIOPIA

### Study Says Hunger Killed 1,900 Children

At least 1,900 children under 5 have died from malnutrition in Ethiopia's embattled Tigray region in the past year, according to a study conducted by regional health officials and seen by the Associated Press.

The deaths were recorded at health facilities across Tigray between June last year and April 1. Western Tigray, which is under the control of forces from the neighboring Amhara region, wasn't included in the survey.

A doctor involved in the study said the true number of child deaths from malnutrition is likely higher as most families are unable to bring their children to health centers because of transportation challenges. Most hunger deaths go unrecorded, he said.

"Because we cannot access most areas, we do not know what is happening on the community level," the doctor said. "These are simply the deaths we have managed to record in health facilities."

Tigray has been cut off from the rest of Ethiopia since June when fighters from the Tigray People's Liberation Front, or TPLF, recaptured most of the region as federal forces withdrew.

More than 90% of Tigray's 5.5 million people require humanitarian assistance, including 115,000 children who are severely malnourished, according to U.N. figures.

—*Associated Press*



# BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

Thursday, April 21, 2022 | B1

S&P 4459.45 ▼ 0.06% S&P FIN ▲ 0.69% S&P IT ▼ 0.13% DJ TRANS ▲ 1.69% WSJ \$IDX ▼ 0.59% 2-YR. TREAS. yield 2.577% NIKKEI (Midday) 27547.25 ▲ 1.21% See more at WSJ.com/Markets

## P&G Cautious After Shopper Spree

Company notes that inflation or recession could reduce appeal of its premium brands

By SHARON TERLEP

Procter & Gamble Co. posted its biggest quarterly sales gain in decades, but executives warned shoppers may begin to balk at the ever-rising prices for household staples that have fueled the company's growth.

The maker of Tide detergent and Gillette razors on Wednesday said organic sales rose 10% for the quarter ended March 31, the biggest jump since P&G started tracking the metric 20 years ago. Organic sales is a closely watched figure that strips out deals and currency moves.

P&G's most expensive offerings were in highest demand, the company said, continuing a trend that has persisted throughout the pandemic as consumers remain undeterred by inflation and the threat of a recession. Rather than switching to discount alternatives, shoppers on average opted for even pricier products, from fragrance-free diapers to high-end razors, P&G finance chief Andre Schulten.

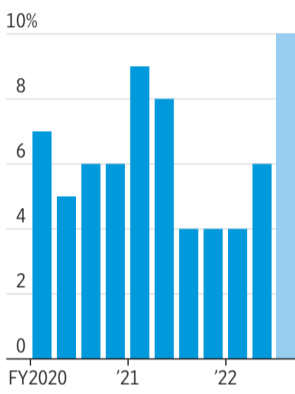
Executives at the Cincinnati-based consumer-products company said the dynamic could shift in coming quarters as U.S. inflation, which hit a 40-year high in March, sets in and consumers grapple with skyrocketing energy and food costs. The war in Ukraine and Covid lockdowns in China are adding further volatility, they said.

"We don't assume that what we're seeing to date is necessarily an indication of what will happen in the future," Mr. Schulten said. "We



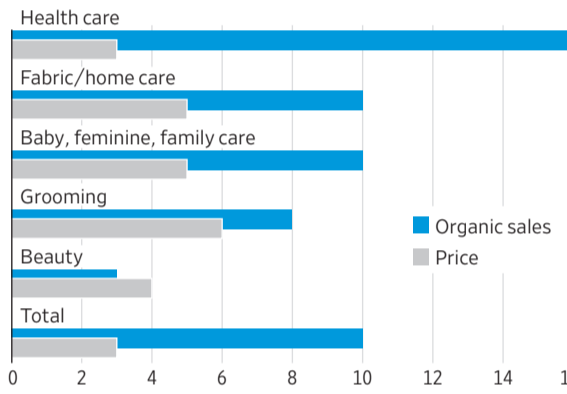
P&G executives say the company plans continued cost cutting and will use a chunk of savings to invest in product improvements.

Comparable sales, change from a year earlier



Notes: Comparable sales exclude currency fluctuations, acquisitions and asset sales; fiscal quarter ended March 31

3Q FY2022 segment sales and pricing, change from a year earlier



Share-price and index performance, past three months



Sources: the company (sales, pricing); FactSet (performance)

are very well aware that consumers might end up looking at budget constraints."

P&G executives say the company is prepared for consumers' belt-tightening. Should a recession hit and consumers cut spending on staples, P&G

would face its first test of operating in an economic downturn since the company's sales growth dropped to anemic levels in 2009 amid the financial crisis. P&G didn't recover for a decade.

In the years since, P&G has

unloaded businesses, including most of its beauty brands, that tend to dip in tough financial times. The company's overhauled beauty unit, once populated by dozens of cosmetics, fragrance and salon brands, now largely consists of skin-

care, hair-care and other personal-care products.

Executives on Wednesday said the company plans continued cost cutting and will use a chunk of savings to invest in product improvements

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## Dollar's Climb Reaches Near 2-Year High

By JULIA-AMBRA VERLAINE

The dollar is reaching nearly two-year highs, lifted by looming interest-rate increases from the Federal Reserve, strong U.S. growth and geopolitical jitters overseas.

The Wall Street Journal Dollar Index, which measures the U.S. currency against a group of 16 others, has climbed in 13 of 15 sessions to its highest levels since May 2020. The dollar has gained more than 10% versus the Japanese yen this year and

more than 5% against the euro. The index slipped 0.6% Wednesday.

This year's climb brings the dollar back toward levels hit during the pandemic market panic of March 2020, when investors world-wide piled into the currency, causing a global shortage and intervention from the Fed. It boosts profits at companies that import goods from abroad and the purchasing power of consumers buying from overseas. It also threatens to hurt multinationals by mak-

ing their products less competitive abroad, while increasing the cost of converting foreign revenue into the U.S. currency.

One major factor lifting the dollar: expectations that U.S. growth will outpace the recovery elsewhere, with the Fed signaling a rapid course of interest-rate increases to tame inflation.

U.S. government bond yields have jumped to multiyear highs as investors brace for the most-aggressive pace of rate increases in more than 15 years.

Market-based measures show investors expect the Fed will lift its benchmark federal-funds rate to 3% by year-end, and higher rates tend to attract yield-seeking investors to a currency.

"The dollar typically performs in two extremes: in a scenario of risk aversion, or in a scenario where the U.S. is a clear outperformer," said Kristen Macleod, co-head of global foreign-exchange sales at Barclays PLC. "What we have seen over the past couple of

months—since the Russia-Ukraine conflict kicked off—is the dollar is benefiting from a bit of both."

Russia's invasion of Ukraine has also buoyed the dollar, sparking a run to safe investments while threatening growth in Europe. The war is driving up prices in a region that relies heavily on energy imports from Russia, complicating the European Central Bank's task of tackling inflation while supporting growth. Last

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## Owner Considers Selling Grubhub

By PREETIKA RANA AND OMAR ABDEL-BAQUI

Online food-ordering company Just Eat Takeaway.com NV is considering selling Grubhub after its U.S. subsidiary reported a decline in orders following a boom in sales during Covid-19 lockdowns.

The company said it was exploring the introduction of a strategic partner or the partial or full sale of America's third-largest food-delivery app.

The move marks the latest step toward consolidation in the highly competitive food-delivery sector, where revenue skyrocketed during the coronavirus pandemic but profit has been elusive.

Europe's Just Eat completed its acquisition of Grubhub last year, in a deal valued at \$7.3 billion. Uber Technologies Inc. completed its \$2.65 billion acquisition of smaller food-delivery rival Postmates Inc. in late 2020.

Grubhub, which was founded in 2004 and operates other brands including Seamless, pio-

Please turn to page B4



Jack Dorsey stepped down as the company's chief executive in November but remains a director.

## Twitter's Dorsey Jabs at Board Amid Takeover Battle With Musk

By SARAH E. NEEDLEMAN

Elon Musk's proposed takeover of Twitter Inc. has drawn a range of opinions from outsiders to the social-media company, as well as some unexpected input from a very prominent insider: co-founder Jack Dorsey.

In recent days, Mr. Dorsey, who stepped down as the company's chief executive in November but remains a director, has taken a vague swipe at the board he has long been a part

of and seemingly endorsed criticism of a core Twitter feature that was instituted more than a decade ago when he was chairman.

The comments, which Mr. Dorsey has declined to explain further, have at times seemed to align him with Mr. Musk against the social-media company—an unusual predicament even in a battle that was already among the most unconventional takeover fights in memory.

On Monday, Mr. Dorsey

tweeted that he agreed with a user who complained that too many users abuse the retweet button on Twitter, a feature that was launched under his watch. "One clicked retweets are assault on attention. Wish I could filter by original tweets and quote retweets only," the user wrote.

That same day, Mr. Dorsey tweeted in reference to Twitter

◆ Musk tweet hints at tender offer for Twitter..... B2

## Floating-Rate Debt Bites Corporate Loans

By MATT WIRZ

Low-rated U.S. companies borrowed record amounts in the loan market last year, highlighting the surge in floating-rate debt as interest rates are expected to rise significantly.

An economywide crunch is hitting everything from mortgages to commodities prices as the Federal Reserve tightens monetary policy to tame inflation. Interest expenses on floating-rate loans rise with interest rates, making them attractive to debt investors as an alterna-

tive to bonds, which pay a fixed coupon regardless of how high benchmarks climb.

Companies with heavier debt loads can find themselves running short on cash if their interest rates climb alongside wages and other operating expenses.

"It is one of the biggest concerns that we have and we have been tracking it in our portfolios since the end of last year," said Somnath Mukherjee, head of investments at Lakemore Partners.

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# Musk Tweet Hints At Possible Tender Offer for Twitter

By Ben Dummett

Elon Musk raised the prospect of launching a tender offer to acquire **Twitter** Inc. in a cryptic tweet following his \$43 billion offer last week to acquire the social-media platform.

Mr. Musk, **Tesla** Inc.'s chief executive, tweeted a blank space followed by the words "is the Night," late Tuesday Eastern time.

Speculation grew that the message was a reference to F. Scott Fitzgerald novel "Tender Is the Night" and implied the world's richest man planned to approach Twitter shareholders to buy their stock at a specific price over a defined period.

Mr. Musk's latest tweet is his second in less than a week to suggest the possibility of a pending tender offer for Twitter. Over the weekend, he tweeted "Love Me Tender," the title of an Elvis Presley song.

Other potential references could be to Rod Stewart's song "Tonight's the Night (Gonna Be Alright)," signaling an offer is coming soon.

Neil Young also released a 1975 album and single titled "Tonight's the Night." The tweet's date, April 20, is the unofficial annual cannabis day, known by some on Twitter as

Elon Musk Day.

Twitter has said it would review Mr. Musk's takeover proposal.

The Wall Street Journal reported Monday that the company is expected to rebuff the offer. Twitter has also adopted a poison pill, hindering Mr. Musk's ability to increase his stake in the company beyond 15%.

The poison pill is meant to give Twitter's board power to guard against an unwanted takeover bid that it believes isn't in the best interest of shareholders.

By taking the bid directly to Twitter investors in a tender offer, Mr. Musk could pressure the board to withdraw opposition and its poison pill if he garnered enough shareholder support.

Twitter's stock traded close to \$46 Wednesday, below Mr. Musk's offer price of \$54.20, which he has said is his best and final.

Mr. Musk has said he has "sufficient assets" to consummate the deal, but his formal offer lacked detail on any financing.

Apollo Global Management Inc. is considering participating in a bid for Twitter, including with Mr. Musk, the Journal reported.

# Dorsey Jabs at Twitter

*Continued from page B1*

ter's board: "it's consistently been the dysfunction of the company."

When one person questioned on Twitter how Mr. Dorsey can complain about the board when he ran the company for years, his answer suggested there were explanations he couldn't share.

He tweeted: "so much to say...but nothing that can be said."

Mr. Musk, CEO of Tesla Inc. and Space Exploration Technologies Inc., unveiled a \$43 billion unsolicited takeover bid for Twitter last week, though he has yet to detail how he would finance it. He has unleashed a stream of criticism and suggestions about the platform and its policies.

The company hasn't formally responded to Mr. Musk's bid but has since adopted a poison pill to prevent Mr. Musk from increasing his stake beyond 15%.

Mr. Dorsey has been a fan of Mr. Musk's for years. While CEO at Twitter, Mr. Dorsey twice invited Mr. Musk to speak at employee events, according to a former director. Mr. Musk wasn't available the first time but came through later, joining over video to

cheers from attendees, this person said. "I get the sense that he's rooting in a way for Musk," the person said.

Mr. Dorsey hasn't taken a public position on Mr. Musk's bid, though Twitter said its board's decision to adopt the poison-pill provision was unanimous. Mr. Dorsey is expected to leave the Twitter board next month.

Like Mr. Musk, Mr. Dorsey is an iconoclast who has cut an unusual path among Silicon Valley's prominent founders. He is known for his fondness for meditation as well as his efforts to simultaneously run two tech companies: Twitter and his payments company Block Inc., formerly known as Square Inc.

A spokesman for Twitter declined to comment. Mr. Dorsey and Block didn't respond to a request for comment.

Mr. Dorsey's recent tweets about Twitter aren't necessarily an endorsement of Mr. Musk's bid for the company, though some of the tweets and previous remarks do signal an alignment with Mr. Musk's thinking in areas such as content moderation, platform features and business operations. Mr. Dorsey's candor of late has been unusual for someone in his position.

"I don't expect someone who is a board member of a large public company and who meditates as often as he says he does to air their dirty laundry in public," said Ascend Securities analyst Eric Ross, who has covered Twitter since

# Carvana Sales Fall, Loss Grows

*Continued from page B1*

work and reconditioning centers, due in part to labor shortages stemming from the Covid-19 wave caused by the Omicron variant. In response, it cut purchases of vehicles from consumers and limited the availability inventory on its website.

Inflationary pressures damped sales industrywide during the quarter, analysts said. Rising car prices, which over the past year have bolstered used-car dealer profits, have become a burden for some consumers who are also spending more on gas and other household items.

"It's not just a supply situation for these guys that's hampering their growth. It's also the demand situation, and that's not something that every investor appreciates at this point," Seth Basham, an analyst at Wedbush Securities, said.

The Manheim index of used-car prices pulled back 3.3% in March from February, adjusted for seasonality but was still 25% higher than it was a year earlier. Vehicle prices are expected to remain elevated throughout 2022, as the industry works through inventory constraints including a semiconductor shortage.

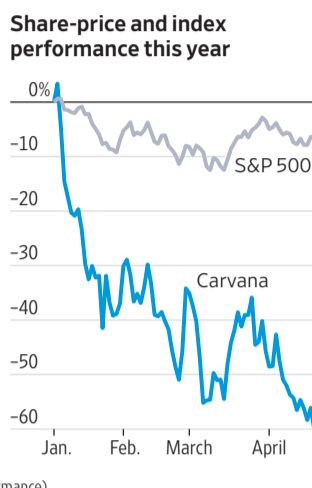
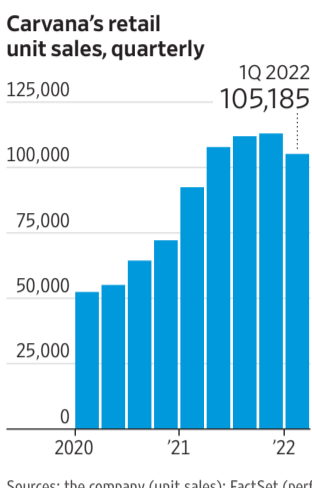
Potential customers seeking to sell their cars to Carvana said that the company had recently reneged on offers they had already accepted for their cars, in several cases lowering them by several thousand dollars while citing a glitch in their pricing algorithm. The company said it remains committed to "continuous improvement" and to enhancing customer experience.

Carvana typically reports

# BUSINESS & FINANCE



The company has struggled with backlogs in its logistics network and reconditioning centers.



Sources: the company (unit sales); FactSet (performance)

later in the earnings season but said last week it had decided to report on Wednesday to facilitate the closing of its planned \$2.2 billion acquisition of used-car auction business Adesa U.S. The deal is expected to close in May, the company said.

One reason Carvana is getting hit is the way it accounts for sales of the auto loans that it packages into securities. Carvana books immediate gains, unlike competitors that book them over time.

Such accounting has helped the company turbocharge its revenue when consumer credit—and investor demand for securities backed by auto

loans—was particularly strong. But conditions in the securitization market have recently shifted. Investors are demanding higher yields for securities backed by riskier consumer loans.

They are beginning to worry that rising rates and inflation will affect borrowers' ability to make their payments.

Carvana in March issued two securitizations—one backed by prime auto loans, the other backed by subprime loans—with a combined value of about \$1.49 billion, according to Finsight, a financial data provider. In both cases, Carvana booked less profit on the

deals than in the past because investors demanded higher yields compared with deals Carvana did in the fourth quarter, according to data provided by Wedbush.

Clayton Trick, senior portfolio manager at **Angel Oak Capital Advisors**, said his firm has grown more cautious on subprime auto securitizations in recent months, requiring higher yields and assuming higher delinquencies. Angel Oak invested in one of Carvana's securitizations during the first quarter, he said.

Overall, Angel Oak has focused more on buying asset-backed securities in the secondary market, rather than directly from issuers, Mr. Trick said. That is because the auto loans that underpin those bonds are older, meaning they were issued when car prices were lower and have an established record of repayment, he said.

The offering of stock surprised investors because Carvana had said it had received financing for the Adesa deal. Chief Executive Ernie Garcia III and his father, Ernie Garcia II, said they would buy some of the newly issued stock.

◆ **Heard on the Street: Auto lending motors on..... B12**

# P&G Warns Of Price Concerns

*Continued from page B1*

that they say will justify higher prices in the minds of consumers.

Already P&G has invested in lower-price alternatives to its costliest brands. Mr. Schulten gave diapers as an example. P&G's priciest offering is a Pampers line that costs 40 cents a diaper. But it also has options that cost 35 cents, 30 cents or 20 cents a diaper.

Meanwhile, P&G's brands have expanded into dollar and club stores that draw deal-seekers and have begun to focus marketing on the savings potential in more-expensive products.

For instance, P&G for years has offered laundry detergent that can be effective in cold-wash cycles. Recently, it has begun to promote the product more heavily, making the case that savings from using cold water outweigh the added expense of the detergent. It launched new packaging for Dawn dish soap that allows consumers to get out every drop of soap, eliminating waste.

"All of those leave us in a better position than we've ever been to deal with the potential consumer that is more budget constrained," Mr. Schulten said.

Analysts and industry executives have said they are seeing early signs of a spending slowdown. U.S. consumers broadly are buying staples in smaller quantities, switching to cheaper, store-name brands and more rigorously hunting for deals, according to retailers and analysts. The shift is

especially pronounced among lower-income consumers.

"Consumers are starting to notice and become more price sensitive in a lot of categories," said Randy Burt, a managing director in the consumer-products practice at AlixPartners.

Consumer cost-cutting hasn't reached P&G. In the latest quarter, the healthcare segment, which houses brands such as Crest toothpaste and Vicks cold medicine, saw organic sales rise 16% as the company raised prices, consumers switched to premium products and a more severe cough, cold and flu season drove up demand for over-the-counter medications. The two divisions that make home-care and laundry products and baby and feminine-care products each notched 10% gains.

Pricing overall rose 5%, while sales volumes increased 3%. The only drag was foreign exchange, which lowered reve-

due by 3%. Profit increased as well, albeit more modestly than sales, as P&G absorbed higher costs for materials and transportation and spent more on new products and packaging. Earnings per share totaled \$1.33, up 6% from the same period a year earlier, while revenue climbed 7% to \$19.4 billion.

The war in Ukraine nicked P&G's profit, shaving 1 cent off quarterly earnings a share as the company halted marketing and limited brands available in Russia. Mr. Schulten said P&G expects the conflict will take off an additional 4 cents a share in the current quarter.

P&G on Wednesday raised its organic-sales growth forecast to a range of 6% to 7%, up from its earlier forecast of 4%-to-5% growth for the fiscal year ending June 30. It predicted core earnings per share will rise about 3%, the low end of its forecast of 3%-to-6% growth.



Mr. Dorsey could potentially help rally employees, shareholders and individual investors in Mr. Musk's favor should he be more openly supportive.

Mr. Dorsey took a more restrained approach to self-expression on Twitter when he was its CEO.

He stepped down from the position last year and was succeeded by Parag Agrawal, who was previously Twitter's chief technology officer. At the time Mr. Dorsey said he had decided to leave Twitter because it was "ready to move on from its founders."

The departure was driven in part by investors uncomfortable with his roles running two large, publicly traded companies, according to people familiar with the matter.

After it was disclosed in early April that Mr. Musk had acquired 9.2% of Twitter, the company invited him to join its board, and Mr. Dorsey publicly welcomed him. "He cares deeply about our world and Twitter's role in it," Mr. Dorsey wrote in a tweet. Mr. Musk, after agreeing to join the board, decided not to, before launching his acquisition effort.

By then, Mr. Dorsey had already made it clear that he and Mr. Musk saw eye-to-eye in unexpected ways. In late March, Mr. Musk tweeted that Twitter's algorithm should be open source.

Mr. Dorsey replied in support of that comment, saying: "The choice of which algorithm to use (or not) should be open to everyone."

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BUSINESS NEWS



Domestic U.S. airline ticket prices in March were 20% higher than 2019 level. Denver International Airport on Tuesday.

# United Posts Loss but Sees Return to Profit This Quarter

By ALISON SIDER

United Airlines Holdings Inc. said it would return to profitability in the current quarter and for the full year as it anticipates a travel resurgence will continue into the summer.

Chicago-based United on Wednesday reported a loss of \$1.38 billion for the quarter ended March 31, after the surge of the Covid-19 Omicron variant knocked the airline's recovery off course at the start of the year.

More airlines now say they expect to return to profits after the seasonally slow March quarter, part of an industry-wide turnaround that has been driven by what executives said is insatiable demand for travel despite rising ticket prices. Delta Air Lines Inc., which reported results last week, said it has seen some of its highest-ever booking volumes in recent weeks.

United, the third-largest U.S. carrier by sales, expects average revenue per seat to be up 17% in the current quarter from the same period in 2019.

"The demand environment is the strongest it's been in my 30 years in the industry," United Chief Executive Scott Kirby said. "We're now seeing clear evidence that the second quarter will be a historic inflection point for our business."

A rapid rise in jet-fuel prices has threatened to slow airlines' momentum, but carriers have said they are largely able to recover the higher costs by raising fares. United expects its average fuel price to climb to \$3.43 a gallon in the second quarter from \$2.88 in the first quarter and \$2.17 a year ago.

Domestic U.S. airline ticket prices in March were 20% higher than 2019 levels and up 15% from February, accord-

ing to the Adobe Digital Economy Index.

Adobe said this week that there are signs that the higher fares are starting to curb travel appetite. In the first half of April, domestic bookings online were down 2% from the last two weeks of March. Flight bookings are still ahead of prepandemic levels, up 1.5% from the same period in 2019, but spending is up 20% as fares climb.

United reported a loss of \$4.24 a share for the first quarter, compared with \$4.29 a year earlier and the \$4.22 that analysts had anticipated, according to FactSet.

The airline's shares closed up 1.2% at \$46.52 and were more than 5% higher in after hours trading.

Travel moved back toward prepandemic normalcy this week after a federal judge voided the Biden administration's mask mandate for public transportation, including

on airplanes and in airports. The mandate is no longer being enforced while the government weighs a possible appeal, and major airlines quickly said that masks would be optional.

Crew members and passengers on some flights immediately ripped their masks off midflight when the new policies were announced, though some travelers said they remain hesitant to fly maskless.

Airline executives have said that lifting of mask mandates and other travel restrictions, like testing requirements, will help spur more long-haul international travel, which has been slower to rebound even as domestic vacation trips have largely recovered. United said Wednesday that business and international demand is accelerating rapidly.

Some carriers have struggled with the rapid increase in demand this year, echoing problems from last summer.

# Calpers to Back Bid For Berkshire Chairman

By HEATHER GILLERS

The nation's largest pension fund is planning to vote for a proposal that would unseat Warren Buffett as chairman of Berkshire Hathaway Inc.

The \$470 billion California Public Employees' Retirement System, known as Calpers, said in a regulatory filing that it would support a proposal by the National Legal and Policy Center that Berkshire Hathaway's board chair be independent. That would disqualify Mr. Buffett, who is the company's chief executive, from holding both positions.

Having the same person hold both roles weakens corporate governance, the National Legal and Policy Center said in the shareholder measure published ahead of Berkshire's April 30 shareholder meeting.

Berkshire Hathaway's board responded by saying it opposes the measure and believes Mr. Buffett should continue to fill both roles. After he departs, a board member who isn't part of management should become chair, the board said.

A representative from Berkshire wasn't available for comment.

The measure likely faces long odds. Mr. Buffett alone

has a 32% voting interest in Berkshire. Calpers supports re-electing Mr. Buffett to the Berkshire board.

Companies are increasingly deciding not to have their chief executives serve as chair, according to consulting firm Spencer Stuart. As of last year, 59% of companies in the S&P 500 had split the chair and chief executive roles, compared with 55% the year before and 41% a decade earlier.

The National Legal and Policy Center filed measures arguing that the chair should be an independent member of the board at Goldman Sachs Group Inc., Coca-Cola Co., Mondelez International Inc., Salesforce.com Inc. and Home Depot Inc., said Peter Flaherty, the group's chairman.

Calpers, which is a shareholder in all five companies, declined to say specifically whether it would support those proposals. A Calpers spokeswoman said the pension fund generally supports separating the board chair and chief executive roles at all companies in which it owns stock.

In addition to the proposal concerning Berkshire Hathaway's board chair position, Calpers co-sponsored a separate proposal asking the company for more information on how it manages climate risk.

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Secrets of the 1895-P U.S. \$5 Gold Liberty

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TECHNOLOGY

WSJ.com/Tech



Communications and security equipment provider Motorola is set to begin sharing cyber information with its customers on Friday.

# Motorola to Form Public Safety Information Sharing Group

By JAMES RUNDLE

Public safety systems, such as the networks used to route 911 calls or enable communications between first responders, are getting their own platform for sharing information on cyber threats.

Communications and security equipment provider Motorola Solutions Inc. plans to announce the formation of the Public Safety Threat Alliance Wednesday, an information sharing and analysis organization, or ISAO, designed to allow participants to disseminate details about cyberattacks and hacking threats.

Motorola expects to begin sharing cyber information with its existing public safety customers on Friday, said Scott Kaine, the company's vice president of cybersecurity services. The U.S. Department of Homeland Security's Cybersecurity and Infrastructure Security Agency gave approval to the group to operate as an ISAO,

meaning it will be open to all relevant parties, including Motorola's competitors.

Public safety officials say the ISAO, the first of its kind in public safety, is sorely needed.

While 911 services have occasionally been hacked, cyberattacks that directly target first responders are increasing, and officials say public safety systems now have to grapple seriously with cybersecurity.

Some states have had their 911 systems taken offline by ransomware, while others have seen critical radio systems impacted by other malware, said Brad Stoddard, director of the office of Michigan's Public Safety Communications System.

Typically in public safety systems, cybersecurity specialists split their time as engineers or more general technology workers, Mr. Stoddard said, and dedicated cyber experts elsewhere often lack an intimate understanding of the challenges facing public safety

systems.

"Unfortunately, when there's a lot of cyber or general security specialists around, there's usually a knowledge set around IT, but not one as in-depth around emergency communications," he said. Having a dedicated ISAO to share informa-

## Move spurred by threats against 911 systems and other emergency services.

tion tailored to public safety systems will help close that vulnerability, he said.

Most critical infrastructure sectors operate information sharing and analysis centers, or ISACs, which tend to strictly share information about that sector. For an area such as public safety, however, which deals with threats that aren't

specific to one area, the ISAO model allows a greater degree of flexibility that includes training for employees who might not have had to deal with cybersecurity in the past.

"There's great information coming from the different ISACs, which obviously includes information from federal, state and local sources, but this is really a great way to bring that all together," said Tasha Cornish, executive director for the Cybersecurity Association of Maryland Inc., a nonprofit organization focusing on cybersecurity and workforce issues.

While the organization will initially focus on the U.S., Mr. Kaine said, he hopes that its membership will eventually expand internationally. He expects to have between 2,000 and 3,000 members over time.

"Several years ago, I think it would have been a bit challenging to get enough interest. Now, people are ready to go," he said.

# Grubhub Sale Is Considered

Continued from page B1  
neered online ordering in the U.S. It was the only national player to turn a profit, but its margins came under pressure as it spent to ward off competition from newer entrants such as DoorDash Inc. and Uber Eats.

DoorDash quickly became the industry leader, building a presence in the suburbs while rivals focused on big cities. The strategy paid off as families hunkered down and ordered in during the health crisis. Its market share grew to 57% last month from 44% in March 2020, according to YipitData.

The Just Eat deal was a lifeline for struggling Grubhub, analysts say, but it continued to lose share to DoorDash and Uber Eats. Grubhub's share fell to 11% last month from 21% two years earlier, according to YipitData.

Sales at Uber Eats and DoorDash grew last year even after 2020's breakneck pace. The companies are expected to report results for the latest quarter next month.

Just Eat said Wednesday it saw a 5% decline in orders in North America, its largest market, and a 1% decline in orders across the globe in the first quarter. The company said it had about 90 million orders in

North America and 264 million orders overall in this year's first quarter.

Last year, Just Eat faced pressure to sell Grubhub. In October, activist investor Cat Rock Capital Management LP called for the company to spin off or sell Grubhub so it could focus on Europe. Cat Rock owned 6.5% of the company then.

"The acquisition reduced JET's financial flexibility, distracted the Company, and led investors to question management's judgement and motivations," Alex Captain, the founder of Cat Rock, wrote in a letter to the company.

Just Eat said there is no cer-

# \$7.3B

Value of Just Eat's deal to buy Grubhub

tainty that any strategic actions will be agreed upon or what the timing of such agreements would be. DoorDash and Uber aren't immediately looking at acquiring Grubhub, in part because of antitrust concerns as well as worries that it wouldn't be worth the additional costs, said people familiar with the companies' thinking.

Just Eat was created in 2020 through the \$11.1 billion merger of the U.K.'s Just Eat and Netherlands-based Takeaway.com. The deal combined one of the biggest food-delivery companies in the U.K. with a major player continental Europe.



The highly competitive food-delivery sector is consolidating.

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# Cyber Chiefs Try New Tactics to Get Talent

By JAMES RUNDLE  
AND KIM S. NASH

Cybersecurity and risk executives are adopting new ways to attract talent, in part by looking outside degree requirements and traditional technology backgrounds.

Organizations such as the International Information System Security Certification Consortium, or ISC2, say the demand for

**CYBERSECURITY** cybersecurity workers is far outstripping the available workforce.

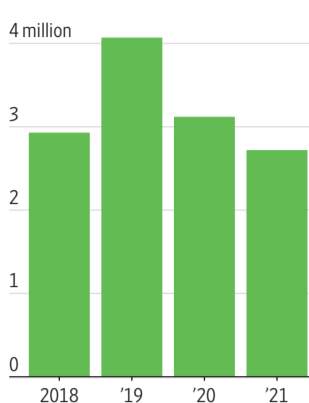
The nonprofit training organization estimates in its latest annual workforce study that around 2.72 million more cybersecurity workers are needed globally.

While that figure is down from 3.12 million in the previous year's study, hiring remains a slog, especially for companies looking to expand their cyber teams during a period of heightened threats from hackers.

Shaun Marion, chief information security officer at fast-food chain **McDonald's Corp.**, is in the midst of bringing many contracted cybersecurity roles in-house, especially those at the entry level, he said. Mr. Marion plans to hire another 30 to 40 cyber professionals this year.

The shift will help improve prospects for people who want

Estimated number of cyber workers needed world-wide



Source: International Information System Security Certification Consortium

to build cyber careers at McDonald's, Mr. Marion said. "Once I get people here, I can expose them to all the opportunities they have," he said. "It's not hard to retain. But getting them in is hard."

At payments provider **Visa Inc.**, which has around 1,150 staff working on cyber-related roles globally, Chief Risk Officer Paul Fabara said he is keenly aware that losing employees without the ability to replace them can be just as disruptive as not being able to fill the roles in the first place.

"You have to start planning way in advance," he said. "If you start by the time attrition hits you, if you don't have three or four people in the pipeline for a single role, you're going



Payments provider Visa Inc. has around 1,150 staff working on cyber-related roles globally.

to fall short of meeting the demands of that job."

That can have consequences for companies, and for the remaining employees who have to run security operations centers, fusion centers and other cyber operations at peak performance levels.

"The worst thing you can do in this type of environment, because you're operating on a 24x7 basis, is to burn people out," Mr. Fabara said.

Thinking broadly about candidates is key for Steven Babb, CISO at **Mitsubishi UFJ Financial Group's** investor services business. Mr. Babb said he supports initiatives that aim to increase gender representation in the workplace, and he is interested in

candidates who aren't necessarily from straight cybersecurity backgrounds but may have relevant experience in other departments.

"We give people the opportunity to come in to learn about the business, to learn about our technology and to apply what they know, such as transferring skills from other areas into security as well," Mr. Babb said.

At McDonald's, Mr. Marion says the help desk can feed the general roles in the cybersecurity group because technicians there know how to handle ambiguity and solve problems in real time. Serious online gamers make good staff for the security operations center, he said, where the abil-

ity to work odd hours, cooperate and think quickly are required. "I search for attitude and aptitude and lay security training on top of that," he said.

The idea of considering candidates with nontraditional backgrounds is gaining traction for external hires, as well as existing employees. For Mr. Marion, looking only for college graduates is "myopic." Not only don't the numbers support that route, but requiring a degree eliminates good candidates, he said.

The cybersecurity industry has come under criticism in the past for its unrealistic requirements for entry-level positions, with some banks and other organizations asking for

advanced degrees and professional certifications that require years of experience to achieve.

"College is not for everybody, and not everyone has access to college because they lack the financial wherewithal or community support," Mr. Marion said, which often excludes people who could help round out the gender and ethnic diversity he seeks in his staff.

Some senior roles need a degree, such as in cyber and privacy risk assessment. But many positions don't, he said. Stripping mentions of degrees and professional certifications from many cyber job descriptions took some convincing of the human-resources group, he said.

And the numbers favor his approach. According to the most recent figures from the National Center for Education Statistics, just about 2 million bachelor's degrees were conferred in 2021.

"The point is, you won't get all your talent from college," he said. "Even if you could, I don't know that I'd want to."

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## Icahn Urges BlackRock, Others to Join McDonald's Fight

By CARA LOMBARDO

Carl Icahn is urging **BlackRock Inc.** and other big index-fund managers focused on socially conscious investing to support his proxy fight at **McDonald's Corp.** for better treatment of pregnant pigs.

The billionaire activist investor, who has a McDonald's stake valued at roughly \$50,000, nominated two directors to the fast-food chain's board in February as part of

his campaign, a departure from his typical fights for changes in financial strategy and the like.

McDonald's shareholders will decide whether to support Mr. Icahn's nominees or the company's slate at the annual meeting set for May 26. He says despite being at the forefront of the environmental, social and governance investing movement, BlackRock and others have subjectively selected which principles they care about and put too little emphasis

on animal welfare.

"They have tremendous power to do good or bad," he said Wednesday, referring to big purveyors of index funds such as BlackRock, which manages roughly \$10 trillion. "What surprises me is how often they do not get involved and allow boards to believe that they will protect them in a contest."

At issue is how McDonald's suppliers' house breeding pigs, or sows. Mr. Icahn wants

McDonald's to require suppliers to stop constraining the animals in small crates—typically 7 feet long by 2 feet wide—in all circumstances. Many McDonald's suppliers currently use gestation crates for the first four-to-six weeks of a sow's pregnancy and sometimes longer. Suppliers have said they make breeding more efficient, while Mr. Icahn and his nominees say they are inhumane.

In a letter Mr. Icahn plans to

send to McDonald's shareholders Thursday that was viewed by The Wall Street Journal, he criticized McDonald's for spending \$16 million to defend itself against his proxy contest rather than putting the money toward sparing pigs from the crates.

"It would have been better—far better—than spending that money in defense of the directors at McDonald's who have failed in this area," he wrote.

McDonald's didn't respond to a request for comment.

Mr. Icahn hopes for an upset similar to the unlikely victory fledging activist Engine No. 1 LLC pulled off at Exxon Mobil Corp. last year when it won three seats on the oil company's board with just a fraction of the company's shares. What sealed the deal: support from heavy-hitter asset managers including BlackRock, Vanguard Group and State Street Corp.

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BUSINESS & FINANCE

# Probe Into Lucky Charms Complaints Is Formalized

BY ANNIE GASPARGO AND JOSEPH WALKER

Federal regulators formalized an investigation into the safety of Lucky Charms cereal, adding the probe on Wednesday to the agency's list of ongoing food-safety outbreaks.

The Food and Drug Administration said it received complaints from 231 consumers reporting illnesses after eating Lucky Charms recently, according to the agency's outbreak investigation website and a person familiar with the matter. The FDA said it initiated an inspection of the cereal's production operations.

Additionally, more than 4,000 people posted complaints about Lucky Charms in recent weeks on consumer website [iwaspoisoned.com](http://iwaspoisoned.com). Common symptoms reported include nausea, vomiting or diarrhea shortly after eating the cereal.

General Mills Inc., which owns Lucky Charms and other cereal brands, said it has been looking into the claims and hasn't found any evidence of illnesses tied to its products. "We are thoroughly investigating this matter and fully cooperating with the FDA," a General Mills spokeswoman said.

Complaints about Lucky Charms accelerated over the past two weeks, making General Mills the latest company to battle public perception in the social-media age. Mobile apps, online reviews and consumer-protection websites have created more venues for consumers to raise safety concerns over products, speeding the pace of complaints for companies to evaluate and address, food-safety consultants said.

That volume adds complexity and pressure as companies try to determine whether and how their products might be at fault, and when to launch recalls that could save lives or prevent illness. Recalls also



More than 100 people recently filed complaints with the FDA.

can prove to be costly and unnecessary measures that tarnish brands.

Social media and the internet can quickly spread word of product recalls and safety alerts, researchers said. But those platforms can drive false alarms: Reading about someone else getting sick can lead a person to associate their own symptoms with a product.

"It can quickly snowball into what looks like a big event when what you're really doing is recruiting similar stories from a much larger population," said Craig Hedberg, a professor of environmental-health sciences at the University of Minnesota who studies foodborne illness outbreaks.

Tina Cordy, an insurance underwriter in Plover, Wis., said she wouldn't have linked her recent stomach pain to Lucky Charms if she hadn't seen reports of it last week. She said she got sick twice soon after eating Lucky Charms this month and reported the illness to General

Mills, which sent her a questionnaire and refund in response. "I won't buy it again until I know they found the issue, and it's been resolved," Ms. Cordy said.

Consumers who received General Mills' questionnaires said the company is asking whether the person noticed an unusual taste or odor, if there were any holes in the packaging and how long after eating Lucky Charms the symptoms occurred.

Lucky Charms is one of General Mills' most popular cereal brands, with more than \$300 million in annual sales, representing 10% of the company's cereal sales, according to market-research firm IRI's data. Some 100 million boxes are sold each year, the data show.

The Lucky Charms complaints follow other recent safety concerns that eventually led to recalls of Skippy peanut butter and Similac infant formula. Even complaints of an isolated incident can draw a backlash: General Mills encour-

tered a social-media storm last year after photos on Twitter appeared to show shrimp tails in a box of the company's Cinnamon Toast Crunch cereal. General Mills initially said the photos showed cinnamon and sugar clumps; the company later determined the box possibly contained shrimp tails but said it appeared to have been tampered with after it left the factory.

General Mills needs to show it is concerned and proactive in responding to consumers' complaints about Lucky Charms, industry officials said, but the company needs to avoid perpetuating what it says is the false notion its cereal is making people sick.

"All companies routinely get reports of consumer illness when you're making that many products," said Shawn Stevens, a food-industry lawyer and founder of Food Industry Counsel, a law firm that provides food-safety counseling and recall-management assistance to food makers.

Determining when to issue a food-safety recall is often a decision the FDA and manufacturers arrive at together following an investigation, food-safety consultants said. Typically, if they find evidence of a pathogen, such as salmonella, in samples of the food or in the factory, that can lead to a recall. But such evidence can take months to discover.

Hormel Foods Corp. earlier this month issued a recall of more than 9,000 jars of reduced-fat varieties of Skippy peanut butter because the company said a small piece of metal factory equipment might have fallen into a peanut-butter jar following repairs at the plant. A Hormel spokeswoman said the recall was enacted out of an abundance of caution and that the company hadn't received any consumer complaints.

Abbott Laboratories earlier this year recalled some of its powdered baby formula after FDA inspectors found traces of a bacteria, *Cronobacter sakazakii*, at Abbott's Sturgis, Mich., plant. The agency said it had received several complaints in preceding months of babies hospitalized with infections of that bacteria after being fed the powdered baby formula. Two of the babies later died, according to the FDA.

An Abbott spokesman said the company issued the recall as a precaution based on the information available at the time while the company completed additional analyses.

The FDA and Centers for Disease Control and Prevention have said they haven't found a genetic match between bacteria strains in Abbott's manufacturing plant and samples from customer complaints, suggesting that the contamination came from somewhere else, Abbott Chief Executive Robert Ford said on a conference call with analysts on Wednesday discussing the company's quarterly results. The CDC said this week it is unlikely to ever find a definitive link between the sickened infants and the Abbott factory.

# Credit Suisse Warns Of Loss From Russia And Legal Woes

BY MARGOT PATRICK

Credit Suisse Group AG warned it will have a loss in the first quarter from rising litigation costs and loan losses related to Russia.

The Swiss bank said litigation provisions will be around \$740 million in the quarter because of developments in legal cases, which include a former client winning a roughly \$555 million court award in Bermuda. It said results will be hit by around \$212 million in negative revenues and loan-loss provisions stemming from Russia's invasion of Ukraine, and that business activity in general was lower.

Wednesday's update adds to the challenges to Credit Suisse's planned turnaround after financial and reputational scandals. Two key clients, Archegos Capital Management and Greensill Capital, imploded within weeks of each other a year ago, costing Credit Suisse billions of dollars. A new chairman restructured and lowered risks, then left in January after just nine months, for violating Covid-19 restrictions.

After Archegos, Credit Suisse cut parts of its investment bank and has said it will invest more in its wealth-management business serving the global elite. Part of the first-quarter slowdown was from fewer companies raising debt and equity this year, it said. It will report earnings April 27.

The bank said the litigation provisions relate to matters from more than a decade ago.

In March, a Bermuda court said it would have to pay a former billionaire client, Bidzina Ivanishvili, about \$555 million for allowing a private banker to steal from him and mismanage his money until the fraud was discovered in 2015. Credit Suisse denied the allegations and said it intends to pursue all available legal actions.

Credit Suisse also is fighting lawsuits in the U.S. over toxic securities it sold before the 2008 financial crisis, and a criminal case in Switzerland for allegedly helping a Bulgarian crime ring launder money more than a decade ago.

The cost of legal settlements nibbled at Credit Suisse's earnings and ability to generate capital. Swiss regulators imposed additional capital charges over Archegos and Greensill. Litigation provisions were \$1.65 billion at the end of 2021, and the bank estimated then that there could be up to another \$1.6 billion in potential charges.

Credit Suisse raised \$2 billion in fresh capital a year ago.

Investors in the bank are braced for additional charges from lawsuits over Greensill's collapse. Credit Suisse ran \$10 billion in investment funds with Greensill before the financing partner went bankrupt in March 2021. The bank has flagged around \$2.3 billion in investments in the Credit Suisse-Greensill funds that could be challenging to collect.

Credit Suisse shares fell 1.5% Wednesday and are down 19% this year.

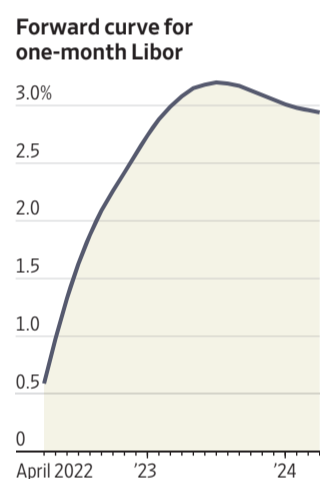
## Floating Loan Rates Sting

Continued from page B1

Higher costs on the loans could also have a chilling effect on the buyout boom that hit a record of about \$1 trillion last year and that investment bankers hoped would carry over into 2022. The private-equity firms behind most of those deals paid for them primarily with leveraged loans borrowed by the companies they acquired.

Lakemore invests primarily in collateralized loan obligations, or CLOs, investment vehicles that bought many of the recently issued leveraged loans. The firm is looking closely at businesses including food producers, retailers and chemical manufacturers that have limited ability to pass cost increases on to customers, Mr. Mukherjee said.

U.S. companies borrowed \$1.8 trillion in junk-rated loans in 2021, according to Dealogic, setting a record. Citigroup Inc. and Bank of America Corp. published reports in recent weeks warning about the latent risk in such leveraged loans. Meanwhile, portfolio managers who invest in them are analyzing



Note: Libor is the benchmark interest rate for most outstanding leveraged loans. The curve reflects the market's expectation of future rates. Source: Chatham Financial

## "This Lamp is a Sight For Sore Eyes

Last year, my father actually gave up on reading – the eyestrain was just overwhelming. But now, with this lamp, Dad can even read his newspaper again. Thanks for delivering on everything stated in your ads and restoring my father's favorite hobby – reading!"

— Sara H. Arlington, Va.

### THE KEEP IT SIMPLE! KIS Lamp

MyLight has combined classic lamp design with a revolutionary light source. The combination delivers exponentially more light for reading or any other task.

### Underlighting is overrated

In your lamps, the new "retrofit" CFL and LED bulbs do not produce the same amount of task light as ordinary bulbs. Just as we've gotten older and our eyesight has declined, OUR LIGHT HAS FAILED US.

#### YOU NEED:

- A quantity and quality of light geared to better contrast and clarity for older eyes.
- Less glare in your field of vision

Only 32 WATTS

Compare to any lamp at any price.

**SPECIAL OFFER** includes KIS lamp, (5) bulbs, lampshade and LED Dimmer. Easy assembly. Lamp column simply screws into the base.

### The first light source designed for lamps

This revolutionary lighting solution will deliver up to 10 times more light than the single bulb you are now using – for only 32 watts!

Its patented LED bulb array may appear to be "upside down" – but the 4 bulb spread of light is actually down and out, perfect for task light.

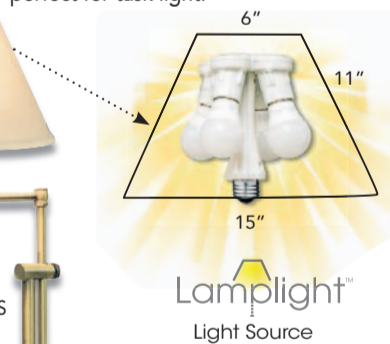
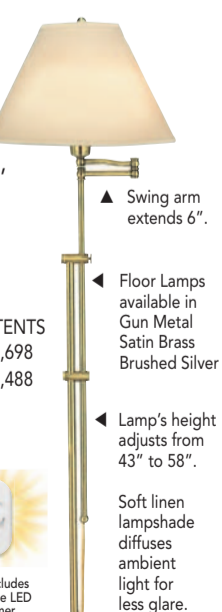


Table Lamps available in SATIN BRASS (shown) or BRUSHED SILVER. Table lamp height adjusts from 27" to 32". KIS is also the perfect desk lamp for glare and brightness control.



### Special Offer – includes BOTH homespun white lampshade (shown) and GlareGuard™ opaque black lamp shade.

- Includes handheld LED dimming control
- Includes (5) LED bulbs—all guaranteed for 3 years
- FREE SHIPPING
- 30 DAY unconditional trial period with return shipping prepaid

### Seeing is Believing 100% risk free trial and 3 year guarantee

The patented KIS lamp and Lamplight projects a massive amount of illumination on your reading material. Reader bulbs and all components are unconditionally guaranteed for 3 years.

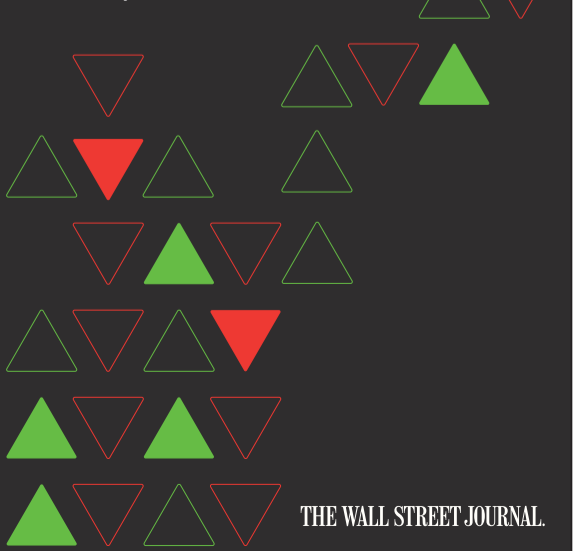
Take advantage of our 30 day risk free trial and see what you've been missing.

Visit us online at [morelamplight.com](http://morelamplight.com) or call 1-888-211-6305  
**Table Lamps Now Only \$325 (use coupon code TF29)**  
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 with FREE SHIPPING and LED DIMMER

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## 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.

Wednesday, April 20, 2022											
Stock	52-Wk Sym	% Hi/Lo	Chg	Stock	52-Wk Sym	% Hi/Lo	Chg	Stock	52-Wk Sym	% Hi/Lo	Chg
<b>Highs</b>				EnterpriseProd	EPD	27.32	0.6	OGE Energy	OGE	42.60	1.5
AAR	AIR	52.00	0.2	EquityResdnlt	EQR	93.15	2.0	ONEOK	ONE	73.86	2.0
AIBAcqNA	AIB	9.94	0.1	EuroDry	EDRY	40.49	5.5	SomaecSteel	ZEU5	42.23	4.3
A-MarkPrecMet	AMRK	89.10	0.3	EvergreenA	EVRG	10.07	1.3	OptionCare	OPCH	30.41	1.8
AcadiaHealthc	ACHC	76.69	2.1	Evergy	EVRG	72.65	2.1	OrmatTech	ORA	88.52	-1.1
AccretionAcq	ENR	9.87	0.2	EversourceEner	ES	93.82	0.8	Ovintiv	OVV	56.72	4.2
AestherHlthcR	AHHA	10.11	0.2	Exelon	EXC	50.66	1.5	OxusAcq	OXUSU	11.03	1.5
AhrenAcqNA	AHRN	9.95	0.2	Exterran	EXTN	153.14	3.2	PBF Energy	PBF	30.13	-1.7
AkamaiTech	AKAM	122.65	0.5	FirstEnergy	FE	7.69	0.9	Packaging&Am	PKG	167.79	1.8
Alco	ALCO	43.65	-0.2	FMC	FMC	140.99	0.1	PaloAltoNtwks	PANW	640.90	-0.4
Altria	MO	55.60	0.3	FTI Consulting	FTN	167.28	2.0	ParkeBancorp	PKBK	25.38	2.1
Ameren	AEE	98.63	2.0	FalconMinerals	FLMN	7.80	2.9	PattersonUTIEn	PTEN	18.72	0.2
AIG	AIG	65.16	1.3	FarmersBancp	FBND	40.67	7.2	PembinaPipeline	PBA	40.98	2.5
AmerVanguard	AVD	24.25	-0.4	FarmSandPtrs	FPI	16.43	-4.3	PennantPark	PNTT	8.02	0.3
AmplifyEnergy	AMPY	7.44	2.8	FirstBusFinSvcs	FBIZ	35.25	3.5	Perma-Pellett	PPH	10.83	10.3
Anthem	ANTM	532.16	2.5	FirstEnergy	FE	48.63	2.0	PermanilleRT	PVL	3.25	5.2
AppleHospREIT	APLE	18.69	0.3	FalconBankcorp	FVCB	21.50	7.4	PostHoldings	POST	77.45	1.2
APACqnl	APXU	10.12	0.2	GencoShipping	GNK	26.00	-1.1	PowerUpAcq	PWUP	10.05	-0.1
ArchCapital	ACGL	50.16	2.1	GenieEnergy	GNE	72.93	1.5	Prologis	PLD	174.09	1.8
ArcherDaniels	ADM	98.44	2.4	GenieEnergy	GNE	7.00	6.9	ProPetro	PUMP	16.34	1.1
ArizAcqNA	ARIZ	9.86	0.1	GladstoneCap	GLAD	12.78	0.2	PublicServiceEnt	PEG	74.88	2.3
AshlandGlobal	ASH	111.05	1.2	GladstoneLand	LAND	42.10	-2.3	PublicStorage	PSA	421.35	1.6
Assurant	AIZ	193.58	1.9	GraphicPkg	GPK	22.20	0.2	QuadGraphics	QUAD	7.55	2.4
AutosEnergy	ATO	122.96	1.7	GreenVsori A	GVCV	10.03	...	QuantatServices	PWR	140.04	-0.8
AutoZone	AZO	2267.23	2.6	HCA Healthcare	HCA	275.96	...	RF Acq	RFACU	10.15	0.1
BCE	BCE	59.34	1.7	HGG Capital	HGCG	10.03	-5.0	Rayonier	RYN	45.75	1.0
BancFirst	BANF	86.82	1.0	HackettGroup	HKCT	24.48	0.5	RaytheonTech	RTX	106.02	0.4
Berkley	WRB	71.27	2.7	HarmonyBio	HRMY	54.00	-0.2	RealtyIncome	RI	75.32	1.1
BlockHills	BKH	80.95	1.0	Helix&Payne	HP	50.34	0.8	RedwoodsAcq	RWODU	10.15	0.1
BlockHR	HRB	28.17	1.3	HeraclesCapital	HCAP	19.01	0.7	RelianceSteel	RS	201.39	1.1
Blucora	BCOR	21.34	0.9	Hershey	HSY	23.00	1.2	RexfordIndRealty	REXR	84.68	5.3
BostonSci	BSX	47.50	3.0	HighlandGlbAlloc	HGLB	10.83	1.9	RingEnergy	REI	4.85	11.3
BowleroWt	BOWL	3.86	1.6	Hilton	HLT	166.22	-0.1	RogersComm B	RCI	64.55	-4.1
Bowlero	BOWL	13.01	0.8	HormelFoods	HRL	54.70	1.8	RosehillAcq	ROSEU	10.78	...
Box	BOX	33.04	-0.1	HostHotels	HST	21.16	...	RymanHospitality	RHP	101.19	0.5
BoxedWt	BOXD	1.51	12.9	HostesBrands	HTB	24.27	0.6	SachemMts2027	SCCE	24.83	0.5
CBZ	CBZ	44.17	0.9	HudsonTech	HDSN	7.20	0.1	SaulCenters	BFS	55.80	1.3
CF Acq VIII	CFEU	10.81	-0.1	HumanaCoAcqNA	HMCO	10.30	0.1	SchnttzerSteel	SCHN	59.70	-2.5
CNA Fin	CNA	49.68	2.1	IRSA	IRS	5.41	1.4	Sempia	SRE	17.22	1.4
CG Systems	CSGS	65.95	0.8	IthavaAcqNA	ITHX	10.30	0.2	SenecaFoods A	SENEA	56.67	2.0
CVR Partners	CVR	179.74	0.2	IndepRealty	IRT	27.96	2.0	7AcqNA	SVNA	10.00	0.3
Cadre	CDRE	26.90	0.2	IndTech A	ITAQ	9.99	0.4	SilvercrestAsset	SAMG	22.65	4.1
CanNaturalRes	CNQ	69.25	2.8	InnovatIntellA	IOAC	10.04	0.1	SimplyGoodFoods	SMPL	45.77	-0.6
CardinalHealth	CAH	64.21	1.8	IntSeaways	INSW	21.75	1.6	SoftwareAcqnl1	SWAG	10.03	0.2
Carlisle	CSL	260.69	2.6	IronMountain	IRM	57.96	2.2	Southern	SO	77.08	0.3
CarterBkshrs	CARE	17.85	1.6	ItquirAcqNA	ITQ	9.84	0.1	SouthernUnA	SOLN	57.71	0.1
ConouosEnergy	CVE	18.88	1.7	JacobsEngg	J	150.13	1.7	SpartanNash	SPTN	36.19	1.6
CenterPointEner	CNP	32.90	1.8	Kellogg	K	68.98	1.0	Spire	SR	79.24	...
CincinnatiFin	CINF	141.46	1.7	KimcoRealty	KIM	26.33	1.6	Sprott	SII	57.00	-1.2
ClaroMtg	CMTG	19.49	0.6	KinderMorgan	KMI	19.97	0.9	StarBulkCarriers	SBLK	32.41	-4.2
CleanEarthAcqns	CLNU	10.11	...	LPL Financial	LPLA	220.35	-0.3	SteelDynamics	STLD	93.15	4.5
Coca-Cola	KO	66.24	1.4	LSB Inds	LXU	27.45	-0.5	Stetis	STE	259.93	2.3
CodorusValleyBncp	CVLY	24.41	3.3	LakeshoreRt	LBSR	23.05	-21.6	Stride	LRN	41.20	14.7
CommercialMetals	CMC	46.49	2.4	Lantheus	LNTH	64.14	3.8	SuncorEnergy	SU	34.70	1.4
Consilium I A	CSLM	9.83	0.3	Leidos	LDOS	111.12	0.2	SwiftmergeWt	IVCPW	0.44	40.0
ConEd	ED	99.22	0.4	Lionheartill	LIONU	10.54	0.4	Syco	SYF	89.60	1.1
ConstBrands A	STZ	259.55	1.9	Loews	L	67.45	2.6	TargaResources	TRGP	81.13	2.0
ConstellationEner	CEG	66.68	1.9	McGrathRent	MPLX	35.28	0.2	TargetHosp	TH	7.48	20.4
CoreCivic	CKW	14.24	0.1	MRC Global	MRC	13.45	0.2	TimkenSteel	TMST	24.99	0.5
Corteva	CTVA	61.89	0.3	MarathonOil	MRO	27.72	3.2	TransGlobEner	TGA	5.07	4.8
CyxteraTech	CYXT	13.70	4.2	MarathonPetro	MPC	91.88	0.6	TrepontAcqnl A	TACA	10.09	-0.1
DCP Midstream	DCP	39.35	3.8	Marriott	MAR	199.79	0.8	TsakosEnergy	TNP	13.49	2.5
DTE Energy	DTE	139.78	1.0	McGrathRent	MGR	90.45	2.1	US Ecology	ECOL	48.29	0.3
DT Midstream	DTM	53.94	1.4	McKesson	MCK	333.44	2.1	UTAAcqpUn	UTAAU	10.70	...
DarlingIndeged	DAR	86.52	4.1	MercatoPtrsA	MRCA	9.96	...	UltraBeauty	ULTA	437.22	0.7
DeepLakeCapA	DLCA	9.88	0.3	Meritor	MTOR	36.28	-0.1	UnvTechInst	UTI	11.11	4.1
Deere	DE	446.76	-0.1	MetalSkyStar	MSSAU	10.07	0.1	UnumGroup	UNM	34.03	1.0
DelekLogistics	DKL	52.39	5.1	MetLife	MET	73.09	0.8	VPC Impact II A	VPCE	10.30	0.1
DevonEnergy	DVN	64.98	2.6	MiddlefieldBanc	MBCN	30.62	3.5	ValueLine	VALU	91.72	0.3
DirectSellingA	DSAQ	10.04	0.3	MolinaHealthcare	MOH	348.56	3.6	VectorGroup	VGR	13.23	1.2
DollarGeneral	DG	259.37	1.4	MonarchCasino	MCRU	94.26	2.5	VerintSystems	VRNT	56.39	0.1
DollarTree	DLTR	177.15	1.3	Mountain A	MCAA	10.13	0.1	Vistra	VST	26.63	5.8
E.MergeTechA	ETAC	9.94	...	MurphyUSA	MUSA	249.11	0.5	VoyagerTherap	VYGR	10.60	5.8
EarthstoneEner	ESTE	16.24	7.0	NattSecurity	NSEC	16.34	0.9	WEC Energy	WEC	105.96	0.8
EastRscsAcqNA	ERES	9.98	...	NaturalGrocers	NGVC	23.60	11.2	W.P.Carey	WPC	86.31	0.6
EdisonInt	EIX	73.07	1.3	NaturalResPtrs	NRP	47.48	3.8	Walmart	WMT	160.35	1.3
Enact	ACT	24.79	3.8	NeubergerHY R	NHSrw	0.25	24.9	WeissMarkets	WMK	86.76	2.4
EnergyTransfer	ET	11.92	1.5	NewJerseyRscs	NJR	47.41	1.0	WestlakeChemPtrs	WLKP	29.34	0.7
EnLinkMid	ENLC	10.78	2.7	NorthAtAcqNA	NAAC	9.95	0.1	Westlake	WLK	131.53	1.1
Entergy	ETR	126.73	1.0	Nucor	NUE	173.00	-1.5				

# THE WALL STREET JOURNAL.

## TRUST YOUR DECISIONS

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### IPO Scorecard

Performance of IPOs, most-recent listed first

Company	SYMBOL	Wed's IPO date/offer price	Wed's close (\$)	Offer price	1st-day close	% Chg From	Company	SYMBOL	Wed's IPO date/offer price	Wed's close (\$)	Offer price	1st-day close	% Chg From
Yotta Acquisition		10.03		<b>0.3</b>	...		Denali Capital Acquisition		10.04		<b>0.4</b>	0.2	
<b>YOTAU</b> April 20/\$10.00							<b>DECAU</b> April 7/\$10.00						
Applied Blockchain		4.70		<b>-6.0</b>	-3.1		Expion360		4.98		<b>-28.9</b>	-37.2	
<b>APLD</b> April 13/\$5.00							<b>XPON</b> April 1/\$7.00						
Aura FAT Projects Acquisition		9.98		<b>-0.2</b>	0.1		Metal Sky Star Acquisition		10.07		<b>0.6</b>	0.6	
<b>A FARU</b> April 13/\$10.00							<b>MSSAU</b> April 1/\$10.00						
Accelerate Energy		25.68		<b>7.0</b>	-4.4		Rail Vision		1.38		<b>-66.6</b>	-55.3	
<b>EE</b> April 13/\$24.00							<b>RVSN</b> March 31/\$4.13						
Genius Grp		5.80		<b>-3.3</b>	-81.0		Redwoods Acquisition		10.14		<b>1.4</b>	1.1	
<b>GNS</b> April 12/\$6.00							<b>RWODU</b> March 31/\$10.00						

Sources: Dow Jones Market Data; FactSet

### Dividend Changes

Dividend announcements from April 20.

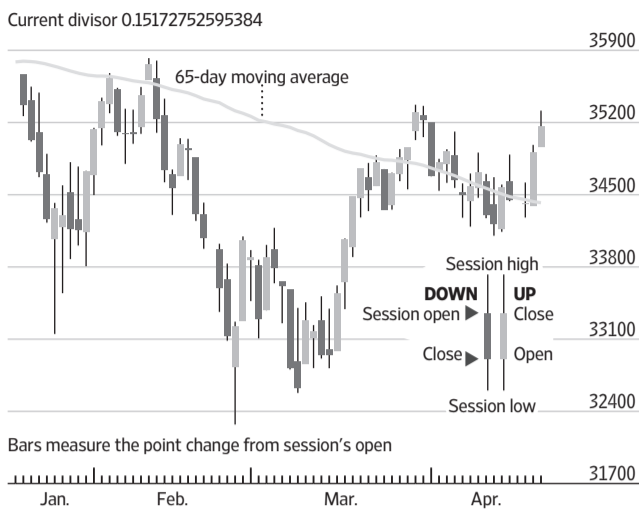
Company	Symbol	Yld %	Amount New/Old	Frq	Payable/ Record
<b>Increased</b>					
AmeriServ Financial	ASRV	2.9	.03/.025	<b>Q</b>	May23/May09
Cross Timbers Royalty Tr	CRT	7.7	1569 /05418	<b>M</b>	May13/Apr29
Johnson & Johnson	JNJ	2.5	113/106	<b>Q</b>	Jun07/May24
Nasdaq	NDAQ	1.4	60/54	<b>Q</b>	Jun24/Jun10
Permian Basin Royalty Tr	PBT	1.9	0318 /01933	<b>M</b>	May13/Apr29
Southern	SO	3.6	68/66	<b>Q</b>	Jun06/May16
Travelers Cos	TRV	2.1	93/88	<b>Q</b>	Jun30/Jun10
<b>Reduced</b>					
Mesa Royalty Trust	MTR	5.7	1015/10284	<b>M</b>	Jul29/Apr29
PermRock Royalty Trust	PRT	7.8	0622 /07099	<b>M</b>	May13/Apr29
San Juan Basin Royalty Tr	SJT	7.9	0829 /1191	<b>M</b>	May13/Apr29
<b>Initial</b>					
Bluegreen Vacations	BVH				

MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

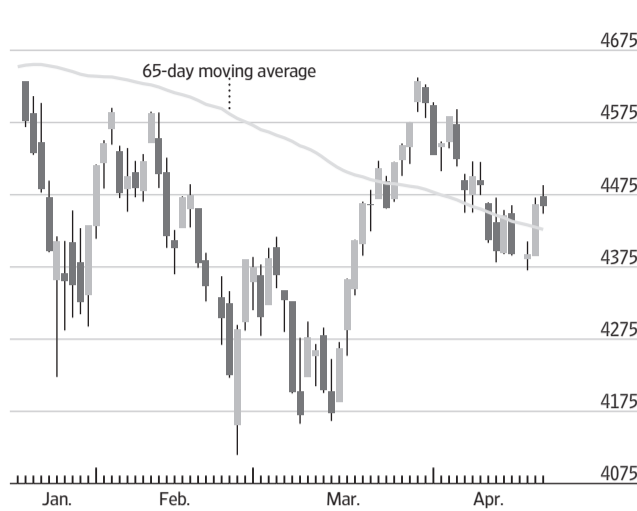
35160.79 ▲249.59, or 0.71%
Trailing P/E ratio 20.30 30.33
P/E estimate \* 18.20 21.02
Dividend yield 2.01 1.73
All-time high 36799.65, 01/04/22



\*Weekly P/E data based on as-reported earnings from Birmyni Associates Inc.; \*Based on Nasdaq-100 Index

S&P 500 Index

4459.45 ▼2.76, or 0.06%
Trailing P/E ratio \* 24.82 45.51
P/E estimate \* 19.62 23.82
Dividend yield \* 1.42 1.39
All-time high 4796.56, 01/03/22



Nasdaq Composite Index

13453.07 ▼166.59, or 1.22%
Trailing P/E ratio \*\* 31.86 40.12
P/E estimate \*\* 24.84 30.51
Dividend yield \*\* 0.73 0.71
All-time high: 16057.44, 11/19/21



Major U.S. Stock-Market Indexes

Table with columns for Index Name, High, Low, Latest Close, Net chg, % chg, 52-Week High/Low, % chg YTD, and % chg 3-yr. ann. Includes Dow Jones, Nasdaq Stock Market, S&P, and Other Indexes.

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 listing most-active issues in late trading with columns for Company, Symbol, Volume (000), Last, Net chg, After Hours % chg, High, and Low.

Percentage gainers...

Table listing percentage gainers with columns for Company, Symbol, Volume (000), Last, Net chg, After Hours % chg, High, and Low.

Trading Diary

Volume, Advancers, Decliners

Table showing trading diary statistics for NYSE and NYSE Amer., including Total volume, Adv. volume, Decl. volume, Issues traded, Advancers, Declines, and Block trades.

International Stock Indexes

Table of international stock indexes with columns for Region/Country, Index, Close, Net chg, Latest % chg, and YTD % chg.

Percentage Gainers...

Table listing percentage gainers with columns for Company, Symbol, Latest Session Close, Net chg, % chg, High, 52-Week Low, and % chg.

Most Active Stocks

Table listing most active stocks with columns for Company, Symbol, Volume (000), % chg from 65-day avg, Latest Session Close, % chg, 52-Week High, and Low.

Percentage Losers

Table listing percentage losers with columns for Company, Symbol, Latest Session Close, Net chg, % chg, High, 52-Week Low, and % chg.

Volume Movers

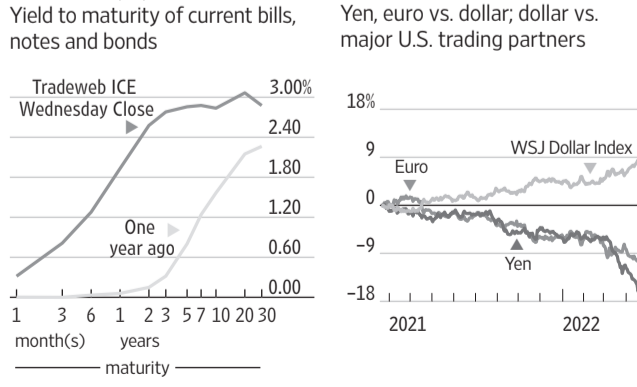
Table listing volume movers with columns for Company, Symbol, Volume (000), % chg from 65-day avg, Latest Session Close, % chg, 52-Week High, and Low.

CREDIT MARKETS

Consumer Rates and Returns to Investor

Table showing U.S. consumer rates (Prime rate, 3-month, 5-year CD, etc.) and returns to investor (Bankrate.com avg, Rockland Federal Credit Union, etc.).

Treasury yield curve



Forex Race



Corporate Borrowing Rates and Yields

Table showing corporate borrowing rates and yields for various bond indices like U.S. Treasury, Aggregate, and Fixed-Rate MBS.

CURRENCIES & COMMODITIES

Table showing U.S.-dollar foreign-exchange rates in late New York trading for various countries and commodities.

Commodities

Table showing commodity prices for DJ Commodity, Refinitiv/CC CRB Index, Crude oil, Natural gas, and Gold.



COMMODITIES

Futures Contracts

Table containing Metal & Petroleum Futures, Agriculture Futures, and NY Harbor ULSD (NYM) data with columns for Open, High, Low, Settle, Chg, and Open interest.

Table containing Interest Rate Futures, Eurodollar (CME), Japanese Yen (CME), Canadian Dollar (CME), British Pound (CME), Swiss Franc (CME), Australian Dollar (CME), Mexican Peso (CME), and Euro (CME) data.

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 containing Energy, Metals, Fibers and Textiles, Grains and Feeds, and Food data with columns for Wednesday and Friday prices.

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=Commodity Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. \*Data as of 4/19

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 with columns for Total return, YTD total return, Index, Yield (%), and Spread Under/Over U.S. Treasuries, listing various bond categories like Broad Market, U.S. Corporate, 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

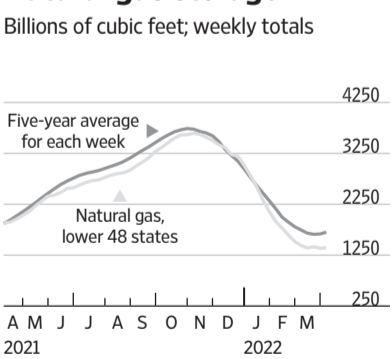
Inventories, imports and demand for the week ended April 15. Current figures are in thousands of barrels or thousands of gallons per day, except natural-gas figures, which are in billions of cubic feet.

Table with two main sections: Inventories, 000s barrels and Imports, 000s barrels per day, showing current and expected changes.

Weekly Demand, 000s barrels per day

Table showing weekly demand for Total petroleum product, Finished motor gasoline, and Kerosene-type jet fuel.

Natural gas storage



Exchange-Traded Portfolios | WSJ.com/ETFResearch

Table listing the Largest 100 exchange-traded funds, latest session, including symbols, closing prices, and YTD changes.

Corporate Debt

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific expectations

Table listing investment-grade spreads that tightened the most, showing Issuer, Symbol, Coupon, Yield, Maturity, and Spread.

...And spreads that widened the most

Table listing corporate debt issues where spreads widened the most, including Delta Air Lines, Canadian National Railway, etc.

High-yield issues with the biggest price increases...

Table listing high-yield issues with the biggest price increases, including OneMain Finance, Dish DBS, etc.

...And with the biggest price decreases

Table listing high-yield issues with the biggest price decreases, including Hughes Satellite Systems, Ford Motor Credit, etc.

\*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

BIGGEST 1,000 STOCKS

How to Read the Stock Tables
The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq BX (formerly Boston), Chicago Stock Exchange, Cboe, NYSE National and Nasdaq ISE.

Footnotes:
+New 52-week high.
+New 52-week low.
dd-Indicates loss in the most recent four quarters.

FD-First day of trading.
h-Does not meet continued listing standards.

lf-Temporary filing.
q-Temporary exemption from Nasdaq requirements.

Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.

Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher.

Wall Street Journal stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from the p.m. the previous day.

Table with columns: Stock, Sym, Close, Net Chg. Includes sub-tables for Wednesday, April 20, 2022 and sections A, B, C.

Main table of stock data with columns: Stock, Sym, Close, Net Chg. Includes sections J, K, L and D, E, F.

Main table of stock data with columns: Stock, Sym, Close, Net Chg. Includes sections G, H, I and J, K, L.

New Highs and Lows

Table with columns: Stock, Sym, Hi/Lo, Chg. Lists various stocks and their price movements.

Advertisement for DrugFree.org featuring the text 'BUILD A BRIDGE OVER THE CHASM OF ADDICTION.' and 'Physical distance can keep you safe and healthy. But if an emotional distance forms between you and those closest to you, it may be due to drug or alcohol use. Partnership to End Addiction works with you to establish the connections that can help save lives and end addiction.' Includes a heart icon and the website URL.

MARKETS & FINANCE

Netflix Pulls Nasdaq Down But Blue Chips Strengthen

By ANNA HIRTENSTEIN AND HARDIKA SINGH

Stock indexes posted mixed results and bond yields paused a recent climb as investors assessed the impact of higher inflation on corporate earnings.

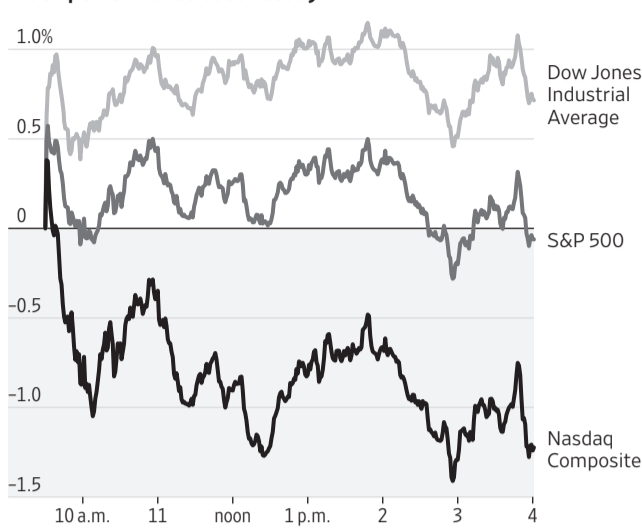
The S&P 500 slipped 2.76 points, or less than 0.1%, to 4459.45, a day after the broad-market index closed up 1.6%. The tech-focused Nasdaq Composite Index fell 166.59 points, or 1.2%, to 13453.07.

Stocks have had a strong start to the week, lifted by earnings reports that showed companies have largely been able to generate growth despite tightening monetary policy and the highest inflation in four decades.

WEDNESDAY'S MARKETS

Applications Accepted bids \* noncompetitively \* foreign noncompetitively Auction price (rate) Interest rate Bids at clearing yield accepted Cusp number The bonds, dated May 2, 2022, mature on Feb. 15, 2042.

Index performance Wednesday



Source: FactSet

rising prices.

"We are living in a year of higher inflation and that will cause problems for some companies," said Luc Filip, head of investments at SYZ Private Banking.

Data last week showed that consumer-price index rose 8.5% in March from a year earlier, the fastest annual pace since December 1981.

"Inflation might remain at high levels, but certainly we might have seen the worst of the year-over-year increases," said Carin Pai, head of portfolio management and head of equity strategy at Fiduciary Trust International.

International Business Machines climbed \$9.17, or 7.1%, to \$138.32 after it reported stronger-than-expected revenue growth driven by its cloud business.

The yield on the benchmark 10-year Treasury note edged down to 2.836% from 2.911% on Tuesday, reversing direction after three consecutive days of rises.

"We have found investors are increasingly long the dollar and are adding more to the upside," said David Adams, head of FX strategy at Morgan Stanley.

0.082%.

Netflix shares fell \$122.42, or 35% to \$226.19, its largest one-day percentage decrease since 2004, after it said its subscriber base shrank by 200,000 in the last quarter and predicted the loss of an additional two million subscribers this quarter.

"It is really time to shift the portfolio away from the life at home companies," Mr. Filip said.

Netflix lost about \$54.3 billion in market value Wednesday, a drop larger than the bottom seven companies in the S&P 500 combined, according to Dow Jones Market Data.

Other streaming companies fell: Paramount dropped \$3.12, or 8.6%, to \$33.16; Warner Bros. lost \$1.48, or 6%, to \$23.01; Walt Disney slid \$7.33, or 5.6%, to \$124.57; and Spotify fell \$14.92, or 11%, to \$122.49.

Global benchmark Brent crude lost 45 cents a barrel, or 0.4%, to \$106.80. Overseas, the pan-continental Stoxx Europe 600 rose 0.8%, a loss in the first quarter.

Listen to a Podcast Scan this code for a podcast on retirement savings and market volatility.

Life-Insurance Bond Firm to File For Bankruptcy

By ALEXANDER GLADSTONE

GWG Holdings Inc., a company that is known for selling life-insurance bonds, is preparing to file for bankruptcy in the coming days after accounting issues and the resignation of its auditor prevented it from selling its products, according to people familiar with the matter.

Dallas-based GWG created financial instruments called L Bonds, which pooled money from bond investors to purchase life-insurance policies on the secondary market and then used payouts from the policies when people died to repay the investors.

The company sold the bonds through a network of regional broker-dealers, who pitched the products to individual investors, the people said.

Trading in GWG stock was suspended and resumed multiple times on Monday due to volatility after The Wall Street Journal reported the company's bankruptcy preparations.

GWG's financial position worsened after the company stopped selling additional L Bonds due to accounting issues that delayed the filing of its 2020 annual report and the resignation of its auditor, leading it to miss interest payments to L Bond holders in January.

GWG relies to a significant extent on L Bond sales to meet its continuing financial obligations, the company said in a January disclosure to investors.

GWG had more than \$2 billion of total liabilities as of Sept. 30, including close to \$1.3 billion of L Bonds, according to its unaudited financial statements.

The company was late in filing its annual report for 2020 because it had to resolve questions that it submitted to the Securities and Exchange Commission regarding how to account for its 2019 deal to create a partnership with Beneficient Co. Group LP, a firm that provides financial services related to alternative assets.

In November, GWG disclosed that in 2020 it had received a subpoena from the SEC's division of enforcement ordering the company to produce documents. The subpoena informed GWG about a nonpublic, fact-finding investigation into the company. The SEC declined to comment.

GWG also said on Friday that it wouldn't be able to file its annual report for 2021 within the prescribed period, because of the recent resignation of its auditor, Grant Thornton.

Dollar At 2-Year High Point

Continued from page B1

week the ECB indicated it would be slower to raise rates, lagging behind the Fed.

Some expect the dollar to lose ground over the next year. They contend that weakness in Europe—including the French presidential elections—have driven the currency's aggressive gains this month.

Some investors are buying derivatives tied to the yen that amount to bets the dollar has peaked and won't move past a certain level.

"Many of the trades people are putting on have an air of skepticism that the move will sustain past a certain point," said Jeff Yarmouth, global co-head of foreign exchange flow derivatives trading at UBS Group.

But paramount to U.S. economic data falter or the Fed walks back the rate increases it has laid out for financial markets, analysts say the dollar has more room to gain.

According to Morgan Stanley data that track client flows, asset managers and others have bought more dollars versus other currencies, reflecting steady optimism around the currency and the U.S. economy's prospects.

WSJ.com/stocks

Biggest 1,000 Stocks

Table with 10 columns: Stock, Sym, Close, Net Chg. Lists top 1,000 stocks by market cap, including Microsoft, Amazon, Apple, and Google.

Mutual Funds

Table with 10 columns: Fund, NAV, YTD, Net YTD, NAV, YTD, Net YTD. Lists various mutual funds and their performance metrics.

# HEARD ON THE STREET

FINANCIAL ANALYSIS &amp; COMMENTARY

## Stores Get Augmented-Reality Check

Feature is expected to supplement but not supplant bricks-and-mortar shopping

Augmented reality could completely change how you shop, but don't expect it to dramatically change where you do it.

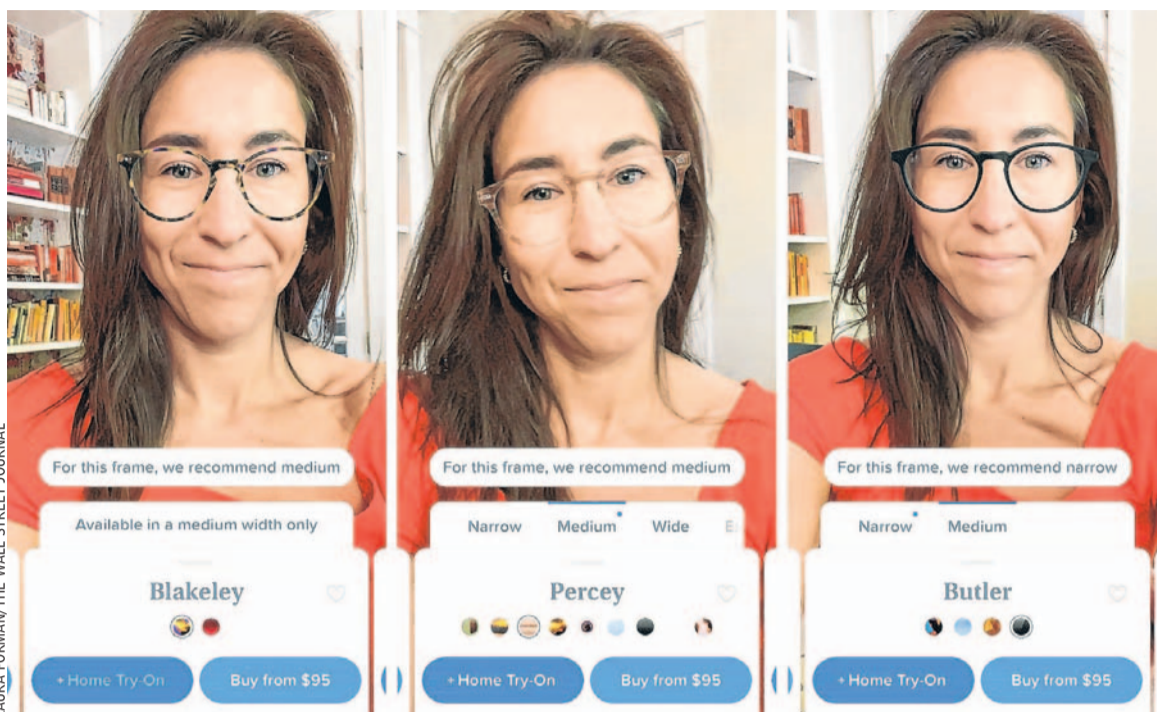
For a second there, it looked like bricks-and-mortar shopping would become a permanent casualty of the pandemic. E-commerce business boomed. Platforms like **Shopify** empowered physical stores to move online and consumers to purchase goods in just a few clicks. But it might be that nothing quite compares to being able to touch, smell and try before you buy. Technology will inevitably fill some of the gaps, but much of its utility could actually be in physical stores.

March was the first month since the pandemic hit during which e-commerce sales declined for the same period a year earlier while in-store sales rose, *The Wall Street Journal* reported last weekend. The dynamic could be a fleeting function of the renewed novelty of being able to go back into a store, but analysts like AB Bernstein's Mark Shmulik say it is durable, predicated on more than a century of habit.

That doesn't mean we can't embrace a more blended reality, though. As Meta Platforms Chief Executive Officer Mark Zuckerberg said on a recent podcast, "Most people seem to think there's a real world and a digital world...I think there's a physical world and a digital world, and the real world is actually both."

That sounds a little gimmicky, especially coming from someone building a virtual metaverse who has also called augmented reality glasses a holy grail. But it might just be true: Snapchat parent **Snap Inc.** says it has 200 million people engaging with AR every day—roughly the size of Twitter's entire daily user base.

Data shows AR technology appeals to consumers and advertisers. While a traditional ad might be visually stimulating, an ad that includes AR can be physically engaging. It also can be personalized: Traditional ads are designed to



Warby Parker's app uses augmented reality to enable customers to virtually try on its glasses.

make their products look good on a model or in a curated showroom, but an AR ad could show you what would look good on you or in your home. A recent Deloitte Digital study commissioned by Snap found interacting with products that have AR experiences leads to a 94% higher conversion rate.

We might one day find new satisfaction shopping with our friends as virtual avatars, but after two years physically apart, people seem to be craving in-person interaction. In a global shopping study conducted with Foresight Factory, Snap found half of consumers have missed the social aspect of shopping in-store since the start of the pandemic. The future, according to the study, is one in which physical stores and e-commerce increasingly cross over.

The best AR technology today will let you see a product, but it still can't enable you to touch it. What if you could do both? Consider the annoyance of trying on jeans in a crowded dressing room,

waiting for a room, hanging up your stuff, taking off your shoes and pulling on multiple pairs.

Makeup is its own beast: If you braved communal makeup samples in the past, Covid-19 has likely made you think twice about doing it again. Snap's commissioned study with Foresight Factory found 35% of global consumers would go out of their way to visit a store if it had interactive virtual services such as a smart mirror that allowed them to try on clothes or makeup. IBM's 2020 U.S. Retail Index Report found nearly 60% of respondents had used or said they would be interested in trying a smart dressing room.

Nicole Johnson, a partner at consumer-focused venture-capital firm Forerunner Ventures, stresses the importance of the in-store shopping experience for some consumers, noting their desire to try to touch will continue to necessitate a bricks-and-mortar presence in the market, offering that "last missing piece" e-commerce lacks.

She notes that more than 80% of U.S. retail purchases are still conducted offline. Forerunner has historically invested in so-called omnichannel brands, offering sales online and offline, like eyeglasses company **Warby Parker**.

Warby Parker, which began strictly online, eventually added physical stores, even though its app features AR technology allowing consumers to try on its glasses at home. According to Co-Chief Executive Officer Neil Blumenthal, "there's nothing quite like walking to a physical space, looking around and feeling the essence of a brand." Warby Parker was doing roughly half its sales offline as of November, according to a recent *Journal* report.

Snap's Deloitte Digital study found nearly 75% of the global population and almost all smartphone users will be frequent AR users by 2025. But it is hardly a death knell for in-store shopping—consider it a welcome augment.

—Laura Forman

## Netflix Faces a Long Intermission

Markets once punished **Netflix** for being too ahead of the curve. Falling behind is now incurring a similar penalty.

The streaming giant's stock price crashed 35% Wednesday following disappointing first-quarter results that included the company's first drop in paid subscribers in more than a decade. That represents the stock's largest single-day selloff in nearly 18 years, according to FactSet. Netflix has also now shed about 67% of its market value from the stock's peak in mid-November, mirroring the selloff that ensued as part of the infamous Qwikster debacle in 2011 when Netflix announced plans to separate its streaming service from a renamed DVD-by-mail service. That plan ultimately resulted

in Netflix losing about 78% of its market value before the company called off the move late that year.

There are some important differences to note, though. The sell-off of 10 years ago reflected concern that Netflix management was acting too rashly in rushing into streaming and seeming to demote the DVD service that was still generating the vast bulk of its revenue. But the basic logic of the plan ultimately played out. Netflix is now the undisputed leader of a streaming market that other media and tech giants are rushing into, while DVD rentals are barely a footnote in the company's financial statements. But this time, Netflix seems to have fallen behind the curve, with the company sounding a genuine note of surprise at its

recent drop in subscribers and now changing its tune on both password-sharing and advertising.

The result is a company that now looks like it is racing to catch up. Nearly all of Netflix's streaming competitors currently offer an ad-supported tier, or are about to. Netflix co-Chief Executive Reed Hastings said on the company's earnings call late Tuesday that an ad-based offering will likely "phase in over a couple of years in terms of being material volume." The company likewise noted that its efforts to address account-sharing will likely "go through a year or so of iteration" before wide deployment. On the latter, Mr. Hastings admitted that "when we were growing fast, it wasn't the high priority to work on."

Waiting carries its own costs though, as Netflix is now considering making changes to its service from a position of weakness rather than strength. Michael Nathanson of MoffettNathanson noted that compared with the obstacles Netflix has faced in the past, "this time it feels different" as the shareholder letter and call "portrayed a company that was more surprised by things and less clear than ever about the path forward."

At least nine analysts downgraded Netflix shares on Wednesday, with some calling the stock "dead money" until subscriber growth returns or the newest initiatives start to bear fruit. Netflix looks set to stay off investors' A-list for a while.

—Dan Gallagher

## Auto Lending Is Still Motoring Along

Banks are going to need solid loan growth to outrun some of their recent challenges. Auto lending might provide a lift, so long as banks don't violate any speed limits.

Across several large banks with auto-lending units—a group including **Ally Financial**, **JPMorgan Chase** and **Wells Fargo**—the average growth year over year in auto loans was just over 13% in the first quarter, only a bit slower than in the fourth quarter, according to figures tracked by analysts at Piper Sandler. That is more than twice the pace of overall loan growth across U.S. banks in the quarter, according to Federal Reserve data.

Yet at the same time, new-vehicle auto sales fell substantially to start the year, in what was likely the worst first quarter for unit sales volume in a decade, according to industry tracker Cox Automotive's recent estimates. Likewise, used-car prices cooled off in March by some measures. So banks are managing to expand auto-lending balances even as the auto market isn't quite firing



Banks are expanding auto-lending balances even as the car market has cooled.

on all cylinders.

High overall prices for vehicles can for now help dollar volume growth. And given the dynamics in the auto market, where supply is so sharply curtailed, loan growth is likely to remain resilient, ac-

ording to Piper analyst Kevin Barker. "If more cars are produced, even if prices soften there's plenty of underlying demand," he said.

Investors' bigger worry should be whether there might be a squeeze on auto-loan pricing as

lenders reach for growth. Some banks noted tighter spreads on auto loans as benchmark interest rates rose, and the impact of competition on what they can charge borrowers. Pricing is of course always important, but especially so now given a couple of factors.

Since banks' liability costs are likely to rise as rates do, any pricing squeeze that hits loan yields could be felt more acutely than it might have been when rates were plunging. Plus, high used-car prices mean that banks need to be cautious underwriting based on today's value of the collateral. Ally noted it was building in "additional pricing" to better cover the cost of potential defaults down the road.

How these kinds of price moves ultimately affect volume growth is partly a function of how banks collectively behave. Given the big demand for vehicles and consumers' still-healthy balance sheets, the conditions are there for continuing healthy auto-loan growth. But only if lenders respect the rules of the road.

—Telis Demos

## Cannabis Investors Have Little To Celebrate

Shares in marijuana growers to remain weak

Many pot smokers who lit up Wednesday to celebrate 4/20, the unofficial annual cannabis holiday. But it still isn't a great time to reach for U.S. marijuana stocks as progress on federal changes stalls once again.

Last week, Senate Majority Leader Chuck Schumer said his cannabis bill will be introduced in August, four months later than planned. It is a sign that the proposal, which would end cannabis prohibition in the U.S., doesn't have enough votes to pass.

The delay could make it harder for less ambitious bills to make it to the Senate before November's midterm elections. A narrower proposal for cannabis banking changes, the SAFE Banking Act, has a better chance of passing, but Sen. Schumer might block it to smooth the course for his more sweeping plan. Financial changes would then have to wait its turn.

There is a growing risk that nothing gets done. "We are on a short timeline," Colin Anonsen, a senior legislative assistant in Washington told investors on a recent call with Viridian Capital Advisors. "I'm concerned if the House changes hands or the Senate changes hands, that window is going to close."

If a cannabis overhaul is set back another couple of years, valuations will likely remain weak despite rapid growth in the industry. The **AdvisorShares Pure Cannabis ETF**, which tracks a basket of well-known marijuana stocks, has more than halved over the past 12 months. Even the best U.S. cultivators now appear cheap. **Curaleaf**, one of the largest cannabis growers that operates in several states, almost doubled sales and expanded its profit margins in 2021. However, its valuation including debt has fallen to 11 times projected earnings before interest, taxes, depreciation and amortization, from 22 times at last year's 4/20 celebrations.

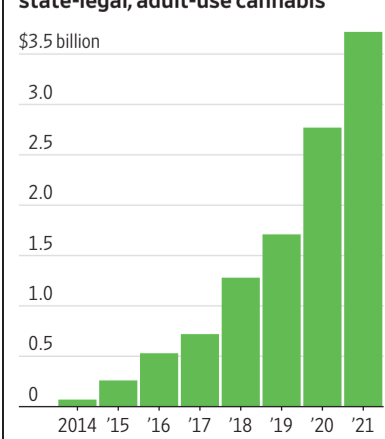
Even if banking legislation changes do occur, it won't solve all of the cannabis industry's problems. The bill would give pot growers access to normal financial services such as checking accounts by reassuring banks that they won't be prosecuted for working with a federally illegal industry. But cannabis companies will still pay effective tax rates above 70% and U.S. cultivators won't automatically be able to list on American stock exchanges, as their Canadian rivals can.

However, it might be easier for institutional investors to own the stocks. Today, it is difficult to get a bank to act as custodian for U.S. cannabis stocks, so institutional ownership can be as low as 1% for even the best growers. Instead, major investors including **BlackRock** and **Vanguard** get exposure to the industry through proxies such as **Innovative Industrial Properties**, a cannabis-focused real-estate investment trust that has 73% institutional ownership, according to FactSet data. This matters for retail shareholders too: They probably won't see big gains until institutional buyers can pile in and improve valuations.

New Jersey begins legal sales later this week. Maryland may soon go legal too—possibly lured by the almost \$4 billion in tax revenue that states made from recreational cannabis sales in 2021, according to Marijuana Policy Project. Still, until Washington gives the industry more legitimacy, cannabis investors will have little to celebrate.

—Carol Ryan

Tax revenue generated from state-legal, adult-use cannabis



Source: Marijuana Policy Project