

What's News

Business & Finance

Many traders have turned this year to exotic exchange-traded products designed to turbocharge investment bets, hoping to exploit market swings driven in part by the war in Ukraine, the global outbreak in inflation and questions about the pace of global growth. **A1**

◆ **The effects of the de facto buyers' strike on Russian crude that began a month ago, propelling prices to their highest levels in years, are starting to create a second wave of impact on oil markets. B1**

◆ **Russia's invasion of Ukraine is driving up the price of renewable-energy projects, which were facing supply-chain strains and raw-materials increases before the war. B1**

◆ **Socially conscious investors and global-health activists are turning to shareholders to press Pfizer, Moderna and J&J to make more of their Covid-19 vaccine shots available to people in poorer countries. B1**

◆ **Volkswagen is changing its approaches to manufacturing as war, health scares and trade disputes roll back decades of globalization. B1**

◆ **Aluminum makers are on a nationwide hunt for more old cans, shredded cars and factory waste to keep up with demand. B3**

◆ **The turmoil in Chinese tech shares is damping the financial firepower Japan's SoftBank has for new investments, and prompting debate about whether it might sell some of its stake in Alibaba. B3**

World-Wide

◆ **Ukrainian forces are seeking to roll back Russian gains as Moscow shifts its focus to controlling a swath of the south and east of Ukraine. Western officials saw signs Russia is consolidating its position and Zelensky urged the West to provide his army with the heavier weapons it needs to fight the better-armed Russian military. A1, A6-9**

◆ **Shanghai imposed stringent pandemic restrictions it has long tried to avoid on its 25 million residents that are likely to disrupt commercial activity well beyond the city limits. A1**

◆ **Biden will propose a new minimum tax on households worth more than \$100 million as part of his annual budget in a bid to ensure the very wealthiest Americans pay at least 20% in tax on their income and rising asset values each year. A4**

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AFTERMATH: A woman cleared debris from a school that was damaged by shelling in Kharkiv on Sunday as Russia's attack on Ukraine continued. Western officials saw signs that Russia is consolidating its position to regain the offensive, and President Volodymyr Zelensky of Ukraine urged the West to provide his army with heavier weapons.

Biden's Remark on Putin Stirs Anxiety Among Western Allies

BY SABRINA SIDDIQUI AND TARINI PARTI

WASHINGTON—President Biden's remark that President Vladimir Putin of Russia "cannot remain in power" came under fire for muddying U.S. policy and threatening to undermine diplomatic efforts to end the war in Ukraine.

Administration officials and Democratic lawmakers said Sunday the off-the-cuff remark was an emotional response to the president's interactions in Warsaw with refugees—some

of whom had fled violence in Mariupol, a Ukrainian southern port city under weekslong Russian bombardment and attacks on civilians.

Julianne Smith, the U.S. ambassador to the North Atlantic Treaty Organization, said on CNN that Mr. Biden's comments were "a principled human reaction to the stories that he had heard that day."

President Emmanuel Macron of France and European diplomats, meanwhile, warned the comments could undercut any diplomatic solution.

Speaking in the Polish capital of Warsaw on Saturday, Mr. Biden appeared to issue his strongest condemnation of Mr. Putin to date. "For God's sake, this man cannot remain in power," Mr. Biden said at the conclusion of his speech.

On Sunday, in response to a reporter's question, Mr. Biden denied he was seeking regime change in Russia.

Still, his remark—which Moscow dismissed—marked an escalation in Mr. Biden's verbal attacks on the Russian president, after previously calling

him a butcher and a war criminal. It is also the latest example of his penchant for going off script, overshadowing his intended message and prompting White House aides to clarify his words.

Mr. Biden's aides scrambled to play down the words' meaning and impact. White House officials said they believed Mr. Biden's trip and speech were a success, even as some lawmakers and analysts said the remarks could complicate matters.

"It reminds us that message Please turn to page A8

Shanghai Imposes Covid-19 Lockdowns

BY YANG JIE AND LIZA LIN

Shanghai imposed stringent pandemic restrictions it has long tried to avoid on its 25 million residents that are likely to disrupt commercial activity well beyond the city limits.

Local authorities said on Sunday they plan to lock down the city in two phases over the next week and a half to try to control an outbreak of the highly infectious Omicron variant of the Covid-19 virus.

All over Shanghai, the government's announcement sparked frenzied scrambles to food markets and grumbling about the disruption to urban life in a city that until recently appeared relatively unaffected by Covid.

China has sought to wean itself off disruptive and costly all-out lockdowns, but faces an immense challenge as the Omicron variant puts stress on the country's healthcare and governance systems.

Any suspension of commercial activity in Shanghai will likely have global ripple effects as the city is one of China's primary centers for finance, manufacturing and goods trade. The city hosts the regional headquarters of hundreds of multinational companies, and manufacturers like car makers Tesla Inc. and General Motors Co. run factories there.

Shanghai reported 2,676 confirmed coronavirus cases for Saturday, all but 45 of them asymptomatic, according to a social media post by the Shanghai government. The total caseload represented more than half of the 5,700 new Covid-19 infections reported nationwide on Saturday. Early Monday, China reported 3,500 new cases in Please turn to page A10

'CODA' Wins Best Picture Oscar



The drama 'CODA' on Sunday became the first streamed film to earn best picture at the Academy Awards. The movie's Troy Kotsur is the first deaf man to win best supporting actor. A12

Saying 'Sandwiches' Correctly Can Prompt an Oscar Nomination

Dialect coach to the stars made Kristen Stewart royal; DIANA GIGGLE.MP3

BY SARAH BALL

He is British, highly trained and might very well ask you to say, "The rain in Spain stays mainly in the plain."

Or a variation, if he's teaching northern England's Geordie accent: "Jean Paul Gaultier's broken the photocopier," where the last word sounds like FOH-OH-cop-ee-ah.

Dialect coach William Conacher, 53, shares some similarities with the "Pygmalion" and "My Fair Lady" phonetics legend Henry Higgins—but they differ in at least one way.

"I don't have tuning forks!" Mr. Conacher says, sliding in his socks from one room of his north London home to another to fetch an essential tool of his trade. "What I have is this." Please turn to page A10

He opens a laptop with hundreds of audio files, arranged in folders labeled with arcane subdialects, famous voices (Elvis!), regions of the world and entirely invented places. As one of Hollywood's most in-demand accent whippersnappers, Mr. Conacher is hired to extract from film and television actors the kind of transformative voice performance that results in major awards.

Take Kristen Stewart, who was nominated for her first Academy Award this year, for Best Actress. Ms. Stewart, 31, trained with Mr. Conacher for four months to master the voice of Spencer Diana in the biopic "Spencer." Previous Conacher-coached roles that won Oscars, in part for how Please turn to page A10

A Mother Risks All to Get Her Son

Olena Sirotiuk, in Poland when war broke out, returned to Ukraine for her 12-year-old

BY MATTHEW LUXMOORE AND NATALIA OJEWKA

USTROMIE MORSKIE, Poland—Olena Sirotiuk was on the night train moving east toward the front lines in Ukraine when she got a call from her 12-year-old son. "Don't come Mummy," he said. "They're shooting."

Ms. Sirotiuk, a cleaner living in western Poland, was one of the few women on a train packed with men headed back to fight the Russians. She wanted to retrieve her son, Nazariy, from behind what had suddenly become enemy territory.

"You go because your child is there," said Ms. Sirotiuk, 50. "In that moment,

Ukraine Forces Advance As Russia Regroups

Western officials see Moscow consolidating its position as Kyiv seeks to reverse gains

KYIV, Ukraine—Ukrainian forces are seeking to roll back Russian gains as Moscow shifts its focus to controlling a swath of the country's south and east.

By Isabel Coles, Max Colchester and Yuliya Chernova

Ukrainian forces said on Sunday they drove Russian troops out of Trostyanets, in the northeast near the Russian border, potentially opening a road to the provincial capital of Sumy, which is encircled by the Russians.

Western officials saw signs that Russia is consolidating its position to regain the offensive, and President Volodymyr Zelensky of Ukraine urged the West to provide his army with the heavier weapons it needs to fight the better-armed Russian military.

The retaking of Trostyanets comes after Moscow, having faced stiff resistance from the Ukrainians in its initial, multi-front offensive, said on Friday that it would refocus its campaign on the eastern Donbas region, where Russian forces Please turn to page A6

The Ukraine Crisis

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Risky Stock Bets Surge in Popularity

BY GUNJAN BANERJI

When technology stocks declined for a fourth straight day in January, Evan Fetter, a 25-year-old in the U.S. military, saw an opportunity to swing for the fences.

He poured \$15,000 into the ProShares UltraPro QQQ, an exchange-traded product that is designed to triple the daily return of the Nasdaq-100 index, bidding for what he called a "once-in-a-lifetime gain."

The trade has been under-water at times, but Mr. Fetter said he hopes to hold the shares until his investment is worth \$50,000, at which point he plans to put the money toward a down payment on a

real-estate property. "Stuff like this is a buying opportunity," Mr. Fetter said of the 2022 declines in U.S. major indexes. He said he has been stashing away money in stocks for years from his earnings at Chick-fil-A and other eateries and wanted something with the prospect of higher returns.

Mr. Fetter is one of many traders who have turned this year to exotic exchange-traded products that are designed to turbocharge bets on everything from stocks to commodities to esoteric financial derivatives. Market swings driven in part by the war in Ukraine, inflation and questions about Please turn to page A2



U.S. NEWS

FAA Taps Nolen as Its Acting Leader

By Andrew Tangel
and Micah Maidenberg

The Federal Aviation Administration said Saturday it selected its safety chief to lead the agency on an acting basis after the current administrator, Steve Dickson, steps down at the end of March.

Billy Nolen has served as the FAA's associate administrator for aviation safety since January after a career as an American Airlines pilot and industry executive focused on regulatory and safety matters. In his current role as the agency's safety chief, Mr. Nolen oversees more than 7,600 FAA employees who focus on a range of flight-safety issues, including manufacturing and airline operations, the agency has said.

As acting FAA chief, Mr. Nolen will confront a host of aviation challenges, including maintaining airline safety as carriers increase operations to meet surging demand, approving deliveries of Boeing Co.'s 787 Dreamliner amid various production lapses and assisting Chinese authorities' investigation of a recent crash of a U.S.-made plane in that country.

The FAA's announcement that Mr. Nolen will take on the administrator job on an interim basis confirmed earlier reporting by The Wall Street Journal.

The Biden administration is conducting a search for a nominee who would lead the agency on a permanent basis, a position that carries a five-year term and must be confirmed by the Senate, the FAA said on Saturday.

The current administrator, Mr. Dickson, was appointed to the role by then-President Donald Trump and confirmed by the Senate in 2019.

"Billy Nolen has extensive expertise in aviation," Transportation Secretary Pete Buttigieg said.

The safety chief will lead the agency until a nominee is named to a five-year term.

The FAA said that the agency's deputy administrator, Bradley Mims, will take on an expanded role during the interim period, focusing on workforce issues and airports.

Mr. Nolen, or whoever eventually wins Senate confirmation as FAA administrator, would take the controls of an air-safety agency trying to emerge from the aftermath of two Boeing 737 MAX crashes in 2018 and 2019. The accidents, in Indonesia and Ethiopia, took 346 lives and prompted regulatory, congressional and criminal investigations.

The MAX crashes exposed breakdowns in how the FAA approved a flight-control system later blamed for sending the jets into fatal nosedives. The FAA has been working to implement a new law governing how regulators approve new aircraft as safe for passengers.

The agency also has initiatives under way related to electric vertical-takeoff-and-landing aircraft, drones and space launches.

Mr. Nolen served tours of duty in the U.S. Army as an airplane and helicopter pilot and safety officer, in addition to his professional aviation experience, according to the FAA.

Mr. Dickson, the current administrator of the air-safety agency, is a pilot and former Delta Air Lines Inc. executive. In February, he said he would step down March 31, citing personal reasons for the planned departure.



Billy Nolen in 2015.



A gas station in Bird Creek, Alaska, as seen last week. About half the state's general fund comes from taxes and royalties on oil and gas production.

High Oil Prices Fill Alaska Coffers

Energy-rich state sees big budget surplus and begins a debate over what to do with it

By Jim Carlton

Soaring oil prices have brought Alaska its biggest budget surplus in nearly 20 years, along with a debate in Juneau over whether to spend the money on education and infrastructure or save it for the next downturn.

Over the past year, the price for a barrel of Alaska North Slope crude has nearly doubled, to \$114.93 as of last week. Taxes and royalties from oil and gas production in Alaska generate about half the state's general fund.

The bonanza will boost state revenue for the two-year period ending in June 2023 to \$15.3 billion, according to an estimate from the Alaska Department of Revenue. Last year, officials estimated that number for the period that began July 1, 2021, would be \$11.7 billion.

In a state where the government spends about \$6 billion a year and tax and royalty revenue can swing widely depend-

ing on oil prices, officials agree the projected surplus is a rare opportunity. "There's no doubt this allows for a lot less uncertainty in our budget," said Neal Fried, an economist for the state Department of Labor.

Gov. Mike Dunleavy and some fellow Republicans want to bank most of it for a rainy day. Many Democrats, who share control of the lower house of the legislature with the GOP, want to lock in education spending a year in advance, so school budgets can't be cut if future revenue falls short.

A number of states are enjoying surpluses thanks to the improving economy and federal aid tied to the pandemic, but oil-rich states are in a particularly strong position after the price of oil jumped more than \$20 a barrel following the Russian invasion of Ukraine a month ago. While that has meant pain at the pump for motorists, New Mexico, North Dakota, Oklahoma and Wyoming all expect to exceed their previously estimated revenue from oil production proceeds, according to the National Conference of State Legislatures.

Alaska's dependence on oil revenue began in the 1970s, when construction of the

Trans-Alaska Pipeline unleashed a torrent of riches. That began to change a decade ago, when oil prices started falling at the same time that production in North Slope fields was declining.

Since 2013, lawmakers in this state of 730,000 people have covered deficits by drawing on rainy day accounts that previously totaled \$19 billion. Last year, about \$1 billion was left in them.

Gov. Mike Dunleavy wants to bank most of the surplus for a rainy day.

Bill Popp, chief executive of the Anchorage Economic Development Corp., a nonprofit economic development organization, said the turnaround in oil prices gives lawmakers time to address the structural problems of the budget that recent deficits have revealed. These include unstable revenue, and the high costs of importing goods and recruiting staff for schools and other government services in remote areas.

Along with tax revenue, Alaska draws more than \$3 billion annually off a portfolio called the Permanent Fund, where it has invested a portion of its revenue off oil production for decades.

The state also sends residents a check from the fund's revenue. Last year, they were \$1,114 each. Mr. Dunleavy has proposed more than doubling that, in part to help residents cope with inflation, which was 7.4% in Alaska in February compared with one year ago.

"The more money you put in the hands of people, the better they would spend it than the state would," he said in an interview.

Under a separate bipartisan proposal, the state would send Alaskans inflation relief checks of about \$1,300 each from the tax revenue surplus. Other states including California and Maine are considering similar measures.

More controversial is a plan in the state House to spend \$1.2 billion now for K-12 education in the fiscal year starting July 2023. State Rep. Neal Foster, a Democrat, said that would allow schools in far-flung cities such as his hometown of Nome to better cope with rising costs for every-

thing from heating fuel to teacher pay.

Schools previously have seen their budgets cut when state revenue dropped, resulting in teacher layoffs. Mr. Foster said prefunding them would make it easier for officials to plan with certainty.

"That would give the schools the ability to determine how many teachers they can hire," Mr. Foster said.

Mr. Dunleavy said he doesn't like the idea of prefunding state programs. "If you start going down that road, you could fund everything," he said.

State Senate President Peter Micciche, a Republican, said some money could go toward upgrading outdated infrastructure, such as the Alaska state ferry system, which provides transportation service to many communities that aren't reachable by road.

Mr. Dunleavy said he supports some increased infrastructure spending, but he would like to see as much of the windfall as possible put into savings to help ward off future deficits. The revenue windfall "gives you breathing room only if you take advantage of the breathing room," he said.

Debt Encumbers Aspirants to Religious Orders

By Francis X. Rocca

MacLean Andrews has raised more than \$20,000 from friends, family members and strangers in an effort to pay off his student debt and join a Catholic religious order.

He converted to Catholicism while teaching at a Jesuit-run high school in Spokane, Wash., and now wants to become a Jesuit himself. But to take the group's vow of poverty, Mr. Andrews needs to be free of financial obligations, including the student loan debt he accumulated in college, which still amounts to more than \$60,000.

Initially, freeing himself from debt seemed like an impossible task. "I was like, 'I can't think of a way to overcome this,'" the 32-year-old said. "There was no path forward I could see."

Mr. Andrews is raising money to try to pay off his student debt via letters, phone conversations, Zoom calls and face-to-face meetings with the help of a nonprofit called the Labouré Society. It is one of at least three in the U.S. dedicated to helping people who aspire to serve in Catholic religious orders but first need to find a way to pay off the loans they accumulated in college.

A study released in January by the Center for Applied Research in the Apostolate at Georgetown University found that 6% of men and women who made a permanent commitment to a religious order in the U.S. last year had delayed their application because of educational debt. The average delay was four years and the average amount of debt was \$41,000, up from two years and \$19,500 in 2012, according to CARA.



FROM LEFT: ROAJAH BOSE FOR THE WALL STREET JOURNAL; ABBY ORTEGA

Loans Curb Number Joining Groups

There were 55,466 men and women in religious orders in the U.S. in 2020, down from 194,474 in 1970, according to the Center for Applied Research in the Apostolate.

Church leaders cite a variety of factors for the decline, includ-

ing the growing secularization of Western society. People who work with the orders say the fact that many aspiring members are among the 43 million Americans who owe a total of \$1.6 trillion in student loans, according to the U.S. Department of Education, is a growing factor.

Sister Colleen Mattingly, of the Apostles of the Sacred Heart of Jesus in Hamden, Conn., said in her two years of service

as the order's vocations director, she has turned away two aspirants whose educational debt was too large to pay off before they reached 35, the maximum age allowed for new members.

"A woman came to me, and she was ready to move forward with a life commitment, but she had this debt. Even as she talked about it, she broke down, she just broke down in tears," Sister Mattingly said.



MacLean Andrews, left, a teacher in Spokane, Wash., and Rebecca Goldberger, a dietitian in El Paso, Texas, are both trying to clear their financial obligations so they can realize their goal of joining Catholic religious orders.

The Virginia-based Fund for Vocations and Chicago-headquartered National Fund for Catholic Religious Vocations both give grants to pay off the debt of aspirants members of Catholic orders. Mary Radford, executive director of the Fund for Vocations, said her group has paid off more than \$5 million of student loans for 251 men and women since its founding in 2007.

"Our goal is to allow them to enter as quickly as possible, while they're still hearing the

obedience. Their missions and ways of life differ widely, ranging from cloistered monks who observe long periods of silence to activist nuns assisting immigrants on the border with Mexico.

In contrast, the diocesan priests who serve most Catholic parishes don't take a vow of poverty and receive a salary. A CARA survey found that 27% of U.S. diocesan priests ordained in 2021 had educational debt when they entered seminary, with an average load of \$24,781.

call, not to be distracted by other things," she said.

Executive director Phil Loftus said the NCFRV has awarded nearly \$1 million to assist 49 people since its founding in 2014. Both groups raise their money from individual donors and charitable foundations.

Sister Mary Gemma Harris, who is now a Franciscan nun in Toronto, Ohio, said a grant from the Fund for Vocations to pay off about \$10,000 in student loans allowed her to quit her job as a journalist, which had been testing her determination to pursue religious life. "I was really struggling to stay faithful...allowing the world to creep in," Sister Harris said.

The Labouré Society, based in Minnesota, groups aspirants in teams of 20 to 25 who work for six months to raise a common fund of \$500,000 to \$700,000, according to John Flanagan, the group's executive director. Each member of the team is guaranteed at least 80% of what they raise. Labouré has awarded almost \$9.5 million to about 350 people since its founding in 2003.

An aspirant starts by making a list of 100 potential donors from their own family and social network, whom they ask for money along with introductions to other potential donors. An aspirant also asks donors for their prayers and keeps them up-to-date on the progress of their vocation.

"It's not transactional, it's really relational. It is inviting people into your story," said Rebecca Goldberger, a dietitian in El Paso, Texas, and an aspiring member of the Apostles of the Sacred Heart of Jesus in Hamden, Conn.

—Ian Lovett
contributed to this article.

U.S. NEWS

Biden to Pitch New Tax on the Wealthiest

Planned 20% minimum levy would apply to households worth more than \$100 million

By RICHARD RUBIN AND ANDREW DUEHREN

WASHINGTON—President Biden will propose a new minimum tax on households worth more than \$100 million as part of his annual budget, the White House said Saturday, in a bid to ensure the very wealthiest Americans pay at least 20% in tax on their income and rising asset values each year.

The proposal would affect fewer than 20,000 households, and it would apply only to those who don't pay at least 20% in tax on a combination of income as typically defined and their unrealized gains on unsold assets such as stocks and closely held businesses.

The plan would generate roughly \$360 billion in revenue over 10 years, according to a White House fact sheet. That is about twice as much money as raising the top individual income-tax rate to 39.6% from 37%, and it would affect a much smaller group of people.

The biggest chunk of money in the new Biden plan would come from taxes on unrealized gains built up over many years, which could include much of the wealth of founders of large technology companies such as Amazon.com Inc. and Facebook parent Meta Platforms Inc. Those people could spread their initial payments over nine years; subsequent annual minimum taxes could be spread over five years.

There would be no exemptions for particular asset classes, but there would be special rules for illiquid taxpayers. People wouldn't have to make annual valuations of

illiquid assets, and they could defer some taxes—with interest charges—until death or asset sale.

The proposal is the latest Biden administration effort to capture more revenue from the capital gains of wealthy Americans. Like other Democratic ideas, it would mark a significant change in how income is defined for tax purposes, creating a whole new separate tax structure that would capture rising asset values for the government even before those assets are sold.

The Biden plan contains several features that are different from previous attempts to tax the wealthiest sliver of Americans, such as annual wealth taxes or taxing assets as if they were sold each year.

"While there are differences between the president's proposal and the Billionaires Income Tax, we're rowing in the same direction," said Senate

Finance Committee Chairman Ron Wyden (D., Ore.), referring to his own plan.

Under the Biden plan, if assets declined in value, the future stream of payments would be adjusted downward. Value increases would lead to a new, larger stream of tax payments. Asset sales could also lead to adjustments in the required minimum-tax payments. The policy aim is effectively partial prepayment of taxes that would ultimately be owed at sale, death or gift, with a minimum average 20% tax rate over the long term.

Previous White House plans to tax unrealized capital gains at death and raise the capital-gains rate faced stiff Democratic opposition on Capitol Hill, though the administration still backs those ideas.

Mr. Wyden's proposal, which would have been more focused on billionaires' unrealized capital gains, drew sup-

port from Mr. Biden but failed to gain traction with top congressional Democrats last fall. Mr. Biden's version, designed as a minimum tax, could face the same political constraints and even more trouble next year if the House or Senate tips to Republican control.

If enacted, the measure would likely face legal challenges to its constitutionality under the 16th Amendment. Even with the additional funding sought by Mr. Biden, the Internal Revenue Service could struggle to administer the proposal and would find itself in protracted disputes with taxpayers.

Under current law, capital gains are taxed only when they are realized—when the asset is sold—and they are taxed at lower rates than ordinary income. When people die, those unrealized gains aren't taxed as income. Instead, heirs pay capital-gains taxes only on the

gains since the prior owner's death, and only when the heirs sell. They do often owe estate taxes on their net worth at death.

That system creates an incentive for people to hold appreciated assets until death. Many very wealthy people do just that, reporting taxable incomes each year that are far less than the gains in their wealth. The Biden plan would sharply reduce, but not eliminate, that incentive.

Crafting proposals to raise more tax revenue from wealthy and high-income households, as well as corporations, has been a central challenge for Democrats. Lawmakers and Biden administration officials are hopeful that talks on that agenda can restart in the coming weeks, with the goal of passing a bill that raises taxes before the end of the summer after months of stalled attempts.

Employers Wait Months for Promised U.S. Aid

By RICHARD RUBIN AND RUTH SIMON

Employers are waiting as much as six to 10 months for the Internal Revenue Service to process claims for a popular wage subsidy that was designed to keep workers on payrolls during the Covid-19 pandemic.

IRS delays and federal policy changes are causing the waits, forcing employers trying to claim the employee-retention tax credit to dig deeper into reserves and slowing their recovery, according to business owners, accountants and payroll providers.

"It is taking an extraordinarily long time to get the refunds, much longer than we would have anticipated," said Jeff Martin, a tax partner at accounting firm Grant Thornton LLP. "If you are looking at cash-strapped employers," he added, "it can be pretty detrimental."

Employee-retention tax credits were among a series of policies Congress passed in 2020 and 2021 to help businesses and workers weather the impacts of the virus on the economy.

Congress aimed the credit at employers that faced mandatory closures or suffered steep revenue losses. But its structure is causing problems for companies. Because those wages subsidized with credits aren't deductible from income taxes as a normal business expense, some companies are temporarily paying higher income-tax bills while they wait for refunds, Mr. Martin said.

The processing delays are an example of how the IRS paperwork backlog creates challenges for taxpayers. The agency's struggles have also left millions of individuals waiting for 2020 refunds and slowed their ability to get answers from the government.

The delays cost the government, too. The IRS paid \$55.5 million in interest on slow refunds from amended employment-tax returns from August 2020 to August 2021, according to an inspector general's report that projected more such costs ahead.

IRS officials have said they are working through filings as quickly as possible, and they announced a burst of hiring and other changes to accelerate that work and bring backlogs to normal levels by year-end. At a recent House hearing, IRS Commissioner Charles Rettig



Thomas Bemiller, above, CEO of Aureus Group, says business dropped as much as 50% during the pandemic. Below, a mechanic at Aureus's Brookhaven, Pa., location. The company received a partial refund of \$180,000 from the employee-retention tax credit but is waiting for more.



said the agency was unable to automate systems to expedite these refund requests. These problems—and other customer-service issues—stem from a lack of resources for the agency, said Senate Finance Chairman Ron Wyden (D., Ore.).

Aureus Group, owner of three auto repair shops in the Philadelphia area, filed its first request for an employee-retention credit last May. The 25-person business received a par-

tial \$180,000 refund this month but is still waiting for more for both 2020 and 2021.

Aureus plans to pay off credit-card bills and other debt it incurred to keep operations afloat in the pandemic, when business dropped as much as 50%, said Chief Executive Thomas Bemiller. One location closed for eight months after being flooded by rains related to Hurricane Isaias in 2020.

"When the money showed up, it was a little bit of a sur-

prise," Mr. Bemiller said. "Because it took so long, I wasn't waiting on it every day."

Congress created the employee-retention tax credit in 2020 as a companion to the Paycheck Protection Program, which provided forgivable loans to employers meeting certain requirements. The idea of the credit: reward employers who keep workers attached to their jobs.

Smaller employers could get the credit—worth up to half of

wages in 2020 and 70% in 2021—for paying active workers, while larger firms generally got it only for paying people who didn't work. Chipotle Mexican Grill Inc. received \$11.4 million during 2021 and Spirit Airlines Inc. qualified for more than \$37 million last year, according to securities filings.

Congress expanded the program for 2021. Employers could get up to \$7,000 per employee per quarter, instead of a \$5,000 annual maximum in 2020. To qualify in 2021, employers generally had to show revenue in a given quarter was at least 20% below 2019 levels, instead of a 50% drop in 2020. Originally, employers who received PPP loans couldn't get the credit; ultimately, they could, but just not for the same expenses.

As of March 23, the IRS had 1.9 million quarterly employment tax returns to process, plus 324,000 amended returns. Not all claim the credit, but many do.

"For some taxpayers, it's been a real bear," said Jim Donovan, a Minneapolis-based partner at accounting firm Eide Bailly LLP. "I have taxpayers that are like: 'Gosh, Jim, I needed the money five months ago. I need it right now.'"

Convicted Member of Congress To Resign

By ELIZA COLLINS AND DEANNA PAUL

WASHINGTON—Rep. Jeff Fortenberry (R., Neb.) said Saturday he plans to resign from the House, after he was convicted by a federal jury of lying to investigators in a campaign-finance case.

"Due to the difficulties of my current circumstances, I can no longer effectively serve," he said. He said he would resign effective March 31.

On Thursday, a federal jury in Los Angeles found him guilty of lying to investigators in an attempt to conceal illegal campaign contributions he received during a 2016 California fundraiser. Mr. Fortenberry said he would appeal.

Following his conviction, House Minority Leader Rep. Kevin McCarthy (R., Calif.) and Speaker Nancy Pelosi (D., Calif.) said Mr. Fortenberry should resign. He has served in Congress since 2005.

In the case, prosecutors alleged that Mr. Fortenberry learned that Lebanese-Nigerian billionaire Gilbert Chagoury illegally funneled \$30,000 in contributions to his 2016 re-election campaign through straw donors at a Los Angeles fundraiser. But during interviews with federal agents, Mr. Fortenberry repeatedly denied knowledge of Mr. Chagoury's involvement, prosecutors alleged.

Foreign nationals are barred from donating to candidates in U.S. elections, and it is illegal to disguise a donor's identity through third-party contributions.

Mr. Fortenberry's defense team argued that the case was driven by overzealous prosecutors who sought a big take-down after making little headway in a broad probe of suspect contributions to U.S. political candidates.

Mr. Fortenberry was a member of the House Appropriations Committee and the top Republican on the agriculture subcommittee, but stepped down from those positions in October after his indictment.

Nebraska's First Congressional District was ranked as solid Republican by the non-partisan Cook Political Report.

Republican Candidates' Ads Go After Democrats for High Inflation

By JOHN MCCORMICK AND CHAD DAY

If Americans aren't feeling the pain of inflation enough on their own, Republicans running for Congress are working hard to remind them of the biggest price increases in four decades.

Sen. Ron Johnson of Wisconsin, seeking re-election in a state that had the third-narrowest outcome in the 2020 presidential election, last week became the latest GOP candidate to air a TV ad heavily focused on inflation.

His ad, running in five of the state's television markets, calls inflation "the Democrats' tax on the middle class" and argues that the party now

controlling Washington is responsible for rising prices because it has "declared war on fossil fuels" and engaged in "printing trillions of dollars to pay for their massive deficit spending."

Democrats nationally have countered that there is more at work when it comes to inflation than government policies, pointing to a collision of strong consumer demand, snarled supply chains and Russia's invasion of Ukraine. Some also point to their efforts to lower prices on such things as insulin and child care and their willingness to take on what they see as price gouging by oil companies.

Overall, about one in eight television ads in congressional

races aired between Jan. 1 and March 20 has featured inflation as a topic, according to a Wall Street Journal analysis of broadcast and national cable data from the ad-tracking firm AdImpact. About 69% of those more than 15,800 airings were sponsored by Republicans or conservative-leaning groups.

As Democrats try to defend their narrow Washington majority, this year's election will be the first national contest in which inflation will be a major issue since Republican Ronald Reagan defeated Democratic President Jimmy Carter in 1980.

The most recently available data from the Bureau of Labor Statistics showed that the annual inflation rate had risen to

7.9%. President Biden initially presented the situation as transitory, although it has worsened and the potential exists for a cumulative effect on voters.

Dan Conston, president of the Congressional Leadership Fund, the super political-action committee associated with House Republicans, said he expects inflation will be a theme in GOP advertising until the election.

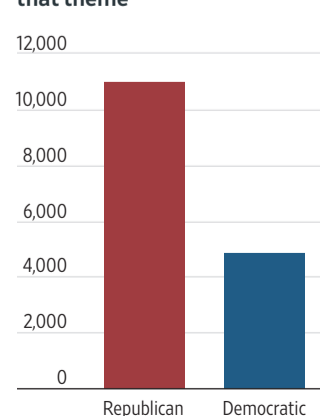
"Inflation is the one issue that personally affects every single voter on a daily basis," said Mr. Conston, whose group is typically one of the biggest advertisers in midterm elections. "Lots of issues come and go with the moment. The pain and anger of having to pay a

lot more than you should for nearly every item is not something that's going away."

Nora Keefe, a spokeswoman for the Democratic Senatorial Campaign Committee, the campaign arm of Senate Democrats, responded to inflation-related criticism by arguing that her party is trying to lower taxes and other costs for many Americans. "The GOP is pushing the interests of the ultra-wealthy and big corporations that get rich by keeping prices high, while working families pay the price," she said.

A Journal poll conducted March 2-7 showed that 58% said inflation is causing them financial strain, while 65% said the economy is headed in the wrong direction.

Political ad airings on broadcast and cable TV that mention inflation or that theme



Note: Jan. 1-March 20. Includes campaigns, parties and aligned groups such as super PACs. Source: WSJ analysis of AdImpact data.

U.S. NEWS

Debate Brews Over Breeding Pigs' Stalls

BY PATRICK THOMAS AND HEATHER HADDON

In West Liberty, Iowa, Mike Deahr houses his 3,000 breeding pigs in small enclosures that keep them from turning around and interacting with others for the first 28 days of their 115-day pregnancy.

Whether those enclosures represent the best way to safeguard hogs' health or the mistreatment of vulnerable animals is at the center of a debate over how pigs in the \$43 billion U.S. pork industry are housed.

The state of California, animal-welfare groups like the Humane Society of the United States and billionaire investor Carl Icahn are pressing fast-food giants like McDonald's Corp., meatpacking companies and hog farmers like Mr. Deahr to provide pregnant hogs more space.

Animal-welfare proponents say the crates confine sows to the degree that they can barely turn around or walk.

"All they can do is stand on a hard, bare floor, eat, and lay down in place," said Maisie Ganzler, chief strategy and brand officer for Bon Appétit Management Co. Ms. Ganzler, one of Mr. Icahn's two nominees to McDonald's board in his proxy contest, said switching to pork raised outside of crates recently increased costs for her institutional catering company, but the move aligned with what her customers wanted.

Pork producers and suppliers are resisting, saying such moves would raise meat prices by causing farmers to spend millions of dollars changing their operations, create supply-chain chaos and risk their pigs' health.

Sows are aggressive, said Mike Paustian, a farmer in Walcott, Iowa. The stalls prevent them from fighting each other and stop larger sows from stealing food from smaller ones.

"Farmers have tried different ways of housing them over the years. Individual gestation stalls allow you to do a better

choice of whether to spend millions of dollars changing their operations. Only about 7% of U.S. sow housing meets California's Proposition 12 standards, according to lender Rabobank.

Getting rid of gestation stalls can make hog farmers less efficient, said Stewart Leeth, chief sustainability officer for Smithfield Foods. Farmers would have to house fewer hogs in their barns to comply with larger square-footage requirements, he said.

Niman Ranch, a pork supplier that doesn't use gestation stalls, said it can be done without hurting productivity. Chris Oliviero, general manager at Niman, a unit of Perdue Farms Inc., said there has been ample time since companies began pledging to phase out pork raised in stalls a decade ago and the Proposition 12 vote to comply with new breeding rules.

"I think the industry needs to get behind it," Mr. Oliviero said.



Mike Paustian, an Iowa hog farmer, pictured here in 2020, says individual gestation stalls 'allow you to do a better job of monitoring individual sows.'

Pork producers and suppliers resist calls to give pregnant hogs more space.

job of monitoring individual sows," said Mr. Paustian, who sells his pigs to Tyson Foods Inc. and Smithfield Foods Inc.

Mr. Deahr sells his pigs to Tyson, but another large meat-packer approached him recently with an offer to pay him an \$8-a-pig premium to not use gestation crates, he said. While it is a good offer, Mr. Deahr said he can't accept it because of his own animal-welfare concerns. The stalls are needed to protect the sows for at least the six days when they are at their most aggressive, he said.


"It's my oath to take care of these animals," he said.

A California law backed by the Humane Society is prompting change. Proposition 12 requires breeding pigs to be able to lie down and turn around in spaces in which they are housed, essentially outlawing pork produced using small gestation stalls in most circumstances. Under the measure, Mr. Paustian's pigs couldn't go to market in the nation's most populous state.

Supermarkets and restaurants found in violation could be punished with fines of up to \$1,000 or as many as 180 days in jail. A recent order by a California state judge delayed the application of the law on California retailers until six months after state officials draft regulations, which aren't currently in place. California's law has been met with opposition from the meat industry, groceries and other food retailers since it was passed by voters in 2018.

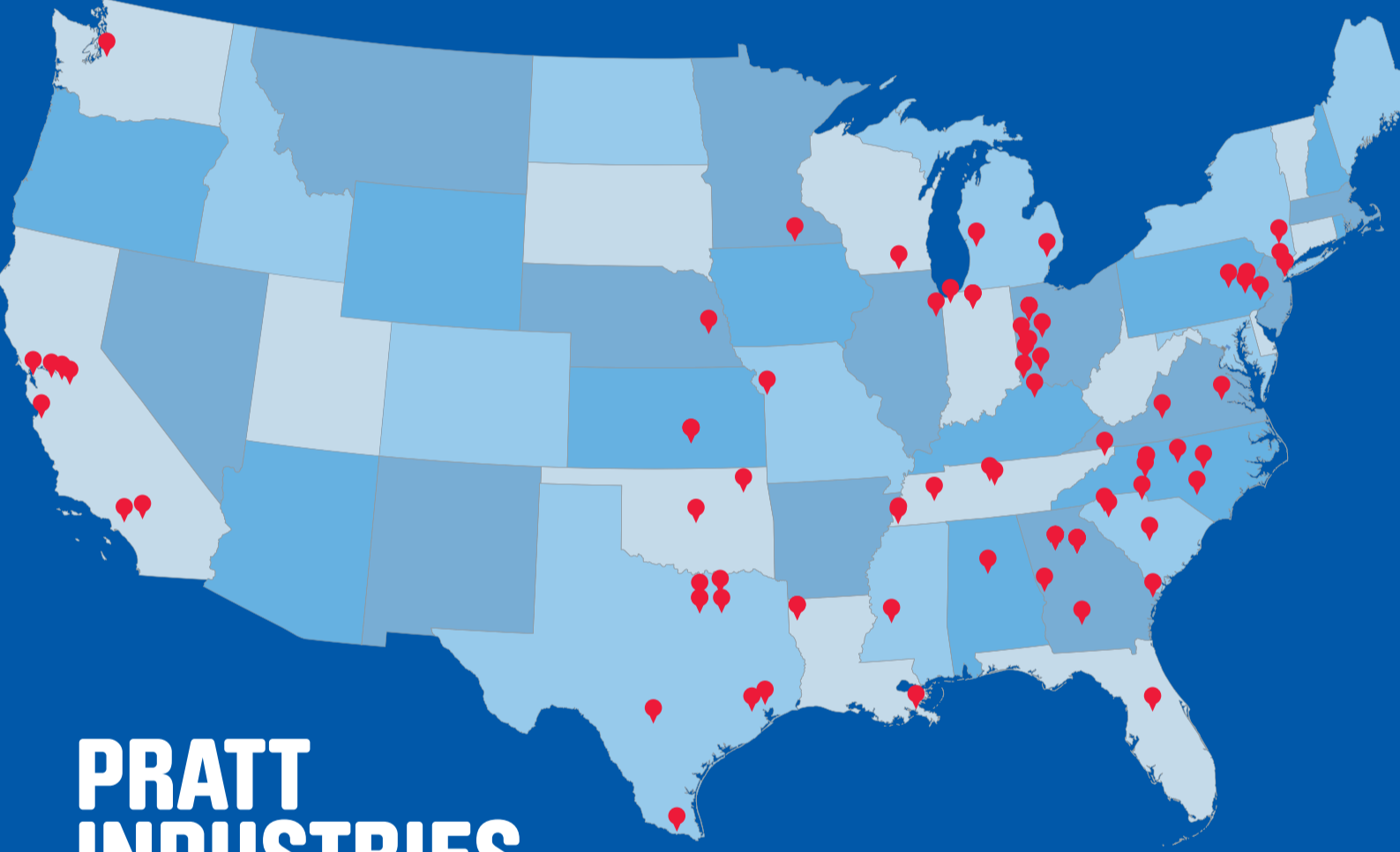
The National Pork Producers Council, a Washington lobbying group, filed suit in 2020 in federal appeals court in San Francisco saying California can't regulate how pigs in other states are bred. The Supreme Court is weighing whether to hear the case.

As advocates and investors ratchet up attention on the issue, hog farmers said they face



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THE UKRAINE CRISIS

Putin's Warnings Amplify Nuclear Fears

U.S., allies worry Kremlin could turn to atomic weapon in Ukraine war

By THOMAS GROVE

When Russia unveiled previously secret details of its nuclear-weapons doctrine for the first time in 2020, it confirmed something U.S. war planners had long suspected: Moscow would be willing to use atomic arms to keep from losing a conventional war.

Since Russian President Vladimir Putin invaded Ukraine in February, he has repeatedly raised the specter of nuclear war, invoking his country's atomic arsenal in an effort to deter the U.S. and the North Atlantic Treaty Organization from getting involved in the conflict.

But as Mr. Putin's army has faced fierce resistance from Ukrainian forces strengthened by large infusions of Western weaponry, concerns have grown in Washington and allied capitals that Russia could consider using a so-called tactical nuclear weapon to gain the upper hand on the battlefield.

Such weapons, which generally have a less-powerful warhead than a strategic nuclear weapon carried on an intercontinental ballistic missile, were



Russian Yars ICBM launchers took part in a military parade in Moscow's Red Square last year.

part of Cold War military thinking, though they never figured into arms-control agreements between the U.S. and Russia or the Soviet Union.

The move would be aimed at crushing Ukraine's will to fight, turning the tide of the war or signaling that current levels of Western support—including transfers of antitank and air-defense systems—are intolerable, Russian and Western analysts say.

The first use of an atomic

weapon since the U.S. bombing of Hiroshima and Nagasaki would likely cause major damage and radioactive contamination to any Ukrainian city hit—and perhaps beyond, depending on wind and other factors. It would also confront Washington and Europe with a major security test.

"We don't know exactly where it is, the red line where the Russian leadership considers using tactical nuclear weapons," said Petr Topychkanov, a

researcher at the Stockholm International Peace Research Institute. "The Russian leadership knows the value of ambiguity."

Further complicating efforts to predict Mr. Putin's actions, Mr. Topychkanov said, is that it is difficult to gauge the nature of Kremlin decision-making. "The biggest question is how rational the Russian leadership is right now," he said. "I don't know what kind of information he is getting."

In the days before the inva-

sion, Mr. Putin led an exercise of Russia's strategic forces, launching some of the country's most cutting-edge missiles, like the hypersonic Kinzhal. At the start of the invasion, he warned of consequences "the likes of which you have never seen in history" if the West intervened.

Days later, he stirred concern, ordering his military to ensure the "special combat readiness" of his nuclear forces.

While those threats were an overt nod to nuclear warfare, they failed to define where exactly Russia's red lines are, observers of Russia's nuclear policy say, giving Mr. Putin more latitude to escalate threats if he feels the need or even strike.

The point of a tactical nuclear strike to end a conventional conflict, based on doctrine known as "escalate to de-escalate," is to change the rules on the battlefield while shifting the burden of escalation onto your opponent, said Elbridge Colby, co-founder of The Marathon Initiative, a policy initiative focused on great-power competition.

"Putin could use a smaller warhead to protect what his conventional forces are doing," he said. "The Ukrainians may be the target, but the real target politically would be the U.S. and the West."

Despite active signaling, Russia has demurred at the

idea of using nuclear weapons. Mr. Putin's spokesman said on CNN that Moscow would use them only under existential threat, and Russian Deputy Foreign Minister Sergei Ryabkov said on state television: "We have a very responsible approach to that issue. We never escalate anything."

While the U.S. on one hand has made it clear it has no plans to cross any nuclear red lines in Ukraine, Washington has signaled the presence of its nuclear-capable forces in Europe this month. Weeks before the invasion, the U.S. sent B-52 strategic bombers to exercise with British and European air forces.

"There's already some kind of signaling going on in Europe," said Hans Kristensen, director of the Nuclear Information Project at the Federation of American Scientists.

NATO Secretary-General Jens Stoltenberg warned against letting the war in Ukraine slip into a nuclear conflict and told Russia to stop its nuclear rhetoric.

"Russia must stop its nuclear saber-rattling," Mr. Stoltenberg said last week ahead of a summit of the Western military alliance's leaders in Brussels. "Any use of nuclear weapons will fundamentally change the nature of the conflict, and Russia must understand that a nuclear war should never be fought and they can never win a nuclear war."

Kyiv Gains As Moscow Regroups

Continued from Page One

hold a position of strength. Russian forces have dug into defensive positions in the north and around the capital, Kyiv, which it has failed to seize.

Russia's firepower is currently concentrated on Mariupol, a strategically important city linking Russian-controlled parts of the Donbas with territory Moscow has captured in the south.

Retaking Trostyanets "demonstrates that the Ukrainians are able to counterattack, which means Russia can't assume that once they hold ground they have secured it," said Jack Watling, an expert on land warfare at the Royal United Services Institute, a British think tank. "That limits the amount of resource they can apply to the place they are trying to take at any one time."

However, Western officials believe Russia is now reinforcing in the Donbas region with fresh troops from the Wagner Group, a Russian mercenary organization, with the goal of



A Ukrainian serviceman on Sunday stood atop a captured Russian tank in Lukianivka, near Kyiv, where Russian forces have been thwarted in their bid to take the capital.

encircling Ukrainian forces.

It isn't clear how well-trained these new Russian troops will be and whether they will have access to

enough high-grade weaponry to make quick gains against battle-hardened Ukrainian troops there.

The new battalion tactical groups come from Russia's eastern military district, which experts said is the least battle-trained and well-equipped.

However, refocusing the attack on a narrower front could solve some of the logistics problems that have dogged Russian forces and allow their dominant air power to assert itself.

Western officials estimated that as much as a fifth of the Russian force is no longer combat-effective and that morale is low.

But they warn that the war is far from won for Ukraine.

"What we are not seeing is turning the tide, what we are seeing is some individual success," one official said. The creation of new Russian battalion tactical groups indicates that President Vladimir Putin of Russia is still going "all in," the official said.

Kyrylo Budanov, Ukraine's head of military intelligence, said on Sunday that Russia sought to partition the country by merging territories in the east and south under its control into a single statelet.

"This is an attempt to create North and South Korea in Ukraine," Mr. Budanov said. In territories under its control, Russia is seeking to establish parallel authorities and forcing people to reject the Ukrainian currency, the hryvnia, Mr. Budanov said.

Russian and Ukrainian negotiators will hold their next face-to-face meeting in Istanbul this week, Turkey said on Sunday. The office of President Recep Tayyip Erdogan of Turkey said he urged Mr. Putin in a phone call on Sunday to accept

a cease-fire with Ukraine.

Western officials said they saw little sign that Russia is willing to see a peaceful resolution to the conflict.

"No one thinks there is the chance of a diplomatic solution in the next few days or even few weeks," a senior European Union official said. Mr. Putin is "going to keep on pushing and trying to overhaul" the Ukrainian government.

U.K. Prime Minister Boris Johnson said last week that even if a cease-fire is agreed to, the West must further arm Ukraine to strengthen "the quills of the Ukrainian porcupine as to make it in future in-

Western officials believe Russia is now reinforcing with fresh troops.

digestible to the Russian invaders."

"This is just the beginning," he said. "We must support a free and democratic Ukraine in the long term."

During a visit to Warsaw on Saturday, President Biden said Mr. Putin's invasion of Ukraine had ignited a "new battle for freedom" between democracies and autocracies.

Mr. Biden also called Mr. Putin "a butcher" and appeared to call for his ouster. A White House official later walked back Mr. Biden's remark, which was dismissed by the Kremlin.

Mr. Biden's remark drew criticism, with some saying it undermined diplomatic efforts. Ukrainian officials, though, praised Mr. Biden.

Asked about Mr. Biden's re-

mark on CNN, Ukraine's ambassador to the U.S., Oksana Markarova, said, "It is clear to us that Russia is a terrorist state, led by a war criminal."

While Mr. Biden was in Warsaw, Russian missiles struck a site about 210 miles away, near the western Ukrainian city of Lviv, which has become a hub both for people displaced by the fighting and for arms and other materiel the West is sending to support Ukrainian forces.

The Russian strikes on Lviv damaged a plant used to repair and modernize Tor missile systems, radar systems and other equipment for the Ukrainian army, according to a Sunday briefing by Defense Ministry spokesman Maj. Gen. Igor Konashenkov of Russia.

The mayor of Lviv, Andriy Sadovyi, said the strikes had hit a fuel-storage facility and other infrastructure, and that military infrastructure had been removed from the city around the time the war began.

In a speech late Saturday, a visibly irritated Mr. Zelensky renewed his plea for tanks, planes and missile-defense systems. "This is what our partners have. This is what is covered with dust at their storage facilities," he said.

"It cannot be acceptable for everyone on the Continent if the Baltic states, Poland, Slovakia and the whole of Eastern Europe are at risk of a clash with the Russian invaders," he said. "At risk only because they left only one percent of all NATO tanks somewhere in their hangars. One percent. We did not ask for more. And we do not ask for more. And we have already been waiting for 31 days."

NATO members have sent Kyiv large quantities of mili-

tary, nonlethal and humanitarian assistance, but it still falls short of what Mr. Zelensky has publicly requested.

The U.S. and NATO allies have sent portable antitank and anti-aircraft weapons, as well as lethal drones.

Mr. Zelensky has requested fighter planes, tanks and anti-aircraft systems capable of hitting Russian warplanes at high altitude, but said Ukraine hasn't received what it needs.

A NATO spokeswoman cited on Sunday comments by alliance Secretary-General Jens Stoltenberg on the same issue following a summit on Thursday.

"We all listened very carefully to President Zelensky," Mr. Stoltenberg said, declining to give details of systems being supplied. "But what I can say is that allies do what they can to support Ukraine with weapons so Ukraine can defend" itself.

Meanwhile, in a video, Taras Savchenko, the deputy head of the Summy regional administration, showed the destroyed Russian tanks left behind in Trostyanets.

On Sunday, the brigade involved in retaking the town said Russian forces had left behind weapons, equipment and ammunition that they would use to recapture other Ukrainian cities under Russian control.

Many facilities in the town, including a hospital, remain studded with mines, said Dmytro Zhyvtskyi, head of the Summy regional administration. Deliveries of medical supplies, food and other aid are being arranged, he said.

—Daniel Michaels, Warren P. Strobel and Laurence Norman contributed to this article.

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THE UKRAINE CRISIS

Biden's Shift on Fossil Fuel Lifts Gas Sector

President Biden's pledge to boost U.S. liquefied natural-gas exports to Europe marks a further retreat from his hard-line stance against fossil fuels, sending share prices surging for natural-gas companies.

By Timothy Puko in Washington and Collin Eaton in Houston

The president, who campaigned on a platform to transition the U.S. to cleaner energy, on Friday said the U.S. is working to ship 50 billion cubic meters of LNG to Europe annually through at least 2030 to help the continent wean itself from dependence on Russian supplies.

The announcement came a day after Democrats on the Federal Energy Regulatory Commission backtracked on new environmental policies, suspending implementation of heightened requirements on reviews that industry officials and Republicans said would impede gas-pipeline development.

Shares of large U.S. natural-gas companies rose 9% on average Friday as major stock indexes were mixed. Shares of EQT Corp. and Southwestern Energy Co., two large producers, shot up to close about 12% and 16% higher.

Cheniere Energy Inc., the top U.S. exporter, was up about 5.5%. Tellurian Inc., which is seeking financing for an LNG project, soared 21%.

The gas industry's prospects have been a concern among the sector's executives because of Mr. Biden's stance against fossil fuels. But the president has softened some of his positions in the wake of rising energy costs, which have been driven in part by the economic rebound from Covid-19, and more recently by Russia's invasion of Ukraine.

The White House pivot has also put the U.S. and its vast oil and gas reserves in shale rock back at the center of a global scramble for energy resources as a bulwark against petrostates and authoritarian regimes. The U.S. is the world's largest oil and gas producer.

Daniel Yergin, the vice chairman of S&P Global and a noted oil-industry historian, called recent developments "a huge turn."

"There's a recognition now that shale—and particularly LNG—is a real geopolitical asset," he said.

Mr. Biden and his advisers have said they are still committed to ending the world's reliance on fossil fuels, including gas, and will continue to fund renewable energy as part of their work with European allies. But they also acknowledged the need to deal with the reliance that exists today.

"While gas is still a substantial part of the energy mix, we want to make sure that the Europeans do not have to source that gas from Russia," national-security adviser Jake Sullivan told reporters on Friday.

Toby Rice, chief executive of top U.S. natural-gas producer EQT, said the Biden administration's shift is an extremely encouraging political signal that natural gas will play a key role in the world's future energy mix.

◆ Oil prices remain high amid reduced Russian exports.... B1

Crowdsourcing Finances Supplies

By James Marson and Ian Lovett

Serhiy Prytula recently posted a video requesting help for Ukraine's military. Beside him was a man in a balaclava and another holding a piece of shrapnel.

The shrapnel, he said, came from a Russian warplane shot down by a Ukrainian fighter who is part of a unit hunting enemy vehicles and aircraft in pickup trucks.

"Our guys are working, burning enemy vehicles," said Mr. Prytula in the March 8 Facebook post. "If you have an off-road pickup truck, please give it to us or let us buy it off you."

Mr. Prytula said his initiative, dubbed "Hell Rides," has since provided more than 50 vehicles to Ukraine's military.

The 40-year-old comedian and TV host is a leading figure in the grass-roots effort to equip Ukraine's armed forces to fight Russia.

The U.S. and its allies are providing Ukraine with weapons such as missiles to target tanks and aircraft. The likes of Mr. Prytula, who said his organization has raised the equivalent of around \$8.5 million in the month since the conflict started, are trying to quickly fill gaps in nonlethal equipment, from body armor to drones with thermal imaging.

The effort has helped Ukraine halt the advance of Russia's better-equipped invading force in many parts of the country. In Ukraine's war of skirmishes and ambushes, where small, nimble teams are inflicting costly damage on Russian troops, basic gear can make a big difference.

The Ukrainian resistance, ranging from the thousands of volunteers who joined the military to those staffing the ad hoc supply network, suggests the defensive effort is durable.



Volunteers sort donated medical supplies at comedian and TV host Serhiy Prytula's crowdsourcing initiative.

Mr. Prytula started his fund in 2014, when Russia seized the Crimean Peninsula and invaded eastern Ukraine. He trucked body armor, drones and other equipment to the front lines, posting videos on social media and winning the trust of soldiers and donors.

With an online following of more than one million, donations poured in when the war started in February. On the second day of the war, Mr. Prytula posted a photo of 100 drones bought for the equivalent of \$250,000.

From a new headquarters in central Kyiv, Mr. Prytula has put out a call for supplies from medications to tourniquets and winter boots.

At first, they were buying

whatever they could as fast as possible. "We need radios," he posted on Feb. 27. "At any price!"

Mr. Prytula's connections with the military soon helped him focus his efforts. Artillery units need drones with thermal imaging so they can target enemy supply trucks at night. He has sent dozens of pickup trucks to mobile groups that ambush enemy vehicles. Special-forces snipers have received thermal-imaging scopes.

Mr. Prytula has received funds from more than 30 foreign countries, including the U.S. and Europe, but also China and Africa. He recently added a PayPal account. Orders are often delivered to

towns in Poland on the border with Ukraine, where they are trucked to a logistics center in the western Ukrainian city of Lviv. On Saturday, Russian strikes targeted the city.

Lida Koval, a Ukrainian Railways staff member, has become a vital cog in the informal system moving supplies into Ukraine.

Ms. Koval, 36, has spent all but four days of the war aboard a passenger train packed with materiel for the war effort—some boxes destined for Kyiv, others for Lviv—that has shuttled constantly between Ukraine and Poland.

The trip takes a full day in each direction. On the way out of Ukraine, the train is

filled to double its capacity, packed with women and children, Ms. Koval said. She keeps snacks for the children, who sometimes ask her for food. Once, she slept in the outdoor smoking area between train cars, so that six children could stay in the cabin that is usually hers.

At the end of the line, she has an hour to rest. She showers using a bucket in the bathroom at the end of the train car. Then she heads back to Ukraine, her carriage full of medical and military supplies. "The only difference is we're going with people one way and we're going with the help the other way," she said. "We're helping people in both directions."

War Upends Arctic Climate-Change Research

By Nidhi Subbaraman

Russia's invasion of Ukraine has delayed or derailed international collaborations studying climate change in the Arctic, with many Western scientists and scientific organizations cutting ties with Russian research institutions and canceling planned meetings or expeditions in Russia or Russian waters.

International tensions over the conflict could cripple research focused on a region that—along with the Antarctic—helps regulate climate across the globe, scientists say. Russia is one of eight countries that control land and ocean territories in the region north of the Arctic Circle.

"The Russian territorial waters and Russian coastline comprise a huge part of the region. We really need to know the full Arctic," said Matthew Shupe, a University of Colorado Boulder atmospheric scientist. "If we're limiting access to those regions, we're going to miss out on some key knowledge to better understand how and why the Arctic system is changing."

The U.S. National Oceanic and Atmospheric Administration, which conducts ecological and weather monitoring in the Arctic, says war-related tensions haven't affected its activities there. "All NOAA projects and observations are proceeding in the Arctic," an agency spokesperson said.

That isn't the case with other key players in Arctic research.



A research vessel navigates sea ice in the Arctic, a region that helps regulate the Earth's climate.

Dr. Shupe is a co-leader of an international Arctic research initiative to study climate change known as MOSAiC, for the Multidisciplinary Drifting Observatory for the Study of Arctic Climate. As part of the project, scientists aboard the German research ship Polarstern recently spent a year collecting data in the region. Fieldwork for the expedition, which ended in October 2020, involved hundreds of crew, support staff and scientists, including up to 10 researchers from Russia, Dr. Shupe said.

But now Russian scientists aren't expected at an April meeting when MOSAiC researchers will discuss the expedition's data, said Markus Rex, MOSAiC expedition leader and head of atmospheric physics at the Alfred Wegener Institute, the German organization that led the project.

"We're looking at this big pile of data, and they bring a

lot of expertise to the table," Dr. Shupe said of his Russian collaborators.

The Russian Embassy in Washington didn't respond to requests for comment about the exclusion of Russian scientists and interruptions to other scientific collaborations. Local organizers barred Russian scientists this month from the Arctic Science Summit Week, an Arctic-research meeting taking place in Tromsø, Norway, hosted by

the International Arctic Science Committee, or IASC. The group is a coordinator of international research in the Arctic and includes scientists from 23 countries.

"In Arctic research, our ability to understand these rapid changes that are unfolding is like putting parts of the puzzle together—and without Russia you're missing a big part of that picture," said Matthew Druckenmiller, the U.S. delegate to the IASC council and a geophysicist at the National Snow and Ice Data Center at the University of Colorado Boulder. The organizers acknowledged that barring researchers from Russian institutions and organizations would complicate research efforts. Monitoring in Russian territories and working with Russian experts are essential to fully understanding Arctic climate and the global consequences of changes in the region, Jørgen Berge and Geir Gotaas, chair and vice-chair, respectively, of the local organizing committee for the conference, said in an email. But the conflict required them to take action, they said.

"We are—as ever—strong supporters of scientific collaboration, but in the current situation the scientific benefits of maintaining official links with Russian institutions are outweighed by the need to take a clear stand against the actions of the Russian government," Drs. Berge and Gotaas said. Russian scientists from non-Russian organizations could still attend, they said.

CFOs Wrestle With What to Do With Profits Made in Russia

By Nina Trentmann

Finance chiefs at Western companies that continue to operate and sell products in Russia have to decide what to do with the profits generated from those businesses.

A month into the war, several companies have said they will donate profits derived from Russia to aid humanitarian-relief efforts in Ukraine, while others continue to book those profits as part of their global earnings.

Such considerations are likely to become pressing questions ahead of the quarterly

close at the end of this month as these measures could face scrutiny from shareholders. The war also has exposed how many global companies—both large and small—have business ties to Russia.

"This is something that each company needs to decide," said Amit Khandelwal, a professor for global business at Columbia Business School, referring to the question around Russian profits. "A company has obligations to its employees—both Russian and non-Russian—shareholders and customers," he said.

A roster of international

companies, including Bayer AG, Nestlé SA, Danone SA, Kimberly-Clark Corp., Unilever PLC and PepsiCo Inc. say they keep selling in Russia to provide essential supplies, including cancer drugs, baby food and diapers. Among those products are potato chips, laundry detergent and air fresheners.

Nestlé said it is limiting products sold in Russia to baby food, specialist veterinary meals and other nutrition products, adding it would donate any profit to humanitarian organizations. The company said it doesn't know how it will report the donations to

investors.

Consumer-goods giant Procter & Gamble Co., which continues to sell products in Russia, said it is donating money and products to aid Ukrainians.

Pharmaceutical giant Pfizer Inc. will continue to supply medication to Russia but will donate all profit to support Ukraine's relief efforts, Chief Financial Officer Frank D'Ameio said. "Maintaining the supply of medicines to Russia does not mean we will continue doing business as usual in Russia," the company said.

Unilever, PepsiCo and Kim-

berly-Clark didn't respond to requests for comment, while Danone and Bayer pointed to existing statements that don't mention their profits from Russia. AstraZeneca PLC declined to comment on what it plans to do with profits from its medication sales in Russia.

Other companies may find it harder to give up revenue and profits generated in Russia, especially if they have large business interests in the country.

Metro AG, a German wholesaler that generated about €2.4 billion in sales—equivalent to \$2.64 billion—or 10% of its total revenue from its Russian

business during the latest fiscal year, said it will continue its operations there. The company declined to comment on whether it would consider donating the profits generated in Russia.

The depreciation of the rouble—which has declined more than 20% against the dollar since Feb. 24—and other currencies has made the decision easier for some companies that say it isn't worth the effort or the reputational risk to keep booking profits from Russia.

—Saabira Chaudhury and Sharon Terlep contributed to this article.

THE UKRAINE CRISIS

Remark by Biden Stirs Anxiety

Continued from Page One
discipline has its virtues," former CIA director and retired four-star general David Petraeus said Sunday on ABC News, while adding that Mr. Biden's words would likely rattle Mr. Putin. "It was reportedly very clearly an unscripted moment...And, you know, it will cause some challenges down the road."

Sen. Jim Risch of Idaho, the top Republican on the Senate Foreign Relations Committee, said Mr. Biden's comments were a "horrendous gaffe" that undermined an otherwise well-crafted speech.

"I think most people who don't deal in the lane of foreign relations don't realize that those nine words that he uttered...would cause the kind of eruption that they did," Mr. Risch told CNN on Sunday.

"This administration has done everything they can to stop escalating. There's not a whole lot more you can do to escalate than to call for regime change," Mr. Risch added. "That is not the policy of the United States of America. Please, Mr. President, stay on script."

Meanwhile, Mr. Macron, a close U.S. ally, worried that Mr. Biden's comment Saturday and his calling Mr. Putin "a butcher" could also complicate diplomatic efforts to end the war.

"I wouldn't use this type of wording because I continue to hold discussions with President Putin," Mr. Macron said in an interview with France 3 TV. "We want to stop the war that Russia has launched in Ukraine without escalation—that's the objective."

European diplomats warned, too, that Mr. Biden's comments could threaten Western efforts to keep lines of communications with Moscow open. Still, they said Mr. Biden's remarks don't endanger any current peace talks, as Russia has shown little inclination to engage seriously in such negotiations.



President Biden delivering his speech about the Russian invasion of Ukraine on Saturday at the Royal Castle in Warsaw.

A senior European official said: "No one thinks there's the chance of a diplomatic solution in the next few days or even a few weeks." Mr. Putin is "going to keep on pushing and trying to overhaul" the Ukrainian government, the official said.

Top Biden administration officials hadn't yet heard directly from allies expressing concern about the comment following the president's speech, a person familiar with the matter said Sunday afternoon.

Ukraine's deputy prime minister, Olga Stefanishyna, praised Mr. Biden's speech. "It was really important to have the sense of an international leadership and an understanding of the tragedy which is happening there for us," Ms. Stefanishyna said on ABC.

For his part, Mr. Putin has long believed the U.S. and its allies are bent on overthrowing him, U.S. officials have said, and is convinced that Washington

was behind 2011 mass protests in Russian cities. In a speech on Friday, he accused the West of attempting to "cancel" Russia.

Some analysts warned that the U.S. president's remark could strengthen Mr. Putin's hand at home, causing Russians to rally around him and an invasion they might not otherwise support.

"It's not the aim of Western policy to get rid of a president of a nuclear-armed nation," said Olga Oliker, program director, Europe and Central Asia, at International Crisis Group. "That is why the White House walked it back. No, they don't like Vladimir Putin and Vladimir Putin doesn't like them. But the goal is to get Russia to leave Ukraine and to put an end to the war."

It wasn't clear if Mr. Biden's statement was designed to send a message to Mr. Putin and the international community, or simply a verbal misstep.

Earlier this year, the White House had to respond to Mr. Biden's comments when he suggested the response from Western allies might be more muted if Russia were to carry out a "minor incursion" into Ukrainian territory. The remarks were criticized by some as potentially playing down Russian aggression, and President Volodymyr Zelensky of Ukraine responded at the time that "there are no minor incursions."

The administration also was forced to reiterate that there was no change in official policy of "strategic ambiguity" toward Taiwan when Mr. Biden said in October that the U.S. would come to the island's aid if it were attacked by China.

In the wake of Mr. Biden's speech Saturday in Poland, his administration has gone to great lengths to underscore that the U.S. isn't seeking regime change in Russia despite its efforts to isolate Mr. Putin

on the global stage. One person familiar with his speech said the comment in question wasn't in the prepared remarks.

"The president's point was that Putin cannot be allowed to exercise power over his neighbors or the region," an official said. "He was not discussing Putin's power in Russia, or regime change."

Mr. Biden's top diplomat, Secretary of State Antony Blinken, amplified the same point Sunday while in Jerusalem.

"We do not have a strategy of regime change in Russia, or anywhere else, for that matter. In this case, as in any case, it's up to the people of the country in question, it's up to the Russian people," he said.

Mr. Biden's political allies came to his defense.

Sen. Mark Warner, a Democrat from Virginia and chairman of the Senate's Intelligence Committee, said it was

the Russian president who was trying to overturn a country's leadership.

"There is one individual that's trying to make regime change in Europe. And that's Vladimir Putin trying to change the regime in Ukraine," he told CNN.

Council on Foreign Relations President Richard Haass, who worked in senior roles for Presidents George H.W. Bush and George W. Bush, tweeted that Mr. Biden's comment about the Russian president "made a difficult situation more difficult and a dangerous situation more dangerous."

He later tweeted: "Good to see @POTUS walking back comments & making clear regime change not US policy."

Warsaw—where Mr. Biden was speaking—has become the epicenter of Europe's largest refugee crisis since World War II. More than 300,000 people from Ukraine have arrived in the capital since Russia's invasion, a population that would amount to every sixth resident in the city if they stayed. Overall, more than 3.7 million people have fled Ukraine, the United Nations said, with over 2.2 million arriving in Poland.

The U.S. president also stayed across the street from the central train station that has become packed with refugees arriving from the war, with many sleeping on blankets on its floor.

The comment came at the end of Mr. Biden's trip to Europe that was intended to demonstrate the West's united support for Ukraine and against its invasion.

In meetings last week of NATO, the Group of Seven major economies and the European Union, Mr. Biden and other leaders together backed more military, financial and humanitarian assistance for Ukraine.

But the unity among the Western leaders also began to show its limits, with differences emerging over how far to press their campaign of economic sanctions.

—Courtney McBride in Jerusalem, Warren P. Strobel in Washington, Laurence Norman in Berlin and Yuliya Chernova in London contributed to this article.

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Being Wired Has Its Comforts

Some remote workers, sick of dropped calls and spotty Wi-Fi, revert to old-school technology

WORK & LIFE
RACHEL FEINTZEIG

Armed with a slim laptop and a Wi-Fi hot spot, Bobbie Carlton used to work everywhere—coffee shops, clients’ offices. The 56-year-old, who runs an online speakers’ platform, felt like the archetype of the modern worker. “Cords are for old people,” she explained.

Now 50 feet of ethernet cable snakes through her 100-year-old house in Lexington, Mass., climbing over doorways, running up the staircase, taped to the floor of the upstairs hall. It’s seriously ugly, she acknowledges.

“Good God, this is, like, me in the ‘80s,” she says.

And yet, she loves it. “I’m sitting down, and I’m plugging in,” she says.

Some hybrid and remote work-

ers are embracing the joys of hardy old-school technology, untangling wired headphones, unearthing cords from that box in the back of the closet and rediscovering the delight of a ringing phone that’s tethered to the wall. Like Ms. Carlton, they’re sick of video feeds that sputter and freeze as family members suck down bandwidth, or calls that drop into the ether with no notice.

They’d also like to safeguard themselves from, well, themselves. For all of technology’s failings, we’re the ones insisting on dial-ins with 11-digit passcodes for what could have been an email. We spend hours scrolling Instagram when we should be finishing that PowerPoint. It’s hard to do that while holding a landline phone to your ear. Maybe reverting to the stripped-down tech of yore can help.

“It’s the equivalent of comfort food,” says Maya May, the on-air host of a streaming show who is based in Los Angeles. “Anything

analog to me is the equivalent of when things were safe and calm.”

That’s why she recently began plugging in a cordless Panasonic phone she can cradle on her shoulder like old times. It rarely rings. But the fact that her colleagues have the num-

With a landline, you can still be reachable even if you put that distracting cellphone in a drawer.

ber has freed her to pop her cellphone—with all its inherent distractions—into a drawer in her home office for hours at a time without panicking about being unreachable.

Going backwards can come with some hiccups. Adam Ozimek, an economist, thought getting a landline would solve the spotty cell service in his Lancaster, Pa., house.

One problem: In many areas, phone companies won’t sell you a traditional landline anymore. Getting a landline often just means plugging into the Internet.

“I thought it was going to be like going from MP3s to vinyl, but it wasn’t. It was like going from MP3s to worse MP3s,” Dr. Ozimek says of the sound quality.

Then came the spam calls. At all hours.

Dr. Ozimek knew, in his heart, that no one he wanted to talk to was ringing. And yet.

“That’s how we were raised. You run to answer the phone,” he says. After a few months of the nonstop ringing, he gave up and unplugged it.

If you, too, have been trying and failing to perfect your remote work set-up, take heart.

“There are so many nuances to it that I feel bad for the modern end user,” says Tom Hughes, who heads the service desk at Electric, an outsourcer of IT services for businesses. He oversees 140 tech

experts who have spent the past two years fielding frantic messages from remote workers.

Electric’s service desk tickets rose 64% to 4,100 a week this January from 2,500 last January as folks hunker down for long-term teleworking and try to make their newfangled, wire-free set-ups sustainable, he says. By the second or third time someone calls complaining about their AirPods inadvertently connecting to their spouse’s car, Mr. Hughes recommends wired headphones.

“Latest and greatest bleeding-edge technology isn’t always for you,” he says.

Part of the problem is an inherent conflict of interest between the companies making technology and the people using it, says Marc Weber, a curatorial director at the Computer History Museum, in Mountain View, Calif. “The companies want to give you something good enough that you’ll keep on buying it, but they don’t really care about making your experience wonderful or easy,” he says. “They want to force you away from older stuff.”

Old technology takes us back to a time when life was less complicated. We picked up the phone if we wanted to talk to someone, switched on the television if we wanted to be entertained.

“I think a lot of the nostalgia that people might have is from just having fewer choices,” Mr. Weber says.

Turns out, you can buy that too. That’s the idea behind Freewrite, a line of “distraction-free” writing tools. The brand’s four-pound aluminum typewriter is fitted with a small E Ink screen (the same technology Kindles use) and not much else. It syncs to programs like Google Drive so you can offload your words to your computer, editing or publishing from there. But on the Freewrite, there is no browser and no email to distract you, nor are there any apps. You can’t even waste 15 minutes fiddling with fonts.

“They just really help people to focus because there’s nothing else you can do on them,” says Adam Leeb, chief executive of Astrohaus, the Detroit startup that makes them.

Ben Hong, a 33-year-old software engineer, likes to take notes while reading books on his Kindle. Trouble is, he would disappear down Reddit rabbit holes on his laptop as he came across interesting tidbits and Googled around to learn more. He recently bought a Freewrite so he could focus.

While he recognizes the irony of buying more technology to try to solve his problem of having too much technology, the device has helped him connect with his thoughts and fully digest books on psychology and self-improvement. Sitting at a coffee shop, the retro-inspired device splayed out before him, he says, “I feel pretty hip.”

Doctors Gain Insight On TikTok Disorders

FAMILY & TECH
JULIE JARGON

Last fall I reported on a phenomenon that doctors around the globe were just beginning to understand: Teen girls were showing up in hospitals and clinics with sudden motor and verbal tics seemingly related to videos they watched on TikTok.

Doctors say they’re continuing to see an outside number of girls suffering from tics, and some are also developing new disorders. New research findings offer hope that the problems can be addressed.

Starting back in the spring of 2020, girls in Chicago were uncontrollably blurting out the same words as girls in Calgary. Doctors from the U.S. to the U.K. discovered that many of the teens had been watching TikTok videos of people who said they had Tourette syndrome, a nervous-system disorder that typically strikes males during early childhood and causes them to make repetitive, involuntary movements or sounds. What doctors diagnosed in these girls wasn’t actually Tourette syndrome but rather functional neurological disorders, a class of afflictions that includes vocal tics and abnormal body movements that aren’t tied to an underlying disease.

Many of those early patients have since recovered, although neurologists say some have gone on to develop other disorders. And new adolescent-female patients with tics continue to file into many doctor’s

offices. Views of TikTok videos containing the hashtag #tourettes have risen by almost a billion since last fall, to 5.6 billion.

New research supports doctors’ earlier theories that girls who developed tics during the pandemic had pre-existing mental-health issues making them susceptible to other disorders. A paper published earlier this month in Australia’s Journal of Paediatrics and Child Health found that underlying undiagnosed or untreated psychiatric disorders, self-harm and school absenteeism are common in adolescents with functional tics. The University of Sydney researchers wrote that the tic-like behavior likely comes from “a mix of cumulative stress, in addition to social-media influence.”

TikTok has consulted with experts “who have cautioned that correlation does not mean causation” when it comes to tics and the company’s video-sharing platform, a spokeswoman said. For people with Tourette syndrome, the app is a way for them to “express themselves authentically, find community and fight stigma,” she said.

When people search TikTok for videos related to certain kinds of harmful content such as disordered eating, suicide and dangerous challenges, TikTok directs them to expert sources such as the National Eating Disorders Association and the National Suicide Prevention Lifeline. The platform doesn’t steer people to similarly authoritative sources when they search for videos about Tourette syndrome or tics.

TikTok is working on ways to give users more control over the content they watch, including the



ability to block content they don’t want to see in their For You feed, the spokeswoman added. She said TikTok is developing new ways to diversify the videos its algorithm recommends to viewers.

Underlying Problems

Donald Gilbert, a neurologist at Cincinnati Children’s Hospital Medical Center, said one child out of eight who came to the hospital’s movement-disorders clinic last year had functional tics, up from fewer than one in 50 in 2019. Most of his patients were girls; fewer than half have fully recovered after treatment, which in some cases included cognitive behavioral therapy and staying off TikTok.

Some patients whose tics improved or disappeared have developed eating disorders, tremors or non-epileptic seizures.

“What’s driving the symptoms in the first place probably hasn’t been resolved, so they get an intervention that helps the tics, but the underlying condition manifests in something else later,” Dr. Gilbert said.

The pandemic has taken a particularly hard mental-health toll on adolescent girls, according to a recent study by the Centers for Disease Control and Prevention.

Weekly emergency-room visits among 12- to 17-year-old girls for various mental-health conditions rose in 2020, 2021 and January 2022, compared with the same weeks in 2019, with visits related to tics and eating disorders increasing in each of those periods. The proportion of visits among adolescent females with eating disorders doubled during the pandemic, while those for girls displaying tic disorders tripled.

Just as doctors have pointed to TikTok videos about tics as being a factor in girls’ tics, doctors also have said TikTok videos about severe dieting have been a factor in girls’ eating disorders.

Boys appear to have fared better, according to the CDC report. The number of weekly visits for

mental-health conditions overall decreased among adolescent boys during the pandemic—including the number of visits related to tics. There has been a small rise in emergency-room visits among adolescent boys with eating disorders during the pandemic, according to the CDC data.

Some doctors theorize that boys might have found a good outlet from the social isolation of the pandemic in multiplayer online videogames and that they’ve spent less time than girls on social media, which has been shown to magnify feelings of loneliness and depression. But part of the difference could also be that certain mental-health conditions in boys go unrecognized and that boys are less likely to seek help, the CDC said.

Signs of Improvement

When it comes to TikTok-related tics, there are some signs that the condition can lift. Tamara Pringsheim, a neurologist and professor at the University of Calgary who has been researching this phenomenon, conducted an as-yet-unpublished study on the issue. In it, she found that of the 20 adolescents and nine adults she and fellow doctors studied last summer who had developed sudden tics, nearly all of them improved over the course of six months. She said most patients were treated with cognitive behavioral therapy—a type of talk therapy that helps patients identify and change thought patterns that can hurt their behavior and emotions—for anxiety or depression, and were prescribed antidepressants.

Dr. Pringsheim now sees at least two new patients a week with tic-like behaviors, down from the more than six she was seeing last year. The decrease, she said, could be due to pediatricians learning how to treat tics and thus referring fewer patients to the program she leads.

PERSONAL JOURNAL.

By ELLEN GAMERMAN

‘CODA’ Wins Top Oscar As Show Drama Unfolds

The Oscars worked mightily to encourage a return to the good old days of movie-watching and Hollywood glitz Sunday night. But the evening was defined by the moment when Will Smith smacked comedian Chris Rock onstage.

While the biggest award of the night went to “CODA,” giving Apple+ the first ever best picture win for a streaming service, the announcement came almost as an anticlimax after Mr. Smith’s outburst and his tearful acceptance speech.

Midway through the evening, Mr. Rock, before presenting an award, joked that Mr. Smith’s wife, Jada Pinkett Smith ought to do a “G.I. Jane” sequel. It was a reference to her short hair—Demi Moore played the role in the original with a shaved head. Ms. Pinkett Smith has said she has alopecia, a hair-loss condition, and has worked to raise awareness of the autoimmune disorder.

Ms. Pinkett Smith made an unamused face. Mr. Smith walked onto the stage and struck the comedian. “Keep my wife’s name out your f—ing mouth,” he yelled, once he’d returned to his seat. A visibly shaken Mr. Rock said, “Wow, dude, it was a ‘G.I. Jane’ joke.” Mr. Smith repeated himself. “I’m going to, OK?” Mr. Rock said.

Not long after that, Mr. Smith won the Oscar for best actor, for his portrayal of Richard Williams, father of tennis greats Venus and Serena Williams, in the biopic “King Richard.”

“Richard Williams was a fierce defender of his family,” Mr. Smith said at the start of a long extemporaneous speech. “I look like the crazy father, just like they said about Richard Williams. But love will make you do crazy things.” The camera pivoted to Ms. Pinkett Smith, who nodded appreciatively.

Through tears, Mr. Smith said that Denzel Washington had just told him, “At your highest moment, be careful, that’s when the devil comes for you.”

He apologized to the Academy and his fellow nominees, and before leaving the stage, he added, “I’m hoping the Academy invites me back.”

The best picture award has been coveted by streaming services like Netflix, which has tried to win for years, only to be bested by Apple TV+. The “CODA” win is the latest evidence of a shift that



Will Smith offered a tearful acceptance speech for best actor shortly after an altercation with Chris Rock.



Jessica Chastain won best actress for ‘Tammy Faye.’



Jane Campion took home the Oscar for directing.

Story” to the science-fiction epic “Dune” cleaning up more technical awards like cinematography, sound and visual effects.

Best actress, one of the toss-up categories of the night, went to Jessica Chastain for her performance in “The Eyes of Tammy Faye.” Ms. Chastain used her speech to speak out on behalf of the LGBTQ community.

In another top category, and a rare moment of triumph for the Netflix drama “The Power of the Dog,” Jane Campion won the directing award for the revisionist Western. Ms. Campion is the first woman to compete in the category twice, having been first nominated for 1993’s “The Piano.” She lost in that category to Steven Spielberg for “Schindler’s List.” This time the roles were reversed, with Mr. Spielberg passed over for his “West Side Story” remake.

And as predicted in the days leading up to the ceremony, “CODA” collected Oscar gold.

“CODA” actor Troy Kotsur’s win for best supporting actor brought one of the most emotional moments of the night. The audience erupted in applause and then fell silent and waves hands, the sign-language version of clapping. With “CODA,” a term for child of deaf adults, Mr. Kotsur is the first deaf male actor ever to be nominated and to win an Oscar. In his signed acceptance speech, Mr. Kotsur dedicated his win to the deaf community, the CODA community and the disabled community: “This is our moment,” he said.

Siblings Billie Eilish and Finneas O’Connell won the Oscar for best song with “No Time To Die” from the James Bond movie of the same name. It was one of the starriest categories, with fellow nominees including Beyoncé, Lin-Manuel Miranda and Van Morrison.

References to the war in Ukraine were brief, including a moment of silence to address the crisis.

The show opened with a host for the first time in three years—in this case, a trio of hosts, with Ms. Schumer, Wanda Sykes and Regina Hall opening the telecast by poking fun at the fact that most people aren’t going to the movies.

—John Jurgensen and Robbie Whelan contributed to this article

has redistributed power from Hollywood studios and theaters to tech companies and streaming platforms.

“CODA” won in all three categories it competed in, including supporting actor (Troy Kotsur), and adapted screenplay (Siân Heder).

Yet the exchange between Messrs. Smith and Rock dominated the evening. At least one of the live feeds playing online froze on that moment while others went silent, leaving TV audiences wonder-

ing what was said.

Comedian Amy Schumer, one of the evening’s three hosts who at one point dangled from the ceiling in a “Spider-Man” suit, attempted to defuse the tension. “I’ve been getting out of that ‘Spider-Man’ costume—did I miss anything?” she said. “There’s like a different vibe in here.”

The ceremony could not shake the moment. When announcing the winner for best actress, Anthony Hopkins said, “Will Smith

said it all. What more can be said? Let’s have peace and love and quiet.”

From the start of the evening, the show had attempted to put on a happy face, despite falling during a period of turmoil around the world, from the war in Ukraine to the global pandemic.

Much of the night unspooled as predicted by Oscar handicappers, from Ariana DeBose winning best supporting actress for her turn as Anita in “West Side

CLOCKWISE FROM TOP: BRIAN SNYDER/REUTERS; CHRIS PIZZELLO/ASSOCIATED PRESS; CHRIS PIZZELLO/ASSOCIATED PRESS

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WHAT'S YOUR WORKOUT
JEN MURPHY

Epic Walks Inspire a Will to Run

A lot of people started walking for mental and physical health during the pandemic. Kirsten Beverley-Waters took up extreme walking. The yoga teacher and fitness coach would put on a hydration vest, leave home in Old Orchard Beach, Maine, and start walking. Some walks stretched 34 miles, others 20.

“When I felt done for the day, I’d call my wife to pick me up,” says Mx. Beverley-Waters, who is nonbinary and uses the gender-neutral identifier along with the pronouns they, them and their. “I kept repeating the process and found it therapeutic.”

The long walks prompted reflection. Mx. Beverley-Waters, 37, thought a lot about struggles with identity. Mx. Beverley-Waters had also read about mental-health challenges faced by LGBT youth during the pandemic and wanted to do something to help raise awareness.

Mx. Beverley-Waters is now training to break the World Record for the most consecutive 50Ks run. On June 4, they will set out to complete one 50K a day for 22 consecutive days, running an estimated six-and-a-half to nine hours each day. The efforts will raise money for the Trevor Project, a non-profit that provides crisis support to LGBT youth.

“I want kids to see a non-binary athlete thriving,” Mx. Beverley-Waters says. “I’m putting myself out there to remind people that we all struggle and with support we can get through any challenge.”

The Workout

Mondays and Wednesdays bring hour-plus endurance runs, pushing the pace for various intervals to build aerobic capacity. Tuesdays involve a steady endurance run of around 80 minutes



Kirsten Beverley-Waters is training to run 50K a day for 22 consecutive days to raise money for LGBT youth in crisis.

holding a comfortable pace. Mx. Beverley-Waters teaches yoga classes on Thursdays and considers that recovery day. Fridays are a 90-minute run at a comfortable pace.

Saturdays bring a three- or four-hour run or bike. Mx. Beverley-Waters is careful

not running on snowy terrain.

A former CrossFit competitor, Mx. Beverley-Waters has a home gym and lifts weights on Mondays and Wednesdays. Exercises might include banded dead lifts, banded lateral walks, kettlebell swings, back squats, burpees, plank variations and lunge variations while wearing a weighted vest.

Mx. Beverley-Waters is a big proponent of recovery. After every run, they spin at a low cadence on a Peloton bike to flush out lactic acid in the legs. They do at least 10 minutes of myofascial release work and perform yin yoga poses. After Saturday workouts, they take an ice bath—or sometimes jump straight in the ocean—post-run.

Mx. Beverley-Waters has struggled with eating disorders. “When I competed as a CrossFit athlete, I counted macronutrients and it spiraled me into an unhealthy place,” they say. Now gluten and dairy-free, they eat what they want based on how their body is feeling.

For dinner “I make every type of rice bowl there is,” Mx. Beverley-Waters says. Quinoa, sweet potato, Brussels sprouts, cranberry and chicken topped with homemade balsamic is a staple.



about not overtraining so adds in TOF, or “time on feet,” workouts that might include hiking or walking long distances. Mx. Beverley-Waters walks as much as possible throughout the day and on Sundays will hike or run on hilly terrain to mix up the muscles worked. Winter workouts

FROM TOP: RYAN DAVID BROWN FOR THE WALL STREET JOURNAL; KIRSTEN BEVERLEY-WATERS

ARTS IN REVIEW



ART REVIEW

A Painter's Many High Water Marks

An exhibition looks at the J.M.W. Turner's responses to the massive changes wrought by the Industrial Revolution

By KAREN WILKIN

Boston

Joseph Mallord William Turner is an institution, admired in his lifetime and today with a wing of Tate Britain dedicated to the vast number of works he bequeathed to the nation. “The Fighting Temeraire, Tugged to Her Last Berth to Be Broken Up” (1839, National Gallery, London) his image of an obsolete man-o-war, sails furling, maneuvered by a steamboat against a setting sun, repeatedly leads “my favorite painting” polls in Britain. He was equally famous in the United States. In Louisa May Alcott’s “Little Women,” not a book aimed at specialists, the artistic sister, Amy, attempts to paint a Turner sunset. And some of his most important canvases were acquired by Americans.

Born in Georgian England in 1775 and dying in 1851, during Victoria’s reign, Turner lived through the American Revolution, the French Revolution, the age of Napoleon, Waterloo, and the expansion of the British Empire. More significantly, his lifetime encompassed the social, political, and technological upheavals of the Industrial Revolution, as coal-powered steam engines transformed transportation and manufacturing in country newly laced together by railroads, filling the air with soot, and offering Turner an important visual motif. Now “Turner’s Modern World,” organized by Tate Britain, with the Kimbell Art Museum and the Museum of Fine Arts, Boston, (seen earlier in London and Fort Worth, Texas) examines the artist’s response to these changes.

Contradictions and surprises abound. The large, vigorous “Fall of the Rhine at Schaffhausen” (1805-06) dominates a gallery of early work, suggesting that Turner could have profitably concentrated on landscapes untouched by modern interventions. His preference for more timely subject matter is attested to by scenes of dockyards,



Joseph Mallord William Turner’s ‘The Burning of the Houses of Lords and Commons’ (1835), top; ‘The Battle of Trafalgar, as Seen From the Mizen Starboard Shrouds of the Victory’ (1806-08), above; ‘Fall of the Rhine at Schaffhausen’ (1805-06), below left; and ‘Keelmen Heaving in Coals by Moonlight’ (1835), below right

glowing lime kilns and forges, and a pier in Brighton, as well as shipwrecks, the Battle of Trafalgar, the aftermath of the Battle of Waterloo, and the burning of the Houses of Parliament. Turner experienced some of these events; others he constructed from descriptions, interviews with witnesses, and, for paintings of Battle of Trafalgar, a visit to Nelson’s flagship Victory while she was being repaired.

Rich color, theatrical light effects and daring paint handling—from incrustations to transparent washes—convey drama as much as specific images do. The blazing Parliament buildings are subsumed by a sweep of pale ochre and orange, a radiant

equivalent of flames and reflection. A royal banquet scene dissolves into expanses of red livery and golden washes punctuated by a fragile, dotted chandelier. We often have to work to find the main event, such as the dying Nelson, a small figure, collapsed on the crowded deck of the Victory.

A gallery evocative of the multi-level installations at the Royal Academy and at Turner’s own gallery concentrates on themes of war and peace. Depictions of carefully itemized redcoats coexist with broadly painted meditations on qualities of light, such as the grim, deeply shadowed “The Field of Waterloo” (1818), in which piled bodies are re-

vealed by torchlight as women search for survivors. Turner’s works are sometimes so disparate that it is hard to believe they are by the same artist, but they served different purposes: pleasing patrons, competing for royal favor, demonstrating his imagination and adventurousness.

The heart of the show bears witness to Turner’s increasing liberalism and his sympathy with England’s burgeoning abolitionist movement. The glowing “Slave Ship (Slavers Throwing Overboard the Dead and Dying, Typhoon Coming On)” (1840) is a ferocious indictment of a brutal practice, but it takes a moment to get past the gorgeous light and subtly varied sur-

faces to discover the hands and (improbably floating) manacles in the waves, amid oddly sinister fish. (A thoughtful discussion on video nearby, which includes the responses of black artists, contextualizes the painting.) Originally owned by the critic John Ruskin, Turner’s champion and executor, “Slave Ship” was purchased by an American and has been at the MFA since 1876. It is prefigured by the unfinished, roiling “A Disaster at Sea (Wreck of the Amphitrite)” (c. 1835), provoked by the drowning of almost everyone on a ship bound for Australia—female convicts, their children, crew—when it ran aground and the captain, fearful that his cargo would escape, refused offers of rescue.

“Unfinished” is a crucial word. Some late oils and watercolors are so minimal that, for today’s viewers, they read as abstractions. But the sparse watercolors were private studies, complete for Turner’s purposes, but never intended for exhibition. The most stripped-down canvases are unfinished disquisitions on massing and light. Had Turner sent them to the Royal Academy for showing, he would have added detail on Varnishing Day—before the galleries opened to public. Yet he exhibited others almost as radical, such as “Snow Storm off a Harbour’s Mouth” (1842), an explosion of spiraling darks and lights that erases the distinction between water and sky, wrenching itself out of its era. The variety of paint applications anticipates Gustave Courbet; the atmosphere, James McNeill Whistler; the composition, Abstract Expressionism.

“Turner’s Modern World” is illuminating and beautifully installed. Don’t miss it.

Turner’s Modern World

Museum of Fine Arts, Boston, through July 10

Ms. Wilkin is an independent curator and critic.



OPINION

REVIEW & OUTLOOK

The President We Have

More or less the whole world—including his own advisers on background—has criticized President Biden for his latest gaffe in saying in his Warsaw speech on Saturday that Vladimir Putin “cannot remain in power.” There’s no need to pile on. And someone should say that Mr. Biden’s unscripted remark did have the virtue of telling the truth that the problem in Russia won’t end even if Mr. Putin orders his troops out of Ukraine.

Mr. Biden’s remark, even after its repudiation on Sunday by Secretary of State Antony Blinken, may well make it harder to negotiate with Mr. Putin over Ukraine or anything else. And Mr. Biden’s habit of misstating his own policies—no fewer than three times during his European trip—is especially dangerous amid an international crisis.

Then again, the same critics who are lambasting Mr. Biden helped to hide his obviously fading capacities in the 2020 campaign. They circled the wagons around his Delaware base-camp because they thought he was the only Democrat who could defeat Donald Trump.

The reality is that we have to live with Mr. Biden for three more years as President. And please stop writing letters imploring us to demand that Mr. Biden resign. Do you really want Vice President Kamala Harris in the Oval Office? She was chosen as a bow to identity politics to unite the Democratic Party in the election campaign, not for her ability to fill the President’s shoes. In the last 14 months she has failed to demonstrate even the minimum knowledge or capacity for the job. We are fated to make the best of the President we have.

In that regard, Members of Congress of both parties will have to play a more assertive role, and the good news is that they have been doing so to good effect on Ukraine. Congress has stiffened Mr. Biden’s resolve on sanctions and military aid. The pattern is that the White House resists a tougher policy until it faces a defeat or difficult vote on Capitol Hill. Bipartisan coalitions of the willing will be even more important as the war continues, and threats from Iran, China and North Korea escalate.

As we’ve argued, Mr. Biden would also be wise to bring some high-profile conservatives and Republicans into his Administration. In 1940, as the prospect of world war approached, FDR brought in experienced GOP internationalists Henry Stimson as Secretary of War and Frank Knox as Secretary of the Navy. They built credibility with the public and on Capitol Hill for the hard choices to come.

Harry Truman worked with GOP Sen. Arthur Vandenberg to build support for NATO at the dawn of the Cold War. Jimmy Carter at least had the hawkish Zbigniew Brzezinski as his national security adviser when the Soviets tried to exploit Mr. Carter’s weakness.

Mr. Blinken has shown impressive energy as Secretary of State, and he was right in advising Mr. Biden not to withdraw in toto from Afghanistan. But Mr. Biden desperately needs to diversify the advice he gets beyond the liberal internationalists who dominate his councils. Susan Rice, Ron Klain and Jake Sullivan have the Afghan failure on their resumes.

Better advice is needed because Mr. Biden is right that the Russia problem won’t go away as long as Mr. Putin sits in the Kremlin. This doesn’t mean open advocacy of regime change is wise. Russians will have to decide if Mr. Putin must go.

But Mr. Biden’s muscular assertions in the written text of his Warsaw speech need to be supported by more than rhetoric. The U.S. and the West need to urgently restore and strengthen the credibility of their military and diplomatic deterrents. More hawkish advisers would send a more determined signal to the world—and especially to adversaries.

The world is entering the most dangerous period since the Soviet Union collapsed, and perhaps since the 1930s. The Covid crisis obscured the trend, but the dangers have become obvious as adversaries have reacted to what they perceive to be the American decline, division and weakness at the root of the Afghanistan debacle. Mr. Biden needs to back up his Warsaw words with a defense buildup and far more diplomatic realism to confront the great risks ahead.

Biden needs new advisers and help from Congress versus Putin.

Mississippi Joins the Tax Cutters

The tax reform movement has arrived on the Gulf Coast, with Mississippi becoming the latest state to propose rate cuts.

The plan will help the state economy—all the more if legislators keep their pledge to follow up with additional cuts.

State legislative leaders agreed Saturday to an income-tax cut that will give Mississippi the nation’s fifth-lowest top rate (for states with an income tax). The plan would reduce the highest rate to 4% in stages from 5% by 2026, and eliminate a current 4% rate that applies to taxable income between \$5,000 and \$10,000. The state House and Senate passed the tax bill on Sunday, and it now awaits Gov. Tate Reeves’s signature.

The upside is clear. State revenues have soared since 2020, and several states have taken the chance to offer permanent taxpayer relief. “We have about \$1.5 billion in excess revenue right now,” said House Speaker Philip Gunn last week, “and we’re on pace to have about \$2.5 billion.” Mississippi trailed the nation with a median household income of \$45,000 in 2020, and a low cost of living means even a modest tax cut goes a long way to help family budgets.

The rate cut will have immediate benefits, but the one percentage-point cut is far short of previous plans to end the income tax altogether. Mr. Gunn last week secured House back-

A new plan cuts the top rate on income and may preview future cuts.

ing for a proposal to slowly phase out the tax, and Gov. Reeves followed with a faster plan to nix it by 2030. The more modest cut that passed is a compromise to persuade a skeptical state Senate.

Republicans hold a majority of more than 2 to 1 in the upper chamber, but Senate leader (who is also Lt. Governor) Delbert Hosemann is hesitant to end the income tax. “I think there are other ways to spend the funds,” Mr. Hosemann said last month, addressing a previous version of the tax plan. Mr. Hosemann endorsed the final tax-cut deal, but he’ll still have plenty of money to spend as state revenue is expected to be \$7 billion next fiscal year, some \$500 million more than in fiscal 2022.

Mr. Gunn pledged to follow the current deal with additional cuts in future legislative sessions, and reforms in surrounding states provide a strong reason to do so. Louisiana amended its state constitution last year through a ballot measure that caps the income-tax rate at 4.75% and the top rate in 2022 will be 4.25%. Arkansas passed a cut last year that by 2025 will reduce the top rate to 4.9% from 5.9%. Tennessee and Florida have no income tax.

Mississippi’s tax cut is a worthy step forward. But competition is a powerful incentive, and the example of neighboring states should encourage greater progress in Jackson.

A Case of Charter School Sabotage

The Biden Administration is deep in the tank for the teachers unions, and it is proving it again by imposing new rules to sabotage a modest \$440 million grant program for charter schools.

The 28-year-old federal Charter Schools Program helps pay for charter start-up expenses such as technology and staff. The funds go chiefly to state agencies, which award the money to charters, and to non-profit charter management organizations. The federal Department of Education recently proposed new rules that would discourage charters from even applying for grants—which may be the goal.

Applicants will now have to describe “unmet demand for the charter school.” Having hundreds or thousands of children on charter waiting lists won’t suffice. The Administration wants evidence of “over-enrollment of existing public schools,” as well as proof that the new charter “does not exceed the number of public schools needed to accommodate the demand in the community.”

This means that charter applicants in school districts with shrinking enrollment, which includes many big cities, would almost certainly be rejected. “Demand for charter schools isn’t just about demand for the availability of any seat but the demand for a high-quality seat,” says Karega Rausch, president and CEO of the National Association of Charter School Authoriz-

ers. That’s why charters have waiting lists in cities with empty public-school buildings.

The Administration also plans to require applicants to “collaborate” with a traditional public school or school district on an “activity” such as transportation or curriculum. In other words, charter operators will be obliged to give the teachers unions that dominate traditional school systems a say in how their charters are run.

Charters would also have to show “plans to establish and maintain racially and socio-economically diverse student and staff populations.” Many charter schools serve chiefly black and Hispanic students in cities. Charter advocates worry this needless diversity rule could discourage schools that don’t prioritize racial diversity in their enrollment models. The rule could also deter schools from opening in suburban areas, or from hiring white teachers even if they are willing, able and qualified.

States and local school districts are the main regulators and funders of charters, which are public schools. But the Administration is trying to leverage federal dollars to limit school choice and prop up failing union-run schools that received an incredible \$200 billion in Covid relief since 2020.

After unions spent two pandemic years keeping public schools closed, while many charters and most private schools stayed open, this is an educational and moral disgrace.

LETTERS TO THE EDITOR

Open Minds, Loud Voices and Campus Culture

Regarding Ilya Shapiro’s op-ed “Mob Rule at Hastings Law School” (March 23): One 45-minute disruption is neither mob rule nor a “canceling.” And campus debate hasn’t been “shut down.” It continues—but without a tweet that was plainly racist in effect, regardless of intent.

I certainly agree that Mr. Shapiro was exposed to physically intimidating conduct (by a very small number of students) that should not be countenanced. But for the overwhelming majority, after the intermittent chanting and speaking, everyone quietly and peacefully left the room. The possibility of consequences for a few remains. But overall the college is now engaged in constructive, if also unsettling, discussions. The message of the protesters has finally been heard.

I was the only professor in the room that day. My promised response to Mr. Shapiro also wasn’t heard. But I am aware of the longstanding discontent of black and other students of color on this campus, and I understand their impulse not to stop speaking their message, at the top of their lungs if need be. I didn’t know the protest was coming, but I support my students, from all perspectives (including the two Federalist Society members who were also left unprotected that day) in engaged student activism.

The protest was free speech under any definition; we can argue about duration and decibels. But let’s be honest: Constitutional law is murky, inconsistent, and unsettled as to what messages and techniques of expression have priority when two conflict.

Mr. Shapiro laments the canceling of opponents. But refusing to hear the message of discontent from a group of neglected and undervalued members of the community is also “canceling.” Mr. Shapiro says he’d “welcome the opportunity” to discuss these issues—I’d welcome the opportunity to join him and offer rebuttals. Let’s truly have free speech, not simplistic shutdown critiques.

PROF. RORY LITTLE
UC Hastings College of the Law
San Francisco

It is absurd that Mr. Shapiro was put on administrative leave by Georgetown University for eight weeks and counting for a tweet criticizing President Biden’s race-based selection of a black woman for the Supreme Court. The protracted suspension violates Georgetown’s contractual promise to provide “all members” of its community “the broadest possible latitude to speak, write, listen, challenge, and learn,” even if others find it “offensive, unwise, immoral, or ill conceived.”

Such promises are enforceable, even when an instructor’s speech angers listeners, as the Wisconsin Supreme Court ruled in *McAdams v. Marquette University* (2018). Being stripped of teaching or other duties in retaliation for one’s speech is a serious impairment of an instructor’s rights, under federal court rulings such as *Levin v. Harleston* (1992). By chilling speech, an unduly protracted investigation can itself violate rights under court rulings such as *White v. Lee* (2000), in which I was one of the plaintiff’s lawyers.

HANS BADER
Arlington, Va.

Salman Rushdie has said: “The university is the place where young people should be challenged every day, where everything they know should be put into question, so that they can think and learn and grow up. And the idea that they should be protected from ideas that they might not like is the opposite of what a university should be.”

At a university, minds should be opened, not closed; new and contrary ideas should be embraced, not debated; and biases should be challenged, not confirmed. Many of our universities fail in this important role.

Without freedom of expression, all other freedoms fail. We are right to denounce the incidents at Hastings and Yale law schools. Such behavior is an assault on one of the cornerstones of our democracy.

MICHAEL J. DiSTEFANO
Jamestown, R.I.

Noonan, Armageddon and Zelensky’s Message

In “On Ukraine, History is Listening” (Declarations, March 19), Peggy Noonan captures much that is true in her typical articulate way, but I do have two quibbles. First, in the way of Washington insiders, she assumes there is a right side of history. Not so. History has no moral component. It is written by the winners.

Second, Ms. Noonan asserts that we must be guided above all else by a strategy that avoids provoking Vladimir Putin to use his most terrible weapons—the “avoid Armageddon at all costs” strategy. We certainly want to avoid Armageddon, but how best

to achieve that? I submit that projecting fear of an opponent is seldom, if ever, the best way to avoid the consequences we fear. Mr. Putin has every bit as much to fear from us as we do from him. At least in private, we should assure Mr. Putin that his use of chemical, biological or nuclear weapons in Ukraine would cross a red line that would provoke us to respond militarily. And unlike former President Barack Obama, we must mean it.

WALT HILL
Rancho Mission Viejo, Calif.

It doesn’t take much to lose Ms. Noonan’s approbation. In three weeks, Ukraine’s President Volodymyr Zelensky went from “a poignant figure bravely beseeching” Congress for help to one who now thinks he has our president “over a barrel.”

Should Mr. Zelensky’s plea for assistance be conditioned on employing a more obsequious tone? Hardly. The prospect of death invites straight talk.

RICHARD ACKERMAN
Longboat Key, Fla.

This Solution Could Have Rescued Last Night’s Oscars

After last year’s Academy Awards broadcast drew the smallest audience on record, Brenda Cronin writes, “Perhaps Hollywood should take a page from other industries and confine its honors to banquet rooms, where the only cameras are on smartphones” (“Put the Oscars Out of Their Misery,” op-ed, March 23).

Well, before the Oscars are put out of their misery, I have a solution to the slumping ratings. It can be summed up in two words: Ricky Gervais. If the brilliant English comedian were host, millions more people would tune in just to see all the “seat fillers” running around the auditorium, filling the seats vacated by scaredy-cat no-show celebrities.

DAVID HONIGSBURG
Toronto

Pepper ... And Salt

THE WALL STREET JOURNAL



“What part of ‘caw’ don’t you understand?”

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ORK	15:20	15:30
S	15:25	15:44
	15:25	15:44



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BUSINESS & FINANCE

THE WALL STREET JOURNAL.

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Oil Prices Stay High on Reduced Supply

Russian exports by sea fall to lowest level in nearly eight months, increasing pressure

By ANNA HIRTENSTEIN

The de facto buyers' strike on Russian crude that began a month ago propelled oil prices to their highest levels in years. Now the real effects are starting to create a second wave of impact on oil markets, disrupting Russian exports and threatening further price increases.

Major energy companies and commodity-trading houses

balked at buying crude oil from Russia in the days following the invasion of Ukraine. Banks also stopped financing these trades, shippers refused to load cargoes and insurers stopped covering them, fearful of running afoul of sanctions or upsetting company stakeholders.

Oil is typically shipped around three weeks after a deal is struck, meaning that the drop in deal making in the early days of the war led to real disruptions in supply starting in the past week. The turmoil is being strongly felt in Europe, where prices for diesel, which powers cars, trucks

and tractors, have soared.

Exports of Russian oil by sea fell to the lowest level in nearly eight months last week, according to data from Kpler. In the first two weeks following the invasion, volume remained strong as trades made before Russian troops crossed the border on Feb. 24 were delivered.

UBS estimates that around 2 million barrels a day, or about a fourth of the Russian output, has been disrupted. The International Energy Agency forecast that the level could reach 3 million by next month, warning of a potential spark in the worst energy-sup-

ply crisis in decades.

"Commodities tend to price in the now, not the future," said Giovanni Staunovo, a commodity analyst at UBS. "We are starting to see some disruption in the volumes of both crude oil and products from Russia. If we get more disruptions going forward, the price will react even more."

Global benchmark Brent crude rose 9% last week, settling at around \$117 a barrel after two consecutive weeks of declines. Oil prices have long responded to the push and pull between speculators in futures markets and physical traders who buy and sell actual barrels

of oil, with both trying to assess how much supply there is at the moment and how much there will be in the future. It is harder for oil traders to make those judgments now, with the usual buyers of Russian oil on the sidelines.

Russia is the world's third-largest oil producer, behind the U.S. and Saudi Arabia. Before the war, it supplied about 7.5% of the world's crude oil and refined products. The U.S., Canada, the U.K. and Australia have barred oil imports from Russia, while the European Union, its biggest customer, continues to buy but has started discussions about curb-

ing purchases in the future.

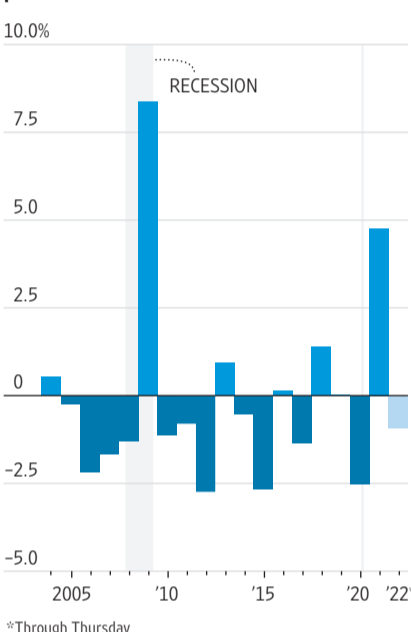
There has been an exodus of oil companies from the country, including BP PLC and Shell PLC, as well as oil-services firms including Halliburton Co., Baker Hughes Co. and Schlumberger Ltd.

The world consumes around 100 million barrels of oil a day. The hit to global supply affects a market already tight because of curbs in output by the Organization of the Petroleum Exporting Countries and its allies. Oil companies have been slow to spend on new oil fields with shareholders pushing for a shift to cleaner energy
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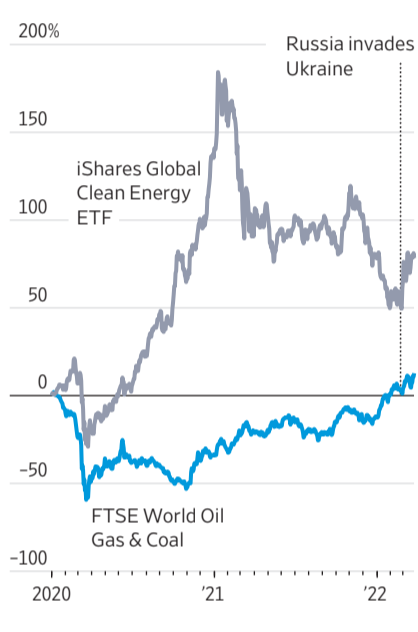
STREETWISE | By James Mackintosh

Do-Good Investing Is Under Pressure

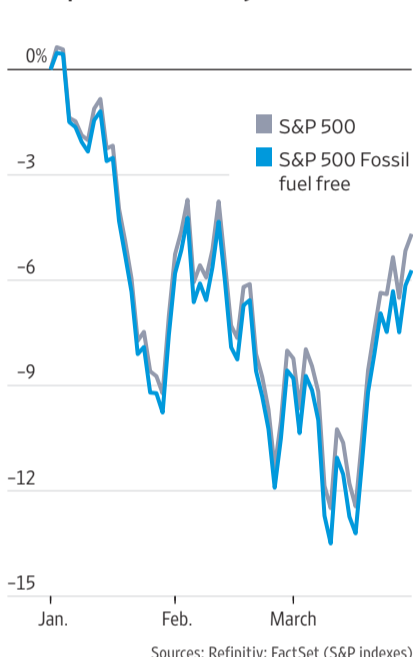
MSCI USA ESG Leaders annual performance minus benchmark



Fossil-fuel stock performance since the end of 2019*



Index performance this year



For investors who prided themselves on trying to do the right thing with their money, Russia's invasion of Ukraine revealed fundamental flaws in the environmental, social and governance investing, known by the acronym ESG. Here's the problem: ESG is trying to gauge the sensitivity of companies to the public mood. But the public mood keeps changing, and what counted as the right thing to do before Russia invaded sud-

denly switched. Before the invasion, the focus of most in ESG was on carbon emissions, with many excluding defense stocks, especially makers of weapons such as land mines. Since the invasion, Western governments put their efforts to cut carbon on hold and become major suppliers of weapons to Ukraine, cheered on by voters. Nuclear deterrence is a topic of conversation again in the face of Russian threats, and it isn't obvious that ESG investors really want to ditch nukes. Yet, what's the point of refusing to invest in nuclear-weapon suppliers unless you

want them to shut down? This about-face has left ESG investors in a bind. At least one fund manager who excluded weapons makers on moral grounds added them back in, and plenty of others are considering the change. "There are a number of discussions with investors who, in light of events with Russia in the Ukraine, are considering how they approach investment towards defense companies," said Baer Pettit, president and chief operating officer of MSCI, which sells ESG ratings and indexes. ESG ratings didn't pick up

the risks around Russia. European companies with big operations in Russia before the invasion had significantly higher ESG scores and human-rights scores than those that stayed away, according to analysis by academics Elizabeth Demers, Jurian Hendrikse, Philip Joos and Baruch Lev. The ESG score gave no guide to the company response either. In the first 12 days of the war—before sanctions forced action—lower-rated companies on Refinitiv's combined ESG score did more to suspend or divest their Rus-

Investors, Activists Press Vaccine Firms To Widen Access

By PETER LOFTUS

Socially conscious investors and global-health activists are turning to shareholders to press Covid-19 vaccine manufacturers Pfizer Inc., Moderna Inc. and Johnson & Johnson to make more of their shots available to people in poorer countries. Groups including the anti-poverty organization Oxfam have succeeded in placing proposals on shareholder proxy ballots that ask drug-makers to do more to widen access to the Covid-19 vaccines, such as exploring the transfer of their technology to other manufacturers. The proxy battles are the latest effort seeking to push Covid-19 vaccine makers to share their technology in order to boost supplies at lower-income countries, after some of the countries asked the World Trade Organization to lift patent restrictions and activists urged the U.S. government to share companies' vaccine technology with other countries. The efforts haven't succeeded so far, though the companies say they have stepped up shipments and taken other steps to increase supplies. Shareholder votes on the resolutions will be tallied and announced at annual meetings scheduled for April. "The central problem right now is, by maintaining monop-

oly control over the technology, the companies are artificially constraining the supply of these lifesaving medicines," said Robert Silverman, senior advocacy manager of private-sector development at Oxfam America Inc. The Covid-19 vaccine makers are asking shareholders to reject the ballot measures, which the companies say could lead to low-quality manufacturing of their shots. The companies say they are making good-faith efforts to boost their shipments, though some executives have said the firms could have done a better job distributing shots to lower-income countries. J&J, which has sold its vaccine on a not-for-profit basis, said that it either directly delivered, or national governments donated, about 70% of its global vaccine supply to low- and middle-income countries last year, and it has licensed its technology to an African company that will make doses for use in Africa. "From the start, Johnson & Johnson has prioritized global equity in the design, development and delivery of our Covid-19 vaccine," a J&J spokesman said. Pfizer and Moderna declined to comment on the shareholder proposals beyond the positions stated in their proxy statements. In the statements, the
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War Drives Up Cost Of Wind, Solar Power

By JENNIFER HILLER AND KATHERINE BLUNT

Russia's invasion of Ukraine is driving up the price of renewable-energy projects, which were facing supply-chain strains and raw-materials increases before the war. The pressures, which are hitting two years after the pandemic created bottlenecks for wind and solar developers, are adding to delays for projects. The Biden administration and other governments called for speeding the transition to renewable-energy sources to avoid reliance on Russia for oil and gas. But project develop-

ers say it might be nearly impossible to move faster. Wind and solar development boomed world-wide in the past decade as a result of falling costs that made the projects more competitive with traditional sources of power such as natural gas and nuclear, as well as growing pressure to reduce greenhouse-gas emissions. Globally, wind and solar accounted for about 6.4% and 4% of power generation last year, respectively, up from 3.8% and 1.4% five years prior, with further sharp growth projected, according to S&P Global Commodity Insights. The cost of so-

Volkswagen Rethinks Globalization

By WILLIAM BOSTON

BERLIN—Volkswagen AG thrived as a global company for years, building and selling its cars all around the world. But as war, health scares and trade disputes roll back decades of globalization, the German auto maker is changing its manufacturing approaches to adapt. VW's resilience effort includes strategies to shore up access to components and raw materials and shorten supply chains to make its regional businesses less dependent on far-away suppliers, according to senior executives at the company. Without the vast home market of its U.S. competitors, VW long ago bet on international markets for growth. Now the world's second-largest car maker, VW benefited like few other companies from decades of post-Cold War detente, falling import tariffs and just-in-time supply chains. Yet as the world grows more turbulent, VW's international reach faces a test: Can such a global business endure as supply chains are strained by the global pandemic, the semiconductor shortage, rising raw-materials prices and new geopolitical fractures? When Covid-19 shut China down at the beginning of 2020, components built there were suddenly missing from supply chains and VW's factories in China and Europe stood idle. By the end of the year, VW produced 18% fewer vehicles than



VW long ago bet on international markets for growth. One of its plants in Zwickau, Germany, in January.

the year before, according to the company's annual report. Then came the next crisis. One of the first big manufacturers to notice that the world's supply of semiconductors was drying up, VW slashed production at factories in China, Europe and North America during the first three months of 2021, just as the industry was rebounding from pandemic lockdowns. VW production fell additional 7% by the end of 2021, the company said. Even isolated incidents have highlighted the fragility of a

business woven across borders. Earlier this year a fire on a cargo ship destroyed nearly 4,000 of Volkswagen's most expensive cars including Porsche, Bentley and Lamborghini on their way to the U.S. In February, when Russia invaded Ukraine, shutting down the country's economy, Volkswagen found itself without wiring harnesses—contraptions used to organize cables and connectors in a car—made in the Eastern European country, forcing it to halt production of electric vehicles at VW, Audi

and Porsche, and stop production at its biggest German factory in Wolfsburg. As geopolitical tensions rise, members of VW's supervisory board now worry about VW's growing dependence on the Chinese market—its biggest, fastest-growing and most profitable. Moved by the rapid succession of crises, VW directors and labor leaders say VW management should buttress the company's fragile international supply chain and step up in-
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BUSINESS & FINANCE

Solar and Wind Power Costs Rise

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 lar generation fell to \$45 for a megawatt-hour last year, down from \$381 in 2010, S&P estimated. The cost of onshore wind generation, meanwhile, fell to \$48 for a megawatt-hour, down from \$89 in 2010. But renewable-energy projects are being hit by soaring prices for key materials such as aluminum and steel, as well as higher transportation costs stemming from higher oil prices, which surged by more than 50% this year.

The rising costs are particularly acute in the U.S., where many projects were facing increases in part because of trade tariffs targeting China, a dominant producer of solar cells and other renewable-energy components. A third of U.S. utility-scale solar capacity scheduled for completion in the fourth quarter of 2021 was delayed by at least a quarter and 13% of the projects planned to complete this year were delayed for a year or canceled, according to a new report from Wood Mackenzie and the Solar Energy Industries Association. A report by LevelTen En-



Companies that make wind turbines have been among the hardest-hit since the pandemic's start.

ergy, a renewable-energy marketplace, found prices for long-term contracts for wind and solar-power purchases, which are used to finance new projects, rose substantially last year in almost every competitive power market in the U.S. Fourth-quarter prices jumped 12.1% for solar and 19.2% for wind compared with the prior year, according to the company's indexes. French utility and renewables developer Engie SA is signing customer contracts closer to project start dates to get a better view of cost inflation or logistics problems, said Dave Carroll, head of North American renewables. Predict-

ing costs has become far more complex than even a year ago, Mr. Carroll said. "This is sending shock waves through the materials prices," he said. "It's uncertain how that's going to settle out." Denmark's Ørsted AS, a major wind-power developer, said last month that inflation and permitting delays were pressuring its planned offshore wind projects in the U.S. Now marine fuels, tied to the rising price of oil, are pushing vessel contracts higher, said David Hardy, chief executive for Ørsted Offshore North America. He called the need to contract for vessels now "kind of Murphy's law."

Companies that make wind turbines have been among the hardest-hit since the start of the pandemic, as the cost and complexity of moving giant blades around the globe have no easy workarounds. Their costs are set to rise again, though no critical components are sourced in Russia or Ukraine, said Deepa Venkateswaran, senior renewables analyst at Bernstein Research. Nevertheless, she said the current spate of troubles is being viewed as a near- to mid-term problem, as demand for renewables projects accelerates under more calls to become less dependent on fuel from Russia.

Hycroft Lures Meme Money

BY ALEXANDER GLADSTONE

Hycroft Mining Holding Corp. raised roughly \$140 million by selling new shares since **AMC Entertainment Holdings Inc.** bought its stake in the gold miner this month, according to people familiar with the matter. Hycroft launched an at-the-market stock offering on March 15 after saying AMC and a precious-metals investor, Eric Sprott, had each committed to put \$28 million into the company. Hycroft didn't respond to requests for comment. Hycroft was on the verge of

bankruptcy last month, down to \$8 million of cash because it hadn't obtained sufficient financing to build a mill it needed to economically mine its ore, the people familiar with the matter said. But Hycroft, which owns a more than 70,000-acre gold and silver mine in northern Nevada, caught the attention of meme-focused investors after Russia's invasion of Ukraine. The ensuing sanctions and geopolitical instability caused metals prices to soar, spurring day traders to post on social media that Hycroft was an attractive bargain stock.

Oil Supply Drop Keeps Prices High

Continued from page B1
 sources and fatter cash payouts.

A common type of Russian oil, known in the industry as Urals, is priced at an increasingly wide discount, signaling that buyers of Russian oil remain skittish. The trading arm of the Russian oil major **Lukoil PJSC** tried to sell Urals crude at \$31 below Brent last week, according to a trader. That was bigger than the gap two weeks

ago, when the gap was around \$28. Before the war, Urals mostly traded close to benchmarks.

A Lukoil spokesperson didn't respond to a request for comment. Some deals are still being struck away from wider view, traders said. Known as off-market deals in industry parlance, the purchases are made by larger trading houses that are able to finance the purchases themselves rather than using bank credit, they said. Those barrels of Urals have sold at less-steep discounts than on online platforms where other participants can see records of trades. These deals will come into the public view when the oil is loaded into cargoes about

three weeks after the trades were agreed upon. Shipping data typically details the contents, buyer and seller.

Russia has quickly switched from having an open, central role in global oil supplies to becoming the black sheep of crude. Traders said that Russian oil is no longer discussed at work or among friends in the industry. Some traders are under companywide bans on trading Russian grades, with compliance departments reluctant to leave it up to individual traders' discretion.

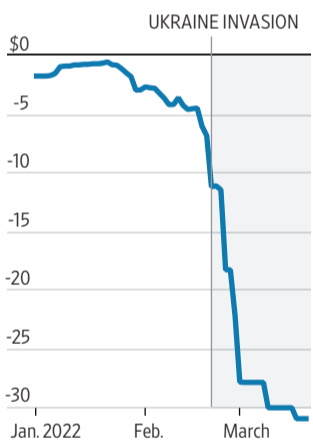
One trader likened buying Russian oil to an instance when he was asked to sell oil to a Japanese whale-hunting fleet. "It's the kind of situation where you don't even want to be talking about it," he said.

Russian weekly crude and condensate exports by sea*



*Data shows weekly average. †Urals is a grade of Russian crude oil. Source: Kpler (crude and exports); S&P Platts (dollars per barrel)

Urals discount to Brent benchmark, dollars per barrel†



Investors Press on Vaccines

Continued from page B1
 companies said transferring their technology to another manufacturer would be complex and time-consuming.

"Expanding manufacturing to organizations who do not meet Pfizer's requirements would put patients at risk and pressure on resources," Pfizer said. Shareholders may submit proposals on various aspects of a company's governance, in addition to routine matters that companies put to a vote, like electing directors and ratifying auditors.

A shareholder needs to have owned at least \$2,000 of shares since January 2020 to be eligible to submit a proposal for annual meetings held before January 2023, when more stringent ownership thresholds are set to fully take effect. Shareholder-sponsored proposals that are opposed by companies often fail to gain a majority of support among shareholders, while company-backed actions are usually approved. The proposals are typically nonbinding, but sometimes companies will implement new policies voluntarily in response to majority votes. The Covid-19 vaccine-access measures could still influence the decisions of executives and

boards of directors, however, if the resolutions get sizable minority votes, said David Maris, portfolio manager for **Phalanx Investment Partners**, an investment firm focused on environmental, social and governance investing criteria.

Global-health advocates have criticized Western vaccine makers' distribution of shots during the pandemic. A disproportionate share of the vaccine supply so far has gone to wealthy countries including the U.S. and European nations, some of which now have surpluses, while poorer countries in Africa and elsewhere have received fewer doses per capita. Boston-based Oxfam America owns shares of the major vaccine companies, and placed proposals on the ballots for Pfizer, Moderna and Johnson & Johnson. Oxfam said it owns at least \$2,000 of shares for each of Pfizer and J&J, and it owns 376 shares of Moderna, which were valued at more than \$61,000 as of Friday's closing price. Oxfam's proposals on the Pfizer and Moderna ballots ask the companies to study the feasibility of transferring their intellectual property and technical know-how to other manufacturers that could make doses for low- and middle-income countries. Pfizer and Moderna asked the Securities and Exchange Commission in December for permission to exclude Oxfam's resolutions from their proxy ballots because they related to ordinary company business, among other reasons. The SEC denied their requests, saying

the matters transcend ordinary business. Pfizer said it expects one billion of its Covid-19 vaccine doses will be allocated to low- and middle-income countries in 2022, out of four billion total doses planned for the year. Moderna said in its proxy statement there have been instances when it prepared to deliver vaccine doses to low- and middle-income countries, but they were declined by African countries because of distribution logistical challenges on the ground. Moderna said it won't enforce its patents in more than 90 poorer countries, which could allow manufacturers there to make its vaccine without fear of patent-infringement litigation. "The shareholder proposal puts forward an unproven solution, lacking in appropriate oversight of our manufacturing processes, which could have negative consequences in terms of safety, quality, efficiency and long-term confidence in mRNA technology," Moderna said. Oxfam's J&J resolution asks the company to report to shareholders whether its receipt of government funding for its Covid-19 vaccine is being, or will be, taken into account when the company sets prices or takes other steps that affect access to its vaccine. J&J said publishing the report requested by Oxfam could damage the company's competitive position by revealing its commercial strategy. The annual meetings for J&J, Pfizer and Moderna are scheduled for April 28.



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BUSINESS NEWS

Aluminum Makers Seek Cans and Cars

Companies are investing in recycling scrap to meet rising demand for the metal

By BOB TITTA

Aluminum makers are on a nationwide hunt for more old cans, shredded cars and factory waste to keep up with demand.

Companies including Norway's **Norsk Hydro ASA**, **Novelis Inc.** and Canada's **Matalco Inc.** are adding U.S. plants to produce more of the lightweight metal sought by auto companies, beverage can makers and other manufacturers. U.S. aluminum consumption grew 11% last year, bouncing back from 2020's pandemic-influenced reduction, according to the Aluminum Association trade group.

The threat of disrupted shipments from Russia, which sup-

plies about 6% of aluminum in the U.S. made in smelters, is driving aluminum prices higher as well as providing momentum for more scrap-based production in the U.S., analysts and company executives said.

To meet rising demand, aluminum companies are doubling down on recycling, melting more scrap to increase their output. "When you look at scrap capture and processing, it becomes more economical than it used to be," said Mike Stier, vice president of finance and strategy for Norsk Hydro's North American extrusion unit.

Norsk Hydro last year started work on a plant in Cassopolis, Mich., that will be able to produce 120,000 metric tons of new aluminum from scrap each year. The \$140 million project is expected to be completed by the end of 2023.

More than 40% of the country's aluminum supply is pro-

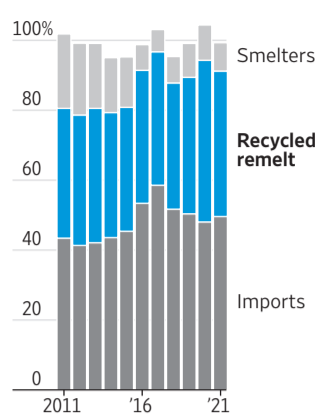
duced this way, making the U.S. one of the world's biggest consumers of aluminum scrap. The U.S. is one of the world's biggest exporters of aluminum scrap, too, with 2 million metric tons of it sent overseas last year, according to government data.

Keeping more of that scrap, particularly from autos, for domestic production is a challenge for aluminum executives aiming to boost production.

In The Dalles, Ore., Norsk Hydro is expanding one of its 11 U.S. plants that melt scrap to double the facility's production capacity to 50,000 metric tons of aluminum ingots a year. To supply the plant, Norsk Hydro is cranking up scrap collection and sorting operations in the Pacific Northwest.

Norsk Hydro and other aluminum producers are fortifying closed-loop recycling arrangements with aluminum customers to buy back the scrap waste

Share of U.S. aluminum supply



Note: Annual totals don't reflect additions or reductions in aluminum inventories in warehouses. Sources: Aluminum Association; U.S. Census Bureau

generated by their manufacturing processes, which is particularly sought after because it is clean and often easy to collect. Aluminum from old cars, discarded beverage cans and build-

ing demolitions is more abundant but harder to recycle.

Atlanta-based Novelis, a subsidiary of India's **Hindalco Industries Ltd.**, said in January it plans to construct a plant in Guthrie, Ky., capable of making 240,000 metric tons of aluminum ingots annually from scrap. The \$365 million plant is scheduled for completion in 2024. Novelis plans to roll the metal from the plant into aluminum sheet for automotive customers.

The company recovers clean scrap from auto customers including **Ford Motor Co.** and **Nissan Motor Co.**, but it is looking to increase its haul from end-of-life scrapping operations for cars, building materials or other products.

Demand for aluminum beverage cans is rising as more drink makers opt for cans instead of plastic containers and consumers buy more canned drinks. Demand for the cansheet used to

make cans rose 8.4% in 2021 from 2020, according to the Aluminum Association. Imports of cansheet rose nearly 38%.

Aluminum beverage cans have some of the best recovery and reuse rates of any recycled household consumer products. About 70% of new cans are made from old cans, according to the Can Manufacturers Institute. The group said 45% of the cans used in the U.S. are recovered through recycling or deposit programs. The can makers want to raise the recovery rate for used cans to 70% by 2030.

Scrap aluminum is becoming more important to the industry as the number of smelters has been shrinking for years. Six smelters continue to operate in the U.S., down from about two dozen 20 years ago, as executives have said aging equipment and rising electricity costs make them expensive to operate.

SoftBank's Stake In Alibaba Comes Under the Spotlight

By DAVE SEBASTIAN

The turmoil in Chinese technology shares is damping the financial firepower Japan's **SoftBank Group Corp.** has for new investments, and prompting debate about whether it might sell some of its stake in **Alibaba Group Holding Ltd.**

Shares in Alibaba—SoftBank's single biggest investment—and other Chinese tech companies were hit hard over the past year by Beijing's clampdown on the sector and have been highly volatile in recent weeks. Outside of Chinese shares, some other fast-growing tech companies backed by SoftBank also fell in value, such as **Uber Technologies Inc.** and **Coupang Inc.**

The Nasdaq Golden Dragon China Index of U.S.-listed Chinese stocks declined 52% over the 12 months through Friday. Alibaba fell 49%, and SoftBank's Tokyo-listed stock dropped 40%.

Falling valuations for its holdings pushed SoftBank close to its self-imposed debt limit of a loan-to-value ratio of 25%, estimated David Gibson, a senior research analyst who covers the Japanese internet sector at MST Financial in Australia. That would imply limits on new borrowing, investments and share buybacks, he said. Mr. Gibson pointed to SoftBank's Vision Fund, which includes holdings such as **Didi Global Inc.**, whose U.S.-listed shares fell more than 70% from its offering price of \$14 last summer. "SoftBank is constrained by capital now, and that's because of not just Alibaba's market-cap decline, but also the Vision Fund as well," he said.

Founder Masayoshi Son has said SoftBank's loan-to-value ratio, or net debt divided by the equity value of its holdings, should usually be 25% or lower. S&P Global Ratings in March said it expects SoftBank to manage the ratio at about 30%, by adjusting the pace of investment in its fund business.

Investors have been watchful recently for signs SoftBank could potentially sell part of its near-25% stake in Alibaba. SoftBank recorded a gain equivalent to \$558 million in the last three months of 2021 after using what Mr. Son called a "tiny bit" of Alibaba stock to settle contracts.

"SoftBank might need to sell more of [its] Alibaba stock

because they have a lot more funding needs going forward," said Atul Goyal, an analyst covering tech, games and telecommunications at Jefferies.

A SoftBank spokeswoman declined to comment on listed holdings.

In its quest to fund new investments, Mr. Son's company has in recent years raised tens of billions of dollars backed by shares in the Chinese e-commerce giant and some of SoftBank's other listed holdings, while stopping short of an outright sale. This so-called asset-backed funding, using a mix of derivatives and loans, shows SoftBank's openness to bold and sometimes complex financial arrangements. The figures don't affect the loan-to-value ratio, which reflects conventional debt.

SoftBank said it raised a net \$6.9 billion of asset-backed financing in April through December 2021 using Alibaba shares. It raised funds against its holdings in T-Mobile US Inc., Deutsche Telekom AG and SoftBank Corp., the company's telecommunications affiliate.

Overall, asset-backed financing using Alibaba stock was valued at the equivalent of about \$25.8 billion at the end of 2021, SoftBank said last month, equivalent to about 35% of its Alibaba holding.

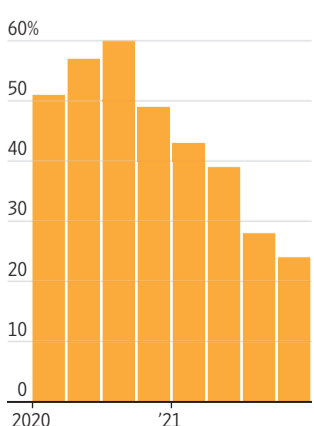
The funding is obtained partly through margin loans, and partly through prepaid forward contracts. The contracts are agreements in which banks or brokers pay SoftBank upfront, and it agrees to settle the obligation later, either in stock, cash or a mixture.

The contracts could be one way in which SoftBank reduces its stake in Alibaba. However, they don't commit SoftBank to selling any shares in future, and how it chooses to settle could depend on issues such as its liquidity and Alibaba's share price.

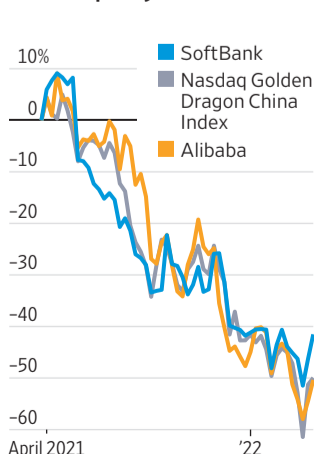
Alibaba's contribution to SoftBank's overall net asset value fell to 24% as of December 2021, down from a peak of 60% in September 2020. The figures exclude Alibaba shares that were used for fundraising.

Alibaba remains among the most successful investments for SoftBank, which started with a \$20 million investment in the Hangzhou, China-based company in 2000. "I think Alibaba is still a great company," Mr. Son said in February.

Alibaba's contribution to the overall equity value of SoftBank's listed holdings*



Share-price performance over the past year



*Adjusted for asset-backed financing. Shows calendar quarters; SoftBank's financial year runs April-March.

Sources: SoftBank (contribution); FactSet (performance)

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TECHNOLOGY

Mental Health Offers Brands an Opening

By SUZANNE VRANICA

To woo consumers, hotel chains typically offer free room upgrades and complimentary breakfast. Kimpton Hotels is trying a new incentive: help with mental health.

In a recent social-media campaign, the boutique-hotel operator said it is offering 1,000 of its guests free access to a video-therapy session from teletherapy company **Talkspace Inc.**

Kimpton is among a growing list of brands, from car companies to meal-kit makers, putting mental wellness front and center in their marketing. As the issue is increasingly destigmatized—with celebrities and athletes openly discussing their own mental health—companies are seeing an opportunity to connect

with consumers.

Laura Simpson, chief intelligence officer at ad giant **McCann Worldgroup**, said the Covid-19 pandemic played a significant role in boosting mental-health awareness. “That was the straw that broke the camel’s back of finally making us have proper conversations about mental health,” she said.

Coca-Cola Co.’s Powerade is currently running a series of TV commercials that tell viewers “pause is power.”

In one spot featuring gymnast Simone Biles, Tottenham Hotspur manager Antonio Conte and British diver Tom Daley, Ms. Biles—who withdrew from some competitions during last year’s Tokyo Games because she wasn’t in the right mental place to continue—tells reporters during a

news conference that she is taking a break. She is then seen getting a manicure.

Ms. Biles has been one of the highest-profile athletes—a list that also includes tennis star Naomi Osaka and former swimmer Michael Phelps—to open up about mental health in recent years.

“Sometimes you’ve got to stop to be an actual human,” Ms. Biles said in the commercial, as a manicurist paints over images of a goat on her fingernails.

General Motors Co. plans to launch a social-media campaign next month that shows influencers encouraging drivers to get their stress out before getting behind the wheel. GM said it decided to take a deeper look at the rise in anxiety and stress partly after seeing an alarming rise in traffic



Earlier this year, GM showed off a self-driving concept car whose seats feature biometric sensors.

fatalities during the pandemic. According to the National Highway Traffic Safety Administration, more people died in motor-vehicle crashes in the first nine months of last year than in any similar period since 2006.

GM said an online poll of nearly 3,000 American drivers conducted by McCann Worldgroup—a unit of Interpublic

Group of Cos.—found that a majority of respondents said they can remember a time when they cried in their cars, while a third said they have had to pull over because they felt too emotional to drive.

“High levels of stress and emotions can be a significant cause of distraction for drivers,” said Deborah Wahl, GM’s global chief marketing officer.

Earlier this year, GM showed off a self-driving electric concept car at the Consumer Electronics Show in Las Vegas, whose seats feature biometric sensors that monitor a person’s fatigue level. The Cadillac-branded car, which doesn’t have a steering wheel, can display soothing colors, play calming sounds and emit relaxing scents, GM said.

Volkswagen Rethinks Operations

Continued from page B1

vestment in core Europe and U.S. markets to dilute the company’s dependence on China.

“We’re not saying they should shrink in China but we’re saying they should focus on other markets too,” said a supervisory board member.

Murat Aksel, VW’s purchasing chief, is restructuring how the company sources parts and materials and began monitoring each supplier—and these suppliers’ suppliers.

“The chip crisis showed us that we have to be involved with the entire supply chain,” he said.

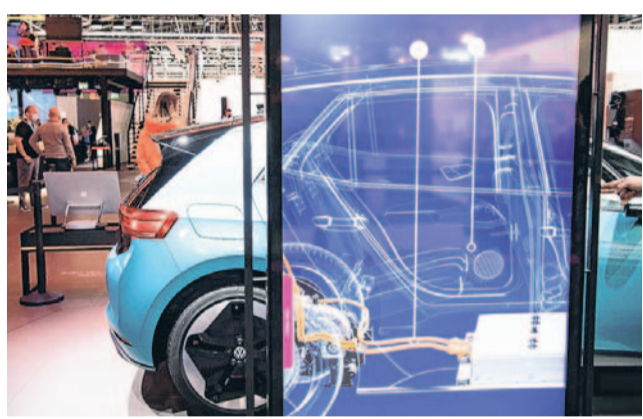
Production stoppages caused by Russia’s invasion of Ukraine and the loss of Chi-

nese components during the pandemic exposed how VW could no longer focus solely on obtaining the cheapest parts, however remote or scattered their producers.

Now, Mr. Aksel said, VW is making the uninterrupted delivery of parts a priority over competitive pricing, and could accept dual sourcing of some components, a practice that the industry gave up years ago in favor of single sourcing components and just-in-time delivery.

“We still want competitive prices, but my priority is securing supply. Without components, you can’t build cars,” Mr. Aksel said. “And zero production means zero profit.”

VW is applying this new strategy now as it tries to restore part deliveries from suppliers in Ukraine that have been struggling to maintain production during the conflict. VW and suppliers such as Leoni AG, one its main suppliers for wiring harnesses, are duplicating Ukraine production in



One of the company’s electric models at a show in Munich last year.

other countries including Poland, Romania and Tunisia.

In China, where the company makes nearly 40% of its annual sales and a hefty part of its profit, VW has faced criticism for operating a factory in Xinjiang. Human-rights advocates say China operates re-education camps there for members of the local Muslim population. VW says it employs Muslim Uyghurs at the plant, but uses no forced labor.

ties and state-controlled news outlets have criticized Western companies for highlighting forced-labor concerns in Xinjiang.

As part of its effort to reduce China’s weight in its business, VW said it would invest more than \$7 billion in the U.S. over the next five years, mainly on developing electric vehicles with the goal of doubling its share of the U.S. market to at least 10%.

Under consideration is a new Audi plant, said Hildegard Wortmann, sales chief for the VW group and the Audi luxury car brand. VW officials have also said the company could build a battery plant in the U.S.

“China will remain one of the growth regions, but, yes, we have to strengthen our footprint in the United States,” Volkswagen Chief Executive Herbert Diess said earlier this month. “And that might lead to a situation where we can balance our global setup better.”

In the 1960s, VW cracked

the U.S. market thanks to its iconic Beetle, immortalized in the 1968 Walt Disney film “The Love Bug” which starred a self-driving racing Beetle named Herbie. But as VW turned its focus to China in the 1980s, it neglected its U.S. business.

Asian manufacturers led by **Toyota Motor Corp.** and **Nissan Motor Co.** raced ahead with American consumers.

After refocusing its product portfolio on SUVs, VW turned a profit in the U.S. last year for the first time in years. VW has struggled in the past to significantly boost market share in the U.S. But as EVs begin to play a bigger role in the market, VW’s share of U.S. EV sales is growing faster than the company’s overall vehicle sales.

VW now ranks second in EV sales in the U.S. after **Tesla Inc.**, Mr. Diess said, with 8% EV market share, twice VW’s overall U.S. market share. VW is targeting an overall market share of 10% in the U.S., VW officials said.

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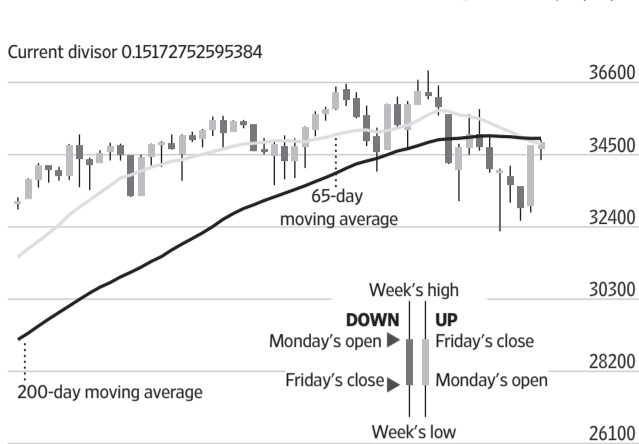
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MARKETS DIGEST

Dow Jones Industrial Average

34861.24 ▲106.31, or 0.31% last week Trailing P/E ratio 19.36 29.27



Current divisor 0.15172752595384



Major U.S. Stock-Market Indexes

Table listing major U.S. stock market indexes including Dow Jones, Nasdaq Composite, S&P 500, and Russell 2000 with their latest values and percentage changes.

International Stock Indexes

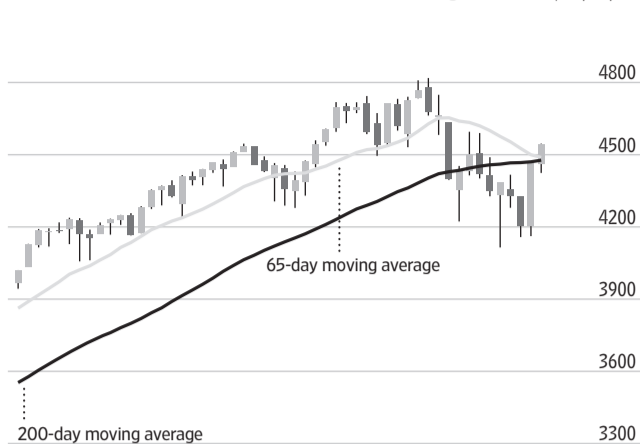
Table listing international stock indexes by region (Americas, EMEA, Asia-Pacific) with their latest values and percentage changes.

Consumer Rates and Returns to Investor

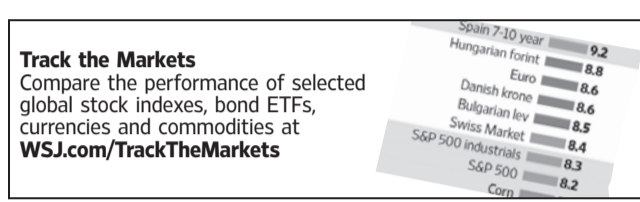
Table detailing U.S. consumer rates for new car loans and prime rates, along with selected bank rates and returns to investors for various asset classes.

S&P 500 Index

4543.06 ▲79.94, or 1.79% last week Trailing P/E ratio * 24.78 44.66



Current divisor 0.15172752595384



Track the Markets: Compare the performance of selected global stock indexes, bond ETFs, currencies and commodities at WSJ.com/TrackTheMarkets. Includes a Nasdaq Composite chart showing a 275.46, or 1.98% increase last week.

New to the Market

Public Offerings of Stock

Table listing public offerings of stock, including IPOs and lockup expirations for various companies.

IPO Scorecard

Table showing the performance of IPOs, most-recent listed first, with columns for company name, symbol, price, and percentage change from offer.

Public and Private Borrowing

Table detailing public and private borrowing activities, including Treasury auctions and corporate bond offerings.

Currencies

Table showing U.S.-dollar foreign-exchange rates in late New York trading for various countries and currencies.

Commodities and Currencies

Table listing commodity prices for DJ Commodity, Refinitiv/CC CRB Index, Crude oil, Natural gas, Gold, U.S. Dollar Index, and other key commodities.

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Benchmark Yields and Rates

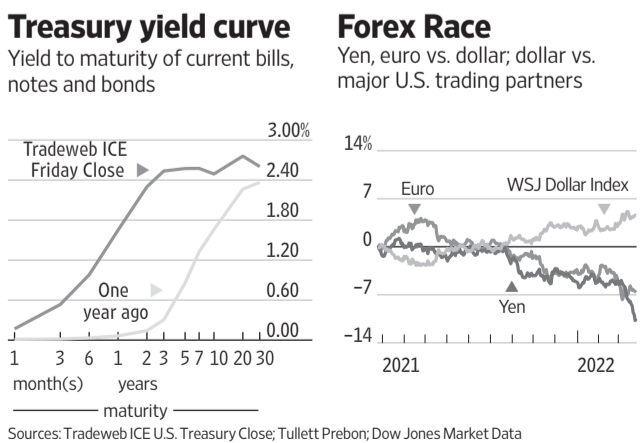


Table showing Corporate Borrowing Rates and Yields for various bond categories like U.S. Treasury, Aggregate, and Fixed-Rate MBS.

Cash Prices

Table listing cash prices for various commodities including Energy (Coal, Oil, Gas), Metals (Gold, Silver, Copper), Grains and Feeds (Wheat, Corn, Soybeans), and Food (Beef, Pork, Eggs).

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; D=CME; E=Manfra, Tordella & Brooks; H=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; P=Soiland Publishing; R=SNL Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. *Data as of 3/24

CLOSED-END FUNDS

Listed are the 300 largest closed-end funds as measured by assets. Closed-end funds sell a limited number of shares and invest the proceeds in securities. Unlike open-end funds, closed-end funds generally do not buy their shares back from investors who wish to cash in their holdings. Instead, fund shares trade on a stock exchange. NA signifies that the information is not available or not applicable. NS signifies funds not in existence for the entire period. 12 month yield is computed by dividing income dividends paid (during the previous 12 months for periods ending at month-end or during the previous 52 weeks for periods ending at any time other than month-end) by the latest month-end market price adjusted for capital gains distributions. Depending on the fund category, either 12-month yield or total return is listed.

Source: Lipper

Friday, March 25, 2022

Table with columns: Fund (SYM), NAV, Close/Ret, 52 wk Prem Ttl Ret. Includes General Equity Funds like Adams Diversified Equity (ADX) and Central Secs (CET).

Table with columns: Fund (SYM), NAV, Close/Ret, 52 wk Prem Ttl Ret. Includes Specialized Equity Funds like Aberdeen Gbl Prem Prop (AWP) and Liberty All-Star Growth (ASG).

Table with columns: Fund (SYM), NAV, Close/Ret, 52 wk Prem Ttl Ret. Includes World Equity Funds like Aberdeen Emg Mkts Eq Inc (AEF) and BlackRock Energy & Res (BGR).

Table with columns: Fund (SYM), NAV, Close/Ret, 52 wk Prem Ttl Ret. Includes Income & Preferred Stock Funds like Calamos Strat Tot (CSQ) and CohenStrsLtdDurPrefInc (LDP).

Table with columns: Fund (SYM), NAV, Close/Ret, 52 wk Prem Ttl Ret. Includes Convertible Sec's Funds like AdmtCnvtbl&InclFnd (AVK) and Calamos Conv Hl (CHY).

Table with columns: Fund (SYM), NAV, Close/Ret, 52 wk Prem Ttl Ret. Includes World Equity Funds like Aberdeen Emg Mkts Eq Inc (AEF) and BlackRock Energy & Res (BGR).

Table with columns: Fund (SYM), NAV, Close/Ret, 52 wk Prem Ttl Ret. Includes U.S. Mortgage Bond Funds like BlackRk Income (BKT) and Investment Grade Bond Funds like Angel Oak FS Inc Trm (FINS).

Table with columns: Fund (SYM), NAV, Close/Ret, 52 wk Prem Ttl Ret. Includes High Yield Bond Funds like Aberdeen Inc Credit Str (ACP) and Alliance Berm GblHlncm (AWF).

Table with columns: Fund (SYM), NAV, Close/Ret, 52 wk Prem Ttl Ret. Includes Other Domestic Taxable Bond Funds like Allspring Multi-Sector (ERC) and Apollo Tactical Income (AIF).

Table with columns: Fund (SYM), NAV, Close/Ret, 52 wk Prem Ttl Ret. Includes Single State Muni Bond like BlackRock CA Muni (BFZ) and BR MH CA Qly Fd Inc (MUC).

Table with columns: Fund (SYM), NAV, Close/Ret, 52 wk Prem Ttl Ret. Includes National Muni Bond Funds like AllBerNatlMunInc (AFB) and BlackRk Inv Q Muni (BKN).

Table with columns: Fund (SYM), NAV, Close/Ret, 52 wk Prem Ttl Ret. Includes General Equity Funds like Alternative Strategies I (654) and BOW RIVER CAPTL EVGNJ (NA).

Table with columns: Fund (SYM), NAV, Close/Ret, 52 wk Prem Ttl Ret. Includes Specialized Equity Funds like ArrowMark Financial Corp (BANX) and Aspiriant Rsk-Mgd RA (NA).

Table with columns: Fund (SYM), NAV, Close/Ret, 52 wk Prem Ttl Ret. Includes U.S. Mortgage Bond Funds like Arca US Treasury (NA) and Ellington Inc Opp:A (9.42).

Table with columns: Fund (SYM), NAV, Close/Ret, 52 wk Prem Ttl Ret. Includes World Income Funds like 1WS Credit Income:A2 (NA) and 1WS Credit Income:Inst (NA).

Table with columns: Fund (SYM), NAV, Close/Ret, 52 wk Prem Ttl Ret. Includes BlueRock Total Inc+REL (35.26) and BlueRock Total Inc+REM (33.67).

Table with columns: Fund (SYM), NAV, Close/Ret, 52 wk Prem Ttl Ret. Includes High Yield Bond Funds like Griffin Inst Access Cda (NA) and Griffin Inst Access Cdc (NA).

Table with columns: Fund (SYM), NAV, Close/Ret, 52 wk Prem Ttl Ret. Includes Other Domestic Taxable Bond Funds like AFA MMC:Inst (9.99) and AFA MMC:Cnv (9.98).

Table with columns: Fund (SYM), NAV, Close/Ret, 52 wk Prem Ttl Ret. Includes Income & Preferred Stock Funds like Calmos US/Eqy and DI (CPZ) and A3 Alternative Inc (7.42).

Table with columns: Fund (SYM), NAV, Close/Ret, 52 wk Prem Ttl Ret. Includes Invesco Sr Loan IC (6.43) and Invesco Sr Loan Y (6.43).

Table with columns: Fund (SYM), NAV, Close/Ret, 52 wk Prem Ttl Ret. Includes High Yield Bond Funds like Griffin Inst Access Cda (NA) and Griffin Inst Access Cdc (NA).

Table with columns: Fund (SYM), NAV, Close/Ret, 52 wk Prem Ttl Ret. Includes Other Domestic Taxable Bond Funds like AFA MMC:Inst (9.99) and AFA MMC:Cnv (9.98).

Table with columns: Fund (SYM), NAV, Close/Ret, 52 wk Prem Ttl Ret. Includes Income & Preferred Stock Funds like Calmos US/Eqy and DI (CPZ) and A3 Alternative Inc (7.42).

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HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

India Tops Up With Russian Oil

Discount purchase likely is opportunistic buying, not a structural shift

Desperate times call for desperate measures. The adage may sum up India's recent decision to buy discounted Russian oil. While it raised eyebrows in the West, the purchase at this time of soaring prices likely represents opportunistic buying by the world's third-largest crude importer rather than a significant structural shift. That could change if the murky international politics—and future price trajectory—of Russian oil clear up a bit. India snapped up 3 million barrels of Russian crude at around 20% below global benchmark prices earlier this month, with insurance and shipping costs borne by the seller. And on Wednesday Reuters reported that **Indian Oil**, the country's top refiner, had bought an additional 3 million barrels of Russian Urals crude, and private refiner **Nayara Energy** had

bought 1.8 million barrels. With Brent crude-oil futures again near \$120 a barrel, such enormous discounts are hard to decline for a country whose energy imports are equal to a full 4% of gross domestic product. India imports more than 80% of its overall crude needs—a net 1.25 billion barrels over the past 12 months, according to Credit Suisse, which estimates that annual imports could rise to 1.5 billion barrels as the economy opens up. At that rate, every one-dollar price rise could cost India \$1.5 billion a year. But despite India's desperation to tank up, its bargain shopping in Russia will probably remain relatively small scale for now. Processing significant amounts of Russian Ural crude might entail extra costs for Indian refiners. But the key uncertainty is the risks re-

lated to and emerging from the Ukraine situation, says Sushant Gupta, research director for Asia-Pacific refining and oil markets at Wood Mackenzie. For one, oil prices have remained extremely volatile since the war began last month. Even if Indian buyers were considering dramatically shifting toward Russian oil, alienating the longtime Middle Eastern suppliers that provide more than 60% of its imports or investing in new transport capacity makes little sense until there is more clarity on future prices, transport and insurance costs—and whether Russian energy will ultimately be subject to strict sanctions. The longer trade route between Russia and India already makes purchases more prone to volatility, according to Prashant Vasisht, vice president and co-group head of corporate ratings at



India's shopping for Russian oil will probably remain relatively small scale for now.

ICRA, an arm of Moody's. Western sanctions' energy carve-outs mean India's oil imports aren't a violation. India's oil minister, Hardeep Singh Puri, told lawmakers two days before the Reuters report that Indian buyers had contracted the equivalent of about three days' oil needs from Russia, to be supplied over the next three to four months. Russia still accounted for

less than 1% of the country's total oil imports, he said. New Delhi has faced criticism from the West for its longstanding political and security ties with Moscow. But its recent bargain-based oil purchases probably shouldn't keep drillers in Texas or politicians in Washington up at night—at least, not yet. —Megha Mandavia

Russia's Internet Giant Struggles to Dodge Geopolitics



If you thought Silicon Valley had a problem with politics, look at Russia's top internet company. Nasdaq-listed **Yandex**, which runs the largest Russian search engine and ride-hailing service, is caught between its local customers and regulators on the one hand, and U.S. technology and finance on the other. The latest flashpoint is the potential sale of its media interests, which consist of a news-aggregation service and a social platform called Zen. Since Russia's invasion of Ukraine, the Kremlin cracked down on dissident voices. Yandex's aggregator, which under local regulations is only allowed to show licensed content, displays news that hews ever more closely to the official line. One casualty is Yandex's former executive director and deputy chief executive, Tigran Khudaverdyan, who recently was sanctioned by the European Union. The EU

cited the news service, as well as Mr. Khudaverdyan's attendance of a Kremlin meeting on the day of the invasion, as reasons for putting him on the sanctions list. He resigned from his Yandex roles. Before his sanctioning, Mr. Khudaverdyan wrote a Facebook post arguing that, although "war is a monstrous thing," Yandex needed to keep its head below the parapet and carry on offering tech solutions to the Russian people. The company now seems to be taking a similar view by "exploring strategic options" for its news aggregator and Zen. It is trying to position itself as an apolitical technology provider. Fast-growing Zen is much more valuable than the aggregator and hasn't yet come in for criticism. As pressure increases on the likes of **Facebook** to take more responsibility for the content on their platforms, Yandex appears to see a

risk that its social-media channel could also become a problem. One of the biggest challenges the company faces is a brain drain if its well-educated staff see its apolitical stance as little better than complicity in President Vladimir Putin's repressive rule. Until now, the company kept at the cutting edge of consumer technology by retaining bright Russian computer scientists who could easily get jobs in the U.S. Some will leave; the only question is how many. This is by no means the company's only problem. Imports of vital technology hardware are on pause as vendors wait to see how sanctions play out. Trading in its stock is suspended, which triggered an obligation it can't readily meet to redeem a \$1.25 billion convertible bond. Russia's economy is under intense pressure, which will hit the company's growth.

Yandex's search business is highly profitable, which should provide some financial security while it is cut off from Western capital. That stands in contrast to the situation at Ozon, a cash-burning e-commerce company pitched as Russia's Amazon.com in a Nasdaq initial public offering less than 18 months ago. Still, Yandex will need to tighten its belt: Its strategy of plowing search profits into less-developed markets such as food delivery is no longer viable. In November, the company hit a peak market value of about \$31 billion. Its shares are now literally uninvestable with an aggregate value below \$7 billion. Such dramatic falls from grace usually follow corporate scandals, not geopolitical ones companies can do little to resolve. Yandex's refuge in a studied neutrality just shows how few good options it has. —Stephen Wilmot

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