

What's News

Business & Finance

European Union anti-trust authorities charged Apple with abusing its dominant position by restricting access to the technology underpinning contactless payments on its mobile devices. **A1**

◆ **The yield on the benchmark 10-year Treasury note on Monday reached 3% for the first time since late 2018 before settling at 2.995%, up from 2.885% Friday. B1**

◆ **Major U.S. stock indexes ended with gains after trading lower for much of the session. The S&P 500, Nasdaq and Dow rose 0.6%, 1.6% and 0.3%, respectively. B11**

◆ **Spirit Airlines rebuffed a \$3.6 billion takeover bid from JetBlue, saying a deal likely can't be completed, and is sticking with plans to merge with Frontier. B1**

◆ **Amazon workers voted against unionizing at a facility in Staten Island, New York, a win for the company after a loss at another warehouse in the borough last month. B2**

◆ **Ancora has a stake in Hasbro and is supporting another activist already waging a proxy fight at the toy maker while it pushes the company to make further changes. B3**

◆ **Truepill said it is temporarily halting prescriptions for Adderall and other controlled substances used for ADHD, and partner Cerebral told its clinicians to direct those orders to patients' local pharmacies. B3**

◆ **The precise movements of millions of Grindr users were collected from a digital ad network and made available for sale, according to people familiar with the matter. B4**

World-Wide

◆ **Ukraine said it sank two Russian naval vessels in the Black Sea with drone strikes and a Russian missile attack killed civilians in Odessa, while the European Union was set to propose a ban on Russian oil over Moscow's invasion. A1, A6-8**

◆ **A leaked Supreme Court draft opinion written by Alito and published by Politico indicated the court may be preparing to overturn Roe v. Wade, the 1973 precedent that established a constitutional right to an abortion. A3**

◆ **A special grand jury was selected to hear evidence in a county prosecutor's probe into efforts by Trump and others to overturn Georgia's 2020 election results. A4**

◆ **A federal judge ruled that the House select committee investigating the attack on the U.S. Capitol can obtain data from one of the RNC's vendors about fundraising and political efforts. A4**

◆ **Hamas has stepped up a mass-media campaign urging Palestinians in the West Bank and Israel to attack Jews in the wake of clashes between Israeli security forces and Muslims around the Al Aqsa mosque in Jerusalem. A10**

◆ **A proposal from California Democrats to institute a state-wide four-day workweek for hourly employees has been shelved for now after a state Assembly panel declined to set it for a policy hearing. A4**

◆ **The American Academy of Pediatrics said it would re-examine policies that inappropriately use race as a factor in clinical care decisions. A2**

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Muslims Mark the End of Ramadan With Eid Festivities



GATHERING: People attend Eid al-Fitr prayers outside Al-Seddik Mosque in Cairo on Monday. The holiday marks the end of the Islamic holy month of Ramadan and this year comes amid an easing of Covid-19 restrictions for many. **A10**

EU Accuses Apple of Abusing Market Position in Mobile Pay

By **KIM MACKRAEL** AND **LAURENCE NORMAN**

European Union antitrust authorities charged Apple Inc. with abusing its dominant position by restricting access to the technology underpinning contactless payments on its mobile devices, adding to the bloc's efforts to clamp down on alleged anticompetitive behavior by some of the world's biggest tech companies.

The European Commission,

the EU's executive arm, said it took issue with Apple's decision to prevent mobile-wallet app developers from accessing the needed hardware and software on its devices and instead favoring its own offering, Apple Pay.

If found guilty of abusing its dominance in connection with the payment service, Apple could be subject to a fine of as much as 30% of the revenue generated from its mobile wallets and related services, the

commission said, without specifying whether that would be limited to the European market. Analysts said that Apple Pay accounts for a small proportion of the company's total revenue.

"Apple has built a closed ecosystem around its devices and its operating system," said EU Executive Vice President Margrethe Vestager, the bloc's competition commissioner. "Apple controls the gates to this ecosystem, setting the

rules of the game for anyone who wants to reach consumers using Apple devices."

Apple will have an opportunity to respond to the commission's objections and can request an oral hearing before any final judgment is issued.

Apple said its payment system is one of many options available to European consumers and that it has ensured equal access to the underlying technology, called near-field communication. *Please turn to page A10*

Home Buyers Battle Rising Loan Rates

By **ORLA McCAFFREY**

Mortgage rates are at their highest level in more than a decade. Home buyers are fighting back.

More borrowers are paying fees to cut their interest rates and are making higher down payments to lower the amount they have to finance, lenders and real-estate agents said. People buying homes under construction are choosing to lock in today's rates rather than risk even higher ones later.

And more home buyers are considering home loans that carry lower rates in their early years. Applications for adjustable-rate mortgages have doubled over the past three months, according to the Mortgage Bankers Association.

For much of 2020 and 2021,

ultralow mortgage rates helped Americans offset a sharp increase in home prices. The average rate on a 30-year fixed mortgage fell below 3% for the first time in July 2020 before bottoming out at 2.65% in early 2021.

Everything changed this year. The Federal Reserve's pullback from the mortgage-bond market has helped drive up rates on home loans close to 2 percentage points since early January, their steepest climb in decades. And they are likely to climb even more if the Fed continues to raise its benchmark rate throughout the year, as expected.

Prospective buyers who had been quoted rates well below 4% when starting their search now face rates closer to 6% *Please turn to page A2*

Treasuries Hit 3% Milestone

The yield on the 10-year Treasury note climbed to 3% in intraday trading for the first time since late 2018. **B1**



Source: FactSet

Countries Race to Avert Grain Crisis

With Ukraine war disrupting wheat trade, soaring prices put poor nations at risk

By **JESSE NEWMAN** AND **PATRICK THOMAS**

The war in Ukraine was barely a month old when Augusto Bassanini, chief executive of United Grain Corp., received an unusual signal from the global wheat market.

The Washington-based grain exporter, owned by Japanese trading company Mitsui & Co., normally routes its products across the Pacific Ocean to Asia. In March, though, an Egyptian importer that hadn't done business with United in two decades booked 60,000 tons of wheat

to be shipped from the Port of Vancouver in Washington through the Panama Canal and across the Atlantic Ocean—thousands of miles farther than Egypt's principal grain suppliers, Ukraine and Russia, and at a far higher cost.

It was a small sign of the upheaval in world grain markets sparked by Russia's invasion of Ukraine, threatening food supplies from one of the world's most-productive farming regions to some of its poorest countries.

From India to Ireland, gov- *Please turn to page A8*

INSIDE



BUSINESS & FINANCE
Spirit Airlines rebuffed a bid from JetBlue and will stick with plans to merge with Frontier. **B1**



PERSONAL JOURNAL
Bitcoin and NFTs begin to flow to charities, bring challenges for recipients. **A11**

Scientists Unravel Mysteries Of Brushing Tangled Hair

Researchers at Harvard, MIT use math, lab work to develop pain-free techniques

By **DOUGLAS BELKIN**

Harvard scientist L. Mahadevan is a bona fide genius who has studied such things as the shape of an apple, how brains fold and why Cheerios clump in a bowl of milk.

Parents will be pleased to learn that Prof. Mahadevan and a team of researchers have also made headway finding a pain-free technique of brushing the tangled hair of children, as well as their own.

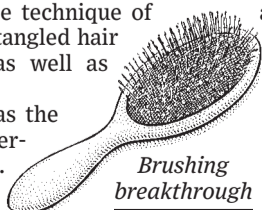
The task has the sheen of a personal quest. Two decades ago, while at Cambridge University's department of applied mathematics and theoretical physics, Prof. Mahadevan's domestic duties included brushing the unruly hair of his 5-year-old

daughter.

At some point, she fired him. "It was very tangled," said the professor, who has little hair himself. "I was not doing a very good job of it because I wasn't very patient."

His failure tugged at him for 20 years. The professor finally assembled a team that employed mathematical models, conducted experiments and published a paper on their discoveries in the journal *Soft Matter*.

Hair brushing goes back a long way, maybe 50 million or so years. Mammals back then developed tiny grooming claws, a precursor to nails, to pick out lice and ticks embedded in their tangles, according to studies. Nearly 5,000 years ago, Egypt- *Please turn to page A10*



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U.S. NEWS

Georgia Farm Grows Into a Tax Shelter

Bequest highlights the conservation easement market that has drawn scrutiny from the IRS

By RICHARD RUBIN

CRAWFORD, Ga.—Baptist minister John M. McGinnis left his family a 434-acre pine-tree farm when he died in 2006, writing in his will that his heirs could eventually sell it for a “hunk of cash.”

In 2020, some McGinnis family members sold off three-fifths of the property for \$310,000. By the end of 2021, the Oglethorpe County land had been sold again, this time to a business that raised \$10.7 million from investors in a land-conservation deal. That transaction could yield its investors millions of dollars more in tax deductions—as well as scrutiny from the Internal Revenue Service.

The deal was typical of the “syndicated conservation easements” booming in this sliver of northeastern Georgia, which is known for granite deposits used in tombstones and statuary. For some appraisers and deal makers, the prospect of

granite mining can drive up a property’s hypothetical value—and also drive up the tax deduction associated with promising not to conduct mining.

The claimed tax breaks are typically far bigger than the money spent buying the property, part of a mini-market in which high-income investors nationwide extract tax deductions instead of minerals.

“It’s all about tax shelters and selling tax shelters,” said Denise Perry, executive director of the Georgia Agricultural Land Trust, who tracks easement deals across the state. “It’s all about money.”

Many conservation easements, which offer tax incentives for preserving property from development, aren’t controversial. The IRS is focused on the proliferation of large deals in which investors are pooled into “syndications” for deductions, and the agency is auditing every syndicated-easement deal that crosses thresholds it outlined in 2016. The resulting disputes have piled up in courts, with billions of dollars in tax revenue at stake.

The easement on the McGinnis property is so recent that the IRS likely won’t audit it for years. But it is an example of



A stand used by hunters on Georgia land held by members of the McGinnis family, with the conserved property in the far background.

the kinds of transactions that are still occurring despite the stepped-up IRS enforcement.

The McGinnis property is barely distinguishable from anything else on Highway 22 north of Oglethorpe County Middle School, just a few hundred feet of forested road frontage across from a small church. There is a locked gate for the conserved property, as well as a separate locked gate for the smaller parcel that some McGinnis family members still lease to hunters.

For tax purposes, it is what is underneath the former McGinnis property that might

matter. Oglethorpe County, atop a pile of granite, has long been home to rock quarries.

So promoters canvass for property that could become a quarry—and then recruit high-income investors who claim big tax deductions for promising not to build a quarry.

Since the IRS increased enforcement of such deals in 2016, there have been about 40 easements in Oglethorpe County, mostly from partnerships and promoters. They have set aside more than 5,000 acres for conservation—nearly 2% of the county’s land area.

By extrapolating from

claimed per-acre values in two public court cases from the county, there could be more than \$500 million in federal tax deductions generated from a place where all individuals’ adjusted gross income in 2019 was \$314 million and charitable-donation deductions totaled \$4.7 million.

John W. McGinnis, the minister’s son, recalled occasional hunting trips to the land while the family lived in the Atlanta area. As the trees grew, the family leased the land to timber companies. When the elder Mr. McGinnis died, the land was producing annual income of nearly \$10,000.

The land itself was split into one-fifth shares between family members. The younger Mr. McGinnis and a niece wanted to keep part of the land and retained a 40% piece.

The property got only a few bites, selling in January 2020 to a local construction executive for \$310,000.

Then, on Dec. 16, 2021, the land was sold to Dogwood Bluff LLC, a partnership formed by Green Rock LLC, an Alabama company that was active in conservation easements but recently said it would exit the business.

Green Rock then raised \$10.7 million for Dogwood Bluff Partners LLC, with more than \$1.6 million going to brokers’ commissions or to Green Rock entities, according to a document filed with the Securities and Exchange Commission. The minimum investment was \$50,000, and the offering sold out between Dec. 28 and the Dec. 30 SEC filing.

IRS officials declined to comment about any particular taxpayer or property. They have warned investors against participating in syndicated-easement deals.

“Taxpayers should be extremely skeptical of contorted claims that property can be ‘worth’ more than it is really ‘worth,’” said Tom Cullinan, acting IRS chief of staff.

On Dec. 29, Dogwood Bluff LLC donated a conservation easement to Natural Resources Conservancy, a Tulsa, Okla., land trust that accepted about 20 easements last year.

Unlike many land trusts, which refuse donations that are part of syndicated easements, NRC accepts them.

“I don’t think it is the job of the land trust to deal with landowner taxes,” said Robert Gregory, the group’s founder.

U.S. WATCH



FATAL CRASH: A passenger train hit a vehicle Monday in Pompano Beach, Fla., injuring its driver, who later died at a hospital. A freight train was stopped on the tracks near the wreckage.

WASHINGTON, D.C.
Retired NYPD Officer In Capitol Riot Guilty

A federal jury on Monday convicted a retired New York Police Department officer of assaulting an officer during the U.S. Capitol riot, rejecting his claim that he was defending himself when he tackled the officer and grabbed his gas mask.

Thomas Webster, a 20-year NYPD veteran, was the first Capitol riot defendant to be tried on an assault charge and the first to present a jury with a self-defense argument.

Jurors convicted Mr. Webster of all six counts in his indictment, including a charge that he assaulted Metropolitan Police Department officer Noah Rathbun with a dangerous weapon, a metal flagpole.

—Associated Press

ALABAMA
Warrant Issued for Officer With Inmate

Police issued an arrest warrant for a corrections officer who they say helped a man accused of murder escape custody.

Casey White, 38, was charged in 2020 with two counts of capital murder in connection to a 2015 stabbing death and was awaiting trial, according to law-enforcement officials. Vicky White, an assistant director of corrections at the Lauderdale County Sheriff’s office—and not related to Casey White—left the jail in Florence with him on Friday to head to court, they said.

The vehicle that Ms. White and Mr. White used to leave the jail was found abandoned in a shopping center, and the pair never showed up to court.

—Joseph De Avila

MEDICINE
Pediatricians Review Race Use in Policies

The American Academy of Pediatrics said it would re-examine policies that inappropriately use race as a factor in clinical care decisions.

The organization, which includes 67,000 pediatricians, said it would work to review policies and guidelines in textbooks, educational materials and other parts of its catalog. The announcement Monday is part of a yearslong effort from the academy to improve racial equity in medicine.

The American Academy of Pediatrics has said classification of individuals by racial groups is a social construct that shouldn’t be used as a biologic proxy to make medical determinations.

—Jennifer Calfas

Home Buyers Fight Rates

Continued from Page One
than 5%. They are scrambling to adjust.

“It’s kind of like giving a toddler some sugar for a while and then taking it away,” said Ralph McLaughlin, chief economist at Kukun, a real-estate data firm. “They want to know whether it’s going to be taken away forever and whether they can live off things that aren’t sugar.”

More home buyers are opting to pay fees to secure lower rates in the form of rate-lock agreements and discount points. A borrower can buy points at a rate of 1% of the value of the mortgage; each point lowers the rate by a fraction of a percentage point.

Borrowers in April paid an average of \$3,134 in discount points and loan-origination costs, according to estimates from the National Association of Realtors. That is 31% higher than a year earlier.

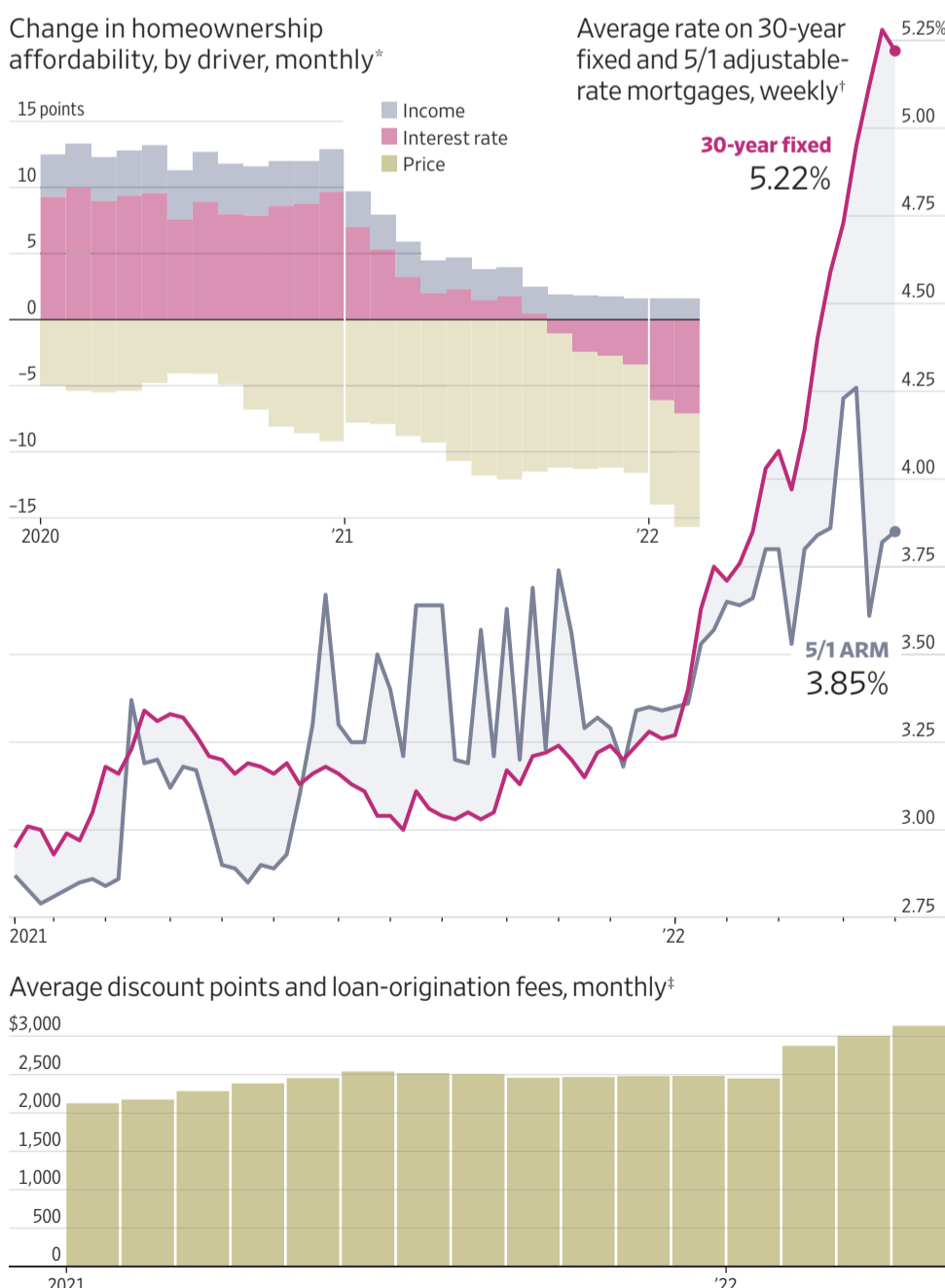
Paul Egbele was quoted a rate near 2.5% last year when he hit the market. But completion of the Red Oak, Texas, home he expected to close on last fall was delayed until May.

He locked in a rate of 3.5% in February, just before rates began their sharp rise. After the 60-day lock expired in April, he paid his lender, JPMorgan Chase & Co., about \$1,700 to extend it until early May.

Mr. Egbele, who operates an online shoe-selling business, also opted to pay about \$4,600 for discount points to reduce his rate to 3.25%. His monthly mortgage payments are about \$500 lower than they would have been if he had been saddled with today’s average rate above 5%.

“I would still be able to afford the payments, but I would have been annoyed,” he said.

At mortgage lender Neat Loans, about 75% of customers chose to pay for discount



*Chart shows point contributions to changes in the Atlanta Fed’s home-ownership affordability index.
†A 5/1 adjustable-rate mortgage carries a fixed interest rate for the first five years before resetting annually.
‡Figures are estimates. April 2022 figure is based on the estimated median home price.
Sources: Federal Reserve Bank of Atlanta (affordability); Bankrate.com (rate); National Association of Realtors, Freddie Mac (points and fees)

points in the first quarter, up from less than 20% a year ago. “They’re kind of taking their medicine and making a one-time payment to get back to where things were 30 days ago,” said Tom Furey, co-founder of the Boulder, Colo.-based company.

Jared Hansen, a real-estate agent in Salt Lake County,

Utah, said higher rates have pushed about 15 prospective clients off the market this year. Some of those who can still afford to buy are looking at mortgages with lower introductory rates that reset in five, seven or 10 years.

Average rates on adjustable mortgages last week ranged from 3.69% to 5.03%, depend-

ing on the loan terms, according to Bankrate.com. The website’s average rate on a 30-year fixed rate mortgage was 5.22% over the same period.

Today’s ARMs are different from the ones that became hugely popular before the 2008 financial crisis. Then, ARMs attracted borrowers with reduced interest rates that skyrocketed

after a year or two, saddling homeowners with payments they struggled to afford. At their peak in 2005, adjustable-rate loans accounted for close to 50% of all mortgages issued, according to the Urban Institute. “They just basically weren’t regulated,” said Guy Cecala, chief executive of Inside Mortgage Finance.

Posteris regulations beefed up borrower protections. Lenders can no longer offer short-term teaser rates, and there are caps on how much rates can increase. To qualify, applicants must be able to afford mortgage payments at rates significantly above the starting rate. ARMs nearly vanished; in January, they were just 1.7% of new mortgages, according to the Urban Institute.

Variable-rate mortgages still carry risks: If a borrower is unable to sell or refinance as planned before a possible rate increase, monthly payments could eat up a much bigger chunk of income. Monthly mortgage payments already are at their least-affordable level since August 2008, according to data from the Federal Reserve Bank of Atlanta. A median U.S. household needed 34.9% of its income to cover payments on a median-price home in February. That is up from 29.2% a year earlier.

Two months ago, Alexia Martin’s mortgage lender said she and her boyfriend qualified for a rate of 3.5%. But the home they are building in Charlotte, N.C., won’t be ready until September, when they expect rates to be higher.

After watching rates rise steadily over the past two months, the couple decided to pay a rate-lock fee of \$4,500 to secure a rate of 5.5% in late April. “I don’t like 5.5%, but I feel fine about it because I know they’ll be higher later,” Ms. Martin said.

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CORRECTIONS & AMPLIFICATIONS

The largest European importers of Russian oil are Germany with 835,000 barrels a day; the Netherlands, 748,000; Poland, 509,000; Belgium, 278,000; Turkey, 258,000; Finland, 246,000; France, 233,000; Italy, 204,000; Greece, 200,000; and Lithuania, 185,000. A graphic with a Ukraine Crisis article on Friday about European oil imports incorrectly displayed the largest European oil importers and their total imports, not just the Russian share of those imports.

The name of Geneva Lake in Wisconsin was incorrectly given as Lake Geneva in a Mansion article on Friday about a home in Fontana, Wis.

The weekend word puzzles in Saturday’s Review section were improperly positioned on the page, cutting off some of the clues. Complete versions of the puzzles are available at WSJ.com/Corrections.

Readers can alert The Wall Street Journal to any errors in news articles by emailing wsjcontact@wsj.com or by calling 888-410-2667.

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U.S. NEWS

Justices Appear Ready To Reverse Roe v. Wade

BY JESS BRAVIN
AND BRENT KENDALL

WASHINGTON—A leaked Supreme Court draft opinion written by Justice Samuel Alito and published late Monday by Politico indicated the court may be preparing to overturn Roe v. Wade, the 1973 precedent that established a constitutional right to an abortion.

The draft, dated from February, couldn't be independently confirmed, but legal observers said it appeared authentic.

The Supreme Court's spokeswoman declined to comment.

The 67-page opinion, marked as a first draft, declared that Roe was "egregiously wrong and deeply damaging," and that Planned Parenthood v. Casey, a 1992 decision that limited but didn't eliminate abortion rights, prolonged the court's error.

"Abortion presents a profound moral question. The Constitution does not prohibit the citizens of each State from regulating or prohibiting abortion," the draft opinion said. "Roe and Casey arrogated that authority. We now overrule those decisions and return that authority to the people and their elected representatives."

The draft, written in February, doesn't represent the court's ultimate decision in the case, or even the majority's current thinking. But it is

The apparent leak is a nearly unheard of breach of the court's deliberations.

consistent with the tenor of December's oral arguments in the case challenging Roe, Dobbs v. Jackson Women's Health Organization, concerning Mississippi's ban on abortions after 15 weeks.

The draft was labeled the opinion of the court, implying a majority of justices had agreed with it.

The apparent leak represents a nearly unheard of breach of the court's private, behind-the-scenes deliberations on a blockbuster case the court hasn't yet decided or publicly issued.

It also could threaten long-standing bonds of trust on a court that already has been under ideological and personal strains.

Supreme Court decisions can undergo considerable evolution in tone and substance as justices circulate draft opinions for weeks and months.

Those drafts are circulated between chambers—with justices typically offering feedback, support and criticism in writing—until the court arrives at a final ruling, which is frequently accompanied by concurring and dissenting opinions that weigh in on the court's holding.

Given those internal processes, it's possible that there are more recent versions of the decision that look different than the draft Politico published. And on some occasions, justices can change their positions during deliberations.

After the December arguments in the Mississippi case, many court watchers have been expecting the justices to make significant changes to the legal landscape for abortion, with the only question being whether the court would merely narrow abortion rights or instead overrule constitutional protections entirely.

Mississippi's 15-week abortion ban would prohibit the procedure far earlier than current Supreme Court precedent allows.

Additional states already have been adopting similar bans in anticipation of the court's decision. Some states have adopted even more stringent restrictions.

The court's decision has been expected by the end of June or early July.



More Warned To Flee Blaze In New Mexico

More New Mexico residents were ordered to evacuate their homes Monday as gusting winds whipped the nation's biggest wildfire closer to communities in the northeast part of the state.

The Calf Canyon fire that started April 19 has burned over 103,000 acres of bone-dry land and is expected to grow, fire officials said.

Fire authorities expanded their calls for evacuation for the small town of Mora and Las Vegas, N.M., to get ready—including these horses being prepared to evacuate.

A wind shift early Monday put the Calf Canyon wildfire on a potential collision course with Las Vegas, population 13,000, said Mike De Fries, fire information officer for the multiagency team assigned to the blaze.

"It's very close to Las Vegas. It's within a couple of miles," he said.

—Ginger Adams Otis

Food Banks Get Busier as Prices Rise

BY TALAL ANSARI

Food banks are straining to meet growing demand caused by rising food prices, which are pinching budgets for households and the organizations themselves.

Forgotten Harvest, which serves the metro Detroit area, said demand increased 25% to 45% since December in different areas it serves. In March alone, demand rose 30% compared with the previous month.

Christopher Ivey, a spokesman for the food rescue, says metro Detroit is at the front of the bell curve, experiencing economic ripples before they hit other parts of the U.S.

"The need is growing quickly, as gas prices are continuing to rise," he said. "As you know, there are shortages in the grocery store and the costs of the commodity goods are going up and up and up," he said, adding that the organization is challenged by the increased demand but is still able to fulfill the needs of the public.

With inflation at a four-decade high, American households are feeling the pinch of higher prices across a range of products and services. The price of food at grocery stores in March was 10% higher than a year earlier, while food prices at restaurants were 6.9% higher than in March 2021, according to the Labor Department's most recent consumer-price index.

A recent survey by Feeding America, which runs a nation-



Robert Berent, 66 years old, picks up food at Forgotten Harvest in Detroit. 'It's tough, but I'm getting by,' he said. Right, volunteers work at the Forgotten Harvest warehouse in Oak Park, Mich.



tries, they are making providers strain to get enough food to hand out to those who need it most.

"We have had to work harder to secure the food needed to support the community," said Tim Fetsch, the chief operating officer of the St. Louis Area Foodbank, which began in 1975 and provides food for nearly 400,000 people each year.

Mr. Fetsch said the pandemic and current economic climate have significantly affected the organization's supply chain because of increased food costs, rising transportation costs and the limited availability of food.

The food bank has traditionally relied heavily on retail partnerships for donations. But those retailers are experiencing the same supply-chain issues and, in turn, have reduced the amount of food they donate, Mr. Fetsch said.

Feeding America has been able to close the gap in its food availability by purchasing food—something it rarely had to do in the past since most food was donated, according to President and Chief Operating Officer Katie Fitzgerald. She said food banks in the organization's network increased food purchasing by close to 60%.

But with food companies raising prices on everything from snacks to mustard amid inflationary pressures, it will be hard to maintain. "We're still trying to purchase that food, but now it's costing us 40% more," she said.

wide network of 200 food banks and 60,000 food pantries and meal programs, found that around 85% of its food banks saw demand for food assistance increase or stay the same in February compared with the previous month. That represented about a 20% increase from the previous survey in January.

The pressures follow two difficult years caused by the Covid-19 pandemic.

Lines snaked along streets outside food banks in 2020, as the arrival of the novel coronavirus brought the U.S. economy to a slowdown and

the demand for free milk, vegetables and canned items surged. Although businesses began to broadly reopen after the introduction of Covid-19 vaccines, food insecurity lingered in major metropolitan areas amid global supply issues, a worker shortage and persistent pandemic.

"I think one of the things that the pandemic illuminated is that food insecurity has plagued much of America even before this pandemic took hold," said Allison Korn, the director of the Food Law & Policy Clinic at the University of California, Los Angeles.

Ms. Korn said that with the addition of inflation, people who weren't necessarily part of historically disenfranchised groups are experiencing food insecurity at higher rates.

"You will continue to see folks come into food banks who are seniors, who are undocumented individuals, and persons who suffer from disabilities," she said. "But you're also seeing folks who are just kind of trying to cobble together jobs who may suffer from chronic and persistent unemployment."

In addition to inflationary pressures bringing more people to food banks and pan-

High Court Says Boston Can't Ban Flag at City Hall

BY JESS BRAVIN

WASHINGTON—The Supreme Court unanimously ruled that the city of Boston couldn't exclude the Christian flag from its program allowing outside organizations temporarily to raise their standards on a municipal flagpole at City Hall.

Separately, the court placed three new cases on its fall docket, including one that could limit individuals' ability to sue state-run nursing homes that receive federal funds for violations of their rights. In a second case granted Monday, the court agreed to clarify the standards for denying overtime pay to an employee earning more than \$200,000 per year.

The flag case turned on whether the privately sponsored flags reflected the city's views or those of their sponsors.

Under First Amendment law in general, when the government expresses its own position, say a sign encouraging commuters to carpool, it need not offer space to opposing points of view. But when it opens a space to third parties, it can't discriminate based on the messages they convey.

Writing for the court, Justice Stephen Breyer said the program, which temporarily



Justice Stephen Breyer

exchanged the municipal colors for those representing the mother countries of the city's ethnic communities, the Pride flag for LGBT rights and a local bank's banner, had made the flagpole a public forum.

Boston City Hall has three flagpoles in front, two of which always fly the American and Massachusetts flags. The third typically displays the city flag but occasionally was used for third-party flags on request.

The only applicant turned down was Harold Shurtleff, a former John Birch Society official who runs a right-wing educational program called Camp Constitution. Mr. Shurtleff

wanted to fly the Christian flag, a century-old banner consisting of a white field, with a blue canton including a red Latin cross. He proposed flying the banner in connection with an hour-long event on Sept. 17, 2017, commemorating Constitution Day and Citizenship Day, which celebrates the signing of the Constitution in 1787.

Boston said it rejected the flag from concerns that its display could violate the First Amendment prohibition on establishment of religion.

"That refusal discriminated based on religious viewpoint and violated the Free Speech Clause," of the First Amendment, Justice Breyer wrote, joined by Chief Justice John Roberts and Justices Sonia Sotomayor, Elena Kagan, Brett Kavanaugh and Amy Coney Barrett. Justices Samuel Alito, Neil Gorsuch and Clarence Thomas filed or joined separate opinions agreeing.

In passing, Justice Breyer, who serves on the jury for the Pritzker Architecture Prize, remarked on evolving attitudes to Boston City Hall itself. When it opened in 1969, he wrote, a critic for The Wall Street Journal praised it for exhibiting "strength, dignity, grace, and even glamor." More recently, he noted, a 2008 poll judged it the "world's ugliest building."

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U.S. NEWS

California Four-Day Workweek Is Shelved

By KATHERINE BINDLEY

A proposal from California Democrats to institute a statewide four-day workweek for hourly employees has been shelved, for now.

The bill failed to advance after the California State Assembly's Labor and Employment Committee declined to set it for a policy hearing, said Evan Low, the Democratic state assembly member who co-wrote the proposed legislation. That decision effectively ends the bill's chances of progressing in the current legislative session, he said.

The proposal would have required private-sector employers with more than 500 employees to pay hourly workers overtime after logging more than 32 hours a week. California Democrats introduced the bill this year after a number of recent corporate experiments with a four-day workweek.

Lawmakers decided against advancing the bill, given there was too little time to fully study its implications before taking the next legislative step, Mr. Low said. He said he plans to hold an informational hearing with stakeholders to better understand what changes would need to be made to the bill to give it a better shot of advancing.

The four-day workweek has been talked about for decades, and some companies and localities already define a 32-hour week as full time. More recently, the approach has gained new momentum as employers grapple with an intensely competitive labor market and employee demands for more work-life balance after two years of working through a pandemic.

Working fewer hours produces varying results, research has found. One study out of Iceland found that shorter hours improved productivity and reduced stress. Studies out of Germany and France found that reducing hours didn't increase employment.

Some economists have warned that shortening the workweek while keeping wages the same and paying additional overtime would be too costly for businesses. It could push companies to shift more jobs out of state and give them less room to raise wages.

The California Chamber of Commerce, which had added the four-day workweek bill to its "job killer list," said it was relieved the bill hadn't advanced. Employers, already dealing with labor shortages, would have to either find additional workers, curtail operations or pay their staff overtime to compensate for a shorter workweek, said Ashley Hoffman, a policy advocate with the chamber.

"That's quite expensive," Ms. Hoffman said. A better alternative, she said, would be to let workers negotiate with their employers the ability to work longer shifts spread out among fewer days.



Mehmet Oz, left, is running in Pennsylvania's Republican primary for U.S. Senate. In Ohio, Rep. Tim Ryan, a Democrat, is seeking his party's nomination for U.S. Senate.

Midterm Ads Go Heavy on China

Tactic is used more in GOP races in Rust Belt, where manufacturing sector has taken a hit

By JOHN MCCORMICK

Criticism of China is emerging as a popular topic in this year's midterm congressional campaign ads, especially in Rust Belt states where the loss of manufacturing jobs to Asia and elsewhere have placed economic stress on voters.

Television ads mentioning China—some of which have drawn criticism from Asian-American groups—are running most heavily in Pennsylvania, Ohio, West Virginia and Wisconsin. Some of that can be attributed to the timing of primaries: Ohio's is Tuesday, followed by Pennsylvania and West Virginia later in May, while Wisconsin's is Aug. 9.

Roughly one in nine ads aired so far this year in all House and Senate races have mentioned China, a Wall Street Journal analysis of broadcast-television and national cable data from the ad-tracking firm AdImpact shows.

That isn't far behind mentions of inflation, another topic Republicans are especially eager to talk about.

Of the almost 34,000 airings that have touched on China, more than 80% were sponsored by Republicans or conservative-leaning groups.

"China is a symbol of how a lot of people perceive Ohio economically, especially the manufacturing sector," said former Ohio Democratic Gov. Ted Strickland, who used China in his own 2016 ads for an unsuccessful U.S. Senate bid. "I do think it has a lot of power."

Criticism of China was a staple of former President Donald Trump's failed 2020 re-election campaign, with frequent mentions of trade actions he had taken as well as the "China virus" expression that he used to refer to Covid-19 as he sought to blame the country for the pandemic and the economic damage it caused.

There are incentives for criticism of the Asian giant: Nearly three-quarters of voters in a Wall Street Journal poll in March said China was the nation's largest economic threat, while a 52% majority said it presented the biggest

Top U.S. Senate candidates by China mentions in ads

Mehmet Oz (Pa.)	Republican	8,351
Tim Ryan (Ohio)	Democrat	3,417
David McCormick (Pa.)		2,580
Mike Gibbons (Ohio)		2,513
Alex Lasry (Wis.)		2,014

Note: Includes broadcast TV and national cable (Jan. 1-April 27)
Source: WSJ analysis of AdImpact data

security threat.

Ohio and Pennsylvania, where China-related ads have run most frequently so far, are hosting two of the most contentious U.S. Senate primaries on the GOP side. The two states have also easily recorded the most spending so far this year on political ads.

The top campaign sponsor so far this year of TV ads mentioning China is celebrity surgeon Mehmet Oz. As part of his effort to win Pennsylva-

nia's Republican primary for U.S. Senate, he has aired more than 8,300 spots that have mentioned China.

In one that has been running in five Pennsylvania media markets, the Oz campaign calls his leading opponent, David McCormick, the former chief executive of hedge-fund giant Bridgewater Associates, "pro-China" and cites that as a reason Mr. Trump endorsed Mr. Oz.

Asked last week in a debate to respond to attack ads claiming he has profited from China, Mr. McCormick sought to minimize his dealings there and said he had "done business around the world in 20 countries, including 2% of our business in China."

Mr. Oz's campaign-ad mentions of China are more than double the number of airings for the next closest candidate, Democratic Rep. Tim Ryan of Ohio. Mr. Ryan, now seeking his party's endorsement for Senate, has cast the U.S. relationship with China in stark terms.

"It is us versus China," Mr. Ryan says in a recent ad. "America can never be dependent on communist China."

Mr. Ryan's ad drew criti-

cism from the AAPI Victory Fund, a super political-action committee that aims to mobilize Asian-American and Pacific Islander voters. In a statement, the group described the spot as "rife with sinophobic rhetoric" and called for an end to such language at a time when hate crimes against Asian-Americans are on the rise.

Mr. Strickland said some of the China-themed ads he has seen over the years can cross a line. "It can denote a not-so-subtle racism," he said.

While the theme may resonate with many voters, it could risk alienating a growing segment of the U.S. electorate. Chinese Americans are the largest segment of the Asian population in the U.S. and represent more than five million people, according to U.S. Census data.

Democrats won roughly 7 in 10 Asian-American votes in the 2018 midterms, according to exit polls. While the group represented just 2% of the electorate that year, Asian-Americans are the nation's fastest-growing racial or ethnic group.

—Chad Day contributed to this article.

Judge Rejects RNC Suit Against Jan. 6 Panel

By ALEXA CORSE AND LINDSAY WISE

A federal judge ruled that the House select committee investigating the Jan. 6 Capitol attack can obtain data from one of the Republican National Committee's vendors about fundraising and political efforts.

U.S. District Judge Timothy Kelly rejected a lawsuit filed by the RNC in March seeking to stop one of its vendors, Salesforce.com Inc., from turning over records to the Jan. 6 committee, in a 53-page opinion issued late Sunday.

The decision represented a victory for the Jan. 6 committee that could bolster the panel in other lawsuits attempting to resist its subpoenas.

The panel, made up of seven Democrats and two Republicans, said it is still trying to gather information about the causes and circumstances surrounding the Jan. 6, 2021, attack on the U.S. Capitol by a mob of supporters of then-President Donald Trump.

On Monday, the select committee said it has asked three more House members to cooperate voluntarily with the probe: Republican Reps. Andy Biggs of Arizona, Mo Brooks of Alabama and Ronny Jackson of Texas, all close supporters of Mr. Trump.

Judge Kelly, an appointee of Mr. Trump, issued an injunction temporarily blocking the data from being turned over to the Jan. 6 committee until May 5 to give the RNC a chance to appeal his ruling.

The Jan. 6 panel had subpoenaed records related to the RNC's fundraising and digital efforts from Salesforce, a commercial marketing platform that the party used to manage communications with donors.

Matt Raymer, chief counsel for the RNC, said that the organization would appeal and that the subpoena had been narrowed after negotiations between the select committee and Salesforce. "Nancy Pelosi's attempted seizure of her political opponents' campaign strategy cannot be allowed to

stand, and we appreciate Judge Kelly continuing to temporarily block the subpoena," Mr. Raymer said.

Salesforce didn't respond to a request for comment.

The House committee said it issued the subpoena to help investigators understand the impact of what the panel

The ruling lets the House panel obtain records linked to GOP fundraising efforts.

called false and inflammatory statements about the 2020 election results. The panel said it wasn't seeking records on individual voters or donors.

The RNC's lawsuit, filed in federal court in Washington, alleged the subpoena was overly broad and would give the Jan. 6 committee access to sensitive information about donors and

the party's digital strategies.

Judge Kelly rejected several arguments made by the RNC, including that the subpoena violated its First Amendment rights by compelling the disclosure of confidential internal strategies, and that the panel's demands were unduly burdensome. He also rejected the RNC's claims that the Jan. 6 committee itself was invalidly formed and that the panel's subpoena lacked a valid legislative purpose.

In its letter Monday, select committee Chairman Bennie G. Thompson (D., Miss.) and Vice Chairwoman Liz Cheney (R., Wyo.) said that Messrs. Biggs, Brooks and Jackson have information relevant to the facts, circumstances and causes of the Capitol attack.

In the committee's letter to Mr. Biggs, Mr. Thompson and Ms. Cheney write that they want to ask him about communications between him and then-White House chief of staff Mark Meadows about efforts to persuade state legislators and officials that the 2020 election

was stolen and seek their help in overturning the election in favor of Mr. Trump.

The committee's letter also says that "recent information from former White House personnel" has revealed an effort by some House Republicans after Jan. 6 "to seek a presidential pardon for activities taken in connection with President Trump's efforts to overturn the results of the 2020 presidential election."

The letter says Mr. Biggs's name was identified as a potential participant in the pardon effort. "We would like to understand all the details of the request for a pardon, more specific reasons why a pardon was sought, and the scope of the proposed pardon," it says.

Mr. Jackson said he wouldn't cooperate with the committee, saying its agenda was "malicious and not substantive." Mr. Biggs called the probe a sham and said he wouldn't cooperate. Mr. Brooks also declined to cooperate, calling it a "Witch Hunt Committee."

Grand Jury to Look at Trump Bid to Reverse Georgia Results

By CAMERON MCWHIRTER AND ALEXA CORSE

ATLANTA—A special grand jury was selected Monday to hear evidence in a county prosecutor's probe into efforts by former President Donald Trump and others to overturn Georgia's 2020 election results.

Mr. Trump lost the election in Georgia by roughly 12,000 votes out of five million cast, the first Republican presidential candidate to lose the state

since 1992. Mr. Trump's efforts to reverse that outcome included direct calls to Georgia's Republican Secretary of State Brad Raffensperger, who oversees elections, and the lead investigator for his office.

Fulton County District Attorney Fani Willis, a Democrat, opened an investigation in early 2021 into efforts to influence Georgia's election results.

Mr. Trump has called the investigation a political witch hunt. "What this Civil Special Grand Jury should be looking into is not my perfect phone call, but the large-scale voter fraud that took place in Georgia," he said in a January 2022 statement.

President Biden's 2020 victory in Georgia was confirmed by two statewide recounts and a partial forensic audit overseen by Mr. Raffensperger. No evidence of widespread fraud was found in those reviews or by any court.

Earlier this year, Ms. Willis wrote to the Fulton County Su-

perior Court asking for a special grand jury. She said the investigation was being hindered because potential witnesses weren't cooperating. A grand jury, with subpoena power, could force witnesses to testify.

The prosecutor's request to impanel such a grand jury had to be approved by a majority of the judges on the county's superior court, who are elected in nonpartisan races.

The jurors were sought for a "special purpose" grand jury, which wouldn't have the authority to return an indictment but could make recommendations regarding criminal prosecution, according to Ms. Willis's office. The special grand jury, which can sit for up to a year, will focus only on this investigation.

Potential grand jurors were ordered to arrive at a downtown courthouse Monday in Fulton County, Georgia's most populous county.

At the Fulton County Court-



Fulton County, Ga., District Attorney Fani Willis opened a probe into the 2020 election last year.

ange barricades, patrol cars and trucks blocked traffic at roads and intersections around the building in downtown Atlanta. Numerous sheriff's deputies, some armed with rifles, patrolled the blockaded area. Others stood outside the courthouse entrance.

By midday Monday, 23 jurors and three alternates were selected.

While the full scope of the investigation isn't public, Ms. Willis wrote to various officials in 2021, urging them to preserve material that may be relevant for an investigation that "includes, but is not limited to, potential violations of Georgia law prohibiting solicitation of election fraud, the making of false statements to state and local bodies, conspiracy, racke-

teering, violation of oath of office and any involvement in violence or threats related to the election's administration."

Before Mr. Trump left office, White House officials forced Atlanta's top federal prosecutor to resign because Mr. Trump felt he wasn't doing enough to investigate his unsubstantiated claims of election fraud.

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THE UKRAINE CRISIS

EU Weighs New Moscow Oil Embargoes

Proposals to end crude purchases, ban refined goods would be bloc's sixth set of sanctions

By LAURENCE NORMAN

The European Union is likely to propose ending purchases of Russian crude oil by the 27-country bloc before the end of 2022, and a ban on purchases of Russian refined-oil products by year-end, two senior diplomats said.

The proposals, set to be circulated on Tuesday to EU member states, would be the centerpiece of a sixth package of EU sanctions on Moscow over its invasion of Ukraine. Slovakia and Hungary would get additional time to implement the embargo because of their particularly high dependence on Russian oil.

A decision by EU member states could come this week.

The EU's accelerating preparations for ending purchases of Russian oil come after Ger-

many, Europe's biggest economy, changed its mind and swung behind the idea of an oil embargo.

"We are also pushing within the EU to now phase out oil together as Europe in the EU's sixth sanctions package," German Foreign Minister Annalena Baerbock told public broadcaster ARD late Sunday. She also said the EU's sweeping economic sanctions on Russia should remain in place until Russian troops withdraw completely from Ukraine.

EU commissioners are expected to complete the proposals at a meeting of top Brussels officials on Tuesday. All 27 EU member states would need to back the new sanctions proposals, and diplomats warn that a consensus might take some time to craft. Hungary is among the countries that have so far opposed an embargo.

Amid an escalating energy war between the EU and Russia, EU energy ministers were also meeting in Brussels on Monday to discuss how to re-

spond to Moscow's decision last week to cut off natural-gas deliveries to Poland and Bulgaria.

Germany said last week that it is rapidly reducing its reliance on Russian oil by arranging new oil-supply contracts. Berlin said only 12% of the country's oil imports currently come from Russia, down from 35% before Moscow launched its full-scale invasion of Ukraine on Feb. 24.

The commission is also likely to propose sanctions against additional Russian officials and possibly new sanctions against Russian banks, including Sberbank, diplomats and officials have said. Senior officials from the EU's member states are expected to discuss the proposals Wednesday.

Hungarian government officials said again over the weekend that Budapest opposes further energy sanctions, but EU diplomats said the bloc was discussing a longer transition period for Hungary, as well as for Slovakia, which is likewise heavily reliant on oil

sent via pipelines from Russia.

Austria's energy minister said Monday that her government, which has been wary of an oil embargo, is now prepared to support such a step.

Before Russia's invasion of Ukraine, the EU was importing between 3 million and 3.5 million barrels of oil a day from

imposed sanctions on Russian gas, Moscow last week made a pre-emptive move amid growing tensions over energy, halting gas flows to Poland and Bulgaria in what was seen as a warning shot to the rest of the bloc.

Russian energy giant **Gazprom PJSC** said it made the decision because it hadn't received payment in rubles for gas sales to Poland and Bulgaria as required by a new decree by President Vladimir Putin. For now, the two countries are receiving gas from their neighbors to prevent disruptions.

To coordinate the bloc's response to Gazprom's decision, France, which currently holds the rotating presidency of the EU, called an emergency meeting of energy ministers for Monday afternoon.

With the next set of EU gas payments to Russia coming due this month, EU members—and in particular Germany—are scrambling to reduce their dependence on Russian gas imports by striking new contracts with alternative suppliers and taking

measures to reduce gas consumption at home.

The EU has said complying with Russia's new ruble payment decree would mean firms breaching the bloc's own sanctions on Russia and has urged member states to ensure that payments are made only in euros and dollars. EU officials say around 97% of the bloc's energy contracts with Russia stipulate payment in euros or dollars.

"We will continue to pay in euros the contracts where it's stipulated in euros or in dollars where it's stipulated in dollars," French Energy Minister Barbara Pompili said on her way into Monday's meeting in Brussels. "We cannot accept this type of scheme which tears up agreed contracts."

Germany, the world's biggest importer of Russian gas, draws about a third of its gas imports from Russia, down from 55% before the war. But the German government has said the country will need to continue importing Russian gas until 2024.

45%

Russia's 2021 oil-and-gas revenue, as share of budget

Russia, sending just under \$400 million in payments daily, according to Brussels-based think tank Bruegel. That amounts to some 27% of EU oil imports.

Oil-and-gas revenue accounted for 45% of Russia's federal government budget in 2021, according to the International Energy Agency.

While the bloc hasn't so far

Japanese Firm Sticks With Russian Gas-Export Project

By PETER LANDERS AND CHIEKO TSUNEOKA

TOKYO—The head of a top Japanese investor in Russia said his company would push ahead with a Siberian natural-gas project, part of Tokyo's decision to buck Western moves and keep relying on Russian energy.

Kenichi Hori, chief executive of trading and investment company **Mitsui & Co.**, spoke Monday amid doubts about whether the \$21 billion Arctic LNG 2 project can start exporting next year as planned because of Western sanctions on Russia over its invasion of Ukraine.

The project aims to liquefy natural gas extracted in Siberia and ship it mostly to East Asian users such as China and Japan. Mitsui is participating in a Japanese government-led consortium that owns 10% of the project.

"Considering the future demand for LNG in our nation and the world, we have to move ahead with this project. Otherwise the world's energy balance will collapse, or there

will be shortages," Mr. Hori said at a news conference.

Nearly one-tenth of Japan's natural gas comes from an existing Russian LNG facility on the island of Sakhalin in which Mitsui owns a 12.5% stake. Mr. Hori's comments made clear that, in contrast to European nations trying to reduce their reliance on Russian energy, Japan hopes to add to its supplies by backing Russian facilities under construction.

Russian President Vladimir Putin and then-Japanese Prime Minister Shinzo Abe took part in a June 2019 signing ceremony in Osaka, Japan, when the Japanese government and Mitsui agreed to invest in Arctic LNG 2.

In November 2021, the government's Japan Bank for International Cooperation committed loans of up to €1.71 billion, equivalent to \$1.8 billion, to the project. A representative of the bank declined to say how much of the money has been lent.

Mitsui's position contrasts with that of a fellow investor in Arctic LNG 2, France's **To-**



The Utenneye field is the resource base for Novatek's Arctic LNG 2 project.

talEnergies SE. Total holds a roughly 20% stake in project leader Novatek, a privately held gas company, and directly holds 10% of Arctic LNG 2.

Total said last week it has taken a \$4.1 billion accounting

charge tied to the project because it could no longer count on anticipated reserves from it.

Total's chief executive, Patrick Pouyanné, was asked about Arctic LNG 2 and said it was "difficult to believe that it

can be built with the sanctions." Novatek didn't respond to a request to comment.

Mitsui on Monday said it was writing down the value of its Arctic LNG 2 stake by ¥36.4 billion, equivalent to \$280 mil-

lion, and recording other smaller losses in connection with loans and loan guarantees for the project, but it said it still believed the project had value.

Kenji Eda, an opposition member of Japan's Diet, or parliament, said the country should withdraw from Arctic LNG 2. "This is a sanctions-busting project," he said at a parliamentary committee session. "The more Japan invests in this, the more money Putin gets for his wars."

Masahiko Hosokawa, a former Ministry of Economy, Trade and Industry official who teaches at Meisei University, countered that Tokyo would hurt itself by pulling out because China would gladly take any available stake—and probably give Russia better terms.

Tokyo officials have said the ban doesn't apply to the Arctic LNG 2 project because it is already under way.

Mr. Hori of Mitsui said his company would observe sanctions regarding Russia and, within the law, "take all possible measures" to ensure Arctic LNG 2 is completed.

Ukraine Claims Sea Strike

Continued from Page One several airstrikes on the strategic island, located 22 miles off the Ukrainian coast southwest of Odessa, destroying the air-defense system and other heavy weapons of the Russian military unit that occupies it. The two boats in the area, each capable of carrying 20 marines in addition to three crew members, were likely to be carrying reinforcements and resupplies.

The island holds symbolic importance for Ukraine because its defenders refused to surrender—according to the Ukrainian version of events that has grown into a national legend—and radioed, "Russian warship go screw yourself" when the Russian Black Sea flagship, missile cruiser the Moskva, approached with an ultimatum on Feb. 24.

The Moskva itself was sunk by a Ukrainian missile strike on April 14, with dozens of sailors still listed as missing by Russian authorities. Since the war began, Ukraine has also sunk a Russian landing ship, Saratov, and damaged at least one other in a missile strike on the Russian-occupied port of Berdyansk on the Sea of Azov.

Russia repeatedly fired cruise missiles at Odessa on Monday. An afternoon strike, which also hit a Russian Orthodox church, killed a number of civilians, including a 13-year-old child, according to the local authorities. Earlier in the day, a Russian strike targeted a strategic bridge near Odessa, the third such attack on it in recent days. The bridge provides the only internal connection to the western part of the Odessa region that faces Snake Island. The area is also reachable over land via



A woman and her mother arrive in Zaporizhzhia, Ukraine, after being evacuated from Russian-occupied Mariupol in a convoy Monday.



Moldova.

In Poland, House Speaker Nancy Pelosi said the U.S. and its European allies would continue to work on strengthening the North Atlantic Treaty Organization after she and a delegation of U.S. lawmakers met President Andrzej Duda of Poland.

Mrs. Pelosi (D., Calif.), who had previously traveled to Ukraine, said the U.S. was grateful for Poland opening its doors

to millions of refugees from Ukraine since Russia's invasion.

"Our members discussed our countries' continued commitment to Ukraine, particularly as the Congress prepares to transform President Biden's new request for additional security, economic and humanitarian assistance into legislation," Mrs. Pelosi said.

First lady Jill Biden plans to travel to Europe later this week, where she will meet

with Ukrainian refugees and humanitarian aid workers. More than 5.5 million people have fled Ukraine since the outset of war, the United Nations said Monday. Many more are displaced internally.

The U.S., fellow NATO members and other Western nations have stepped up their support for Ukraine by providing it with heavy weaponry, training and intelligence. The Pentagon has delivered about

80% of the 90 howitzers that the U.S. has pledged to Ukraine, and about 170 Ukrainians have been trained on operating the howitzers, with more to be trained soon, a senior U.S. defense official said.

In response to the increased support for Ukraine, President Vladimir Putin of Russia and Foreign Minister Sergei Lavrov have warned Moscow could hit back.

Some Western officials have interpreted Russia's decision to stop natural-gas deliveries to Poland and Bulgaria last week as the biggest such retribution so far and warned that more countries that rely on Russian energy supplies could be targeted soon.

Senior EU diplomats said Monday that the 27-country bloc was likely to propose ending purchases of Russian crude oil before the end of 2022, as well as a ban on purchases of Russian refined oil products by year-end. The proposals are set to be circulated to EU member states on

Tuesday, and a decision could come as early as this week, they added.

The proposals would be the centerpiece of a sixth EU sanctions package targeting Moscow over its invasion of Ukraine. Slovakia and Hungary would get additional time to implement the embargo because of their particularly high dependence on Russian oil.

Russian forces on Monday continued pressing into eastern Ukraine's Donbas region, with heavy fighting north of the town of Sloviansk. Ukrainian forces blew up a bridge between Sloviansk and the town of Lyman that is under Russian attack, a move designed to slow the Russian advance.

Ukrainian officials said that in recent days they carried out a series of strikes on Russian forward bases in the Izyum area north of Sloviansk, killing senior commanders, including a general. The claim couldn't be independently confirmed. Drone footage released by Ukrainian volunteers working with the military showed a series of precision strikes on a large grouping of Russian armor south of Izyum.

Putting pressure on Russian supply lines inside Russia itself seems to have become a key part of Ukraine's effort to repel Moscow's offensive. In Russia's Belgorod region, the staging ground for Russian attacks on Ukraine's second-largest city of Kharkiv and the Donbas, Gov. Vyacheslav Gladkov posted on Telegram that he woke up early on Monday because of two loud explosions that rocked the city.

Mr. Gladkov later posted that the explosions had been caused by Russian aircraft carrying out a combat mission and that the safety of residents was never under threat.

Some videos posted by Belgorod residents appeared to show aircraft dropping flares in the night sky while others featured the sound of loud explosions or sonic booms.

—Bertrand Benoit and James Marson contributed to this article.

THE UKRAINE CRISIS

Lavrov's Remarks Strain Israeli Ties

By DAVID S. CLOUD

TEL AVIV—Relations between Israel and Russia came under new strains after Russia's foreign minister compared Ukrainian President Volodymyr Zelensky, who is Jewish, to Adolf Hitler and accused Jews of anti-Semitism—remarks Israel condemned as unforgivable.

Since Russia's Feb. 24 invasion of its neighbor, Israel has sought to maneuver between Ukraine, which has a sizable Jewish population, and Moscow, which has forces in Syria and has avoided interfering with Israel airstrikes in that country.

Russian Foreign Minister Sergei Lavrov drew new attention to those tensions when he was asked in an Italian television interview how Russia could claim to denazify Ukraine when Mr. Zelensky is Jewish.

"So what if Zelensky is Jewish," Mr. Lavrov said. "That fact does not negate the Nazi elements in Ukraine. I believe that Hitler also had Jewish blood. ...Some of the worst anti-Semites are Jews."

Israeli Prime Minister Naftali Bennett on Monday said he viewed Mr. Lavrov's comments "with utmost severity," calling them lies and demanding that "use of the Holocaust of the Jewish people as a political tool must cease immediately."

Israeli Foreign Minister Yair Lapid said he would demand an apology from Russia for remarks that he called "unforgivable and outrageous."

"Jews did not murder themselves in the Holocaust," he said in a tweet. "The lowest level of racism against Jews is to accuse Jews themselves of anti-Semitism."

The reaction to Mr. Lavrov's comments highlighted the balancing act Israel has performed since the invasion and the increasing tensions between Russia and Israel.

Israel condemned the invasion and has supplied Ukraine with humanitarian aid and small amounts of military gear, including helmets and flak jackets. Mr. Lapid in April denounced killings in the Kyiv suburb of Bucha revealed after Russian troops retreated from the capital region as a war crime.

But Israel has stopped short of sending weapons to Ukraine, as Washington and European countries have. Israel has also said it doesn't have the legal means to join Western sanctions against Russia, though it has said it won't allow Moscow to use the Israeli financial system to evade international sanctions.

There has been little public pressure on Mr. Bennett to pick a side, some analysts said.

Some Push for Putin Prosecution

By NIHARIKA MANDHANA

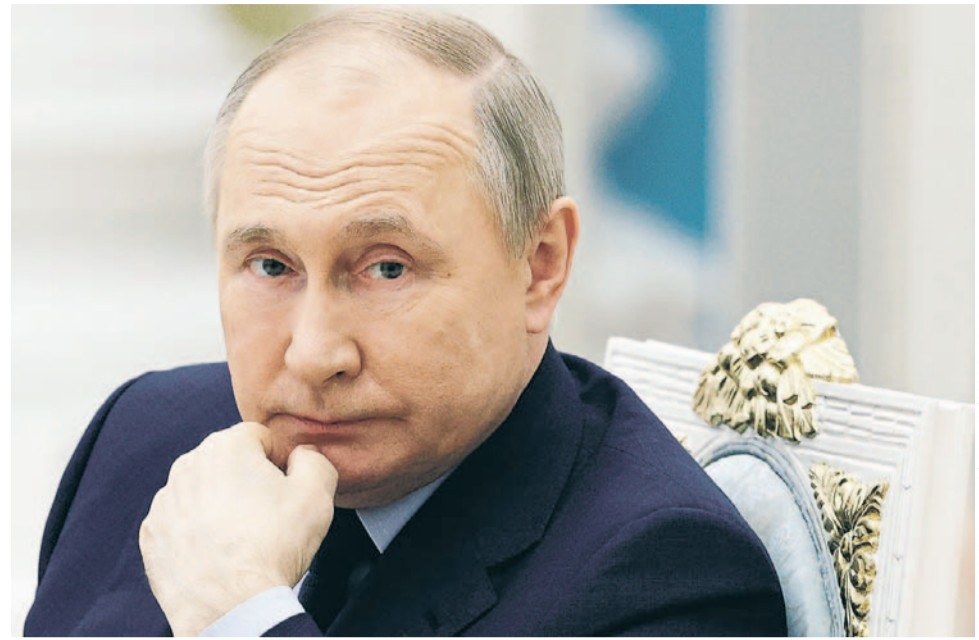
In the mid-1940s following the Allies' World War II victory, a tribunal in Nuremberg held historic trials of Nazi officials, with a second one in Tokyo aimed at Japanese political and military leaders. The key crime in question was one for which no one had been tried before and no one has since been tried in an international setting—the crime of waging aggressive war, at the time called crimes against peace.

Some legal scholars and public figures say Russia's leaders should similarly be prosecuted for invading Ukraine. They envision a special tribunal with high-ranking defendants, Russian President Vladimir Putin chief among them. The tribunal would "signal our resolve that the crime of aggression will not be tolerated, and that we will leave no stone unturned in bringing to an end the terrible events we are now seeing," said a March statement by several international lawyers, a former Nuremberg prosecutor and former U.K. Prime Minister Gordon Brown.

The proposal, which is backed by Ukrainian Foreign Minister Dmytro Kuleba, is part of a broader push toward accountability that is centered on three basic questions: whom to prosecute for the violence in Ukraine, where to prosecute them and for which crimes under international law.

One effort is under way at the International Criminal Court in The Hague, where prosecutor Karim Khan has opened a probe encompassing potential war crimes and crimes against humanity. These offenses deal with atrocities that troops and those who command them commit during war. They potentially cover, for instance, the killing of civilians by Russian forces in the Ukrainian town of Bucha, which Mr. Khan visited in April.

The crime of aggression is about what comes before the war crimes: the invasion itself—planning it, starting it, waging it. Proponents say prosecuting Mr. Putin for war crimes at the



Russia, led by President Vladimir Putin, says it isn't planning an occupation of Ukraine.

ICC, while not impossible, would be difficult because judges need to be persuaded with evidence of a link between the Kremlin's decisions and specific brutalities in the battlefield. A crime-of-aggression charge, they say, would allow prosecutors to go straight to Moscow.

Aggression is a leadership crime, said Philippe Sands, a law professor at University College London and an expert on international courts and tribunals, who is part of an effort to prepare the legal texts that could facilitate a possible future tribunal for Ukraine. "It is the only one with any degree of certitude that takes us to the top table."

The key questions, Mr. Sands said, are: Is Russia waging a manifestly illegal war, and who is responsible for the decision to go to war? "Gathering evidence for the crime of aggression is not complex," he said, since Russia's large-scale attack on another state's territory, including bombardments of Ukrainian cities by its armed forces, fit the crime's definition.

Russia says it isn't planning an occupation of Ukraine and that its forces are liberating Ukrainians. It says it has hit only military targets and that

any civilian casualties are the fault of what it calls Ukrainian nationalists and extremists.

The next question is on where an aggression trial could take place. Not at the International Criminal Court. Although the ICC was created with four crimes in mind—war crimes, crimes against humanity, genocide and the crime of aggression—its jurisdiction over

Proponents say moving against the Russian president would be difficult.

the crime of aggression is much narrower compared with the three other crimes. For those three crimes, the ICC can prosecute Russians because Ukraine, on whose territory the alleged atrocities are occurring, has accepted the ICC's jurisdiction. But with the crime of aggression, Ukraine's acceptance isn't enough. The fact that Russia isn't a party to the court's founding treaty, known as the

Rome Statute, prevents the ICC from moving forward with an aggression investigation.

An exception would be if the United Nations Security Council referred the case to the ICC, but that is a nonstarter since Russia has veto power as a permanent council member.

That is why some legal experts have floated the idea of a special or ad hoc aggression tribunal, though how it should be formed and by whom are widely debated questions.

No matter how a tribunal comes up, it faces the practical hurdle of getting Russian defendants in front of it. Those advocating for an aggression trial concede it isn't likely that Mr. Putin or Russian Foreign Minister Sergei Lavrov will end up in the dock. Their counterargument: You never know. They cite the examples of Nazi leader Hermann Goering, former Serbian leader Slobodan Milosevic and former Liberian President Charles Taylor, all of whom ended up before international tribunals despite the odds. Other suspects haven't, such as former Sudanese President Omar al-Bashir, who remains wanted since 2009 for a genocide trial at the ICC.



Russian Foreign Minister Sergei Lavrov said Ukraine could have Nazi elements even if some figures, including its president, are Jewish.

Matisse: The Red Studio

New ways to see color



Change Is Modern

MoMA



The exhibition is made possible by Natixis.

Images: All works by Henri Matisse. © 2022 Succession H. Matisse / Artists Rights Society (ARS), New York. Left: *The Red Studio*, 1911. Oil on canvas. The Museum of Modern Art, New York. Mrs. Simon Guggenheim Fund. Right: *Nasturtiums with the Painting "Dance" I*, 1912. Oil on canvas. The Metropolitan Museum of Art. Bequest of Scofield Thayer, 1982

THE UKRAINE CRISIS

Russia Spends to Counter Sanctions

By ALEXANDER OSIPOVICH

Russia is assembling an economic-relief package equivalent to tens of billions of dollars to soften the blow of Western sanctions and shield its population from the financial fallout of President Vladimir Putin's war in Ukraine.

Moscow's measures—which focus on aid to struggling individuals and businesses—are unlikely to prevent Russia from spiraling into its sharpest slowdown in decades, economists say. But they show the deep pockets available to the Kremlin to tide the population through the disruptions of the wartime economy.

Since the Feb. 24 invasion, Mr. Putin has signed several rounds of anticrisis legislation and ordered an emergency increase in payments to pensioners, state employees and the needy to compensate for surging inflation. He has also backed state-subsidized loans to companies battered by sanctions. Such a move could

provide a lifeline to factories that have halted production because of a lack of imported components, such as computer chips.

Russia can spend generously in bolstering its economy thanks to its low debt burden and ample energy revenue—even as it faces mounting costs from the war in Ukraine. In March, the first full month of the conflict, Russian federal government spending climbed 37% from a year before, driven in part by rising defense expenditures, according to data from the finance ministry. But oil and gas revenue more than doubled in ruble terms over the same period, nearly compensating for the entire increase in spending, the data show.

“The Russian government has plenty of money, because it gets a huge amount of income from oil and gas, which are at very high prices,” said Natalia Zubarevich, a Moscow-based economist. “It has enough money for both de-

fense and supporting the population.”

Officials haven't given a total price tag for the relief efforts or detailed how the money will be spent. Finance Minister Anton Siluanov said in April that the initial anticrisis measures would cost more than 2.5 trillion rubles, or \$35

The Kremlin hopes such efforts will help blunt the edges of a sharp slowdown.

billion, including both spending and tax breaks. On Wednesday, Mr. Siluanov said the state's National Wealth Fund—a rainy-day fund where Moscow has accumulated past oil and gas windfalls—would recapitalize flag carrier Aeroflot and rail operator Russian Railways, both of which have been hit hard by sanctions.

Another top official, First Deputy Prime Minister Andrei Belousov, has said authorities could provide up to 8 trillion rubles of credit to support the economy, including subsidized mortgages and loans to businesses. Speaking to lawmakers on April 13, Mr. Belousov described that level as an upper bound that the government couldn't exceed without stoking inflation.

The Kremlin hopes such efforts will help blunt the edges of a sharp slowdown. The World Bank has forecast that Russia's economic output will shrink by 11.2% this year, its worst contraction since the 1990s. Shortly after the invasion, Moscow temporarily halted a fiscal-discipline rule that had required the government to funnel excess oil and gas revenue into the rainy-day fund. Under the change, such funds can be directed to support the economy instead.

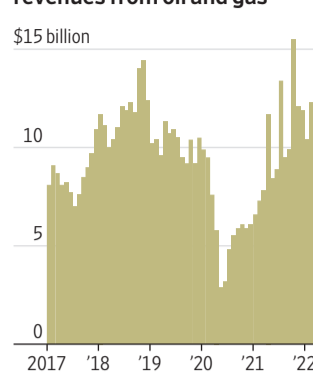
Still, economists say government spending isn't a

magic bullet for Russia. Fiscal stimulus—such as the multitrillion-dollar Covid-19 legislation in the U.S.—juices economic activity by giving consumers more money to spend. But the problem Russia faces now isn't a shortfall of demand, economists say. Instead, it is insufficient supply, because of the disappearance of many imports.

“The problem with the Russian economy is not that people don't have money,” said Maxim Mironov, a finance professor at IE Business School in Madrid. “It's that there aren't enough components, because of supply-chain issues. And you can't fix that with fiscal stimulus.”

The government will likely target its spending on Mr. Putin's political base, including elderly Russians and public-sector employees, Mr. Mironov predicted. “They'll do whatever it takes to ensure that people supported by the government budget and members of law enforcement feel com-

Monthly Russian government revenues from oil and gas



Notes: Figures in dollars based on historical ruble exchange rates. March 2022 data is preliminary. Source: Russian Ministry of Finance

fortable, because that's what the system is built on,” he said.

A severe economic crisis could pose a challenge for Mr. Putin, who cemented his popularity by ushering in a period of stability after the chaos of the immediate post-Soviet years. In recent weeks, the president has repeatedly appeared on television to champion economic relief, even as he has claimed victory in beating back the initial onslaught of Western sanctions.



The Race To Avert a Grain Crisis

Continued from Page One

ements are moving to fill a void from the Black Sea region that could total tens of millions of tons of grain. They are paying farmers to sow more crops and enlisting railcars and additional containers to move wheat.

Trading giants such as Bunge Ltd. and Archer Daniels Midland Co. are exploring alternate routes to move crops out of Ukraine, where the key port of Odessa is offline and fighting has turned fields into battlegrounds, casting uncertainty over farmers' ability to plant and harvest their crops. Meanwhile, companies including ADM, Bayer AG and Cargill Inc. are continuing to operate in Russia for now.

In the near term, it will be hard for the rest of the world's farmers to take up the slack, as Russia and Ukraine combined typically account for more than a quarter of global wheat exports. Since the war began, the U.S. Department of Agriculture has cut its outlook for the world's wheat trade in the current season by more than 6 million tons, or 3%, as expectations for lower Russian and Ukrainian exports outpace anticipated increases elsewhere.

If hostilities continue into the summer, agricultural executives and economists say, crop shortfalls will keep prices high, imperiling food security in places like the Middle East and North Africa, where surging food prices have contributed to political instability in recent decades. Global food prices already have reached record highs, and prices could jump another 22% as war in Ukraine leads to supply gaps, according to the United Nations Food and Agriculture Organization.

The world's wheat trade has increased in recent decades as growing global populations and incomes have spurred more consumption, particularly in low- and middle-income countries. Farmers harvested wheat from nearly 550 million acres this season, according to a USDA projection, making it the world's most widely grown crop. It is a staple food for over 35% of the world's population, according to Qu Dongyu, the U.N. FAO's director-general.

Already, consumers have shifted to using flour from cassava or corn to make pastries and bread. And higher prices could spur farmers to plant more wheat. But in the interim, some needy buyers are likely to be priced out of the market.

A question of price

“It's not a question of the world running out of grain, it's a question of how high the price will be that people have to pay for it,” said Joseph Glauber, former USDA chief economist and senior research fellow at the International Food Policy Research Institute.

Dan Basse, president of Chicago-based agricultural research firm AgResource Co., said if the war lasts through the end of the year, he expects combined wheat exports from Russia and Ukraine to fall by more than 60% next season.

Nearly 50 countries depend on Russia and Ukraine for more than 30% of their required wheat imports, according to the FAO. On average, Egypt, Turkey, Bangladesh and Iran source at least 60% of their imported wheat from the two countries.

Exporters in Russia have found workarounds after some Russian banks were removed from Swift, the financial-messaging infrastructure for the global financial system, according to analysts and commodity traders and brokers.

Non-Russian exporters including Cargill, Louis Dreyfus Co. and Viterra, the grain business of commodities giant Glencore PLC, have made nearly 40 shipments totaling roughly one million metric tons of milling wheat, corn, barley and flaxseed from the start of February to April 29 to a variety of different countries, according to shipping lineups from Logistic OS, which monitors commodity shipments from Russian ports.

A Cargill spokeswoman said the company is exporting essential goods where possible. Viterra and Louis Dreyfus had no comment.

As Ukraine struggled to bring grain to market, Russia gained ground. Egypt's wheat imports from Russia grew 580% in March from a year ago, according to AgFlow SA, a Geneva, Switzerland-based crop data firm. Russian wheat exports to Iran, Turkey and Libya all more than doubled.

Still, high export taxes, rising shipping costs and a strengthening ruble are expected to limit Russian exports in coming months, especially of the country's wheat harvest in the second half of the year, analysts said.

Exports from other grain-producing countries on the Black Sea, such as Bulgaria and Romania, also grew in March, according to AgFlow. Wheat shipments from South American countries including Brazil and Argentina more than doubled, and those from Australia rose nearly 75%, the firm said.

Grain sales from Ukraine have been slashed as terminals at the country's Black Sea ports remain shuttered. Exporters including ADM

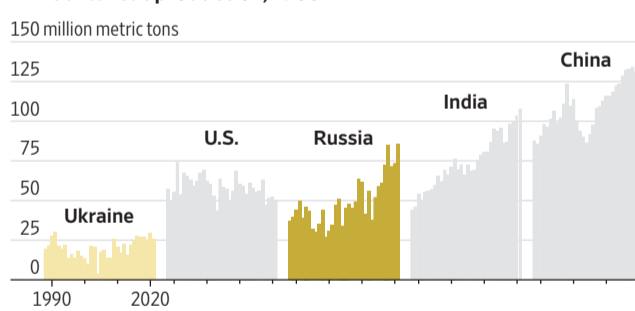


An unexploded missile, above left, juts out of the ground in a wheat field in Mykolaiv, Ukraine; at a tractor yard, above, a farm worker inspects a rocket that had landed in a field during an aerial bombardment outside Kharkiv.

Top 10 wheat exporters, by weight, based on share of global total, for year ended June 2021

Russia	Canada	Australia	Ukraine
20%	14	10	8
EU	U.S.	Argentina	Turkey
15	13	5	3
		Kazakhstan	India
		4	2
			Rest of world
			6

Annual wheat production, 1988-21*



*Data are for marketing years ending in the date shown †based on value of imports, includes meslin Source: USDA's Foreign Agricultural Service (exporters, production); Growth Lab, Harvard University (imports)

and Bunge have managed to ship small amounts of crops out of the country by rail and truck to Poland and Romania, though infrastructure constraints have limited quantities, according to company officials and agricultural traders. Rail tracks of differing widths require shippers to unload, and reload, grain at the Ukraine-Poland border or lift railcars onto different wheels, said Mike Lee, director of Green Square Agro Consulting, which specializes in the Black Sea region.

Bolstering crops

Governments around the world are working to make up for lost grain supplies. In March, Ireland launched a nearly \$11 million program to encourage farmers to grow more crops such as wheat, oats and barley, hoping to reduce that country's dependence on imported grain.

The European Commission has adopted measures aimed at bolstering global food security, such as temporarily allowing farmers to grow crops on land fallowed for conservation purposes. It is supporting potential efforts to cut the proportion of crop-based biofuels blended into oil, saying its measures would allow farmers to devote more land to food production and increase sowing of crops such as corn and sunflowers.

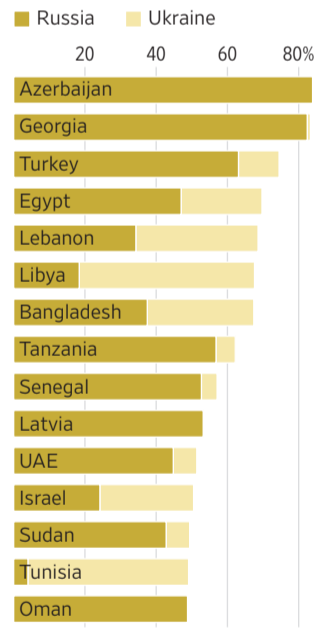
The Biden administration last week asked Congress for \$500 million to help boost U.S. crop production in an effort to make up for global shortfalls. The request, included as part of the administration's bid for \$33 billion to aid Ukraine, would go toward raising U.S. government loan rates for farmers growing crops such as wheat and soybeans, and offering incentive payments through crop insurance to entice farmers to double-crop wheat.

Many importers are turning to India, the world's second-largest wheat producer, where government officials are working to scale up export capacity to meet surging demand for a crop that usually doesn't leave its shores. Farmers this year are harvesting what likely will be one of India's largest wheat crops ever and shipping record volumes of the grain, according to Indian agriculture consultants and executives.

Manish Kumar Gupta, managing director of Gujarat Ambuja Exports Ltd., a major Indian grain processor and exporter, said he is fielding calls from importing countries he's never dealt with before, and preparing to ship 50,000 tons of wheat to both Turkey and Indonesia for the first time.

Logistical challenges abound, however, Mr. Gupta

Share of each country's total wheat imports that comes from Russia and Ukraine, 2019



flower oil, and a major exporter of corn, wheat and barley.

In recent years, Ukraine's sowing of its top six crops covered 59 million acres, roughly the size of planted acreage in Illinois, Indiana and Iowa, three of the U.S.'s biggest farm states, according to Scott Irwin, an agricultural economist at the University of Illinois. Russia, the world's largest exporter of wheat, ships four times the grain grown in Kansas, typically the U.S.'s top wheat-producing state, Mr. Irwin said.

U.S. farmers aren't expected to provide much of a buffer. The Northern Hemisphere's current wheat crop was planted last fall, and is due to be harvested this summer. Drought has taken a toll on the U.S. winter wheat crop, according to the USDA. U.S. farmers this year are expected to cut planting of spring wheat by 2% versus 2021, sowing record soybean acreage instead, according to a USDA forecast released last month. Total wheat acreage for 2022 is projected to increase just 1%, USDA said.

“It's impossible to make up the shortfall this year,” said Kenneth Zuckerberg, a senior economist at CoBank, adding that acreage constraints, high prices for other crops and drought likely will constrain increases in U.S. wheat production longer-term.

Kansas farmer Lee Scheufler said he hasn't decided yet whether he'll plant more winter wheat across his 10,000 acre farm this fall. While wheat prices have soared around 40% since the start of the year, prices for other crops have climbed steadily too, and he said he's reluctant to change the tried and true crop rotations that have worked on his farm for decades.

Mr. Scheufler said he and his farming partners considered shifting some soybean fields into sunflowers this spring, given high prices for that crop in the wake of shortfalls from Ukraine. But he'd already purchased soybean seeds for the season, and challenges including limited sunflower processing in central Kansas and expected problems with weed control ultimately dissuaded him from sowing sunflowers.

“We're just going to do what we've done successfully in the past,” Mr. Scheufler said.

said. Limited rail capacity at key ports means there is now a two-week wait for railcars to ferry wheat from fields in central India to ports on its western tip. There, laborers must empty individual bags of wheat onto warehouse floors before the grain can be loaded onto bulk cargo ships for export.

Twenty-three countries already have export restrictions in place, nearly the 28 that imposed limits during the height of the 2008 food-price crisis, according to data from the International Food Policy Research Institute.

Russia was a giant of world grain markets in the early 19th century. But as the Soviet Union's collectivized farming system floundered, the country began importing huge quantities of wheat and other crops in the 1970s. Russian agriculture has rebounded since the turn of the century, with the country's wheat output far surpassing that of American farms in recent years as U.S. growers shifted away from wheat and into more profitable commodities such as corn and soybeans.

At the same time, the world's biggest agricultural trading firms have invested heavily in ports, grain elevators and processing plants in Ukraine. The country is the world's biggest shipper of sun-

FROM LEFT: VINCENZO CIRROSTAZZINA/PRESS; THOMAS PEIER/REUTERS

WORLD NEWS

Covid Frustration Boils Over in Shanghai

Residents tired of rigid lockdowns, shortages of food engage in acts of civil disobedience

By WENXIN FAN

Discontent has been widespread on Chinese social media ever since Shanghai started a rigid lockdown in late March. Now, it is moving into the real world.

Sharply falling Covid-19 case numbers have allowed more than half of the city's 25 million residents to step out of their homes—and many are venting frustration at being isolated with insufficient food via public acts of disobedience.

On Saturday, locals in one district found a government storage site full of vegetables that had rotted rather than being delivered to hungry families and smashed them in the street. In a western suburb, dozens of residents took to the streets twice over the weekend to protest continuing shortages of food. Across the city, many residents staged small, personal protests by refusing to line up for the repeated, compulsory Covid-19 tests.

Food shortages have been

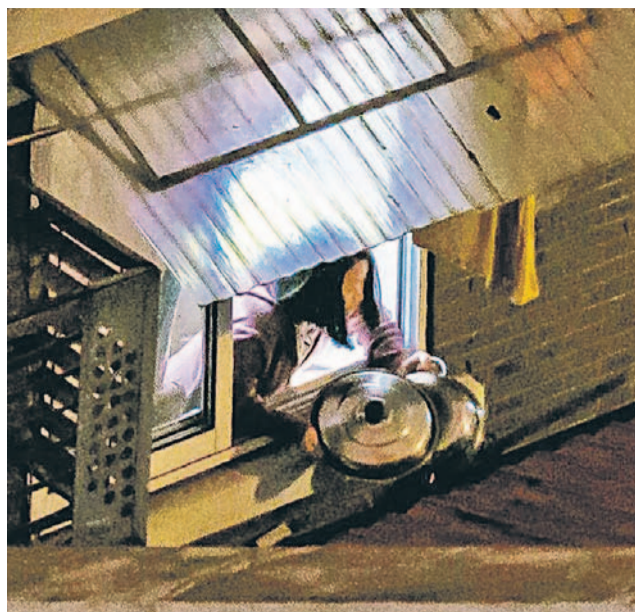
one of the major complaints during the lockdown in Shanghai, one of China's wealthiest cities. The evening of April 28, sounds of bashing bowls and wash basins reverberated around many apartment buildings in a synchronized protest organizers called "concerts."

The protest went ahead even after local officials warned residents via WeChat notices and loudspeaker announcements that the event was being drummed up by hostile foreign forces, and after police went around some neighborhoods threatening the organizers.

On Saturday, the city said it wouldn't tolerate mistakes when it came to food supplies and would punish negligence or failure by officials.

The intensifying expressions of discontent show the growing impatience in parts of the country with strict Covid-19 control measures that have trapped some people for weeks and have undercut economic growth. While the central government led by President Xi Jinping has doubled down on the strategy, asserting China can beat the virus, some top-level health officials fear the strategy is unsustainable.

Shanghai, which had experimented with more targeted re-



Shanghai residents banged pots last Friday from their windows and balconies protesting lockdown.

strictions, has since been required to crack down on what had been a fast-spreading outbreak amid a relatively affluent population accustomed to more latitude. The protests are an indication of the pressure Mr. Xi is under to show his policy can work.

Shanghai reported fewer than 7,000 new cases on Monday, down from more than 20,000 just over a week ago.

The decline in cases has allowed some easing of restrictions. As of Sunday, Shanghai health officials said more than 15 million people in the city could leave home and buy groceries and medicines in designated stores. Restrictions could be eased further in districts where the average number of new cases drops to less than 1 for every 100,000 residents, the city said.



ters that alternated between red and blue, art students at the school began circulating posters with themes of red and blue stripes, a subtle reference to the complaint that didn't have to repeat the words.

Two videos of local musicians playing "Do You Hear the People Sing?" were shared tens of thousands of times before they were deleted online. The song, from the 1980 musical "Les Misérables," has been popular in many social movements, including the 2019 antigovernment protests in Hong Kong.

Others have refused to participate in the repetitive rounds of PCR tests mandated by health officials.

Wang Lei, a 36-year-old Shanghai native, told his neighborhood chat room that he was going to skip some of the Covid tests downstairs, arguing they were in conflict with the city's own rule that says residents in buildings with recent infections can get tested at home. His posts led to a visit by several police officers. In an exchange through a closed metal gate that he filmed and later posted online, the police accused Mr. Wang of inciting trouble but left without further action. Mr. Wang couldn't be reached to comment.

Dubai Food-Delivery Drivers End Brief—and Rare—Strike

By STEPHEN KALIN

Thousands of food-delivery drivers in Dubai ended a strike early Monday after their company took steps to address low pay and poor working conditions, marking a rare act of defiance in the Middle East business hub where labor actions are criminalized.

The foreign workers contracted by Deliveroo PLC, a U.K.-based app that went public last year with backing from Amazon.com Inc., refused to make deliveries for over 24 hours, crippling the

company's service during a busy period at the end of Ramadan when Muslims fast during the day.

Videos shared on social media on Sunday showed dozens of the delivery men dressed in the company's teal-green uniforms standing beside their parked motorcycles outside one of Deliveroo's ghost kitchens, a hub for picking up meal orders. Other drivers said they didn't show up to work and refused to log into the app to make deliveries. Deliveroo acknowledged the strike in an email to its

restaurant partners.

The spark for the work stoppage was Deliveroo's decision last week to reduce the amount it pays Dubai drivers for each delivery to the equivalent of \$2.38 from \$2.79 and extend shift lengths to up to 12 hours a day.

The drivers, who had organized on social media and online messaging apps, ended their strike after the company said it would restore the previous pay rate and working hours. Deliveroo said it was pausing all changes and would work with drivers to ensure

Labor actions are criminalized in the Middle East business hub.

that they remain competitively compensated.

"Our initial intention with the announcement was to propose a more well-rounded structure for rider earnings in addition to other incentives. It is clear that some of our origi-

nal intentions have not been clear and we are listening to riders," the company said.

The Dubai media office and United Arab Emirates human-resources ministry didn't respond to requests to comment.

Work stoppages are extremely rare in the U.A.E., an oil-rich collection of emirates including Dubai where foreign workers outnumber locals 10-to-1. The authoritarian government, run by a handful of powerful families, bans trade unions, strikes and public protests.

The U.A.E. burnished its im-

age during the pandemic as a safe and comfortable haven for white-collar workers, drawing thousands of millionaires and tech entrepreneurs. But it has faced criticism for years, including around the Expo 2020 world fair that concluded in March, over the treatment of millions of low-wage workers—mainly from Asian countries such as India, Pakistan, Bangladesh and the Philippines—who enjoy fewer protections.

Construction workers have previously gone on strike for higher wages.

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WORLD NEWS

WORLD WATCH

Hamas Is Urging Attacks on Jews

Militants intensify a media campaign amid clashes at Jerusalem's Al Aqsa compound

By DOV LIEBER
AND ADAM RASGON

TEL AVIV—Palestinian militant group Hamas has stepped up a mass-media campaign urging Palestinians in the West Bank and Israel to attack Jews in the wake of clashes between Israeli security forces and Muslims around the Al Aqsa mosque in Jerusalem's Old City.

On Monday, tens of thousands of Palestinians were greeted at the Al Aqsa mosque by a billboard-size banner showing a Hamas militant with a shoulder-mounted surface-to-air-missile system wishing them a happy Eid al-Fitr holiday and praying for “the liberation” of the mosque by next year. On Saturday, the group's leader in Gaza, Yahya Sinwar, called on Palestinians outside Gaza to prepare their guns, cleavers, knives or axes for battle, and told them “not to wait for a decision by anyone” before carrying out individual attacks.

The strategy marks a contrast with May 2021, when Hamas fired rocket barrages from the Gaza Strip, which it governs, in what it said was a reaction to Israeli actions in Jerusalem. Israel responded with an aerial and artillery campaign against Hamas and other Gaza militant groups, and violent conflict between the two sides lasted 11 days.

“Hamas is doing everything in its power to turn the West Bank into a battlefield,” said Fuad Khuffash, an analyst close to Hamas based in the Nablus area in the northern West Bank.

Hamas, which is labeled a terrorist organization by the U.S. and Israel, portrays itself as the prime protector of Palestinian interests and vies for influence with the unpopular Palestinian Authority, which governs Palestinian-majority areas in the West Bank.

“The battle won't end with the conclusion of Ramadan,”



Hamas supporters rallied Monday in front of a banner showing a fighter holding an antiaircraft missile launcher at the Al Aqsa mosque.

Mr. Sinwar said. “The battle will truly start with the end of Ramadan.” The Muslim holy month, which ended Sunday night, is followed by the Eid al-Fitr festival that began Monday.

Israeli Foreign Minister Yair Lapid has criticized Hamas, saying it has tried “to hijack the Al Aqsa mosque in order to create an outbreak of violence in Jerusalem, and from there, a violent conflict across the country.” Israeli military officials said they want to avoid an escalation in Gaza.

Since mid-April, Israeli police have clashed numerous times with Palestinians around, and a few times inside, the Al Aqsa mosque, resulting in hundreds of Palestinians injured.

Israeli officials said they expect the tensions to last at least two more weeks, as Israelis celebrate their memorial day and independence days this week and Palestinians commemorate the “Day of the Catastrophe,” marking the day after the anniversary of Israel's

founding on May 14, 1948.

Hamas has long used media campaigns to encourage attacks against Israel. But it has ramped up efforts amid a wave of terrorist attacks since late March, in which at least 15 Israelis in Israel and the West Bank, including 12 civilians and three police officers, have been killed in five separate shooting and stabbing attacks.

Militants also fired rockets at Israel on three separate occasions from Gaza and once from Lebanon. The latest attack occurred Friday night, when a Palestinian gunman fatally shot a security guard in the West Bank settlement of Ariel.

Late Monday, Hamas's military wing said it had carried out the attack, which it said was a response to Israel's “barbaric, unjust aggression against the blessed Al Aqsa Mosque.”

Mousa Abu Marzouk, a senior Hamas official based in Qatar, said the group has no interest in any military escalation “as long as the right of

our people to freely go to places of worship is guaranteed and maintained.”

Israeli security officials say there is no common thread for the recent attacks against Israelis. Though Hamas claimed responsibility for the gunman's attack in Ariel, it hasn't claimed responsibility for recent rocket attacks at Israel. The Israeli military's assessment is that smaller groups likely were behind the rocket launches from Gaza and Lebanon.

Michael Milstein, head of the Palestinian Studies Forum at the Moshe Dayan Center of Tel Aviv University, said what links most of the attacks “is the hidden hand of Hamas,” arguing the group's media efforts created an atmosphere that inspires attackers.

Mr. Milstein said Hamas propaganda aimed at Palestinians outside Gaza allows the group to keep Gaza quiet while stirring up tensions elsewhere against Israel.

At the Al Aqsa mosque,

Hamas's green flags and chants supporting the group dominated recent demonstrations, videos of which have flooded social media. Singers connected to the militant group have re-shared anthems urging Palestinians in the West Bank, Israel and Jerusalem to protect the mosque compound.

Mr. Sinwar's speech was circulated on social media, drawing at least half a million views, and was aired live by Arabic TV networks. He alleged that Israel plans to destroy the mosque, which is Islam's third-holiest site. Jews call the compound the Temple Mount, and consider it to be Judaism's holiest site.

Israeli officials say they have no plans to change the status quo at the compound, which allows only Muslims to pray there and non-Muslims to visit at specific hours. Israeli police said they were forced to act after Palestinians barricaded themselves in the mosque and shot fireworks and threw stones at police and Jewish visitors.

EID AL-FITR

Muslims Mark End of Ramadan Holy Month

Muslims world-wide are observing Eid al-Fitr—marked with communal prayers, celebratory gatherings around festive meals and new clothes—in the shadow of a surge in global food prices exacerbated by the war in Ukraine.

However, many are determined to enjoy the holiday, which began on Monday and marks the end of the Islamic holy month of Ramadan, amid easing of Covid-19 rules. “I was really happy at seeing the gathering,” one worshiper in Cairo said.

—Associated Press

IRAQ

Thousands Flee After Clashes Erupt in Town

Thousands of people fled a northern Iraqi town amid fierce clashes between the army and a militia linked to a Kurdish separatist group, the military and local Iraqi Kurdish officials said Monday.

At least 3,000 people left Sinjar and its surrounding areas, the officials said, and headed farther north toward the semi-autonomous Kurdish region to seek asylum. They left when clashes intensified between the Iraqi army and the YBS, a militia group with ties to the Turkish insurgent Kurdistan Workers' Party, or PKK.

—Associated Press

MYANMAR

New Suu Kyi Bribery Trial Has Started

Ousted Myanmar leader Aung San Suu Kyi went on trial on Monday in a new corruption case against her, alleging she took \$550,000 in bribes from a construction magnate. She is charged with two counts under the country's the Anti-Corruption Act, with each count punishable by up to 15 years in prison and a fine.

Ms. Suu Kyi has been detained since the army ousted her elected government in February 2021, and hasn't been seen or allowed to speak in public since then. She is being tried in closed sessions and her lawyers can't speak publicly on her behalf or about her case because of a gag order put on them.

—Associated Press

FROM PAGE ONE

EU Targets Apple Over Mobile Pay

Continued from Page One

communication, “while setting industry-leading standards for privacy and security.”

The company said: “We will continue to engage with the Commission to ensure European consumers have access to the payment option of their choice in a safe and secure environment.”

By issuing a statement of objections, which is also known as a charge sheet, the European Commission informs a company in writing of the objec-

tions raised against it. It doesn't prejudge the outcome of a probe.

The European Commission's decision comes weeks after lawmakers in the EU reached an agreement on the Digital Markets Act, new legislation that aims to put new constraints on potentially anticompetitive behavior by large tech companies. The rules will apply to so-called gatekeepers, defined as companies that have high earnings and market capitalizations and a large number of users in the bloc.

Once the legislation comes into effect, these companies could face fines of up to 10% of their global annual revenue for breaking the new rules. Repeated infringements could raise the limit to 20% or lead to a ban on some acquisitions.

One of the provisions in the

Digital Markets Act appears to have been inspired by the Apple Pay investigation, said Thomas Vinje, an antitrust lawyer with Clifford Chance, who has represented music-streaming company Spotify in a separate complaint against Apple. As proposed, the law would re-

Apple said its system is one of many payment options available.

quire gatekeeper companies to ensure equal access to their operating systems and other features, such as the technology behind contactless payments.

At a news conference Mon-

day, Ms. Vestager declined to elaborate on whether the Apple Pay investigation might be finished before the new legislation takes effect. “It will take a bit of time before the [Digital Markets Act] is into force, and of course we would want to push on this case as fast as possible,” she said.

The EU investigation into Apple's payment system began in 2020 with two probes into whether Apple broke competition rules through its Apple Pay service and its App Store.

Apple faces other European Commission probes. Last year, the EU charged the company with antitrust violations for allegedly abusing its control over the distribution of music-streaming apps through a requirement that they use the company's in-app payments system to sell their digital con-

tent. The EU also said the iPhone maker limited how app developers can inform users about their options for subscribing outside the app. That investigation is continuing.

Apple has also come under scrutiny in other jurisdictions over its in-app payment requirements. Last year, a U.S. federal judge ordered the company to ease its restrictions on how developers seek to be paid within their apps.

Gene Munster, managing partner with tech investment company Loup, said he estimates Apple Pay accounts for 1% of the company's overall revenue, which suggests that any fine from the European Commission in relation to that segment of the business would be calculated from a relatively small base. Apple Pay revenue in Europe probably accounts

for about 0.25% of the company's total global revenue, Mr. Munster said.

A spokeswoman for the European Commission said that, in principle, Apple's revenue from mobile wallets and related services could become the basis for the calculation of a fine. She didn't specify whether the base amount would be limited to the European market.

Either way, the amount would probably be insignificant for Apple, Mr. Munster said. “What does add up is the continuation of layering of regulation from the U.S. and Europe, predominantly, that have the potential to dilute some of the strength of some of [Apple's] franchises like the App Store.”

—Tim Higgins contributed to this article.

Scientists Take on Messy Hair

Continued from Page One

tians considered hair grooming important enough to pack brushes into tombs of the dead.

“At least half of humanity combs their hair every day, and yet almost no one pauses to think deeply about it,” said Prof. Mahadevan, winner of a MacArthur Fellowship, also known as a genius grant. His expertise spans applied mathematics, physics, and organismic and evolutionary biology.

Barbers are on the front lines of tangle troubles. “I see it all the time,” said Francis Peña, owner of the Man Cave Hair & Beard Lounge in Marblehead, Mass. “Most men don't take care of their hair very well, they don't comb it enough or sometimes even wash it, so I end up doing a lot of detangling.”

With three boys, Michael Conti, of Westminster, Mass., didn't think much about brushing long hair. Then he had a daughter, now 6, and

things got hairy. At first, he would start at the top of her head, he said, and “just try to rake this thing down. And it was just like yanking her head back, and she's giving me the, ‘Dad, what are you doing?’”

Mr. Conti, a mechanical engineer, tried working the brush slowly through knots, inch by inch. That worked, he said, “but it took forever.” His wife, Sarah Conti, a website designer, wasn't much better at it. “She would just yell at me,” Ms. Conti said.

In an interview, Gianna didn't try to spin her parents' hair-brushing performance. “Bad,” she said. She finally asked for a haircut short enough to spare everyone grief. Now, she said, “I brush my own hair.”

The knotty hair puzzle reached Prof. Mahadevan's lab three years ago, as he was thinking about how birds build nests. His research led to the question of tangles, which also occur at the microscopic level in DNA helices and in magnetic flux lines crisscrossing the cosmos.

“A very natural question to ask is how do you describe a tangle?” Prof. Mahadevan said. “How does the tangle change dynamically and in this very specific context, how can you essentially detangle?”

To get their head around the physics of the problem, the team simplified the challenge to two strands of wavy hair that wound around each other like a DNA helix.

They ran the single line of a comb through the strands. As the comb moved down and the tangles intensified, so did the stress on the scalp. The scientists calculated something called link density. The higher the link density, the worse the tangle—and the more likely a child ends up crying during brushing.

His team's finding, as published, is directed at a much smaller audience. “The unlinking of the homochiral helices during this process can be quantified in terms of the Calugareanu-Fuller-White (CFW) theorem which states that $Lk=Tw+Wt$, where Link (Lk) quantifies the oriented crossing number of the filaments averaged over all projection directions” and so on.

Down the street from Harvard, at the Massachusetts Institute of Technology, Daniela Rus, another MacArthur fellow, took note of the computations. She is a professor of electrical engineering and computer science, as well as director of the Computer Science and Artificial Intelligence Laboratory.

Her work leans more toward automation—in effect, taking the job out of the hands of parents. Researchers are building a robot to brush hair.

The lab is cluttered with graduate students hunched over computers. Mechanical arms rest on tables. One of the robotic arms attaches to a brush and moves through five different wigs on a mannequin, working on hair both straight and curly.

The laboratory brush is outfitted with sensors that detect tension. That tension reads as pain and is used to determine whether to use long strokes or shorter ones. The machine does a great job, Prof. Rus said. “It's slower and more rhythmic than when you do it yourself.”

Science has found what most parents have learned through trial and tearful error. “You start at the bottom of the hair with a short stroke,” Dr. Rus said. “As you work your way up, the strokes become longer and longer.”

A full unraveling of the tangles that form in DNA, the universe and human hair is still ahead. “We are not yet there,” Prof. Mahadevan said. “I'm sure we, or someone else, will pick up that strand.”

—Jennifer Levitz contributed to this article.



Sarah and Michael Conti gave up trying to brush the hair of their daughter, Gianna. She got a haircut so she could brush it herself.

By DALVIN BROWN

PERSONAL TECHNOLOGY

Quitting Facebook?

What people say about life after social media

When Twitter Inc. accepted Elon Musk's \$44 billion offer to buy the social-media company, many frequent tweeters vowed to deactivate their accounts. For a while, it seemed like everyone on Twitter was talking about quitting Twitter.

Not too long ago, people said they would flee Instagram. Before that, it was Facebook.

With every social-media controversy, people talk about shutting down their accounts forever. Few actually do it. Roughly 70% of Americans used social media in 2021, a level that remained steady for five years, according to a Pew Research Center survey. Meta Platforms Inc. in February reported Face-

clinical manager at Talkspace, an online therapy company.

Many people who have left Twitter, Facebook and Instagram say they are happier because of it, but they also realized they miss some things.

Here is what they want others to know—both the good and the bad.

Withdrawal fades quickly. When you're used to checking an app every day, or multiple times a

You're still connected to the world.

Social media started as a way to connect with friends, but the platforms evolved to become places for companies and people to share news and politics—Mr. Musk called Twitter the world's "de facto town square." But with that increased role came misinformation and other issues. Cutting social media out of your life may nudge you to find other sources for news. And just because you're not on Face-

People are nicer.

You don't have to be on social media for long to encounter Facebook rants or Twitter feuds where people you know communicate differently than they do in person. When you no longer see those posts and instead interact with people in real life, your views can change.

"It's so much easier to post rude stuff when you're behind a keyboard wall," said J.J. Garcia, a 54-year-old business analyst in New Braunfels, Texas.

ditched the social network in 2019.

"On Twitter, I follow organizations that rescue dogs. And they make posts saying to donate on Facebook, or they link to a post made on Facebook," Mr. Buchler said. "But I can't easily check it because I don't want to go on Facebook."

People don't miss you—or remember your birthday.

Kristen Womack was active on Facebook and Instagram, running groups, sharing articles and operating a small-business account. But when she left Facebook in 2016 and Instagram in 2020, no one seemed to notice.

"Not one single person said, 'Oh, wow, I don't see you on Facebook or Instagram anymore. I miss you,'" said Ms. Womack, a 42-year-old product manager at Microsoft Corp. in Minneapolis. "Once you leave the party, it's like you're not missed."

And those birthday reminders and comments on your Facebook wall? Say goodbye to them. Though doing so may not be a bad thing.

"On Facebook on my birthday, 300 people would pop up, and then you have to respond and like comments from random people," said Verlin Campbell, a 42-year-old IT project manager in Los Angeles. "Now my interactions are more genuine. On my birthday, like 20 people texted me. I'm happier with that."

You feel more productive.

Leaving social media gives you more free time—sometimes more than you know what to do with.

"I was surprised to realize just how much time I wasted on scrolling. You hop on your computer to write, and it's easy to get side-tracked," said Lindsey Zitzmann. The 39-year-old online life coach in Villard, Minn., quit Instagram in 2020.

"Now, in those in-between times when I have a few minutes, I read books, I'm more present with family, or I'll cook without picking up my phone," she added.

Friends drift away.

Social media can make you feel like you're in touch with people just because you double-tapped a post, or because someone commented on one of your photos. Once you leave, some of those relationships fade.

"It makes me sad to think about it," said Oliver Murray, 18, of Fayetteville, Ark. The freelance digital artist says he lost contact with some online friends when he deleted his Instagram account in 2019. He now shares his artwork on Tumblr and Twitter, where he doesn't feel pressure to post constantly.

"I got annoyed with all the superficial vanity posts," he said. "The only way I'll go back to Instagram is if Elon Musk ruins Twitter."



book's daily active users fell for the first time in at least a decade, but it said last week that population was growing again.

Social-media apps are crafted to keep people coming back. The dopamine rush that comes from other people's likes can leave you feeling celebratory. But there is a downside. The constant exposure to other people's lives can hurt your body image, sleep, anxiety levels and productivity.

"Those feelings drive people to consider how much time, if any, they want to spend on social media," said Kate Rosenblatt, senior

day, you sometimes mindlessly open the app and scroll through your feed.

"I was so sucked into the negative memes, clapbacks and spirals of conflict I saw on Twitter that when I first left, my muscle memory told me to open the app and start scrolling," said Kimberly Kattiti, a 28-year-old artist in North Hollywood, Calif., who quit the platform in April 2021.

"I got over that within a week," she said. "I would just put my phone away. And before I knew it, I wasn't getting the urge to scroll and see what's happening in the world."

book doesn't mean you'll miss big cultural moments and trends.

"I got on Twitter in 2008 because it was a different and newer communication method," said Christopher Britton, a 34-year-old who runs a marketing business in Inlet Beach, Fla. "At the time, I worried about not being so-called relevant." He deleted his Twitter account in 2011, and now keeps informed via Reddit, Apple News and other sources.

"And my Messages app is just as good as any social-networking site when keeping in contact with people I know," Mr. Britton said.

"But in person, your neighbors seem less inclined to talk about that stuff. And you can get along with them better when you're not seeing all their opinions online."

You might have trouble sending or donating money.

On Facebook, you can add your payment information to buy and sell items on Marketplace, send money to family on Messenger and donate directly to causes. Leaving Facebook can make that more cumbersome, said Bobby Buchler, a 57-year-old retired high-school teacher from Las Vegas who

Bitcoin, NFTs Begin To Flow to Charities

By JEREMY OLSHAN

A combination of generosity and tax-bill sticker shock is driving more wealthy crypto investors to donate bitcoin and NFTs to charities. The nonprofits aren't always sure whether accepting these digital assets is worth the trouble.

At the Oscars in late March, for instance, a Hollywood moment of silence for the people of Ukraine cut to an ad for Crypto.com that sent viewers to a site where they could

\$5.9M

The amount that Save the Children has raised through crypto donations

get them in some level of compliance exposure," said James Lawrence, co-founder of Engiven Inc., one of several startups that have cropped up to serve as intermediaries between charities and digital-asset donors.

Mr. Lawrence, who has launched other companies providing technology products for churches and nonprofits, said that this reluctance is similar to what he saw when charities first considered allowing online donations via credit card.

The Crypto.com campaign raised \$1.6 million in donations, 60% of which came from the sales of NFTs that artists created for the cause—plus an additional \$1 million match from the company, said Steven Kalifowitz, the Singapore-based company's chief marketing officer.

They might have raised even more had Will Smith stayed in his seat, "but then the slap happened," he said, referring to the actor hitting Chris Rock in the face on stage at the awards show, and that became all anyone wanted to talk about.

That NFTs would drive more than half of donations wasn't surprising, Mr. Kalifowitz said. He added that some buyers made the digital artwork their social-media avatars to broadcast their participation in the fundraiser.

"You're going to see a lot more fund drives with an NFT component because people want something to show for their gift," he said. "People who live in a digital world won't necessarily value a physical item."

What NFTs and crypto have in common is their significant increase in value in a short period. Since to-

day's capital gains become tomorrow's tax-deductible charitable donations, both donors and nonprofits have an interest in making this work. People often donate their most appreciated asset, and for more younger investors, that asset is bitcoin, ethereum or NFTs, said Una Osili, associate dean at the Indiana University Lilly Family School of Philanthropy.

Since the Internal Revenue Service treats crypto or NFTs as property, investors who donate them can avoid paying capital-gains taxes on the donated assets they have held longer than a year, and can also deduct the value of the gift itself.

Another startup, the Giving Block, works with 1,500 nonprofits and has processed more than \$100 million in digital-asset donations, mostly in the past year, co-founder Alex

Wilson said. Among early adopters was Save the Children, which has raised about \$5.9 million in crypto donations through its HodiHope campaign.

"The business rationale is that from what we have seen, almost 100% [of those gifts] have been new dollars from new donors," said Ettore Rossetti, Save the Children's lead adviser for digital innovation.

Most charities that get crypto gifts immediately sell donated digital assets, but Save the Children might hold some amount of crypto, Mr. Rossetti said. Crypto currently accounts for about 1% of revenue from individual donations, he said. The nonprofit has also embraced NFTs,

working with artists who donate works that can be turned

into NFTs and sold for charity.

The philanthropic use of NFTs that appeals most to charities and NFT artists is selling the digital works and targeting some percentage of the proceeds for a charity. The smart contracts in the NFT can be encoded such that each subsequent sale of that NFT continues to direct that percentage to the nonprofit, the charitable gift that keeps on giving. Mr. Wilson said he could see NFTs accounting for as much as 20%-30% of digital-asset giving.

But it is also harder to donate an NFT directly to a charity because the value of donated property needs to be independently appraised. It is often hard to determine how much a digital artwork encoded with a seal of authenticity is worth, Mr. Lawrence said.

He added that not all crypto donors are in their 20s or 30s. Possibly the largest crypto donation to date was a \$10 million gift "from an anonymous gentleman in his 70s," Mr. Lawrence said.

NFT sales reached \$25 billion last year, according to DappRadar, a blockchain-analytics firm, with this year's sales already jumping to \$27 billion through March 10. Still, there have been signs that the market has cooled off. An NFT made from Twitter Inc. founder Jack Dorsey's first tweet, which sold initially for \$2.9 million, now might be worth under \$14,000.

"Giving crypto is pretty straightforward," Mr. Lawrence said. "NFTs are like their own crazy food group."

Ulysses Gonzales, 34, is an artist who works under the name Ugonzo. He sold more than 3,000 editions of his PsychoKitties and PsychoMollies NFTs, \$100 apiece, in the Crypto.com fundraiser advertised during the Oscars.

"This is the single best way to incorporate art into charity, to show that we're not just in it for the money," he said.



PHOTO ILLUSTRATION BY CHAYA HOWELL/THE WALL STREET JOURNAL. ISTOCK (3)

PHOTO ILLUSTRATION BY SAM KELLY/THE WALL STREET JOURNAL. ISTOCK (3)

donate crypto, buy nonfungible tokens, or use a plain old credit card. All proceeds were directed to support relief efforts by the Red Cross Red Crescent Movement.

There was a hitch, however. The Red Cross doesn't accept crypto donations, so the contributions had to be converted to dollars first.

Charities largely want to tap into the nearly \$2 trillion in wealth that crypto investors have amassed on the blockchain. But these types of donations pose a number of legal, technical and logistical challenges. This has many nonprofits treasuring carefully.

"Charities are sort of in the middle of fear of missing out and fear of doing something that's going to

PERSONAL JOURNAL.

You know the Coastal Grandmother. She wakes up early in her white linen-covered bed, seaside sunlight streaming in. “Siri, play ‘The Big Chill’ soundtrack,” she commands, listening to it in her marble bathroom while applying Vintner’s Daughter face oil. Eager to get to the farmers market—it’s peony season, after all—she puts on a crisp light-blue button-up shirt, white jeans and a straw hat. Oversized, the shirt qualifies as a “shent,” the portmanteau of “shirt” and “tent” adopted by the Barefoot Contessa Ina Garten to describe her own relaxed tops. With a Provençal market basket, Coastal Grandmother is good to go. She hops into her vintage Range Rover and heads out to begin her satisfying, Sancerre-punctuated day.

Despite her instant familiarity to many, Coastal Grandmother is an exaggerated stereotype of the privileged older woman. She’s an aspirational character, rooted in the heroines of Nancy Meyers’s early 2000s rom-coms “Something’s Gotta Give” and “It’s Complicated.” Immortalized by Diane Keaton and Meryl Streep, they are professional women over 50 with enormous white couches and a penchant for walks on the beach. In real life, CG is exemplified by the off-duty looks of mogul Oprah Winfrey (in coastal Montecito) and Ina Garten (in coastal East Hampton)—neither of whom is actually a grandmother or even mother. No matter: The Coastal Grandmother is more of a mindset than a rigid classification.

The term was coined in January by Lex Nicoleta, a 26-year-old California woman who works as an officer manager for her family’s agricultural business and now makes TikToks extolling what she calls the Coastal Grandmother “lifestyle.” After two years at home during a pandemic, Ms. Nicoleta said, people have a new appreciation for anything that makes domestic life feel romantic. (Hence the runaway success of the nap dress.) And TikTok as a platform has spurred the semi-ironic pursuit of materialist culture. (Check out Tinx’s rich-mom parodies.)

Coastal Grandmother chic involves blue-and-white china ginger pots and those omnipresent



OFF BRAND | RORY SATRAN



Lex Nicoleta left, extols ‘Coastal Grandmother’ lifestyle on TikTok. Diane Keaton is one of the icons.

grandmothers of their own, part of its power lies in elevating a rarely glorified segment of the population: older women. “I think it’s great that it’s gaining prominence because we have a lot of ageism in the world,” said Anita McKenzie, a 64-year-old photographer in coastal Kent, England, with two teenage grandkids.

Ms. Nicoleta said that she wanted to highlight the idea that you can get better with age, and look forward to getting older. And older women celebrate her Coastal Grandmother videos, Ms. Nicoleta said, often commenting to say, “Thank you for romanticizing a later age in life.”

So will the aesthetic move the needle for companies that sell pale button-downs and linen frocks? Even before the hashtag’s inception, Coastal Grandmother staples were resonating. When Oprah Winfrey began wearing a \$125 beachy blue-and-white striped button-up called the “Deep End” from the New York and Los Angeles fashion brand AYR in 2019, it went viral, selling over 64,000 pieces. (Ms. Nicoleta called an image of Ms. Winfrey in the shirt the ultimate Coastal Grandmother look.)

Reviews for the shirt on the AYR website read like Nancy Meyers fan fiction: “When I wear this shirt, I feel like I should be sipping a glass of Sauv Blanc on a balcony overlooking the ocean in the Hamptons,” wrote reviewer Lindsay P.

At work on her coming Netflix film, which features an undisclosed number of Coastal Grandmothers, Ms. Meyers declined to comment for this article. But she posted a stunned response to the craze to Instagram on April 20, writing, “This [Refinery 29] article says the Coastal Grandmother aesthetic has garnered over 1 billion views on TikTok! Typo?? That’s a lot of views for a pair of khaki pants, a Gap sweater and a bucket hat!”

To actual CGs, however, it’s beyond bucket hats.

“The sea is such a spiritual aesthetic for me,” said Ms. McKenzie, the grandmother in coastal Kent, “and that’s why I’m drawn to it. It’s not a fashion statement.”

‘Coastal Grandmother’ Rises as a Style Aesthetic

button-downs, for sure, but it’s also an attitude.

“The trend is really centered around the idea of slowing down, enjoying your life, creating these little moments for yourself,” said Ms. Nicoleta. CG activities like arranging a vase of fresh-cut flowers or baking a crumble are accessible to everyone. Ms. Nicoleta said she hoped viewers of her videos would think, “I can bring a little bit of this lifestyle into my home right now.”

Of course, this is a trend that’s not really a trend; it’s been around since at least 1983, when Ralph Lauren Home began flogging a coastal lifestyle line in addition to clothing. Some longtime adherents

of the CG look are surprised to know that they’re suddenly in style. “I didn’t even know people were gravitating toward this!” said Margit Arrobio, 72, a real-estate agent and the mother of Pia Baroncini, a 35-year-old entrepreneur.

“You’ve always dressed like this, Mom,” interjected Ms. Baroncini, when I interviewed them together, of her mother’s white linen blouses and beige pants. “I’m in a rut?” fretted Ms. Arrobio. “No, you’ve always dressed very classic,” said Ms. Baroncini.

Both women, who live together in Pasadena, Calif., along with Ms. Baroncini’s husband, Davide Baroncini, founder of Ghiaia Cashmere, and their toddler, share

clothes in the Coastal Grandmother vein. They like sweaters and blouses from minimalist brands such as Totême, Khaite and the Row. Ms. Baroncini said that she, her mom and her husband all dressed similarly in light, luxe layers—as if they might hop on a boat at any moment.

It’s a style that works across genders and generations. “I feel like my mom has been more confident in her looks and dressing up a little bit recently, and I’m 35 and wanting to be a bit more age-appropriate,” Ms. Baroncini mused. “We’re kind of meeting in the middle.”

Although the Coastal Grandmother look is gaining traction among those who still have living

Workers Head Back In Austin

BY KATHRYN DILL AND LINDSAY ELLIS

AUSTIN, Texas
Companies nationwide are struggling to get employees back in the office, but not in Austin.

These days, this city’s workforce is putting in more face time at offices than those in any other major U.S. metro area. Austin offices are 59%-occupied—and cracked the 60% threshold last month—according to data from Kastle Systems, an office-security firm that records workers’ comings and goings by measuring badge swipes into skyscrapers and corporate campuses.

Nationwide, offices in the 10 largest U.S. markets, from New York City to Los Angeles, are hovering around 40% occupancy.

Austin’s success has less to do with office perks such as ping-pong tables and free meals than some employers might hope. The city’s hiring boom over the past decade has drawn young professionals who work in tech-adjacent roles, such as sales, marketing and business development. Finance professionals and tech’s corporate workers might be more likely than coders to find themselves in an office.

Since February 2020, Austin has added more than 80,000 jobs, according to the Texas Workforce Commission and U.S. Bureau of Labor Statistics. While tech grabs the headlines, half of new roles in recent years have been in finance and professional services, said Laura Huffman, chief executive of the Austin Chamber of Commerce. The city has also experienced rapid growth in advanced manufacturing—all industries that tend to require more in-person work, Ms. Huffman added.

Austin was also at the forefront of pioneering part-remote work before the pandemic, Ms. Huffman said. The

prepandemic work norm for many Austin workers involved splitting time between home and the office.

“In a lot of places, companies are having to create brand new policies around flexible work schedules. Many of our companies already have them,” she said.

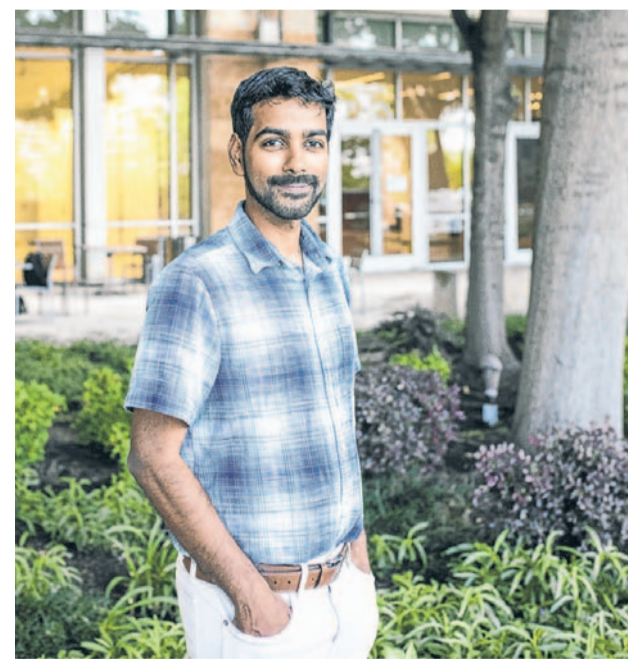
At 8:30 a.m., a busy commute was under way on a recent Thursday. Young professionals in button-downs and backpacks took scooters down Congress Avenue, stopping at popular breakfast-taco or coffee haunts before work.

Cypress Thomas, 24 years old, left Arizona for Austin in 2020, working remotely for EY for a year before her office reopened in 2021. Now,

researcher for real-estate company CBRE Group Inc., said some people theorize that conservative political leanings in Texas explain the state’s charge back to offices. Liberal-leaning Austin defies that explanation. More than 70% of Travis County voters favored President Biden in the 2020 election.

Commuting is “the No. 1 factor that most of our clients are citing when they talk about the challenges in terms of changing [employees’] routines,” she said.

In New York City and San Francisco, commute times are typically longer and many people take public transportation, where there are greater concerns about phys-



Rohit Ravichandran goes into the office five days a week.

she goes in two or three days a week, making the commute from her studio apartment several blocks away on foot.

“It’s a good way to get out there and meet people,” said Rohit Ravichandran, a 27-year-old cybersecurity worker.

Mr. Ravichandran moved to Austin in July and has been going into the office five days a week for the past few months even though his company has a flexible work policy. In-office meetings and lunches with co-workers have made the 9-to-5 this year feel “as close to normal as possible,” he said.

Julie Whelan, a lead global

ical and health safety, Ms. Whelan said, whether real or perceived. Austin is more of a car town, though bicycles and scooters are everywhere.

The American Community Survey from the Census Bureau shows the average Austin commute has been about 10 to 15 minutes less than in New York or San Francisco.

Lewis Rumley, an information-technology worker, said he has noticed worsening traffic as he started going back in three days a week, up from two.

“It’s really kicked up a notch,” he said of traffic. “A number of notches.”

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ARTS IN REVIEW

MUSIC REVIEW | MARK RICHARDSON

'We' by Arcade Fire: Preachy but Pretty

A record that at its worst veers into pomposity but at its best uplifts listeners while extolling the virtues of love

Arca Fire formed in the early 2000s and became an immediate sensation in the underground rock world upon the release of its 2004 debut album, "Funeral." But it soon became clear that this scrappy band, led by frontman Win Butler and occasional lead vocalist Régine Chassagne—they met in Montreal, where the group formed, later married and now live in New Orleans—had an ambition that far outstripped its indie beginnings. Arcade Fire thinks big.

On its 2010 LP, "The Suburbs," the group found just the right mix of subject matter and scope, and the record won Album of the Year at the Grammys. In the years that followed, the band's grandiose designs began to catch up with it. Both "Reflektor" (2013) and "Everything Now" (2017) leaned into dance beats and electronics, bringing to mind the shift U2 underwent in the late 1990s. Arcade Fire advertised its new work with sneering and ironic slogans about the emptiness of the contemporary world—the tour for the latter record was called "Infinite Content"—which made it seem as if the group positioned itself above its audience, as if delivering some important truth from on high. "We" (Columbia), Arcade Fire's sixth full-length album, out Friday, begins with all the over-the-top inclinations of its most recent predecessors but improves as it unfolds, ultimately landing on simple and relatable human needs.

Dialing back the electronics, the album is grand and beautifully orchestrated.

The record is co-produced by Nigel Godrich (known for his work with Radiohead) alongside Mr. Butler and Ms. Chassagne. Mr. Godrich specializes in sumptuous productions that artfully mix innovative technology and traditional instrumentation, and those elements are in proportion here, though "We" dials back the electronics slightly from the past two Arcade Fire albums. It's grand and orchestrated but rarely synthetic, and is heavy on piano and acoustic guitars. The melodies and arrangements are gorgeous, and it's hard to find fault with the set musically. But there are times, especially in the record's first half, when the band's societal broadsides veer into pomposity.

The songs on "We" are broken into multipart suites, with titles that hint that we're in for another knotty concept album about the



FROM TOP: MARIA JOSE GONZA; MICHAEL MARCELLE

emptiness of the present day. On the opening "Age of Anxiety I," Mr. Butler paints a picture of a nation gulping pills and anesthetizing itself in front of television screens, and the following "Age of Anxiety II (Rabbit Hole)" adds sequenced synthesizers and a 4/4 dance beat as he sings about data overload and the distractions of digital culture with lines—"Somebody delete me" and "Born into the abyss / New phone who's this"—that suggest we're drowning in meaningless memes.

Are these legitimately troubling concerns in our information-saturated era? Sure, and we've all related to Mr. Butler's complaints. But that doesn't make it any easier to hear him sounding anguished as he repeats the phrase "I unsubscribe" over and over on "End of the Empire," which is broken into four parts and lasts over nine minutes. Later in the suite, he dismisses some junky streaming TV show's "season five" with an expletive and later adds a line about how our dreams are dictated by algorithms. That there's truth in these observations doesn't rescue the songs from banality, despite the appealing sophistication of the musical structures.

After its didactic first half, the second half of "We," which turns its attention to the power of love and the need to carry on despite it all, comes close to redeeming the set. "The sky is breaking open," Mr. Butler sings in "The Lightning I," one of a few lines that bring to



mind Bruce Springsteen, and then the song builds and then gallops to a fist-bumping and breathtaking climax. "We can make it if you don't quit on me," he sings repeatedly, and it's impossible not to be swept along by the hopeful cur-

rent. Arcade Fire has built its reputation on anthems like this one, and "Lightning" ranks with the best of its career.

Both "Unconditional I (Lookout Kid)," a folk-pop stomper built around acoustic guitar, and "Un-

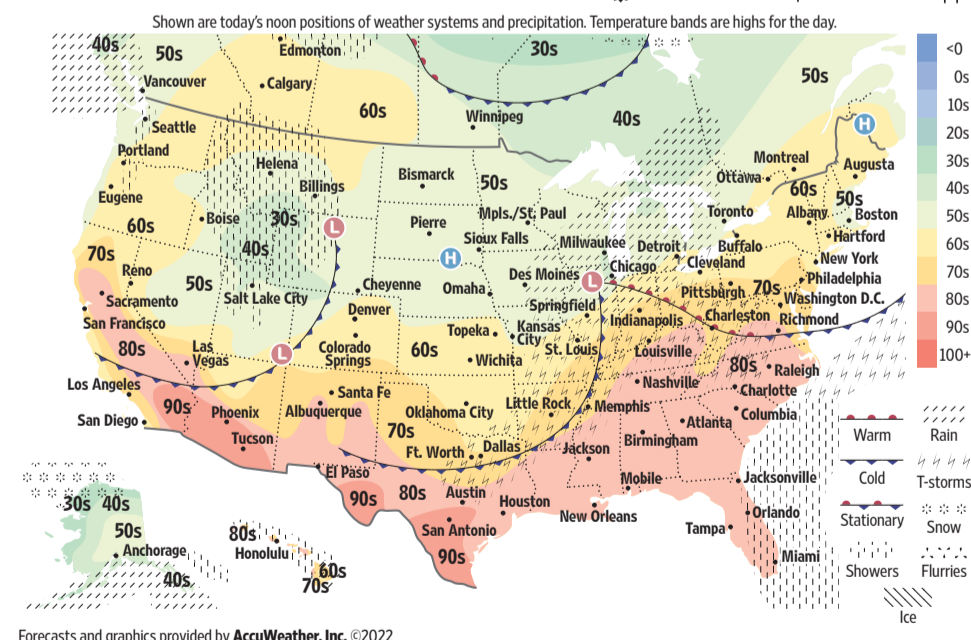
Arcade Fire's new LP, produced by Nigel Godrich, Win Butler and Régine Chassagne, is out Friday.

conditional II (Race and Religion)," a percussion-heavy electro-pop number about being so devoted to someone that he or she becomes your entire world, which is sung by Ms. Chassagne sounding a lot like Björk, build on the optimism of "Lightning" and stand up to repeated listens. Peter Gabriel even shows up on "Unconditional II," reinforcing Arcade Fire's connection to an earlier era of art rock. And the closing title track, a lovely ballad about blocking out the noise and surrendering to love, ends the record on a hopeful and uplifting note.

Perhaps it's the earlier half of the LP that makes the second half possible—maybe Arcade Fire needed to show us where we are first, so the later catharsis would hit with more force. But after I listened to "We" several times from beginning to end, the more appealing it became to start with "The Lightning" and skip the first side entirely. Those weaker songs tell us what we already know. Arcade Fire's secret power, which emerges later, when the album finally hits its stride, is that it can take us to a place we can't get on our own.

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

Weather



U.S. Forecasts

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

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Anchorage	53	41	c	53	40	c
Atlanta	85	68	pc	86	66	t
Austin	87	72	pc	89	72	pc
Baltimore	73	56	pc	76	56	c
Boise	62	39	pc	68	49	s
Boston	52	46	c	53	47	s
Burlington	65	49	c	58	44	r
Charlotte	87	66	t	86	64	t
Chicago	49	39	r	53	44	r
Cleveland	67	50	r	55	44	r
Dallas	75	63	c	83	70	t
Denver	65	37	c	55	37	c
Detroit	60	46	r	62	43	pc
Honolulu	83	72	sh	84	71	sh
Houston	86	74	pc	88	74	sh
Indianapolis	71	49	t	65	52	c
Kansas City	59	48	c	64	55	sh
Las Vegas	81	62	s	86	65	s
Little Rock	75	61	t	76	67	t
Los Angeles	76	55	pc	84	58	pc
Miami	85	75	pc	87	75	t
Milwaukee	46	39	r	50	42	pc
Minneapolis	57	38	pc	62	43	pc
Nashville	83	60	t	77	62	pc
New Orleans	87	71	pc	87	73	pc
New York City	64	51	pc	62	54	sh
Oklahoma City	67	55	s	72	60	t

International

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Amsterdam	58	39	pc	58	46	pc
Athens	70	55	pc	68	55	s
Baghdad	96	73	pc	100	71	pc
Bangkok	85	75	c	88	77	pc
Beijing	88	54	s	91	67	pc
Berlin	63	44	c	65	50	pc
Brussels	64	42	pc	64	46	pc
Buenos Aires	62	52	s	67	55	pc
Dubai	93	79	s	93	78	s
Dublin	59	48	sh	62	46	pc
Edinburgh	55	47	c	62	46	pc

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Frankfurt	68	48	t	68	49	t
Geneva	66	48	t	66	48	t
Havana	89	70	t	88	69	t
Hong Kong	81	73	pc	81	75	s
Istanbul	60	50	sh	61	48	pc
Jakarta	92	78	t	91	78	t
Jerusalem	86	57	s	68	54	s
Johannesburg	72	50	s	71	50	s
London	63	50	c	64	49	pc
Madrid	64	49	t	69	48	t
Manila	96	81	pc	96	81	s
Melbourne	68	56	s	58	43	r
Mexico City	82	59	t	82	60	t
Milan	72	53	pc	72	52	c
Moscow	58	41	c	47	35	pc
Mumbai	92	84	s	93	83	s
Paris	68	51	pc	68	49	pc
Rio de Janeiro	86	75	pc	87	73	s
Riyadh	100	77	s	105	80	s
Rome	70	52	pc	70	51	pc
San Juan	86	76	pc	85	75	pc
Seoul	68	49	s	75	49	s
Shanghai	81	59	s	77	60	s
Singapore	88	79	t	87	79	r
Sydney	73	57	s	76	60	pc
Taipei City	71	67	r	78	71	c
Tokyo	66	57	s	73	61	c
Toronto	54	49	r	60	42	pc
Vancouver	57	45	r	58	48	sh
Warsaw	63	45	pc	60	47	pc
Zurich	67	46	t	66	49	t

The WSJ Daily Crossword | Edited by Mike Shenk

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- 66 Two-under-par golf score
- 67 Made chiding sounds
- 68 Lay eyes on
- 69 ...and a scold of ___
- 70 Turn to pulp
- 71 Humorist Bombeck
- 72 Romantic gesture in long-distance relationships?
- 73 Assaults
- 74 "Please stay!"
- 75 Plus
- 76 Neither Dem. nor Rep.
- 77 The hit on a hit record, usually
- 78 ...and a scold of ___
- 79 Chandler's roommate on "Friends"
- 80 Cousteau's study
- 81 After all the animals were captured, they turned into ___
- 82 Boredom
- 83 Antiracist movement, for short
- 84 Wearable chain
- 85 Target of some vaccines
- 86 Down Under marsupials
- 87 Calico's coat
- 88 Sound from a pound
- 89 Easter treat source
- 90 Journalist Curry
- 91 Hydrogen or helium
- 92 Untruth
- 93 Cure-all
- 94 Sweet-talk
- 95 First part of many rap monikers
- 96 Printer variety
- 97 Water brand from an island nation
- 98 Cute, cutely
- 99 It has only one eye
- 100 "I'm telling you, that's who!"
- 101 College figures
- 102 Banshee's sound
- 103 Poker payment
- 104 Skating site
- 105 Turn violently
- 106 Auction action

Previous Puzzle's Solution

L	E	D	O	N	S	T	A	R	R	C	O	W
T	I	D	A	H	O	M	O	N	A	E	O	R
D	I	D	S	O	A	A	N	D	I	P	N	G
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A	L	I	T	A	L	I	T	A	L	I	T	L
D	U	M	P	E	D	L	A	N	C	E	S	I
J	I	T	A	S	E	L	E	C	T	A	S	I
S	A	S	S	A	R	E	A	R	E	S	O	O
C	H	O	I	C	E	W	O	R	D	S	N	O
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Solve this puzzle online and discuss it at WSJ.com/Puzzles.

SPORTS

The Weirdest Coaching Staff in Baseball

The success of the San Francisco Giants has forced the sport to rethink who is qualified to be in a major-league dugout

By JARED DIAMOND

Fernando Perez studied creative writing at Columbia University and is the author of essays that have been published in prominent literary magazines. Mark Hallberg spent years working as a teacher and administrator at schools in Saudi Arabia and the United Arab Emirates. Dustin Lind has a doctorate in physical therapy.

These are a few of the people on the unconventional coaching staff who have helped transform the San Francisco Giants into a powerhouse and disrupted a sport that traditionally hasn't taken well to outsiders. The Giants were the surprise of the National League last season, winning 107 games and ending the Los Angeles Dodgers' streak of eight consecutive division titles. It's been more of the same early in 2022, with San Francisco again looking like a serious World Series contender.

The Giants accomplished all of this while being guided by a group of coaches unlike any other in the history of baseball—and their unexpected success is forcing the industry to rethink just who is qualified to wear a major-league uniform.

"We hire a staff with the mind-set that a more diverse coaching staff gives us a better chance to win," Giants manager Gabe Kapler said. "If you want to have a wide variety of human beings for players to connect with, you can't have them all cut from the same cloth."

That way of thinking would've been considered radical for much of the last 150 years. Conventional wisdom has long dictated that in order for a coach to gain the respect of players, he needed to have professional playing experience. "The longer you were around," veteran pitcher Alex Wood said, "the more credibility you had."

To Kapler, that attitude never made much sense. The data revolution that has changed the game has largely been driven by outsiders in the front office, so bringing people with unorthodox backgrounds into the clubhouse seemed like a natural progression.

When Kapler became the Giants' manager in November 2019 after two middling seasons at the helm of the Philadelphia Phillies, he set out to build a different kind of coaching staff. It would be young, diverse and filled with candidates who bring an innovative perspective to the game. Playing experience wouldn't be required.

The Giants now have 15 people listed on their website under Kapler with the word "coach" or "director"



Clockwise from top: Giants bench coach Kai Correa chats with Giants manager Gabe Kapler; third-base coach Mark Hallberg; assistant coach Alyssa Nakken.

in their titles, an unusually large number. Only four played in the big leagues. Four others never played professional baseball at all.

"If you just sit them down and talk to them about their craft, there's no shortage of knowledge or experience," Kapler said. "It's just not the type of experience that jumps off the page to the industry."

Bringing such an unusual staff to San Francisco was a risk. The Giants had one of oldest rosters in baseball last season, led by veterans like Buster Posey, Brandon Crawford and Brandon Belt.

Then something remarkable happened: The team got better. Posey, who retired after the 2021 season, posted his highest OPS since his

MVP campaign of 2012. Belt hit 29 home runs, 11 more than his previous high. Crawford delivered the best performance of his career by a wide margin in almost every offensive category.

"They got together and decided, 'Hey, we're going to give this a shot,'" bench coach Kai Correa said. "That's not an easy decision with all the success they've already achieved."

Correa, 33 years old, fits the description of a coach who easily could've been dismissed or ignored. He was a Division III college infielder, which he had long assumed disqualified him from pro coaching. Kapler thought differently.

While working in the Dodgers front office in the middle of the last decade, Kapler discovered Correa's instructional videos on social media and was immediately impressed. It didn't matter that at the time, Cor-

rea was merely an assistant at the University of Northern Colorado. Less than a decade later, Correa is Kapler's bench coach with the Giants, a remarkable ascension from baseball obscurity to the verge of the manager's office.

"What we lose in playing experience, we make up for in pedagogy experience," Correa said of the Giants' coaches.

Taira Uematsu embodies that philosophy as well as anybody. He grew up in Japan dreaming about playing professional baseball. When those hopes fizzled out in high school, he came to the U.S. barely knowing a word of English but desperate to find a way to stay around the game. His journey led him to the Giants organization, where he spent about 15 years toiling away as a bullpen catcher—an unglamorous, physically demanding and largely anonymous support role.

During the pandemic shutdown in 2020, the Giants started an organizational book club. One of the selections was Daniel Coyle's "The Culture Code." Reading it convinced Uematsu that he was capable of coaching. This past offseason, he approached Kapler about a promotion. He is now an assistant coach.

"What I learned in the last 15 years is that the best player is not the best coach," Uematsu said. "Somebody who is willing to learn all the time and improve himself as a coach, those people are good at coaching."

The book club that changed Uematsu's life was started by Alyssa Nakken, a former college softball player who joined the Giants as an intern in 2014. When Kapler arrived, her job was primarily to develop and coordinate the organization's health and wellness initiatives and events.

After hearing Kapler address the front office, she became inspired. For the first time, she thought perhaps there was a place for her closer to the field. Kapler agreed, and in 2020, she became the first woman in history to be a full-time member of an MLB coaching staff.

"He wants to surround himself with people who are going to challenge his perspective," Nakken said. "In my career leading up to that point, I was in a lot of rooms where people thought the exact same, and I was getting bored."

Even the coaches who did once play the game themselves aren't exactly typical. Perez spent two seasons with the Tampa Bay Rays, but his interests extend far beyond just baseball. He's been published in Poetry magazine and the Southern Review, has worked for various media companies and has taught courses for the School of the New York Times.

The Giants hired Perez ahead of the 2021 season. His title is "director of video coaching." Kapler described Perez as a "content producer" and wouldn't elaborate further. Perez didn't offer any more of an explanation but did say that his job "only would have happened here."

Hallberg advanced to Triple-A for the Arizona Diamondbacks, but his background is anything but traditional. The son of international educators, he spent much of his childhood in Saudi Arabia and Pakistan. After playing, he went on to earn an M.B.A.

Now he's the Giants third base coach, but before that he taught at Dhahran High School in Saudi Arabia and the American School of Dubai.

"Do you value that, or do you value somebody who has hit a certain amount of fungoes at the minor-league level?" Kapler said.

The Giants have chosen to value the former. There could be a championship in their future because of it.

The Mets Will Pay \$40 Million to Cut Ties With Robinson Canó

By JARED DIAMOND

THE NEW YORK METS owe veteran second baseman Robinson Canó about \$40 million over the next two years, the final remnants of the massive free-agent contract he signed nearly a decade ago. Steve Cohen, the billionaire hedge-fund manager who just happens to be the wealthiest owner in baseball, has decided to pay him that amount to go away.

Forced to trim their roster from 28 players to 26 on Monday, the Mets cut Canó, a move that was simultaneously obvious and shocking. From a performance standpoint, the choice was clear: Canó, 39 years old, started the season 8-for-41 at the plate (.195) after returning from the steroid suspension that kept him out for all of 2021. Keeping him around would've meant demoting a far more productive player to the minors. The Mets, who currently have the best record in the National League, refused to do that.

Yet given the exorbitant amount of money remaining on Canó's deal, the Mets simply letting him walk away was stunning. Few teams would be willing—or able to afford—to eat that kind of cash. Most other organizations would've hung onto Canó and tried to wring any last ounce of productivity out of his once-prodigious bat, even if

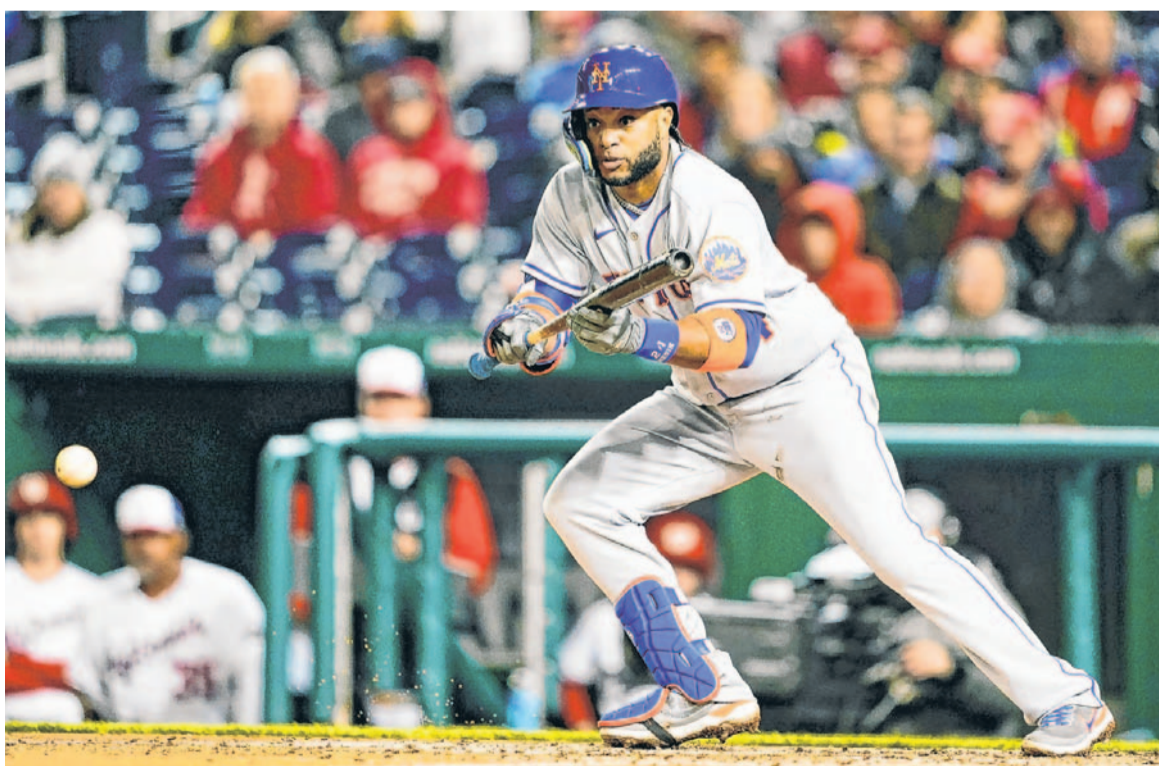
he likely has little more to offer.

That's the power of Cohen, his seemingly limitless budget and his unending willingness to spend whatever is necessary in pursuit of a title, which have transformed the Mets into a powerhouse. The Mets without Canó are better than the Mets with Canó. Under Cohen, nothing else matters. His approach with Canó—driven entirely by baseball, not economics—only further proves as much.

Cohen's Mets have good reason to have such lofty aspirations. They are serious World Series contenders. They reached this point in part because of extravagant spending on players, including \$254.5 million committed to four free agents this past offseason. Star pitcher Max Scherzer signed a three-year deal worth \$130 million, for a record average annual salary of \$43.3 million.

The Mets haven't won a title since 1986, six years before Cohen—a lifelong fan of the team from Long Island—started the hedge funds that made him his fortune. They last reached the playoffs in 2016, when they were still owned by the Wilpon family.

Canó was supposed to help end that streak. Former general manager Brodie Van Wagenen landed him in a blockbuster trade with the Seattle Mariners before the 2019 season, parting with top outfielder



Forced to trim their roster from 28 players to 26 on Monday, the Mets cut veteran second baseman Robinson Canó.

prospect Jarred Kelenic. The Mets also received relief pitcher Edwin Diaz in the transaction.

Before joining the Mets, Van Wagenen worked at Creative Artists Agency, and he negotiated Canó's \$10-year, \$240 million free-agent contract with the Mariners in December 2013. At the time, Canó and his sweet left-handed swing appeared to be on a path toward the Hall of Fame. He posted a .309 batting average and hit 204 home runs in nine seasons with the New York Yankees.

Despite a strong start in Seattle, Canó's downfall began in 2018, when he tested positive for furo-

semide, a diuretic in violation of baseball's drug policy. He was suspended for 80 games, tarnishing his reputation. In Canó's five seasons in Seattle, the Mariners never qualified for the postseason.

The trade to New York was controversial, with the Mets giving up a potentially valuable asset for an aging star with a steroid reputation on his ledger. Canó did enjoy a brief resurgence with the Mets during the pandemic-shortened 2020 campaign, hitting .316. But that November, MLB announced that he had violated the drug policy again, this time for using Stanozolol, a steroid. As a second-

time offender, he was suspended for 162 games.

When Cohen bought the Mets in November 2020—just before Canó's second suspension was announced—he immediately fired Van Wagenen, the executive who traded for Canó in the first place. The new regime, led by team president Sandy Alderson and GM Billy Eppler, opted to give Canó a chance this season to show if he was capable of making a comeback.

The audition lasted a month before the Mets had seen enough. Canó will still get his money—but he will no longer be playing for the Mets.

FROM TOP: CLOCKWISE—ERIC RISSBERG/ASSOCIATED PRESS; MICHAEL MCCLOONE/USA TODAY SPORTS; JASON SCENIES/EPA/SHUTTERSTOCK; ALEX BRANDON/ASSOCIATED PRESS

OPINION

Another Cuban Missile Crisis?



GLOBAL VIEW
By Walter Russell Mead

The logic of war drove two high-powered visits to Ukraine last week. On a visit to the frontlines from Russia came Gen. Valery Gerasimov, chief of the military staff and the most senior uniformed officer in Vladimir Putin's army. From the U.S. came Speaker Nancy Pelosi, arguably the wildest and most accomplished leader of a Democratic Party that, for now, controls both houses of Congress as well as the White House. Gen. Gerasimov's mission was to understand the forces holding Russia's latest military offensive in check; Speaker Pelosi was in Ukraine to underline how important the country's fight has become to the U.S. and to vow that it will stand with Ukraine "until victory is won."

It isn't surprising that the U.S. and Russia are sending senior leaders to the war zone. The war in Ukraine is the most serious European military conflict since World War II, and it threatens to produce the greatest nuclear crisis since the height of the Cold War. Both sides have been repeatedly surprised by the intense military conflict, and both sides keep raising the stakes even as the danger of nuclear confrontation grows.

For Mr. Putin the surprises were almost all bad. The initial attack collapsed into a slog through hostile terrain by an army whose leadership, intelligence and logistical failures have exposed the inner weakness of the decadent Russian state. Far from dividing and intimidating Europe, the attacks have energized and united the North Atlantic Treaty Organization, led to a revolution in

German strategic thinking, and made it likely that Sweden and Finland will join the alliance even as it moves more forces closer to Russian territory.

Washington has encountered some strategic surprises of its own. President Biden's strategy called for "parking Russia," believing that diplomacy could prevent new conflicts in Eastern Europe. That calculation was obviously wrong. Once the war started, Ukraine did not, as Washington anticipated, quickly collapse. Ukraine's initial successes led the U.S. to provide more help, but Washington's unprecedented sanctions failed to weaken Mr. Putin's resolve or shake his domestic political support.

Having been drawn this far into the conflict, Washington cannot now accept a Ukrainian defeat without a serious loss of honor and prestige. But even discounting the nuclear risks, the task of assisting a bankrupted Ukraine to prevail against larger Russian forces in a war of attrition is a daunting one. Currently, the Biden administration is committed to winning a war it thought wouldn't happen on the side of a country it believed to be helpless in the face of dangers and difficulties it does not yet know how to assess.

The revolution in American thought about Ukraine is reminiscent of the changed perceptions of Korea in 1950. At that time, American policy makers signaled that South Korea was outside Washington's defense perimeter—until the North Korea's invasion led them to realize how important Korea was.

Before Mr. Putin's invasion, the West generally thought of Ukraine as a strategic and economic backwater. It was a weak and corrupt state whose politics reflected shadowy struggles among oligarchs. Today we think of Ukraine as

a strong democratic state whose security is critical to European stability.

This change in Western perceptions makes compromise much harder to find. A few weeks ago, appeasing Mr. Putin by feeding him more slices of Ukrainian territory in a "compromise peace" looked to many Western policy makers like the natural and necessary conclusion to the war. That approach now seems both morally repugnant and strategically vain. This changed view explains why Defense Secretary Lloyd Austin and Mrs. Pelosi have begun to speak of degrading Russian power and seeking victory for Ukraine.

With its echoes of the Cold War, Russia's invasion has utterly altered world politics.

This changing Western approach confirms Mr. Putin's belief that the conflict between Russia and the West over Ukraine is an existential one for Russia. Without Ukraine, Russia cannot truly be a great power, and the West is willing to fight to prevent Russia from achieving what, from Mr. Putin's perspective, is an indispensable goal.

What is most notable about this crisis so far is the speed with which it has moved toward threats of nuclear war. Senior Russian officials like Foreign Minister Sergei Lavrov are openly speculating about the possibility of nuclear escalation, presumably in hopes of deterring Western support for Ukraine. In its volatility and its ability to take both Russia and the West toward the nuclear option, the Ukraine war so far resembles the confrontational early decades of the Cold War,

when nuclear threats from one or both powers routinely were invoked at moments of crisis. After the Nixon administration, such threats moved into the background as the superpowers adjusted to the balance of terror and the rules of the nuclear dance.

During the Cold War, the West used nuclear deterrence to offset the Soviet superiority in conventional forces in the European theater. Moscow's huge armies might, at least initially, prevail in an attack across Germany, but the threat that NATO would retaliate with nuclear weapons kept Soviet aggression in check. Now, however, the evident weakness and disorder of Russian conventional forces suggests a new possibility: that a weaker Russia must try to deter NATO in Ukraine by nuclear threats.

The prospect of tactical nuclear strikes on the European mainland would, Mr. Putin undoubtedly hopes, test the cohesion of the NATO alliance. While nobody wants to be quoted on the record, senior Europeans are already whispering to sympathetic journalists about concerns that the Biden administration is escalating too far and too fast. Would France and Germany continue to back American policy if Russia strikes Ukrainian targets with nuclear warheads? Is American public opinion ready for a replay of the Cuban missile crisis?

The Ukraine war is not yet 10 weeks old, and it has already revolutionized world politics. The next 10 weeks could be even more dramatic. President Biden could soon face as stern a test as any American president has since World War II. We must hope, and pray, that he is up to the job.

William McGurn is away.

BOOKSHELF | By Kay S. Hymowitz

Fifty Years Of Bureaucracy

37 Words

By Sherry Boschert
(New Press, 387 pages, \$29.99)

When Richard Nixon signed Title IX of the Education Amendments of 1972, the news was greeted with a yawn. The law had bipartisan support and its guiding purpose—prohibiting discrimination on the basis of sex in educational institutions—was so uncontroversial that the New York Times gave the story a mere sentence of coverage. Fast forward a few decades: Title IX is one of the most consequential domestic laws of our time, a lightning rod of controversy and a textbook example of the way our regulatory apparatus can make an Orwellian muddle out of noble ideals.

The bill's 50th anniversary would seem to be a good time to reflect on this troubling evolution. Alas, journalist-activist Sherry Boschert's "37 Words: Title IX and Fifty Years of Fighting Sex Discrimination" doesn't show much interest in the law's profound and unexpected effects. Her indifference will not reassure anyone uneasy about the so-called administrative state—the vast unelected bureaucracy that has given us, among much else, the current iteration of Title IX regulations.

Ms. Boschert's narrative does succeed in showing us why a law prohibiting discrimination in education seemed called for at the time. Her catalog of the discriminatory rules (both official and informal) predating Title IX now seems closer to medieval superstition than 20th-century reality. Medical and law schools limited women's enrollment; undergraduate admission quotas were common; the few women Ph.D.s lucky enough to get a university job were denied promotions, paid less than male colleagues and fired if they became pregnant.

In a process that in retrospect looks like a harbinger of coming troubles, it took three full years, after the passage of Title IX, for federal officials to agree on the law's regulations. Title IX proponents, both within the bureaucracy and outside it, were surprised to find themselves absorbed in debates not about women's college admissions or professional advancement but about sports teams. A public increasingly interested in both fitness and their daughters' empowerment turned out to be excited by girls' athletics and saw a need for equality between the sexes in the opportunities to play college sports. Trying to engage as many girls as possible, schools introduced a range of esoteric pursuits, like water polo, synchronized swimming, archery and badminton. As Ms. Boschert observes, most of these activities were likely to appeal to a select few high-income white girls. Astonishingly, in the decades after the passage of Title IX, "the gap between white and Black women's athletics participation widened."

An even more striking irony, one unnoticed by the author, centers on higher education's premier men's sport, football. Despite Ms. Boschert's repeated assurance that "nothing in Title IX requires a school to cut men's athletics," the law put colleges in a bind: They could either cut men's sports or spend massively more money on staffing and equipping new teams aimed at women. Being the only sport with any hope of raising revenue, football became the goose producing the gold to pay for new softball fields and polo coaches. Today campuses boast luxury weight rooms and "Godzillatron" video scoreboards for their football teams, part of a grotesque arms race to entice star coaches and high-school players and keep the goose giving. Inadvertently, Title IX had facilitated the expansion of America's sports-centric campus, a priority of debatable value to higher education.

Title IX stated that no one shall, on the basis of sex, be excluded from any education program receiving federal assistance. A muddle ensued.

Sexual harassment was another area whose prominence caught the architects of Title IX off-guard. In the late 1970s, courts, under the influence of a young Yale law graduate named Catharine MacKinnon, ruled that sexual harassment could be considered sex discrimination and thus under the purview of the law. By the 1980s, harassment had become the primary complaint coming to the attention of the Education Department's Office for Civil Rights. The problem was real: Ms. Boschert cites dozens of examples of appalling behavior by men on college campuses: professors demanding sex in exchange for grades from young women; head coaches grabbing the breasts of assistants; the non-prosecution of repeated rapists; signs held by Princeton students saying: "We can rape whoever we want!"

Relying on a highly disputed statistic showing one in five college women to be a victim of "sexual assault or misconduct," the Office of Civil Rights designed grievance protocols with little regard for common sense or constitutional protections. In a now infamous 2011 letter, the agency defined "sexual harassment" as any "unwelcome conduct of a sexual nature," including everything from "verbal" conduct to criminally punishable sexual assault. More alarming, the letter called on colleges to use a "preponderance of evidence" standard to determine guilt in a harassment case rather than the "clear and convincing" standard used up until then. That the large majority of harassment cases involved ambiguous "he-said, she-said" drunken encounters made the rules especially dangerous.

The 2011 letter was sinister enough to provoke elite critics ordinarily predisposed to support feminist policy, like the American Association of University Professors, to cry foul. Over 700 male students who had been charged with sexual assault ended up suing their schools; universities were on the losing end of many of the suits.

Ms. Boschert is unmoved by what she calls this "backlash." Of one notorious incident of false accusation—the gang-rape claims made against Duke's lacrosse team in 2006—she says merely that it "handed sexual assault deniers a victory they exploited for years to come." On several occasions she puts the term due process in quotation marks and insists that the goal of Title IX is not to determine "the accused's guilt or innocence" but to ensure a "victim's equitable access to education."

Ms. Boschert has one recurring complaint about Title IX: Colleges have appointed only a fraction of the 100,000 facilitators that she estimates the law requires. There's the Title IX story in a nutshell: 37 words, 100,000 bureaucrats.

Ms. Hymowitz, a contributing editor at the Manhattan Institute's City Journal, is the author of "Manning Up: How the Rise of Women Has Turned Men Into Boys."

A Global Tax System Is Good for the U.S.

By Jason Furman

The U.S. system for taxing international corporate income has long been dysfunctional. It is needlessly complex and distorts business decisions while failing to raise much revenue, thus forcing higher taxes elsewhere to make up the difference. Policy makers have the best chance in generations to reform and improve this system while bringing the rest of the world along. Treasury Secretary Janet Yellen has already helped craft an international agreement signed by more than 130 countries. Congress now needs to do its part and lock it in.

The two approaches to international taxation are worldwide taxation, in which a corporation's home country taxes its entire global income, and territorial taxation, in which income is taxed only by the country where it is earned. Neither system is perfect, and both inevitably create some distortions.

A worldwide system can impede the competitiveness of American companies by raising their costs relative to those of competitors legally domiciled in other countries. A territorial system, on the other hand, creates an incentive to

locate production and shift reported profits overseas.

Before 2017 the U.S. followed a third approach that combined some of the worst features of both, which I call a "stupid territorial" tax system. It pretended to tax U.S. corporations on their worldwide foreign earnings but in

Congress should implement the agreement that Yellen negotiated last year.

practice afforded them tremendous opportunity to defer those taxes permanently, in effect allowing them to create a territorial system for themselves while leading to massive buildups of overseas income.

President Trump and the Republican Congress reformed this system, replacing it with a hybrid system that included a minimum tax called Global Intangible Low-Taxed Income, or Gilti, for companies that earned a high rate of return and also paid low taxes overseas. This plan took some steps toward a more rational system, recognizing the necessity of a compromise between

worldwide and territorial. But it also took some steps backward on rates and in technical details, like allowing companies to apply the minimum tax based on their worldwide average rate instead of on a country-by-country basis.

The arguments for building on and fixing Mr. Trump's reforms were already strong, but the global agreement secured by Ms. Yellen makes them much stronger. In particular, the global agreement removes the main objection to more aggressively taxing overseas income because other countries have all agreed to adopt similar systems. The concerns that U.S. companies would be less competitive or would try to avoid U.S. taxes by incorporating overseas are considerably smaller than they would otherwise be.

Conversely, the risks of inaction have increased. The global minimum tax agreement includes an undertaxed payments/profits rule, or UTPR. This mechanism would allow any country to enforce the agreement against companies headquartered in countries without minimum tax laws. In other words, if the U.S. leaves the agreement, American companies could find themselves at a disadvantage. Even without this enforcement mechanism,

the absence of an agreement would risk replacing the recent spirit of cooperation with messy tax and trade wars.

Last year the House passed a set of international tax reforms that are a good starting point for continued congressional consideration. As a large economy, the U.S. has the scope to go modestly beyond the international agreement with relatively little downside. Some provisions should be updated to match the global agreement better, particularly the one that implements the undertaxed payments rule.

The global minimum tax agreement signals the dawn of a new era of international economic cooperation. It will be good for the countries involved and may even be popular. It is pragmatic and, if anything, relatively minimal in only establishing a 15% rate floor. If Congress doesn't pass legislation to implement it in the U.S., we could end up with something even worse than the stupid territorial system we had before President Trump.

Mr. Furman, a professor of the practice of economic policy at Harvard University, was chairman of the White House Council of Economic Advisers, 2013-17.

In Defense of the Foreign Service Test

By Dave Seminara

Since 1924, anyone who wants to become an American diplomat has had to pass a rigorous written exam, the Foreign Service Officer Test. Now the State Department says it wants to "modernize its hiring process to create a more inclusive workforce that hires the best talent and represents America's rich diversity." While candidates will still take the exam, starting in June there will no longer be a pass/fail score, so applicants who score poorly may still be hired.

The exam has long been regarded as difficult. In a 1995 interview, veteran diplomat John Edgar Williams recalled that in 1953 the test took 3½ days and covered everything from astronomy to zoology. When I started taking it in the 1990s, it took three hours and consisted of a job knowledge section along with the kind of general questions contestants

answer on "Jeopardy!" an English grammar and usage section, and an essay, which wasn't graded unless you met the cut-off score. In a typical year, 10,000 to 20,000 people take the exam and 2% to 3% of those are hired. The test expires after 18 months; I passed several times before I was offered a job in 2001.

It replaced the spoils system with a merit-based hiring system.

The State Department made changes to the test in 1989, in response to decades of litigation by female applicants, and in 2006 after George Staples, then director general of the Foreign Service, called for it to be scrapped for its negative effect on minority hiring. Female representation has increased to 42%, but the diplomatic corps is still 6% black and 7% Hispanic.

A spokesman says the State Department is moving toward a "more holistic" hiring approach that will "result in a more qualified pool of applicants." But given that applications already vastly outnumber available jobs, why the imperative to consider candidates who flunk the exam? The spokesman said the department believes education and work experience are better predictors of job performance than the exam. Perhaps, but the exam and the cutoff score inject an element of merit and transparency into a byzantine hiring process that involves more-subjective elements, including an oral assessment and personal essays. And the diplomatic corps is already full of people who passed the test and have impressive résumés.

The American Foreign Service Association, the union representing career diplomats and consular officials, issued a statement condemning the

move as "against both the letter and the spirit of many commitments made by this administration to its public servants" and expressing concern "that these unilateral changes risk being seen as excessively subjective and subject to partisan influence."

The exam was created by the Rogers Act, which abolished the spoils system and transformed the Foreign Service into a professional organization with hiring and promotions based on merit. Nearly a century later, the State Department believes it needs the flexibility to hire applicants who can't pass the exam to "modernize American diplomacy and win the competition for talent." Let's hope that doesn't translate into a new kind of patronage.

Mr. Seminara is a former diplomat and author of "Mad Travelers: A Tale of Wanderlust, Greed & the Quest to Reach the Ends of the Earth."

OPINION

REVIEW & OUTLOOK

A Bipartisan Energy Deal?

West Virginia Democrat Joe Manchin wants to cut a bipartisan compromise on energy. It's not a crazy idea, but the risk is that Democrats will lure Republicans into accepting superficial permitting reforms in return for a gusher of green energy spending.

Any worthwhile deal, at a minimum, should make the National Environmental Policy Act (NEPA) a less lethal regulatory weapon. While a large pipeline can be built in a year or two, federal permitting can take two to three times as long. If there are lawsuits—and there always are—you're looking at a decade or more. Add that to the cost in present value of any energy or other project.

The bipartisan infrastructure deal included modest NEPA reforms, such as a two-year shot clock for federal agencies to complete environmental impact statements. The law also requires federal agencies to work on a review at the same time rather than wait in turn.

Alas, the Administration's new NEPA regulations, announced last month, will create more red tape that increases costs and expands litigation risk. Federal agencies going forward will have to consider the "cumulative" and "indirect" project impact.

While the rules don't specify every potential tangential impact, they put an emphasis on climate and "environmental justice." Project developers will have to mitigate these effects—say, by installing electric-vehicle chargers in minority communities. This is a way to get businesses to pay for the Administration's Build Back Better plan that can't pass Congress.

The Administration's inflated "social cost" of carbon—a speculative estimate of the global harm that could result from climate change, including foreign conflict and migration—will jack up costs even more. The White House pegs the social cost of CO₂ at \$51 per ton—about 50 times higher than the Trump Administration's

estimate—and is planning to increase it.

A higher cost of carbon means that companies could have to spend more to compensate for their emissions—and regulators are sure to deem some projects too costly to permit. Any energy deal should override the Administration's NEPA anti-reforms and explicitly prohibit federal agencies from considering climate and social factors.

It should also limit executive discretion to wall off federal land from development under the Antiquities Act and Endangered Species Act. And it should limit states' power under the Clean Water Act to veto pipelines and high-voltage transmission lines. This would help green energy too.

How about setting a shot clock on approving drilling permits? Texas requires regulators to process permits in three days. The Biden Administration on average takes six months. Pipelines planned in existing rights-of-way of other pipelines should be approved automatically.

Another idea reportedly under consideration is to deem liquefied natural gas exports to a NATO country to be in the "public interest," thereby short-circuiting Department of Energy review. Even better: Eliminate DOE's reviews. They're redundant since the Federal Energy Regulatory Commission must permit export terminals.

The model for a deal would be the 2015 compromise between Barack Obama and Paul Ryan that lifted the ban on oil exports while extending green energy tax credits. The model should not be the infrastructure deal that Republican Senators agreed to last summer that included mostly liberal priorities—e.g., a public transit blowout—with small permitting reforms sprinkled in.

Republicans will likely gain leverage after the midterms to negotiate reforms, so there's no urgency to strike a deal now. No deal is better than a bad one.

Overriding Biden's NEPA rules blockade is essential.

Taking Ukraine Hostage to Covid

House Speaker Nancy Pelosi offered a welcome show of support in Kyiv this weekend, promising President Volodymyr Zelensky that more military aid will soon be on the way. The test of that promise is whether Congress will act swiftly, or let the weapons get bogged down in a parochial fight over Covid-19 funding.

The Biden Administration has asked Congress for \$33 billion for Ukraine, and more than \$20 billion is for such military aid as artillery, air defenses and cyber support. Speedy delivery is crucial. The Russians are "at least several days behind where they wanted to be" in their new offensive, a U.S. defense official said late last week. But Russia's highest-ranking uniformed officer reportedly visited the front, and count on the Russians picking up the scale and pace of their brutality.

The White House said last week the Biden Administration has exhausted "almost all" of the \$3.5 billion in spending authority Congress passed in March. That means legislators need to act to keep weapons flowing. President Biden is scheduled to visit a factory producing Javelin antitank missiles on Tuesday, and let's hope he mentions the need to replenish drained American weapons stocks.

All the more puzzling then is the mixed White House messaging on moving the bill.

The President's letter to Congress on Ukraine last week reiterated his request for \$22.5 billion in Covid funding. "To avoid needless deaths in the United States and around the world, I urge the Congress to include this much needed, life-saving COVID funding as part of this supplemental funding request."

President Biden then said in a press conference that he didn't "care how" Congress passed the funding. "They can do it separately or together." But on Monday White House Press Secretary Jen Psaki said President Biden's "preference" was passing the funding together.

The trillions of dollars Congress has thrown at Covid make the money for Ukraine look like a rounding error. The Covid request is already bogged down in a fight over immigration, and Democrats may figure they can get the GOP to drop its immigration amendments if Democrats hold Ukraine aid hostage to Covid funding. These political games are a big reason the public has such a low opinion of Congress.

The Ukrainians are in a fight for national survival, and by itself the aid would pass Congress in a rout, a rare moment of productive bipartisan agreement. Democrats run Congress and the White House, and it's up to them to get the Ukraine aid done quickly.

Holding up military aid for political games will help the Russians.

Student Loan Truth Telling

Democrats dissembled about the costs of their student loan takeover in 2010, and now they're deceiving Americans about their drive for student debt cancellation. But South Carolina Rep. Jim Clyburn, a member of the House Democratic leadership, gave away the game over the weekend.

Progressives seem to have figured out that sweeping student loan forgiveness isn't popular with Americans who didn't go to college or who repaid their loans. Hence they now say that canceling \$50,000 per borrower will be a boon for the working class. Sen. Elizabeth Warren says 40% of borrowers with student loan debt never completed college. If she were a company, the Federal Trade Commission could sue her for false advertising.

More than half of borrowers owe less than \$20,000 in debt. The borrowers Democrats really want to help are white-collar workers with advanced degrees who account for 56% of the \$1.6 trillion in federal student debt. Mr. Clyburn said as much in an interview with Bloomberg: "When you see a student coming out of college—law school or professional schools—with \$130,000, \$150,000 in debt, that cripples the economy in more ways than one."

Wasn't higher education supposed to be an investment? Well, it's not paying off for millions of Americans, especially those with expensive graduate degrees. Many colleges require students to fund their PhDs—which can take six to seven years to complete—yet doctorate recipients in the humanities in 2019 earned \$53,000 on average. Machinists make more.

Progressives also claim that President Biden has legal authority to cancel debt. He doesn't.

But they want him to do it anyway and dare courts to stop him. As Mr. Clyburn explained, "So my whole thing is, use your executive authority and let the courts have at it."

This seems to be the Administration's guiding legal principle. Do what you want until the courts say it's illegal. Recall its illegal eviction moratorium and vaccine and mask mandates.

Mr. Clyburn was less forthright in claiming that "students are deserving" of loan forgiveness because "the forces that be have ratcheted up interest and all sorts of fees on student loans." Fact check: Student loan interest rates have fallen by about half since 2008 thanks to "the forces that be" on Capitol Hill.

Congress in 2013 slashed interest rates on student debt after Ms. Warren howled that the feds were making money off student loans by charging borrowers higher interest than federal borrowing costs. This was another sham. Lower interest rates merely served as another subsidy for colleges, allowing them to load borrowers with more debt.

Now the feds are losing tens of billion of dollars because many borrowers have taken on so much debt they can't make even the smaller interest payments. So now Democrats want to bail out the underemployed borrowers they and colleges duped.

To avoid the appearance of helping the affluent, Mr. Biden is considering limiting loan forgiveness to borrowers making up to \$150,000 (\$300,000 for couples). Yet this would still cover 97% of all borrower debt, including most recent law and medical school grads. The student loan con goes on and on.

Jim Clyburn explains why Democrats are so intent on a bailout.

LETTERS TO THE EDITOR

Inconvenient Truths Shatter Net-Zero Dreams

John Kerry and the Democrats call for net-zero emissions but seem not to realize their policies prevent an economically viable transition ("John Kerry Responds on Natural Gas's Future," Letters, April 26).

Mr. Kerry states that natural gas is a central component in cutting greenhouse-gas emissions, which makes one wonder why his colleagues are fighting off natural-gas pipelines. Similarly, he writes of stopping flaring without mentioning that it is occurring in the U.S. because the efforts of environmentalists and politicians have led to a lack of new pipelines.

A large portion of the "investment" Mr. Kerry says the gas industry in making to transition to net zero is because the government has either mandated the changes or given firms free money to make the changes. It is their fiduciary responsibility to take the money.

KEN DROPEK
Houston

If Mr. Kerry is so sure companies are willing to spend untold millions on the "net-zero transition" because it's in their interest, he should call for an end to the laws, regulations and subsidies, and call for lenders to resume loans to all energy companies. After all, none of that should be necessary because companies will spend those millions anyway. Alas, he won't, because the companies won't.

URS BRODERICK FURRER
Redding, Conn.

Mr. Kerry uses big numbers ("110 countries") to imply impact but say nothing of the real problems such as coal burning by China, India and Russia. He highlights semiproven or unproven technologies and implies they will be implemented at scale by 2035, which is virtually impossible. When can we have an honest discussion of a plan to reduce carbon emissions?

JEFF HEWITT
Houston

How a Hospital Thinks About Systemic Racism

Stanley Goldfarb mischaracterizes Brigham and Women's Hospital's role in attempting to dismantle systemic racism within healthcare ("Keep Politics Out of the Doctor's Office," op-ed, April 19). We at Brigham are proud of our efforts to alleviate health disparities. We are not moving toward preferential care for any group or situation, but rather the opposite: delivering equitable care for everyone in an inclusive environment.

For example, we have eliminated the use of a race modifier in the calculation of kidney function that had the potential to disadvantage black patients from receiving timely nephrology care or transplantation. We also work to stratify all safety events based on socioeconomic variables to address issues driving inequitable care.

The presence of longstanding health disparities isn't disputed. It was only highlighted by Covid-19 and the higher rates of infection and death among black, Latinx and indigenous populations. The combination of structural, systemic and implicit biases that we all carry is the root of many of the inequities in healthcare. Although physicians may have explicit biases, there is no evidence that they are any greater than those of the general population. Focusing on explicit bias alone ignores the structural contributors that can be addressed to mitigate disparities.

We are committed to dismantling structures and systems that perpetuate inequities that lead to differential health outcomes. Every physician should understand that quality

healthcare exists only with equitable access, care and outcomes for all patients regardless of race, ethnicity, language, disability and sexual or gender orientation.

SUNIL EAPPEN AND MALLIKA MENDU
Chief and assoc. chief medical officer
Brigham and Women's Hospital
Boston

The threat Dr. Goldfarb describes is no mere specter. Nephrology is under fire from the left for including race as a factor in the assessment of renal function. Large, cross-sectional studies assessing kidney function in relation to several variables repeatedly found strong correlations between self-identification as "black" and certain variations in normal kidney function. Their authors saw fit to include blackness in their standardized equations, now commonly used in the assessment of renal function.

Subsequent backlash from woke physicians, contending that race as a "social construct" ought not be considered in diagnosis, led to the re-evaluation of these equations. New studies demonstrate the tragic consequences of removing the "black" variable: inappropriate dosage of chemotherapeutics, rejection of potential kidney donors and exclusion from clinical trials. Paradoxically, the fight to remove race from the equation goes on, at cross-purposes with the well-being of the black community.

Rather than race, why don't we take ideology out of the equation?

SAM COX
New York

A Media Lesson in How Now to Judge a Judge

The unmasking judge, Kathryn Kimball Mizelle, "is taking abuse for being a 35-year-old Trump appointee" ("America's Unmasked Singers," Review & Outlook, April 20). I write as a 76-year-old retired lawyer and judge to remind the class that Justice Joseph Story, one of the two or three best ever on the Supreme Court, was appointed at 32. Youth is not disqualifying.

Sure, Story was nominated by President James Madison rather than President Donald Trump. But every judge is nominated by some president or other. How about President Millard Fillmore?

John A. Campbell, the only Supreme Court justice from my city, Mobile, Ala., was nominated and confirmed after three of Fillmore's nominees were not confirmed by Senate Democrats, who were waiting until President Franklin Pierce, a Democrat, took office. The Senate confirms a judge, not so much the president who nominated her.

DAVID A. BAGWELL
Point Clear, Ala.

Choice, Not Punishment, Is Way Forward in Prayer Case

Having given workshops about power and power dynamics, I understand the argument that students may feel pressured to join in on prayers with the coach in fear that they won't be put into the next game if they refuse to join ("Supreme Court Weighs Coach's School-Prayer Case," U.S. News, April 26).

I also believe that students, especially high-school students, are capable of thinking for themselves and making decisions on their own about whether to join the prayers. Instead of penalizing the coach and others like him, we should focus on empowering and educating our youth to stand firm in their beliefs and to exercise their freedom of choice.

EMILY PETER
Berkeley, Calif.

Give the Poor Kids a Break

In "How to Convey a Legacy So Rich" (Books, April 23), Meghan Cox Gurdon laments that the simplified retellings of Shakespeare will "risk shutting children off from the full flow of his genius." Really? I unscientifically estimate that 99% of high-schoolers enjoy nothing about their Shakespeare experience except for the blood, sex and random swear words that they encounter in the assigned text. Methinks the lady doth protest too much.

PATRICK MEEHAN
Bradenton, Fla.

No Quick Fix for Biden's Ills

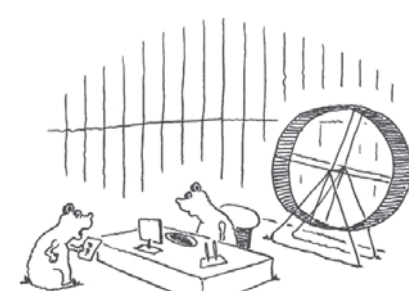
Regarding Peggy Noonan's column "Joe Biden Has a Presentation Problem" (Declarations, April 23): The president has a presentation problem only in Washington, New York and California. In the rest of the country, Mr. Biden has policy problems. You don't get to polling in the 30s—with a sympathetic media—without doing a lot very wrong. November can't get here fast enough.

JULIAN SPRATT
Melbourne, Fla.

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Pepper ... And Salt

THE WALL STREET JOURNAL



"I want to talk to you about these so-called travel expenses, Davis."

OPINION

Elon Musk Tweeted My Cartoon

By Colin Wright

I was out for a walk last Thursday when Elon Musk tweeted a political cartoon that I created in August 2021. It received hundreds of thousands of retweets and more than 1.5 million likes. The stick figure in the middle depicts me, a center-left liberal in 2008, and how the ground had shifted under my feet by 2012 and 2021.

At the outset, I stand happily beside “my fellow liberal,” who is slightly to my left. In 2012 he sprints to the left, dragging out the left end of the political spectrum

Commentators on the left set about debunking my ‘lived experience’ with charts and abstractions.

along and pulling the political “center” closer to me. By 2021 my fellow liberal is a “woke ‘progressive,’” so far to the left that I’m now right of center, even though I haven’t moved.

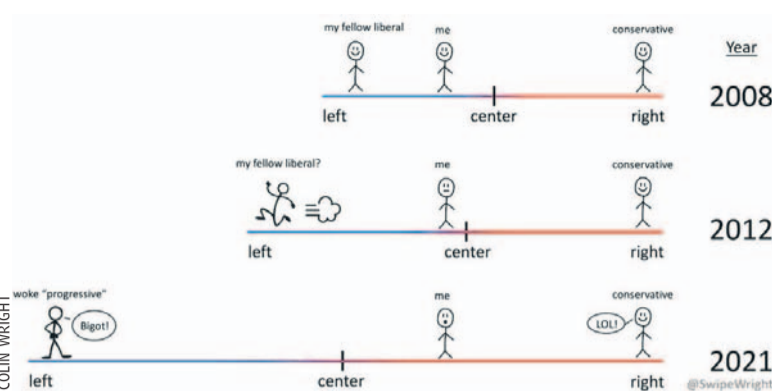
When my cartoon went viral, it resonated with many people—and caused dissonance in the left-wing media. The Washington Post’s Greg Sargent called it a “silly chart” that has been “brutally debunked.” His colleague Philip Bump described it as “simply wrong” and an “obvious

exaggeration.” Mr. Bump even provided a series of actual silly charts showing “the average ideological score (using a metric called DW-NOMINATE)” and “evaluations of ideology as measured in the biennial General Social Survey (GSS).”

Debunking a cartoon with a chart is like answering a love poem with a syllogism. Politics and culture, like most of human reality, can’t be reduced to data and abstractions without losing much of their essence. And self-styled progressives, who love to talk about the importance of “lived experience,” are awfully disdainful of their critics.

I created the cartoon to help sort out my feelings of increasing political alienation from the left. I’m a lifelong Democrat. I turned 18 in 2003 and have never voted for a Republican. But over the past decade, and especially the past five years, I’ve watched my party distance itself from the values and principles I hold dear.

People on the left once viewed free speech as sacrosanct and championed speaking truth to power. Now they disparage open expression as a danger to democracy and minorities. The aspiration of judging individuals by the content of their character rather than by the color of their skin has given way to identity politics and “equity” initiatives that prioritize group interests over individual rights. Women’s rights, previously understood as relating to their oppression on the basis of sex,



is now viewed by the left through the lens of gender identity, which gives priority to men who declare themselves to be women. Today’s progressive can’t even tell you what a woman is. The right may be inconsistent in its support of free speech, individual rights and women’s rights, but the left is consistent in its opposition to all three.

It is important to keep these shifts in mind when evaluating the “accuracy” of my cartoon, because the most common criticism is that it portrays the right as remaining stationary since 2008. A similar drawing depicting specific issues such as abortion, climate change or immigration might tell a different story. But with respect to the important cultural values I have in mind—free speech, individual rights and women’s rights—my cartoon is consistent with the lived experience of many liberals and centrists.

It’s also based on my own. I am an evolutionary biologist, and from 2008 to 2020 I worked to become a university professor. But while working as a postdoctoral fellow at Penn State in 2018, I found myself ostracized by scientific colleagues and people I thought were my close friends because I was unwilling to promote scientifically inaccurate claims about biology to avoid offending those who identify as transgender.

Suddenly, simple truths, supported by both science and common sense—such as “male and female are real biological categories defined by reproductive anatomy”—became taboo. For my great sin of stating plain biological facts and advocating for civil discourse, I endured relentless smears as “transphobic,” “far right,” even a “white supremacist.” Similar experiences have played out for millions

across the U.S. and abroad. I hope many on the left will resist the urge to debunk or dismiss my cartoon and instead use it as an opportunity to understand why so many people feel it describes their experience. Something has happened over the past decade to make many liberals feel politically homeless, and a lack of curiosity about why is a recipe for not only political failure but social strife. It contributes to our increasing inability to have reasonable, compassionate discussions on issues of great importance.

I am heartened to observe that among many of the loudest voices on social media, my cartoon has generated a tremendous amount of discussion. People have created and shared their own versions, which are both entertaining and educational. I encourage everyone to take the time to draw their own cartoons as a reminder that political parties aren’t static entities and that it’s best to ground yourself in lasting principles instead of a tribal red-vs.-blue mindset.

Individuals also change, and this is more often a healthy sign of growth and maturity than evidence of radicalization. So long as we remain curious and open to civil discourse, our differences become our strength.

Mr. Wright, an evolutionary biologist, is founding editor of Reality’s Last Stand.

Shut Up, the Disinformation Governance Board Explained



FREE EXPRESSION
By Gerard Baker

It’s always exciting for progressives when they create a new government office of something or other. They live for this: another excuse to spend piles of taxpayer dollars; another polysyllabic title and flashy logo; another opportunity to extend the long, comforting arm of the bureaucracy into the business of ordinary citizens who never knew how impoverished their lives were without it.

So there was a tangible buzz of excitement around Washington last week when the Department of Homeland Security proudly inaugurated the Disinformation Governance Board.

Other than its title and the identity of its executive director, there’s not much we know about this exciting-sounding new body. Its job, Secretary Alejandro Mayorkas told a congressional committee last week, is to tackle falsehoods that threaten the national security of the U.S. He

made it sound over the weekend as though it is all about preventing human traffickers and smugglers from misrepresenting themselves—all harmless enough.

But we also learned last week that it will be headed by Nina Jankowicz. Her Twitter feed makes her look like a cross between Madame Mao and Bette Midler—a mix of impeccably conformist left-wing views about politics and media misinformation—the Hunter Biden story was Russian disinformation, the Steele Dossier was all true, etc.—with excruciating political parodies of musical-theater numbers. Watching her videos is a little like being an audience member at a Christmas concert in a prisoner-of-war camp.

The institution she heads—let’s call it the DGB, which has a nice ring to it and is close enough alphabetically and in spirit to another three-initialed organization from another country that was tasked with enforcing the official version of the truth—is potentially a vehicle for all kinds of new rules to stop the left’s version of untruths emanating from media and tech firms.

But how might it work? Will it have investigative powers? Will it

be given its own enforcement resources? Is it going to solicit referrals from the public? Will operators be available around the clock to answer calls from concerned neighbors about violations of information protocols?

“Hello? Is that the DGB? I think the people next door are watching Fox News again.”

The only way to overcome lies is with truth, and the government can’t be the arbiter of what that is.

Ms. Jankowicz and her little corner of the proliferating bureaucracy sound so preposterous that they’re easy targets to mock. Mr. Mayorkas tried to clean up some of the mess, insisting free speech was safe.

But our progressive overlords are on the warpath against what they define as misinformation and disinformation, and it’s no laughing matter. You can see it in their hysterical reaction to Elon Musk’s planned acquisition of Twitter. When the site

banned various accounts and people on the right it was, we were told, simply a private company, with no special public obligations. Now the prospect of a wider range of voices on the platform is a dagger aimed at the heart of democracy and must be regulated.

“People are dying because of misinformation,” Barack Obama told a Silicon Valley audience last month. You may remember Mr. Obama. He’s been a tireless warrior for years in the twilight struggle for truth in politics. If you have a long enough memory you’ll recall that he was the president who gave a speech in 2009 to promote his signature healthcare measure, in which he attacked critics of the plan for their “scare tactics and fear-mongering.”

Summoning his famous oratorical skills at a crucial moment, he was as determined then as he is now to lay to rest all the misinformation his opponents were peddling: “No matter how we reform health care, we will keep this promise: If you like your doctor, you will be able to keep your doctor. Period.”

We don’t know how many people died because of that piece of misinformation—a whopper of such pro-

portions that even PolitiFact, the self-appointed arbiter of truth and lies, awarded it its coveted “Lie of the Year” title in 2013—five years after rating it “true”—by which time it had become clear that what critics had been saying about ObamaCare was in fact neither scare tactics nor fear-mongering but the truth.

It was certainly a consequential falsehood—one that in 2009-10 helped shore up what little popular support there was for ObamaCare and perhaps persuaded some doubtful Democrats to vote for it.

Yet, even as it was exposed, no one, as far as I recall, was saying the president should be prohibited from contributing to national discussions on a major tech platform.

You don’t promote truth by banning error. You don’t have a monopoly on truth in the first place, and you may discover your “truths” are errors or lies. Even if you’re right, and epistemically 100% certain, it doesn’t give you the authority to ban someone from saying something different.

The only proven effective way to counter bad information is with good information. The only way to overcome lies is with truth.

Meet the Belarusians Who Are Fighting Russia in Ukraine

By Jillian Kay Melchior

Warsaw

Pavel Kukhta fought against Russia in Ukraine’s Donbas region from 2016 to 2018. “I was quick-tempered and young, and my heightened sense of justice prompted me to join the war,” he says. But Mr. Kukhta isn’t Ukrainian—he’s from neighboring Belarus, whose government is Vladimir Putin’s closest ally.

Mr. Kukhta, 24, went nearly deaf in one ear when an explosion killed one of his comrades. “I regret nothing,” he says. He continues his fight against Russia from Warsaw, where he recruits Belarusians for the Ukrainian military. Since late February, he estimates he has helped send more than 200 Belarusians to Ukraine to fight Russia.

“These people are bleachers of the Belarusian conscience,” Mr. Kukhta says. President Aleksandr Lukashenko and Mr. Putin have formed “a synergy of evil in our country,” as he puts it. Belarus also provides a launching ground for Russian troops and missiles entering Ukraine. But the Belarusian people “absolutely don’t support this, and this is why we are joining this war,” Mr. Kukhta says.

Their decision reveals much about regional politics. Mr. Lukashenko has ruled as president since 1994, as the population grew restive. After 2020’s rigged election, people demonstrated en masse. Mr. Putin helped put a brutal end to the protests. That favor left Mr. Lukashenko as “Putin’s puppet,” and now, “his field of maneuver is very limited,” says Agnieszka Romaszewska-Guzy, director of the pro-democracy Belstat TV, which broadcasts from Poland to Belarus.

As the Russian military has faltered in Ukraine, Mr. Putin has pressured Belarus to join the war as an active combatant. Mr. Lukashenko so far has demurred, in what his critics call an act of self-preservation. If “troops were killed, that would be too much even for those intimidated and terrorized Belarusians,” Ms. Romaszewska-Guzy says. “I think soldiers would defect and surrender.” At home, there “may be protests,” especially if Western sanctions cause privation.

Belarusian dissidents and Ukrainians share a common enemy in Mr. Putin. The former hope “that the defeat of Russia will be crushing, which will weaken the assistance and support for Belarus,” says Evgeniy Mihasyuk,

27. He is part of the Kastus Kalinowski Battalion in Ukraine, named after the Belarusian national hero who helped lead an 1863 uprising against the Russian Empire.

So are Veranika Yanovich, 25, and her husband, Alexey Lazarev. Before they married, the couple fled Belarus in 2021 and were living in the western Ukrainian city of Lviv when Russia invaded. When they heard of an

Minsk is Moscow’s firmest ally, but these dissidents are putting their lives on the line against Putin.

opportunity to join the battalion, “we boarded the first train and went to Kyiv,” she says in a video interview with the Ukrainian capital.

“The motivation is very simple,” Ms. Yanovich continues. “Lukashenko is very dependent on Russia, and the death of dictatorship in Russia will mean the death of the dictatorial regime of Lukashenko.”

Ms. Yanovich oversees inventory, purchases and equipment for soldiers on combat missions. The man

she loves has gone to fight, and she’s prepared to join him on the battlefield if necessary: “I have undergone combat training,” she says. “Conscripts who serve in Belarus have not fired as many bullets in their entire service as I have fired recently. . . . I can even throw a grenade.”

In addition to enlisting together, the two Belarusians married in March: “We just thought, ‘Who is Putin to spoil our plans?’ ” Asked how she envisions their future, she says: “After this is all over, and when my friends [in Belarus] get out of prison, we’ll have a wedding. . . . If we decide to build a house, it will definitely have a very good bomb shelter.”

Ukraine tightly guards statistics about its military, including the number of Belarusians who’ve joined. The Kastus Kalinowski Battalion likewise doesn’t disclose its numbers, but it includes “hundreds” of Belarusians, says Sabina Aliyeva, a Belarusian journalist who volunteers to help the battalion with its public relations. Some members of the battalion participated in the fight in Bucha and Irpin.

It isn’t the only battalion in Ukraine composed largely of Belarusians. There are also “people who

would like to come from Belarus to help the guys in Ukraine, but we can’t help them now. Right now, it’s very hard to get out of Belarus,” says Aliaksandra Zhylyko of the Belarusian House in Warsaw, which supports Belarusian exiles and dissidents.

Tomasz Grzywaczewski, a Polish journalist who covered the 2020 Belarus protests, says the West missed a crucial chance to counter Russian expansionism when it withheld meaningful support from the Belarusian freedom movement. “It’s a great shame of the Western community—and by that, I mean all of us—that we left these people alone,” he says. “If the collective West had reacted in a different way, perhaps the situation would be different” in Ukraine today.

That opportunity is gone, but the West would be wise to learn from it, Mr. Grzywaczewski says: “Right now, we need to push Russia as much as we can. The policy of appeasement only leads to war.” And if Ukraine prevails against Russia, Mr. Lukashenko may wish he’d given up to peaceful protesters when he had the chance.

Ms. Melchior is a Journal editorial page writer.

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Notable & Quotable: Publicize or Perish

From “The Perils of Public Writing” by Elizabeth Corey, *National Affairs*, Spring 2022:

Almost all the students I advise about graduate school now find public writing more appealing than traditional scholarly work. In some sense, this is hardly surprising: Scholarly writing is both less widely noticed and more difficult to undertake than public writing. It requires in-depth research, attribution, and engagement with sources that may be obscure or difficult. . . .

A key peril of public writing, however, is that it tends to place the

writer at the center of the work. . . . Writing for the public may, and often does, evolve into writing to develop a platform for the promotion of oneself as a commodity. . . .

Today’s intellectual environment makes the slow, humble work required of true scholarship difficult. Instead of reflecting in leisure, we are constantly tempted to reply to comments, refute opponents, hurl snark, and commiserate with friends. We hope people are watching as we try to build a reputation; we dream of being called to weigh in on anything that falls within our purview. And, deny it though we do, we scan the

work of others to see if they have referenced us. There’s a pang of jealousy when someone else writes on “our” subject, or says something we would have liked to claim as our own. . . .

At its worst, scholarship can be pretentious, jargon-filled, unclear, or boring—or any combination thereof. And like public writing, it too can turn into a vehicle for self-promotion, for displaying one’s supposed brilliance and erudition. But at its best, scholarly work aspires to understanding and insight that transcend our daily concerns. It is thus at odds with the requirements of public writing.

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THE WALL STREET JOURNAL.

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Bond Yield Reaches 3% Milepost

Benchmark hits level for first time since 2018 ahead of Fed meeting this week

By SAM GOLDFARB AND HEATHER GILLERS

The worst bond rout in decades hit a milestone Monday, with the yield on the 10-year Treasury reaching 3% for the first time since late 2018.

The yield on the benchmark 10-year Treasury note, which rises when bond prices fall, surged at the start of U.S. trading and reached as high as 3.008% in the afternoon as traders braced for the outcome of this week's Federal Reserve meeting. It then fell just a bit

below 3% to settle at 2.995%, according to Tradeweb, up from 2.885% Friday.

A reference for borrowing costs on everything from mortgages to student loans, the yield last closed above 3% in November 2018 and has jumped from 1.496% at the end of last year.

Prices for Treasuries, corporate bonds and municipal debt have slumped this year in response to the Fed's moves to raise interest rates to rein in inflation. The Bloomberg U.S. Aggregate bond index—largely U.S. Treasuries, highly rated corporate bonds and mortgage-backed securities—returned minus 9.5% this year as of April 29.

"It's been a pretty bruising couple of months," said Nick Hayes, head of total return and

fixed income asset allocation at AXA Investment Managers.

Yields on Treasuries largely reflect investors' expectations for short-term interest rates over the life of a bond. Rising yields are often associated with a strengthening economy because faster growth and a tighter labor market can lead central banks to crack down on inflation.

In this case, the labor market is extremely tight and inflation is running at its fastest pace in decades, prompting the Federal Reserve to signal a rapid series of interest-rate increases and sparking a steep climb in yields that has sent shock waves through markets.

Investors are unlikely to get much relief until inflation concerns abate, a wild card when

Covid-19 outbreaks in Asia are pressuring global supply chains and the war in Ukraine is driving up commodity prices, said Zachary Griffiths, senior macro strategist at Wells Fargo.

"There's a lot of uncertainty with respect to inflation, monetary policy, geopolitics," Mr. Griffiths said. "Even as the Fed has signaled they are going to tighten significantly, it hasn't really seemed to bring down inflation expectations yet, not durably."

Fed officials increased interest rates by a quarter-percentage-point in March. The Fed's latest policy-meeting minutes suggest the central bank could raise rates by a half-percentage point on Wednesday and begin reducing its \$9 trillion asset portfolio. That may have sur-

prised some in the market who expected a less aggressive pace, Mr. Griffiths said.

Ten-year Treasury yields were well above 3% for most of the past half-century, exceeding 15% in the 1980s, according to Ryan ALM & Tradeweb ICE. But in the past decade they have ended the day above 3% only 64 times, reflecting a period that until recently was marked by sluggish growth and inflation.

While bond yields remain low historically, they still represent a remarkable turnaround from the early days of the Covid-19 pandemic, when the 10-year yield dropped as low as 0.5%.

Investors then saw little reason to worry about interest-

Spirit Rejects Takeover Bid From JetBlue

By ALISON SIDER

Spirit Airlines Inc. rebuffed a \$3.6 billion cash takeover bid from JetBlue Airways Corp., saying a deal likely can't be completed, and it is sticking with plans to merge with rival budget carrier Frontier Group Holdings Inc.

JetBlue's offer for Spirit came with a higher price tag than Frontier's cash-and-stock offer, which was originally valued at \$2.9 billion. Spirit's board said it believed there was too much risk that regulators would bar a merger with JetBlue, even after JetBlue pledged to shed assets to win regulatory approval and to pay a \$200 million breakup fee if it was unable to complete the proposed acquisition for antitrust reasons.

"After a thorough review and extensive dialogue with JetBlue, the Board determined that the JetBlue proposal involves an unacceptable level of

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Consumer Staples Take Their Turn In the Limelight

By KAREN LANGLEY

Investors are rediscovering the charms of boring stocks.

Anxieties over the Federal Reserve's plans to tame inflation by raising interest rates have buffeted the stock market, sending the S&P 500 down 13% this year and 8.8% in April alone. Technology stocks have faced particularly intense pressure, leaving the Nasdaq Composite off 21% for the year and 13% for the month.

Instead, investors appear to be turning their focus to companies offering everyday necessities—a preference that has been amplified as many such companies post strong quarterly results. The consumer-staples group was the sole S&P 500 sector in the green for April, with a gain of 2.4%. The segment fell 1.3% Monday as tech stocks advanced for the day.

Almost 90% of the staples companies that have reported this season through midday Monday have logged profits above analysts' estimates, according to FactSet. Across industries in the index as a whole, that figure sat at almost 80%.

Coca-Cola Co., Hershey Co., Kraft Heinz Co., Procter & Gamble Co. and Kimberly-Clark Corp. all reported

stronger-than-expected earnings and saw their shares rise at least 4% in April.

"The boring, slow-growth, high-quality companies are doing well," said Louise Goudy Willmering, a partner at wealth-management firm Crewe Advisors. "Those kinds of things which were not as appealing and sexy in the tech bonanza of the pandemic have been continuing to grow."

Investors this week will scrutinize earnings reports from companies including Molson Coors Beverage Co., Pfizer Inc., Starbucks Corp. and eBay Inc. They also will watch the Federal Reserve's meeting, where central-bank officials are expected to raise their benchmark interest rate by half a percentage point, and the monthly jobs report for clues about the strength of the labor market.

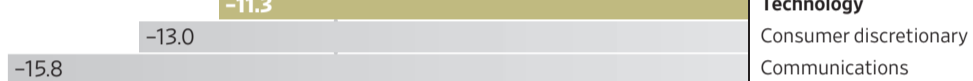
One of the top-performing stocks in the S&P 500 last week was paint maker Sherwin-Williams Co., whose shares rose 9.4% in a single session after the company beat earnings expectations. Also on the leaderboard was sanitation company Waste Management Inc., whose shares also climbed after a

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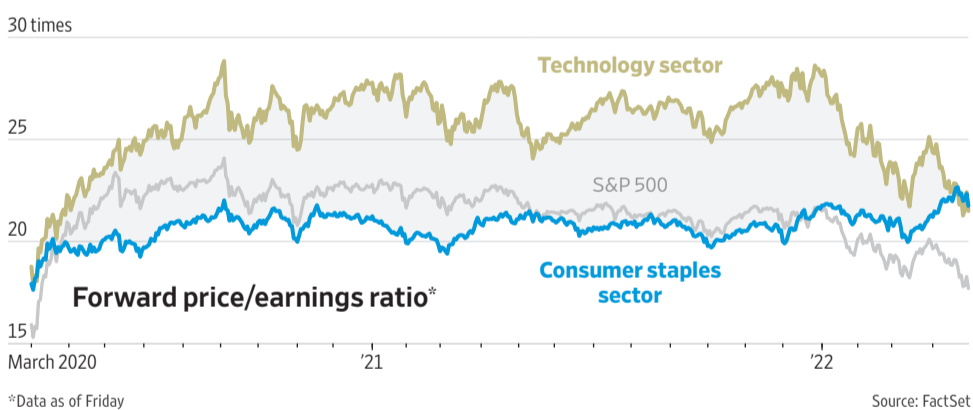
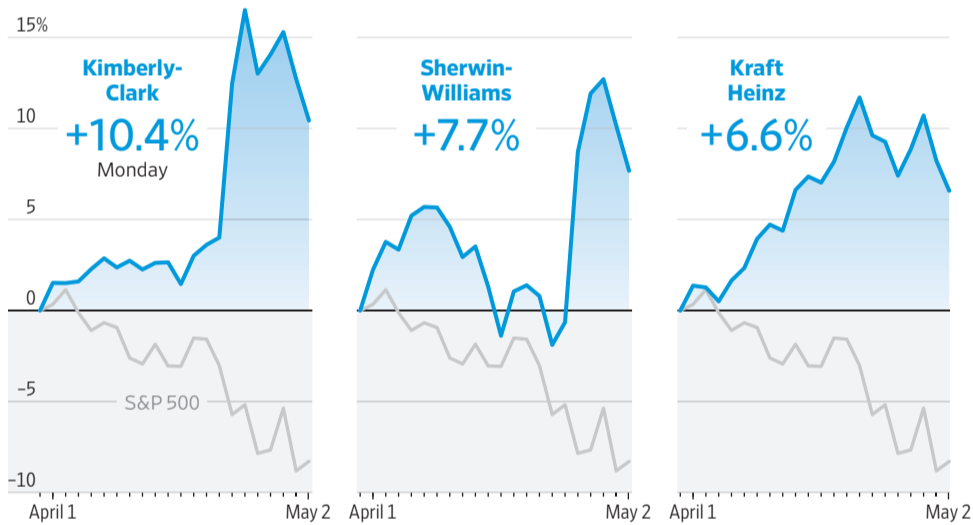
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Last month's selloff pushed investors into defensive stocks.

S&P 500 sector performance in April



Share-price and index performance since the end of March



*Data as of Friday

Source: FactSet

Starbucks Union Battle Intensifies

By HEATHER HADDON

The fight between Starbucks Corp. and workers looking to unionize its U.S. cafes is escalating in the month since Chief Executive Howard Schultz retook the helm.

The Starbucks Workers United union of baristas has filed dozens of complaints accusing the company of firing workers seeking to organize and impeding unionization efforts. Since Mr. Schultz took over, the company has filed its own complaints, accusing union organizers of bullying

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Cost Overruns Stymie Waldorf Condo Plan

By CRAIG KARMIN AND KATE KING

New York's famed Waldorf Astoria hotel is struggling to complete its plan for converting hundreds of guest rooms into luxury residences, a process that is shaping up as one of the largest, most intricate and priciest condo conversion and hotel rebuild projects undertaken.

China's Anbang Insurance Group Co. bought the Park Avenue hotel for a record sales price of \$1.95 billion in 2015, that vowing to deliver some of the most luxurious and exclusive residences in the city. In 2017,

Anbang closed the more than 1,400-room property to begin a four-year transformation of the landmark building into a smaller hotel and condominiums.

Now, five years later, the project still isn't completed and could well continue into 2024, according to people familiar with the matter. Conversion costs have also ballooned and are expected to top \$2 billion, or as much as a quarter higher than the initial internal estimates, these people said. That would put the combined acquisition and conversion costs at

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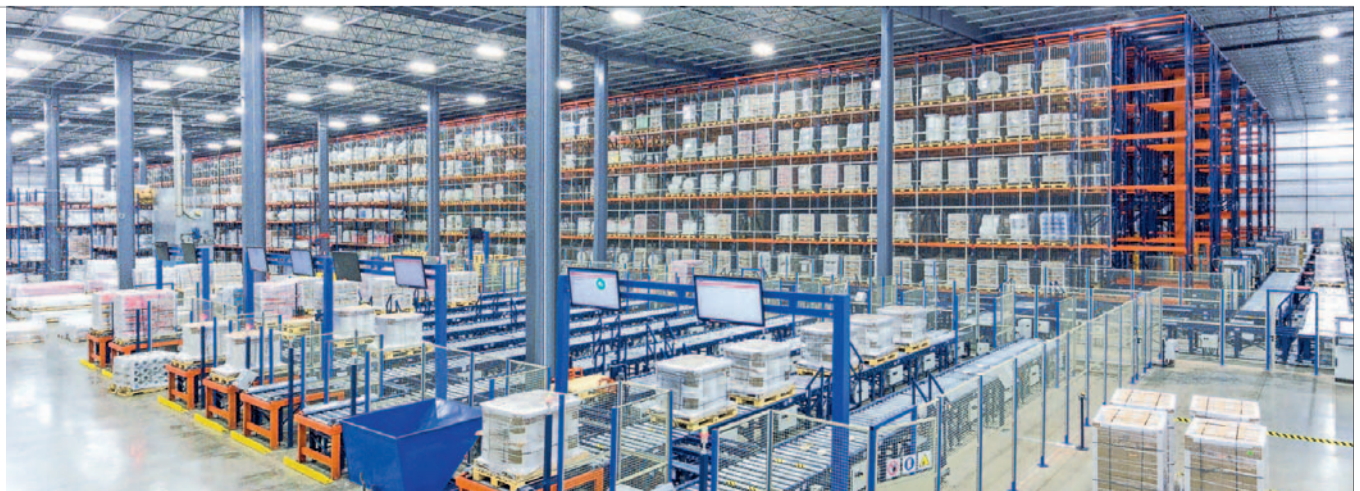


The hotel is a designated landmark that has to follow certain preservation rules that have complicated the demolition process.

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High Costs Stymie Waldorf

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more than \$4 billion. The pandemic, global supply-chain issues and rising material and other costs have slowed major construction projects throughout New York City. But the Waldorf had some unique issues that also contributed to delays and cost increases. That includes complexities related to demolishing rooms and rebuilding the nearly century-old hotel, which as a designated landmark building has to follow certain preservation rules throughout the process.

The Chinese government also effectively took control of Anbang in 2018 after its chairman, Wu Xiaohui, was found guilty of financial crimes related to fraud and abuse of power and sentenced to 18 years in prison. A rotating cast of other Anbang executives tried to redesign the project or change strategy while Mr. Wu was detained, and progress stagnated, say people familiar with the matter.

The latest casualty of the cost overruns was the chief executive of the U.S. subsidiary of **Dajia Insurance Group Co.**, which has taken control of the Waldorf property and other Anbang assets.

The American CEO, Andrew Miller, left the firm last week and no successor has been named, people familiar with the matter said. Executives at the Chinese parent company and the American CEO were at odds over the cause and magnitude of the cost overruns, say people familiar with the matter.

The Waldorf's historic significance and rich past have generated a lot of curiosity about the property's future. The art deco building was one of the largest luxury hotels in the world when it opened in 1931. By the time it was sold to Anbang in 2015, every president since Herbert Hoover had stayed there.

The Waldorf has also been a New York City home to celebrities from Gen. Douglas MacArthur to Frank Sinatra and Marilyn Monroe. The Duke of Windsor stayed there after he abdicated his throne to marry American socialite Wallis Simpson. Hotelier Conrad Hilton, who acquired control of the

property in 1949, once scribbled on a photo of the hotel that it was "The Greatest Of Them All."

More recently, the hotel has struggled to live up to its legendary history, and some guests and hoteliers said an upgrade was long overdue. When the property reopens, it will feature 375 guest rooms and 375 residences. Prices start at \$1.8 million for a studio apartment and soar to tens of millions of dollars for a penthouse. Residents will have separate entrances and amenities from hotel guests, including a 82 foot Starlight Pool overlooking Park Avenue.

Luxury real-estate agent Donna Olshan, whose firm Olshan Realty Inc. publishes a weekly report on luxury Manhattan residential transactions, said the Waldorf hasn't reported any sales to her. Sales might be challenged by a lack of foreign buyers, who have yet to return to the city in large numbers since the pandemic, she said.

"Now we don't just have Covid, which people have gotten used to, we have war. Inflation. Rising interest rates. And China is all upside down," Ms. Olshan said. "When you put that cocktail together, that can be daunting for a developer."

Douglas Elliman, the real-estate broker marketing the condos, said in March that agents representing buyers could collect their commission once a contract was signed. Typically, brokers receive their commissions when a sale closes. That move was meant to provide an incentive to buyer brokers who may have been put off by having to wait for the project's completion, say people familiar with the matter.

Dan Tubb, who oversees residential sales at the Waldorf, declined to offer specific figures. But he said that April was "probably the busiest month we've had." The 3% commission upon contract signing boosted broker traffic by about six times over the monthly average and doubled sales appointments compared with March, resulting in "numerous signed contracts," he added.

Kemdi Anosike, a broker with Coldwell Banker Warburg, has an accepted offer for his foreign client and is hoping to sign the contract by the end of this week. "The location is great," he said. "I think what a lot of people are buying in the Waldorf is nostalgia and what the name represents: luxury and what New York was known for back in the day."



An artist's rendering of the Waldorf Astoria's Grand Salon

BUSINESS & FINANCE

N.Y. Amazon Workers Reject Union

By Sebastian Herrera and Allison Prang

Amazon.com Inc. workers voted against unionizing at a facility in Staten Island, New York, a win for the company after a loss at another warehouse in the borough last month.

The National Labor Relations Board said 62% of workers who cast valid ballots from a site named LDJ5 voted not to form a union. The count was 618 to 380 against unionization, the NLRB said. The results Monday dealt a blow to organizers who hoped to build on their success from an April election, where workers at a warehouse named JFK8, Amazon's largest in Staten Island, voted to establish the first U.S. union in the e-commerce giant.

An Amazon spokeswoman said the company is "glad that our team at LDJ5 were able to have their voices heard. We look forward to continuing to work directly together as we strive to make every day better for our employees."

A lawyer who has represented Amazon Labor Union, the fledgling group behind the effort to unionize Amazon facilities in New York and elsewhere, said the union was weighing whether to file objections against Amazon related to the vote, and that organizing efforts would continue at LDJ5 and elsewhere. Organizers at Amazon Labor Union had said they viewed the LDJ5 election as an important next step in their push to unionize other company warehouse locations.

Labor researchers have said if enough facilities unionize, it could push Amazon to alter policies related to pay, benefits and working conditions. Ama-



Staten Island Amazon employee Esther Jackson, left, said she is satisfied with company benefits.

zon is contesting the first Staten Island vote and has said unions could slow down its ability to be nimble and efficiently make changes that benefit workers.

Unionizing more locations will be a challenge, labor experts say. In April, for example, a union group not associated with Amazon Labor Union won the right to hold an election at an Amazon facility in New Jersey before abruptly withdrawing its petition.

Some workers at LDJ5 said they didn't support the union because they were satisfied with their pay and benefits. Esther Jackson, a 50-year-old LDJ5 worker, said Amazon's benefits, which include 401(k) and healthcare options, have been the best she has ever had. Ms. Jackson said she is grateful for Amazon, which hired her last year despite a criminal background.

"Amazon is my livelihood right now because of my background," she said.

Other employees said the union may be overpromising what it can do for workers. Kimlee Torres, a 49-year-old employee, said while the union push may have been a "wake up call" for Amazon, the job is reasonable for the pay and benefits workers receive.

"We don't need it at this facility," she said of the union. Amazon has more than 1,000 warehouse locations in the U.S. So far, votes have been held in the past year in three locations—the two in Staten Island facilities and another one in Bessemer, Ala.

While overall union membership has been on a decline in the U.S., Amazon activists have continued to seek opportunities for expansion such as at Starbucks Corp., where organizers have unionized at var-

ious locations throughout the country.

Yet unlike at Starbucks, the Amazon warehouses can employ thousands of people. The Amazon facilities also tend to have relatively high turnover, both factors that affect worker organizing efforts, according to labor experts.

Workers at other major companies are mobilizing to seek changes in their workplaces. Apple Inc. employees in April started their own push to unionize, with some organizers saying they were inspired by the success at Amazon, Starbucks, Verizon Communications Inc. and outdoor retail chain Recreational Equipment Inc. and others. The efforts have come as Apple and other major corporate forces saw profits surge during the Covid-19 pandemic while inflation in the U.S. has risen to historic levels.

Labor Battle Intensifies

Continued from page B1 and intimidating workers and customers at some stores as part of their campaign to unionize more cafes.

Mr. Schultz, who returned to Starbucks as interim chief executive on April 4, has called the union a vocal minority trying to drive a wedge between the company and its workers.

Starbucks Workers United members have said that Mr. Schultz is acting disrespectfully to workers in referring to them as an outside influence trying to disrupt the company. Organizers said that they are themselves Starbucks workers who want to make the company better.

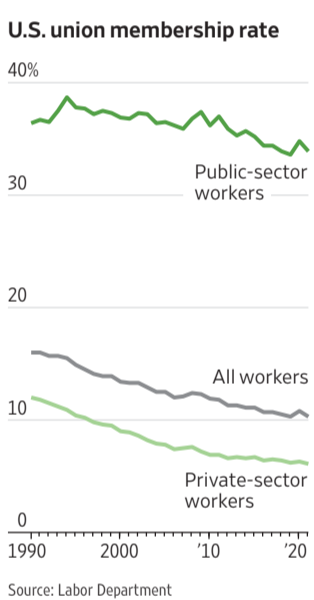
"Workers are being honest. We are telling you what we need," said Tyler Daguerra, a Boston-area barista and Massachusetts organizing committee member.

Starbucks, the world's biggest coffee chain by sales, is dealing with a unionization effort that—while still small compared with the company's overall workforce—has gathered momentum since baristas voted to form the initial Starbucks Workers United union at stores in Buffalo, N.Y., last December.

About 240 of Starbucks's 9,000 U.S. corporate stores have filed to unionize. Workers United, an affiliate of the Service Employees International Union, is supporting Starbucks Workers United in organizing.

Starbucks workers backing the unionization efforts have said that organizing is the most effective way to press Starbucks for better pay and benefits, more staffing and a direct line into the company. Of 48 store elections held so far, Starbucks Workers United has won 42 and lost four, with two others hung up in challenges, the National Labor Relations Board said last week. The NLRB said it has scheduled more than 100 union elections at Starbucks stores in coming weeks.

Starbucks is one front in an expanding national push by unions to make inroads at consumer companies. Workers at Amazon.com Inc., Verizon Communications Inc. and Recreational Equipment Inc. have unionized locations this year. Apple Inc. workers at a handful of locations have also peti-



Source: Labor Department

tioned to unionize. Union membership remains low among private-sector workers. Roughly 6.1% of private-sector workers were union members last year, down from 6.3% in 2020 and 16.8% in 1983, according to the Labor Department. The union membership rate among public-sector workers in 2021 was 33.9%.

Mr. Schultz has said that the company is developing new benefits for workers, though these may not necessarily go to unionized employees. Starbucks is starting to negotiate terms with workforces that have unionized. Mr. Schultz is expected to provide some details of those plans on Tuesday when Starbucks is scheduled to report its quarterly results.

Some Starbucks workers have since aired concerns on online forums about possibly losing the benefits they currently have if their stores unionize.

A Starbucks spokesman said that collective bargaining involves lots of variables and nobody can predict the outcome.

The battle increasingly is playing out at the NLRB, which rules on allegations that workers or a company have violated the National Labor Relations Act.

Since Mr. Schultz's return, Starbucks has filed charges of unfair labor practices against the Starbucks Workers United union, accusing organizers of bullying and harassment. AJ Jones, Starbucks's senior vice president of public affairs, said the company was responding to complaints and transfer requests from employees who said they are uncomfortable with union organizing.

"It is hard to maintain the culture," Mr. Jones said, "when you have a situation where there is this kind of ag-

gressiveness to unionize." Starbucks Workers United separately has filed dozens of charges of its own against the company, accusing Starbucks of firing workers in retaliation for organizing and other moves the union has said are meant to impede unionization efforts.

The NLRB has logged more than 100 labor-practice complaints connected to Starbucks since Jan. 1, the most of any single corporate employer this year, federal records show.

In its initial rulings, the NLRB has sided with the union. The agency issued a complaint against Starbucks last month for what it described as the unlawful firing of seven employees in Memphis, Tenn., who were seeking to unionize.

The agency also sued Starbucks in federal court last month to seek the reinstatement of three Phoenix workers it alleges Starbucks unlawfully retaliated against in response to unionizing activities. A Starbucks spokesman said the

company is weighing its legal options and disagrees with the claims.

Starbucks's Mr. Jones said that the company is enforcing longstanding employee policies, which apply to workers who are organizing. He said the company is filing its own claims of unfair labor practice in response to worker complaints about alleged bullying.

In an internal video from last month, one Starbucks store manager in Phoenix described pro-union workers yelling at other employees who don't support organizing, and blocking cars in the drive-through to solicit support while encouraging them to patronize competitors.

Mr. Daguerra, the Boston barista, said morale has improved in his store since it won its union election, including among employees who weren't ardent supporters of the effort.

"It's revitalized a lot of people. It brings hope," he said about the union effort.

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BUSINESS NEWS

Truepill To Stop Providing Adderall

By ROLFE WINKLER

Online pharmacy company Truepill Inc. said it is temporarily halting prescriptions for Adderall and other controlled substances used to treat attention-deficit hyperactivity disorder, and partner Cerebral Inc. told its clinicians to direct those orders to patients' local pharmacies.

Cerebral, an online mental-health company based in San Francisco that describes Truepill as its preferred pharmacy, informed its clinicians of Truepill's decision in a Friday email viewed by The Wall Street Journal. The email said Truepill would no longer support mailing Schedule 2 controlled substances, including Adderall and Vyvanse, "to any of their customers."

Truepill said that, "out of an abundance of caution," it is temporarily pausing all fulfillment of Schedule 2 substances while it evaluates appropriate next steps. It said Schedule 2 substances such as Adderall make up less than 1% of its total prescription volume. Truepill didn't provide a list of other partners affected by its decision.

Some of the nation's largest pharmacies have blocked or delayed prescriptions over the past year from clinicians working for telehealth startups that

Some pharmacies have blocked online prescriptions for treating ADHD.

have sprung up to treat ADHD, pharmacies and people familiar with the issue said.

The Journal reported last week that pharmacies including Walmart Inc., CVS Health Corp. and Walgreens Boots Alliance Inc. have blocked or delayed prescriptions for companies treating ADHD online or have blocked individual prescribers, people familiar with the issue said.

Walmart confirmed it has blocked some prescribers and some prescriptions. A spokesman for Walgreens outlined the company's prescribing practices but wouldn't discuss the decision to block prescriptions. A CVS spokesman said its controlled-substance compliance group interviews clinicians it flags for potentially excessive prescribing practices.

Truepill is going further by stopping indefinitely all prescriptions of Adderall and other Schedule 2 controlled substances.

Cerebral said in the email to clinicians on Friday that Truepill would continue filling other prescriptions, including for Schedule 3 through 5 controlled substances that the federal government designates as having lower potential for abuse.

The government classifies Schedule 2 substances as drugs "with a high potential for abuse, with use potentially leading to severe psychological or physical dependence." Other Schedule 2 substances include OxyContin and Vicodin.

At the same time, stimulants such as Adderall can have significant benefits for people properly diagnosed with ADHD, psychiatrists say.

Cerebral said it is working with Truepill "to ensure a smooth transition for impacted clients and prevent a disruption in the client's prescribed, evidence-backed course of treatment." It said Truepill's action affects less than 2% of its total prescriptions.

Some nurse practitioners at Cerebral say they have felt pressured to prescribe stimulants like Adderall, and say the companies' 30-minute evaluations aren't long enough to properly diagnose ADHD, the Journal reported in March.

"We do not pressure our clinicians and have not disciplined, reprimanded or dismissed a clinician for not prescribing medications," Cerebral said. "We have a multi-step approach to assessing our clients and provide our clinicians with the support to make the best decisions on behalf of their patients."

MGM Seeks Swedish Betting Firm

Casino operator offers \$607 million for LeoVegas in bid to expand online reach

By KATHERINE SAYRE

MGM Resorts International is seeking to expand its online business internationally, saying it has made an offer to acquire a European mobile gambling operator for \$607 million.

LeoVegas AB, which is listed on the Nasdaq Stockholm exchange, offers online casino and sports-betting products in several countries in Europe. The deal, if approved, would expand the Las Vegas-based casino operator's online reach. In the U.S., MGM operates the BetMGM online betting brand in a joint venture with British gambling company Entain PLC.

"Our success with BetMGM in the United States gives us more conviction than ever about the potential for digital gaming and our ability to grow share on the exciting new marketplace," MGM Chief Executive Bill Hornbuckle said Monday on a call with Wall Street analysts.

LeoVegas's board said in a statement Monday that it is



In the U.S., MGM operates the BetMGM online betting brand in a joint venture with British gambling company Entain PLC.

recommending that shareholders accept the offer. The acceptance period for the offer begins on or around June 3 and ends on or around Aug. 30, the company said.

MGM Resorts reported \$2.9 billion in net revenue for the three months ended March 30,

up 73% from \$1.6 billion a year earlier, as the casino industry recovers after Covid-19 pandemic closures. The results also benefited from MGM's deal to take full ownership of the operations of the Aria and Vdara properties on the Las Vegas Strip last year, the com-

pany said. The company reported a net loss of nearly \$35 million for the quarter, compared with a net loss of about \$336 million a year earlier.

MGM attempted an international expansion last year with a bid to acquire Entain. The company rejected MGM's pro-

posal, saying the offer of £8.09 billion, or about \$11 billion, wasn't enough.

MGM operates casinos in the U.S. and in Macau, the Chinese gambling hub. It also is pursuing development of a \$9 billion casino-resort in Osaka, Japan.

Activist Investor Ancora Has 1% Hasbro Stake

By LAURA COOPER

An activist investor has a stake in **Hasbro Inc.** and is supporting another activist already waging a proxy fight at the toy maker while it pushes the company to make further changes.

Ancora Holdings Inc. has a roughly 1% stake in Hasbro and wants it to explore a full or partial sale of **Entertainment One**, its unit focused on creating television shows and other content, according to a letter the activist sent to the company's board that was viewed by The

Wall Street Journal. It also wants the company to replace longstanding directors on its board.

Pawtucket, R.I.-based Hasbro has a market value of roughly \$12.5 billion and sells brands including Play-Doh and Monopoly. While it received a boost in the early days of the pandemic as lockdowns spurred parents to spend on toys, its shares are trading below where they were five years ago.

Ancora joins **Alta Fox Capital Management LLC**, a little-known activist that in February

unveiled a 2.5% stake in Hasbro and nominated five directors to the company's board. Alta Fox urged the company to explore a spinoff of its fast-growing Wizards of the Coast gaming unit, which includes games like Dungeons & Dragons. It also criticized the company's roughly \$4 billion 2019 purchase of Entertainment One, which is known for the children's show "Peppa Pig."

Ancora said in its letter Hasbro should replace longstanding directors with Alta Fox's nominees. The activist also said Has-

bro should review options for Entertainment One because it doesn't fit well with the rest of the business and proceeds from a sale could be reinvested elsewhere. Ancora also said Hasbro should continually consider alternatives for the Wizards of the Coast unit, which it believes the market is overlooking.

Hasbro in early April rejected Alta Fox's calls to spin off Wizards of the Coast, concluding that doing so would diminish benefits the division gets from the company's long-standing strategy, which focuses on tell-

ing stories around its brands. It also added two directors to its board, an executive from chat app-company Discord Inc. and a former executive of gaming company **Electronic Arts Inc.** Chris Cocks took over as Hasbro chief executive in February following the death of longtime CEO Brian Goldner last year.

Hasbro said that Alta Fox's campaign began shortly after Mr. Goldner's death and "is a distraction at a time when our new CEO should be given a chance to focus solely on our business."



Union members outside a CNH plant in Iowa.

UAW Walks Off Job At CNH Industrial

By BOB TITTA

Workers at **CNH Industrial NV** walked off their jobs Monday for the first time in nearly 20 years after their union and the farm and construction equipment manufacturer failed to reach an agreement on a new contract.

The United Auto Workers-represented employees' contract with CNH, which is based in London, expired early Sunday, but the two sides kept negotiations going through Sunday and into Monday morning. The union said it broke off the talks Monday afternoon and instructed workers to leave their jobs.

Neither the union nor the company provided specifics about the terms under discussion.

"CNH Industrial is disappointed that the parties were unable to reach an agreement," the company said in a written statement. "We remain committed to reaching an agreement, and we are working to resolve this issue."

"Our members at CNH strike for the ability to earn a decent living, retire with dignity and establish fair work rules," said Chuck Browning, director of the UAW's agricultural implement department.

The strike at CNH involves about 1,100 workers at the company's plants in Racine,

Wis., where its farm tractors are built, and Burlington, Iowa, where construction machinery is assembled.

The action is the latest in a series of strikes at large U.S. companies where unions have pushed for higher wages and better benefits amid rising inflation, a tight labor market and rising corporate profits.

In March, more than 500 California refinery workers went on strike at Chevron Corp. following a contract negotiation stalemate. Manufacturing workers at Kellogg Co. and Volvo last year went on strike, seeking higher pay.

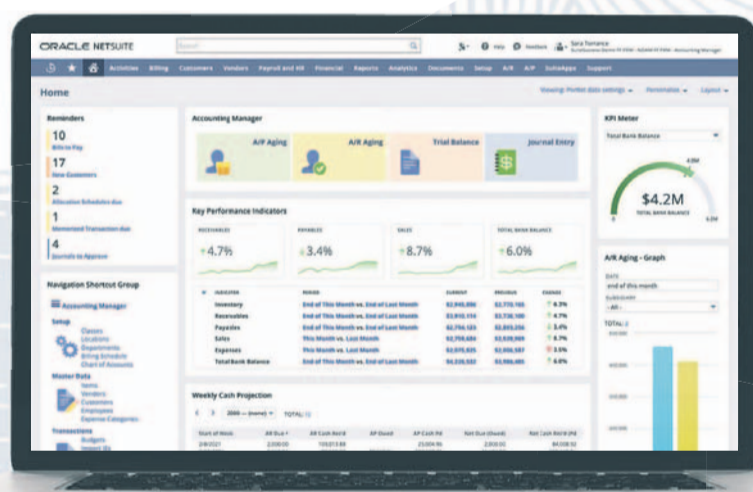
CNH, brands of which include CaseIH and New Holland farm machinery and Case construction equipment, is a competitor for Deere & Co., where 10,000 UAW members walked off their jobs last fall for more than a month before approving a new six-year contract.

After approving the contract in November, Deere workers received an immediate 10% raise and each worker received an \$8,500 bonus. Additional 5% pay raises will be provided to Deere workers in two other years, and lump-sum bonuses amounting to 3% of workers' annual pay will be awarded in the three other years.

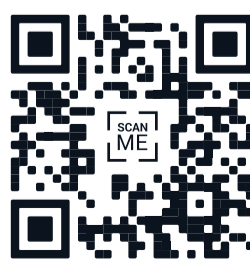
The auto workers union's strike against CNH is the first at the company since late 2004, the company said.

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TECHNOLOGY

Grindr User Data Was Offered for Sale

Ad network's tracking information at times contained enough clues to pinpoint individuals

By BYRON TAU AND GEORGIA WELLS

The precise movements of millions of users of the gay-dating app Grindr were collected from a digital advertising network and made available for sale, according to people familiar with the matter.

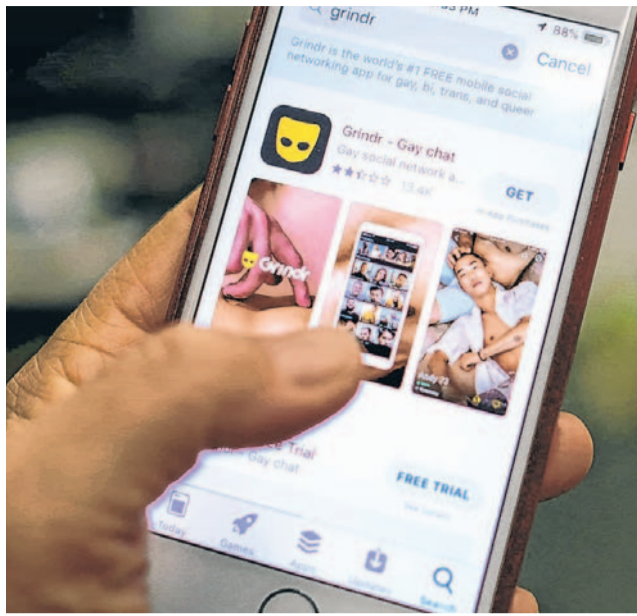
The information was available for sale since at least 2017, and historical data may still be obtainable, the people said. Grindr two years ago cut off the flow of location data to any ad networks, ending the possibility of such data collection today, the company said.

The commercial availability of the personal information, which hasn't been previously reported, illustrates the thriving market for at-times intimate details about users that can be harvested from mobile devices. A U.S. Catholic official last year was outed as a Grindr user in a high-profile incident that involved analysis of similar data.

National-security officials have also indicated concern about the issue: The Grindr data were used as part of a demonstration for various U.S. government agencies about the intelligence risks from commercially available information, according to a person who was involved in the presentation.

Clients of a mobile-advertising company have for years been able to purchase bulk phone-movement data that included many Grindr users, said people familiar with the matter.

The data didn't contain personal information such as



CHRIS DELMAS/AGENCE FRANCE PRESSE/GETTY IMAGES

Most users on the dating app choose to share their location.

names or phone numbers. But the Grindr data were in some cases detailed enough to infer things like romantic encounters based on their device's proximity to one another, as well as to identify clues to people's identities such as their workplaces and home addresses based on their patterns, hab-

its and routines, people familiar with the data said.

"Since early 2020, Grindr has shared less information with ad partners than any of the big tech platforms and most of our competitors," said Patrick Lenihan, a spokesman for Grindr.

He said the company pays a price for reducing the data

shared, including lesser ad quality for users and lower revenue. Mr. Lenihan added: "The activities that have been described would not be possible with Grindr's current privacy practices, which we've had in place for two years."

Location-tracking data has increasingly been used for reasons beyond its intended purpose. Researchers earlier this year spotted signs of the Russian invasion into Ukraine before it was publicly known by watching Google Maps features that were designed to show traffic delays. Google later disabled those features to avoid them being abused in ways that could affect the safety of those on the ground.

Grindr in 2019 said it was the world's largest social-networking app for gay, bi, trans and queer people, with "millions of daily users who use our location-based technology in almost every country in every corner of the planet."

When the company originally began sharing location data of its users with the ad networks, the company's executives believed the data didn't pose these kinds of privacy risks, according to a former

senior employee. At the time, advertising-industry executives had told Grindr that hyperlocal ads for establishments just down the street from their users were going to reshape marketing budgets, the former employee said.

The idea was that through what are known as real-time ad exchanges, users would be served targeted messages about the nearest restaurants, bars or hotels.

The way real-time bidding works is that every time a smartphone user opens an app or website that has available ad space, the device shares data about the phone with an ad network to help micro-target ads. That data can include the precise geographic location of the phone, if the user has granted an app permission to know it, as well as demographic data about the owner and detailed logs about the phone's status.

Most users choose to share location with Grindr in order to be connected with other nearby users. That functionality is what made it attractive as an app when it was founded in 2009.

In a computerized process that plays out in milliseconds, advertisers bid on serving an ad, and the highest bidder wins. Consumers are largely unaware that the process occurs on their devices every time they load an app or webpage or how much data is shared with third parties.

Most apps participate in real-time ad exchanges that expose their details to hundreds or thousands of unknown parties. However, Grindr and other apps that are built to encourage users to share their location generate particularly specific data sets that can be used to reconstruct data about individual users.

Being gay remains a crime

in a number of countries around the world and such data sets could put people in danger of prosecution and punishment, with the penalty in some countries being death. Grindr said it doesn't serve ads in regions where being gay is illegal, which keeps those users' information off advertising exchanges.

Even in countries where being gay is legal, it can still remain a blackmail threat for those not living openly. The

National-security officials have indicated concern about the issue.

U.S. government intervened to force a Chinese company into divesting itself from Grindr on national-security grounds in 2019—citing the risk of blackmail using the app data and the possibility of the Chinese government using the app's data for surveillance purposes.

Those risks aren't hypothetical. Last year, a Catholic publication, the Pillar, said it obtained commercially available data that allowed it to track Grindr usage by individuals. The U.S. Conference of Catholic Bishops said one of its senior officials resigned from his post after being approached about the findings identifying him as a user of the app.

A representative for the Pillar declined to comment. Grindr at the time of the Pillar articles said it didn't believe it was the source of the data but acknowledged it was theoretically possible that an advertising partner might have collected it.

Media Firm UM Sold Access to Clients

Clients of mobile-advertising company UM have been able to purchase the bulk phone-movement data that included many Grindr users since at least 2017 and possibly earlier, said people familiar with the matter.

Most location brokers strip the name of the apps that the data is sourced from in location data sets. In some of UM's data, the company included the name of apps from which the location information was

sourced.

UM, which was known as UberMedia before changing its name last year, was able to access Grindr data from the advertising network MoPub, according to people familiar with the matter. UM then made it available for sale to its clients. Twitter Inc. owned MoPub at the time, but last year it sold the mobile-advertising company for \$1 billion. Applovin, MoPub's new owner, didn't respond to a request for comment. UM was sold last year to Singapore-based Near Pte. Ltd.

Through a spokeswoman, Twitter said: "UberMedia was a

MoPub partner. Like all partners they were subject to MoPub's marketplace agreement and data use restrictions."

"Every single entity in the advertising ecosystem has access to the information shared by Grindr and every other app that uses the real-time bidding system. That means thousands of entities have such access," said a spokesman for UM's new owner Near.

The company also disputed that location data stripped of personal information such as names, emails or phone numbers could be used to identify specific individuals.

Fintech Companies Tap AI to Reach More Borrowers

By ANGUS LOTEN

With an uptick in consumer lending, financial-technology companies see a chance to grow by filling gaps for underserved borrowers, online lenders and industry analysts say.

Rather than relying on traditional credit scores, many fintech lenders are feeding a wider range of data into platforms powered by artificial intelligence to present a broader picture of applicants who might otherwise be turned away by banks.

OppFi Inc., a 10-year-old fintech platform based in Chicago, targets U.S. households with an average of \$50,000 in annual income that need extra cash for car repairs, medical

bills, student loans and other expenses. Todd Schwartz, the company's chief executive, said its customers are employed and have bank accounts but are otherwise "locked out of mainstream financial services."

OppFi, which made its public-market debut last summer, uses an AI model, real-time data analytics and a proprietary scoring algorithm to automate the underwriting process. It generates a credit score by analyzing a loan applicant's online shopping habits, income and employment information, among other data sources. The actual loans are handled by licensed banks and financial institutions.

The company recently reported a record \$187 million in

loan originations over the last three months of 2021, up 25% from the same period a year earlier. That momentum has carried into 2022, Mr. Schwartz said.

Jerry Silva, a research vice president at International Data Corp.'s financial insights unit, said fintech lenders—by their very nature—leverage digital capabilities that traditional lending institutions "are still moving to." He said smaller online lenders are benefiting from a head start in the use of AI and machine-learning models, digital document management and customer services designed around mobile devices—though many banks are catching up, he added.

The global fintech lending

market is expected to grow at a compound annual rate of 27.4% over the next eight years, reaching \$4.9 trillion by 2030, according to Allied Market Research. Many banks reported lending gains in the first quarter, after two years of tepid loan demand during the pandemic.

A joint study by Harvard Business School and Vincent Yao from Georgia State University, published in 2018, and updated last month, found that fintech borrowers are more likely to default than borrowers from traditional financial institutions—a risk fintechs offset in part by far lower overhead.

In a March conference call, Mr. Schwartz said OppFi tends to charge borrowers a higher

cost of capital until they build a record of paying off their loans. "If people are too high-risk or they're not using our system effectively, it's not the right customer-company fit," he said then.

Since most fintech lenders don't take deposits, they're not subject to many bank regulations that can bog down the lending process. Nearly every big fintech company has to rely on bank partners for regulated tasks such as holding customers' deposits and issuing debit cards.

LoanSnap Inc., a five-year-old startup based in San Francisco, uses AI to scan financial information such as a prospective borrower's student-loan interest or credit-card debt. It

then packages the data into a mortgage-payment plan, based on the lending requirements of its banking partners, that is designed to help clients better manage their finances—a process that takes only a few seconds from start to finish, LoanSnap CEO Karl Jacob said. "An example of this would be paying off high interest credit cards with a lower interest rate home loan," Mr. Jacob said.

LoanSnap's goal is to close home loans within 15 days, compared with an industry average of over 40 days. Its record is 24 hours, Mr. Jacob said.

"Anyone who's ever gotten a home loan would agree that the process is still slow, manual, labor-intensive and fragmented," he said.

FDA Rejects Two Cancer Drugs From China

By PETER LOFTUS

The Food and Drug Administration rejected two proposed new cancer drugs that were developed in China, underscoring a tougher U.S. regulatory stance toward such drugs.

Hong Kong-based Hutchmed Ltd. on Monday said the FDA issued a letter to the company declining to approve its application to market a new drug, surufatinib, for the treatment of pancreatic and neuroendocrine tumors in the U.S. The drug is approved for use in China.

The FDA determined that the two clinical trials Hutchmed conducted in China, and one aimed at showing the drug would also work in U.S. patients, didn't support approval at this time, the company said.

Separately, China-based Shanghai Junshi Biosciences Co. and its U.S.-based partner, Coherus BioSciences Inc., on Monday said the FDA rejected its application to sell a drug, toripalimab, for the treatment of nasopharyngeal cancer in the U.S.

The FDA asked the companies to change a quality-related process for the drug, the companies said. The companies said they believe the request is easily addressable, and they plan to resubmit their application by midsummer.

The FDA declined to comment.

FDA officials have cited concerns in recent months about the quality of drug stud-



VCG/GETTY IMAGES

Toripalimab, made by a Chinese company and its U.S. partner, treats nasopharyngeal cancer.

ies largely conducted in China and whether the results apply to U.S. patients. A growing Chinese biotechnology sector, sometimes in partnership with Western companies, has sought to sell more medicines in the U.S.

In March, the FDA rejected a proposed new lung-cancer drug co-developed by Eli Lilly & Co. and a China-based partner, Innovent Biologics Inc., after agency officials raised concerns about the drug's testing in China.

Yet the agency also approved another cancer treatment, Carvykti, that was initially developed in China by

Legend Biotech Corp. In that case, however, Johnson & Johnson licensed rights to the drug and tested additional, confirmatory studies in the U.S.

The FDA asked Hutchmed to conduct an additional clinical trial in multiple regions, including patients more representative of the U.S. patient population, and aligned to current U.S. medical practice, the company said.

"Although this decision from the FDA is disappointing, we remain confident about the clinical value of surufatinib for [neuroendocrine tumor] patients and committed to mak-

ing surufatinib available to patients globally," Hutchmed Chief Executive Weiguo Su said.

The FDA plans to take six months to review the application for the nasopharyngeal cancer drug from Junshi and Coherus, the companies said.

"The FDA has indicated that the existing toripalimab clinical data are supportive of the...submission, and we eagerly await scheduling and completion of the required inspections in China that have been impeded to date by Covid-related travel restrictions," Coherus Chief Executive Denny Lanfear said.

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BUSINESS NEWS

Spirit Rejects JetBlue

Continued from page B1 closing risk that would be assumed by Spirit stockholders," Spirit Chairman Mac Gardner said Monday.

JetBlue's alliance with American Airlines Group Inc. in New York and Boston was of particular concern to Spirit, according to a letter from Mr. Gardner and Spirit Chief Executive Ted Christie to JetBlue CEO Robin Hayes. The Justice Department has challenged that arrangement and is suing to block it. "We struggle to understand how JetBlue can believe DOJ, or a court, will be persuaded that JetBlue should be allowed to form an anti-competitive alliance that aligns its interests with a legacy carrier and then undertake an acquisition that will eliminate the largest [ultralow-cost] carrier," the letter said.

JetBlue said Monday it isn't giving up and made the details of its latest offer public in an effort to win over Spirit shareholders.

In a letter to Spirit's chief executive and chairman on Friday, JetBlue's Mr. Hayes said he felt confident Spirit's shareholders would prefer JetBlue's offer.

"While we would unquestionably prefer to negotiate a transaction with you, if you continue to refuse to constructively engage with us so that we can deliver this value to your stockholders, we are actively considering all other options available to us," Mr. Hayes wrote. He didn't specify what other options JetBlue was considering.

Frontier said in a message to employees that it was confident in the Spirit deal and excited to proceed with the merger.

Shares of Spirit fell 9.4% on Monday. Frontier shares fell 3.38% and JetBlue rose 2.6%.

JetBlue and Frontier see Spirit as key to their ambitions



JetBlue and Frontier see Spirit as key to their ambitions to create the fifth-largest U.S. airline.

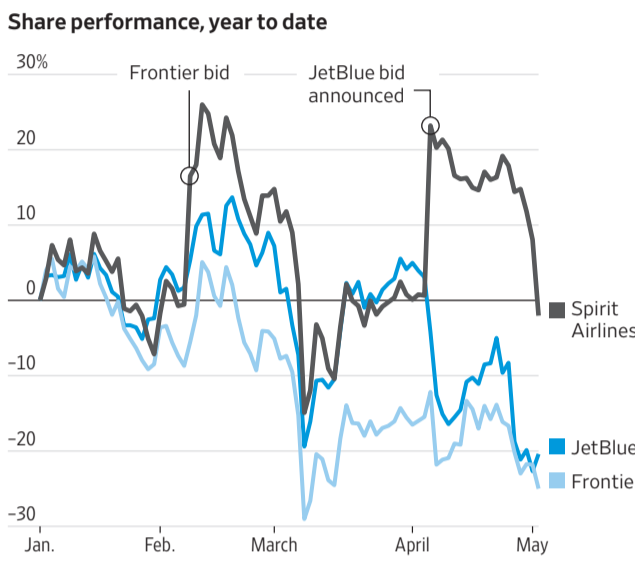
to create the fifth-largest U.S. airline and take on the larger carriers that have come to dominate the industry after a series of mergers. The two deals offer two competing visions, each of which could reshape the airline industry.

Frontier and Spirit are part of a niche of fast-growing airlines that cater to budget-conscious travelers, with low base fares and fees for everything else, from bottled water to carry-on bags. They have said their combination would create an ultralow-cost juggernaut.

JetBlue charges somewhat lower fares than larger rivals, but has marketed itself as a premium airline that blends lower fares with perks like free Wi-Fi and upgraded snacks, as well as a business-class section that includes high-end seats and in some cases, suites with closing doors.

Frontier and Spirit announced their plans to merge in February—a deal the two carriers have been discussing, on and off, for years, according to securities filings. The most recent round of discussions began in earnest last summer.

Mr. Hayes has said JetBlue has been interested in pursu-



Source: FactSet

ing Spirit for years, and the announcement of Spirit's deal with Frontier spurred JetBlue into action. "Once the Spirit and the Frontier deal was announced, it created a window of opportunity that if you don't act in it, it's gone," Mr. Hayes said last month.

Some analysts questioned the proposed combination between JetBlue and Spirit, saying that JetBlue wouldn't reap

the full benefits of Spirit's low-cost model. JetBlue would need to boost wages and has said it would reconfigure Spirit's cramped planes to match its roomier layouts.

JetBlue has said buying Spirit would supercharge its growth with an influx of new planes and pilots, allowing it to enter new markets more quickly than it otherwise could.

Spirit's board remained unconvinced, proposing on April 25 that JetBlue agree to a "strong covenant" requiring JetBlue to "take any action required to obtain regulatory clearance"—including abandoning its partnership with American, according to Monday's letter to Mr. Hayes.

JetBlue revised its proposal on April 29. It offered to divest all of Spirit's assets in New York and Boston in order to avoid increasing its presence in markets where the Justice Department has flagged concerns about the partnership with American, but stopped short of saying it was willing to exit that deal altogether. JetBlue argued that a merger between Spirit and Frontier could pose similar regulatory risks, without the safeguards JetBlue had provided in its updated offer.

But Spirit said the steps JetBlue proposed didn't go far enough to provide assurance the deal would gain approval, and its concerns about a merger with JetBlue ran deeper than the potential roadblock posed by the partnership with American in the Northeast.

JetBlue has said its presence in a market helps bring fares down more than ultralow-cost carriers like Spirit and Frontier. JetBlue has said that is a sign that it would be more capable of mounting a real challenge to American Airlines, Delta Air Lines Inc., United Airlines Holdings Inc., and Southwest Airlines Co. than Spirit and Frontier would be together.

Spirit's executives said they disagreed. Being acquired by JetBlue would effectively take out a disruptive discounter, Mr. Gardner and Mr. Christie wrote in their letter Monday, likely leading to reduced capacity and thus, higher fares—something that they wrote could trigger concerns among antitrust authorities.

Spirit's board concluded that a merger with Frontier would "do an even better job of delivering ultra-low fares to more consumers and competing more effectively against the Big 4 carriers, as well as against JetBlue."

Qantas to Build Up Nonstop Flights

BY MIKE CHERNEY

Australia's biggest airline, Qantas Airways Ltd., said it would order dozens of planes from European maker Airbus SE, including new aircraft to fly nonstop between Australia and distant cities in the U.S. and U.K. that currently require a layover.

Qantas said the new ultra-long-haul, nonstop flights, dubbed Project Sunrise, would start from late 2025 and would at first connect Sydney with London and New York. The airline said the flights will try to build on the success of existing direct long-haul services, demand for which has increased following the pandemic.

Qantas currently flies nonstop from Australia's east coast to cities such as Los Angeles and Dallas, but New York is too far and its service to London flies through Darwin. Qantas conducted research flights a few years ago to test how passengers fare on ultra-long-haul routes, with one flight between New York and Sydney taking more than 19 hours.

"The board's decision to approve what is the largest aircraft order in Australian aviation is a clear vote of confidence in the future of the Qantas Group," Qantas Chief Executive Alan Joyce said. The airline said the aircraft will also be able to operate nonstop flights to Australia from destinations such as Paris and Frankfurt.

Qantas said it is ordering 12 Airbus A350-1000s for its Project Sunrise flights. The airline said the cabin will be specially configured for improved comfort on long flights, including features such as a wellbeing zone in the center of the aircraft where digital displays will provide movement and stretching recommendations.

THE WALL STREET JOURNAL.

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BIGGEST 1,000 STOCKS

How to Read the Stock Tables
The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities.

Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.

Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher.

Wall Street journal stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 4 p.m. the previous day.

Table with columns: Stock, Sym, Close, Net Chg. Lists major stocks like ABB, AECOM, AES, etc.

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Table with columns: Stock, Sym, Close, Net Chg. Lists stocks like HealthPeak, Heico, Heico A, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists stocks like ReinsGrp, RelianceSteel, RelianceSteel, etc.

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Table with columns: Stock, Sym, Close, Net Chg. Lists stocks like ReinsGrp, RelianceSteel, RelianceSteel, etc.

New Highs and Lows

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session.

Table with columns: Stock, 52-Wk % High/Low, % Chg.

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Exchange-Traded Portfolios

WSJ.com/ETFresearch
Largest 100 exchange-traded funds, latest session

Table with columns: Monday, May 2, 2022, Closing Price, Chg, YTD. Lists various ETFs like iShares, Fidelity, etc.

Dividend Changes

Company, Symbol, Yld%, Amount New/Old, Frq, Payable/Record

Table listing dividend changes for companies like Aapl, ArcBest, Avery Dennison, etc.

KEY: A: annual; M: monthly; Q: quarterly; R: revised; SA: semiannual; S2: stock split and ratio; SO: spin-off.

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PUBLIC NOTICES

On April 25, 2022, the UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK entered an order regarding the proceeds of a settlement...

COMMODITIES

Futures Contracts

Table with 7 columns: Commodity, Open, High, Low, Settle, Chg, Open interest. Includes sections for Metal & Petroleum Futures, Copper-High (CMX), Gold (CMX), NY Harbor ULS (NYM), and Agriculture Futures.

Table with 7 columns: Commodity, Open, High, Low, Settle, Chg, Open interest. Includes sections for Wheat (KC), Cattle-Feeder (CME), Hogs-Lean (CME), Lumber (CMX), Milk (CME), and Orange Juice (ICE-US).

Interest Rate Futures

Table with 7 columns: Commodity, Open, High, Low, Settle, Chg, Open interest. Includes Ultra Treasury Bonds (CBT), Treasury Bonds (CBT), Treasury Notes (CBT), 5 Yr. Treasury Notes (CBT), 2 Yr. Treasury Notes (CBT), and 30 Day Federal Funds (CBT).

Agriculture Futures

Table with 7 columns: Commodity, Open, High, Low, Settle, Chg, Open interest. Includes Corn (CBT), Oats (CBT), Soybeans (CBT), Soybean Meal (CBT), Soybean Oil (CBT), and Wheat (CBT).

Cash Prices

wsj.com/market-data/commodities

Monday, May 2, 2022

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

Large table with multiple columns showing cash prices for various commodities like Energy, Metals, Fibers and Textiles, Grains and Feeds, Food, and Fats and Oils.

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; D=CME; E=Manfra, Tordella & Brookes; H=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; P=Sosland Publishing; R=SNL Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. *Data as of 4/29

Source: Dow Jones Market Data

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

Money Rates

May 2, 2022

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Table with 4 columns: Rate Type, Latest, High, Low. Includes Inflation, Policy Rates, U.S. government rates, Discount, and Federal funds.

Table with 4 columns: Rate Type, Latest, High, Low. Includes Food, Fats and Oils, Treasury bill auction, Secondary market, Fannie Mae, and Other short-term rates.

Key Interest Rates

Data are annualized on a 360-day basis. Treasury yields are per annum, on actively traded noninflation and inflation-indexed issues that are adjusted to constant maturities. Data are from weekly Federal Reserve release H.15.

Table with 5 columns: Week Ended, High, Low, and others. Includes Federal funds (effective), Commercial paper, Nonfinancial, Financial, Discount window primary credit, and Treasury yields at constant maturities.

Notes on data: Federal funds rate is an average for the seven days ended Wednesday, weighted according to rates on broker trades. Commercial paper rates are discounted offer rates interpolated from sales by discounted averages of dealer bid rates on nationally traded certificates of deposit. Discount window primary credit rate is charged for discounts made and advances extended under the Federal Reserve's primary credit discount window program.

Table with 5 columns: Rate Type, Latest, High, Low, and others. Includes DTCC GCF Repo Index, Notes on data, and Secured Overnight Financing Rate.

Notes on data: U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective March 17, 2022. Other prime rates aren't directly comparable; lending practices vary widely by location. Discount rate is effective March 17, 2022. Secured Overnight Financing Rate is as of April 29, 2022. DTCC GCF Repo Index is Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs.

Table with 7 columns: Commodity, Open, High, Low, Settle, Chg, Open interest. Includes Dec '23, Japanese Yen (CME), Canadian Dollar (CME), British Pound (CME), Swiss Franc (CME), Australian Dollar (CME), Mexican Peso (CME), Euro (CME).

Currency Futures

Table with 7 columns: Commodity, Open, High, Low, Settle, Chg, Open interest. Includes Japanese Yen (CME), Canadian Dollar (CME), British Pound (CME), Swiss Franc (CME), Australian Dollar (CME), Mexican Peso (CME), Euro (CME).

Bonds | wsj.com/market-data/bonds/benchmarks

Tracking Bond Benchmarks

Return on investment and spreads over Treasuries and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Table with 7 columns: Index, YTD total return (%), Yield (%), Latest, Low, High. Includes Broad Market, U.S. Corporate Indexes, Mortgage-Backed, and Global Government.

Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. Treasuries on benchmark two-year and 10-year government bonds in selected other countries; arrows indicate whether the yield rose (▲) or fell (▼) in the latest session

Table with 12 columns: Coupon (%), Maturity, Country, Latest yield, and others. Includes U.S., Australia, France, Germany, Italy, Japan, Spain, U.K., and Yankee.

Source: Tullett Prebon, Tradeweb ICE U.S. Treasury Close

Corporate Debt

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific expectations

Investment-grade spreads that tightened the most...

Table with 7 columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Spread. Includes Caterpillar Financial Services, Wells Fargo, Medtronic, JPMorgan Chase, Toyota Motor Credit, Westpac Banking, Intel, Chubb INA Holdings.

...And spreads that widened the most

Table with 7 columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Spread. Includes Wells Fargo, Bank of America, Jefferies, Morgan Stanley, UBS, Citigroup, Ovintiv, Walt Disney.

High-yield issues with the biggest price increases...

Table with 7 columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Spread. Includes ADT Security, Sprint Communications, Ball, Teva Pharmaceutical Finance Netherlands, Dish DBS, MGM Resorts International, Ford Motor Credit.

...And with the biggest price decreases

Table with 7 columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Spread. Includes Liberty Interactive, Telecom Italia Capital, Occidental Petroleum, American Airlines, Nokia Oyj, FirstEnergy, Ford Motor Credit, ZF North America Capital.

*Estimated spread over 2-year, 3-year, 5-year, 10-year and 30-year hot-run Treasury; 100 basis points=one percentage pt.; change in spread shown is for Z-spread. Note: Data are for the most active issue of bonds with maturities of two years or more

Source: MarketAxess

BANKING & FINANCE

HSBC Pressured by China Insurer

HSBC has an 8% stake and is pushing the British lender to undertake an overhaul

By QUENTIN WEBB AND REBECCA FENG

HONG KONG—China's Ping An Insurance has quietly taken up the role of shareholder activist, putting pressure on HSBC to consider a shake-up that could reshape one of the world's biggest financial institutions.

The Chinese financial giant first disclosed an ownership position in HSBC in 2017, and is now the British lender's largest shareholder, with a stake of more than 8%. Ping An wants HSBC to undertake an overhaul that would result in the market giving the bank more credit for its large Asian business, and make those operations less beholden to regulators in London.

Success could potentially lead to HSBC Holdings PLC selling shares in its Asian arm to create a separate listing for the Hong Kong-centric business, which generated nearly 65% of HSBC's \$18.9 billion in profit before tax last year. A more radical solution would be to break the bank in two, by spinning HSBC in Asia off to shareholders.

HSBC ended last year with \$3 trillion of assets. It is Europe's largest bank by market value, S&P Global Market Intelligence data shows, with a value of some \$125 billion as of Friday's close. The bank's

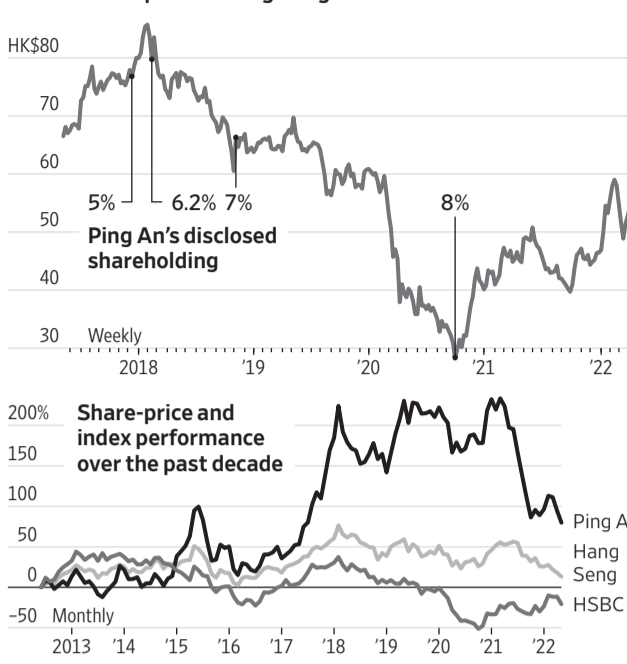
Hong Kong-listed stock has fallen by more than a third since December 2017, when the insurer, known formally as Ping An Insurance (Group) Co. of China, first reported a significant stake after its holding rose above 5%.

For Ping An—itsself China's most valuable publicly listed insurer with a market capitalization equivalent to about \$122 billion—this is an unprecedented move into global shareholder activism. It is proceeding with some caution, having previously characterized its stake in HSBC as a straightforward financial investment to help generate returns for its insurance business.

The Chinese conglomerate initially pressed its case anonymously with the help of an outside public-relations firm, people familiar with the matter said, in the run-up to HSBC's first-quarter results and annual shareholder meeting, which both took place last week. On Friday, Bloomberg and the Financial Times identified Ping An as the investor wanting change. Even now, Ping An remains guarded. A spokesman said it wanted shareholders to take part in a debate about the future of the bank. "We will support any suggestions to improve the value of HSBC and its business management," the spokesman said.

While it has a large enough holding to call a shareholder meeting for a vote on a revamp of HSBC, Ping An won't do this itself—but would support other investors if they took the lead, one of the people familiar with

HSBC's share price in Hong Kong



Note: HK\$10 = \$1.27

Sources: FactSet; Hong Kong filings (holdings)

the matter said Monday.

A company spokesman said, "HSBC has a regular program of engagement with all our investors," and pointed to the bank's recent stock-price performance as evidence of its success. HSBC's Hong Kong-listed shares are about flat over the past 12 months, while the city's Hang Seng Index has fallen 28%, Reflexivity data shows.

Pressure from its largest shareholder is the latest in a series of challenges for HSBC's leadership, which has been sharpening the bank's focus on Asia under Chief Executive Noel Quinn, while scaling back in markets such as the U.S.

and France. "Our international network is our greatest strength," Mr. Quinn said in a statement prepared for last Friday's annual general meeting. In HSBC's global banking and markets business, about half of client revenue booked in Asia stems from customers based elsewhere, he said.

Like many lenders, HSBC's business has until recently been held back by ultralow global interest rates, which eat into banks' profits from lending. Last week, HSBC said quarterly profit fell 28%, as it made provisions for souring loans in Russia and China, but rising rates would help it hit

longer-term targets.

HSBC has been based in London since 1993. In 2015 and 2016, it conducted a 10-month review that considered whether the lender should move to Hong Kong or another location, and its board decided to keep the headquarters location unchanged. In the past few years, HSBC has been caught up in heightened geopolitical tensions between China and the West, especially as Beijing has tightened its grip over Hong Kong.

Around two years ago, when the coronavirus was sweeping across Europe, the Bank of England told HSBC and other U.K. banks to stop paying out dividends, so they could conserve capital during the pandemic. The central bank made the demand in March 2020, and lifted it in December of the same year. HSBC resumed paying a dividend in April 2021. The suspension had been especially unpopular in Hong Kong, where many investors held HSBC stock partly for its hefty payouts.

One template for the campaign at HSBC could be the insurer Prudential PLC, another U.K.-based financial firm with a focus on Asia.

In 2020, the hedge-fund firm Third Point LLC in 2020 called on Prudential to separate its U.S. and Asian operations. Prudential ultimately spun out its U.S. arm, Jackson Financial Inc., to shareholders in 2021, after also exploring an initial public offering of that business.

—Julie Steinberg contributed to this article.

LightSmith Invests in Farm Tech Company

By LUIS GARCIA

LightSmith Group has led a \$60 million investment in Brazilian agriculture-technology company Solinftec, marking the private-equity firm's third bet on a business that helps others become more resilient to climate change.

New York-based LightSmith has invested \$23 million in the financing round, which also attracted investments from Unbox Capital, a Brazilian venture-capital firm, and Circularis Partners, a resource-efficiency-focused investment firm in Tampa, Fla., said Jay Koh, LightSmith's co-founder and managing director. Circularis invested on behalf of TPG Alternative & Renewable Technologies.

Solinftec, whose legal name is STEC Participações SA, develops systems that help farmers manage crops more efficiently and increase crop production, and better predict and respond to weather changes.

The company, which is based in Araçatuba, Brazil, and has an office in West Lafayette, Ind., plans to increase its presence in North America and extend its product range to other types of crops, said Sanjay Wagle, LightSmith's other co-founder and managing director.

New Highs and Lows

Table with 12 columns: Stock, 52-Wk % Hi/Low, % Change, Stock, 52-Wk % Hi/Low, % Change, Stock, 52-Wk % Hi/Low, % Change, Stock, 52-Wk % Hi/Low, % Change, Stock, 52-Wk % Hi/Low, % Change. Lists various stocks and their performance metrics.

Mutual Funds

Table with 12 columns: Fund, Net YTD % Change, Fund, Net YTD % Change, Fund, Net YTD % Change, Fund, Net YTD % Change. Lists various mutual funds and their performance metrics.

MARKETS

Stocks Stage Late Rally Ahead of Fed

Value investors re-entered market after S&P 500 touched lowest level since 2021

BY ANNA HIRTENSTEIN AND PAUL VIGNA

Stocks bounced higher after the S&P 500 touched an intraday low for the year and the yield on the U.S. 10-year Treasury note hit 3% for the first time in more than three years.

The S&P 500 rose 23.45 points, or 0.6%, to 4155.38. The Dow Jones Industrial Average added 84.29 points, or 0.3%, to 33061.50. The Nasdaq Composite Index jumped 201.38 points, or 1.6%, to 12536.02.

MONDAY'S MARKETS

The indexes traded lower for much of the session but turned higher in the last hour. The S&P 500 fell as low as 4062.51, its lowest intraday level since May 2021. That seemed to be enough to spur on value buyers, Instinet Executive Director Frank Cappelleri said.

"Buying weakness...has been one of the few long strategies that has proven to be successful so far this year," he said.

The afternoon rally was a respite for equities investors in what has been a rough year. The S&P 500 fell 8.8% in April and the Dow industrials declined nearly 5%, the worst monthly performance for the

indexes since March 2020. The Nasdaq Composite retreated more than 13% last month, its worst showing since October 2008. Tech stocks are particularly sensitive to higher interest rates.

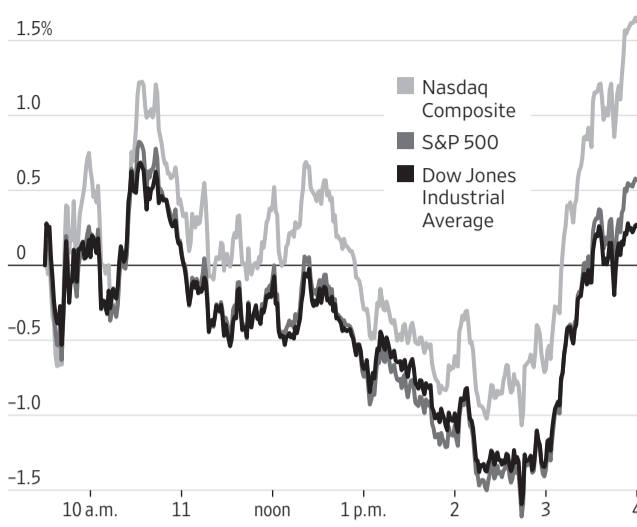
With four months in the books, the stock market is putting in its worst performance in decades. The S&P 500, down 13% this year, has had its worst start to a year since 1939, according to Dow Jones Market Data.

"It's a market that is jittery and nervous," said Sebastien Galy, a macro strategist at Nordea Asset Management. "It has been fed liquidity for a long time, and this has been built into expectations for stocks," he said, a situation that is now changing as central banks tighten monetary policy.

Investors are awaiting the Federal Reserve's policy meeting Wednesday for more signals on the pace of monetary tightening, with markets anticipating a rate increase of half a percentage point to counter the highest inflation in decades. The war in Ukraine and a Covid-19 outbreak in China threaten to further snarl supply chains and boost prices.

Changing Fed policy is altering the market math for investors, said Merck Investments analyst Nick Reece. For the first time in a long time, rising yields and falling bond prices are putting them on a more competitive footing with equities in investors' eyes in

Index performance Monday



Source: FactSet

terms of returns, he said.

"It's reducing some of the 'TINA' effect that's underpinned the bull market since 2009," Mr. Reece said. "TINA" is an acronym for "there is no alternative," an argument that in a world of low interest rates, investors could only find acceptable returns in stocks.

The yield on the benchmark 10-year Treasury briefly touched 3% Monday, its first time at that level since late 2018.

Among individual stocks, shares of Spirit Airlines fell \$2.21, or 9.4%, to \$21.40 after the company rejected an acquisition offer from JetBlue Airways, sticking with an existing plan to merge with Frontier Group. JetBlue shares added 29 cents, or

2.6%, to \$11.30 while Frontier fell 40 cents, or 3.8%, to \$10.21.

Shares of Moody's slid \$15.35, or 4.9%, to \$301.13 after the credit-rating company said its profit fell by about one-third as costs rose.

Earnings season continues this week. Pfizer, KKR, Airbnb, Starbucks and Lyft report on Tuesday.

Earnings season has been reasonably strong so far, with more than 80% of companies that have reported beating analysts' expectations, according to Refinitiv.

Stocks fell last month despite the robust reports, due to nerves about the months ahead, investors said.

Oil prices slid early but recovered their losses and then



JetBlue shares rose 2.6% after Spirit rejected its takeover offer.

some, with U.S. crude up 0.5% at \$105.17 a barrel.

European Union officials are working on a proposal to sanction Russian energy. Some observers are skeptical it will pass since it requires unanimous support from EU members, many of whom rely on Russian energy.

Traders also are monitoring lockdowns in China and looking ahead to a meeting of the OPEC+ alliance later this week, where members are set to discuss its supply agreement.

The Stoxx Europe 600 declined 1.5%. Data releases showed German retail sales fell in March, when economists expected an increase and consumer confidence in the EU declined more than expected. The U.K. stock market

was closed for a holiday.

On Tuesday, markets in Japan and Mainland China are closed for holidays. Early Tuesday, S&P 500 futures were up 0.6%, Dow futures were up 0.4% and Nasdaq 100 futures were up 0.7%.

AUCTION RESULTS

Here are the results of Monday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

	13-Week	26-Week
Applications	\$155,056,457,400	\$133,053,993,500
Accepted bids	\$53,000,294,900	\$49,466,411,000
* noncomp	\$751,377,000	\$705,518,600
* foreign noncomp	\$96,000,000	\$500,000,000
Auction price (rate)	99.769972 (0.910%)	99.282111 (1.420%)
	0.925%	1.450%
Bids at clearing yield accepted	62.51%	52.57%
	912796567	912796196

Both issues are dated May 5, 2022. The 13-week bills mature on Aug. 4, 2022; the 26-week bills mature on Nov. 3, 2022.

Consumer Staples Outperform

Continued from page B1 positive earnings surprise.

With U.S. inflation at a four-decade high, investors are keeping a close eye on how companies are holding down their costs or passing increases along to customers through higher prices. Reports from some consumer-staples companies suggest households have yet to flinch at higher prices for basic items.

Hershey raised its outlook for the year as demand for its candy and snacks held up despite higher prices. Coca-Cola reported higher sales as strong demand and price increases counteracted rising input costs.

"When it comes to everyday necessities, consumers for the most part are price insensitive," said Tom Galvin, chief investment officer at wealth-management firm City National Rochdale. "They have job gains, they have wage gains, they have cash on hand and they're willing to pay more money to enjoy life...If I'm going to pay a nickel more for a can of my favorite beverage, it's like, no big deal."

Rising rates aren't the only



Coca-Cola reported higher sales as strong demand and price increases counteracted rising input costs.

problem for growth stocks, like those of many tech firms, that are valued on future growth. Big tech companies served up a mixed bag of earnings reports last week, helping send the major stock indexes swinging sharply.

While shares of Meta Platforms Inc. soared 18% Thursday after the Facebook parent company added more users than expected, Amazon.com Inc. shares plunged 14% the following day after the company posted its first quarterly loss in seven years.

Such stocks exert a heavy influence on indexes, like the S&P 500, that are weighted by market value.

At the end of last week, the

popular FAANG stocks—Meta Platforms, Amazon, Apple Inc., Netflix Inc. and Google parent Alphabet Inc.—along with Microsoft Corp. made up more than 21% of the S&P 500 but accounted for almost 37% of the index's 2022 decline on a total-return basis, according to S&P Dow Jones Indices.

The rush into defensive stocks has been so strong that staples stocks have started to look expensive.

The S&P 500 sector traded for five sessions through the middle of last week at a higher forward price/earnings multiple than the technology segment, the first time that had happened since April 2020, according to FactSet.

At the end of last week the consumer staples sector traded at 21.7 times its projected earnings over the next 12 months, while the technology sector traded at 21.5 times.

Tech stocks, on the other hand, have fallen so far that some investors say there are deals to be found.

Andrew Slimmon, senior portfolio manager at Morgan Stanley Investment Management, said he has been buying growth stocks, including shares of big tech companies.

"These big tech stocks, with a few exceptions, are down a lot," he said. "I just don't think their valuations are at a level that should be avoided anymore."

Bond Yield Reaches 3% Level

Continued from page B1

rate increases. Not only was the economy in a precarious position, Fed officials were reassessing the way they conducted monetary policy, pledging to be more cautious about raising rates after many years in which inflation had remained mostly stuck below their 2% annual target.

Yields did start to rise in late 2020 in response to the development of effective Covid-19 vaccines and got another boost when Democrats won full control of Congress, setting the stage for more fiscal stimulus.

Still, the 10-year yield topped out at around 1.75% early last year, and spent much of 2021 in a gradual decline even as inflation started surging. Reassured by Fed officials that inflation was largely transitory, investors, as late as December, only anticipated a few quarter-percentage-point rate increases in 2022.

Since then, however, bonds have taken a beating, as inflation has remained stubbornly high and analysts have kept increasing their expectations for rate-increases—raising the bar each time Treasuries have priced in the most aggressive

previous forecasts.

As it stands, interest-rate derivatives show that investors expect the Fed to increase its benchmark federal-funds rate from its current level of between 0.25% and 0.5% to just above 3% next year.

That suggests a long journey ahead, in which a lot in the economy could go wrong, including further declines in riskier assets such as stocks, causing the Fed to pause its tightening efforts. Already, the jump in yields has led to sharply higher borrowing costs for consumers—with 30-year mortgage rates climbing above 5%—and contributed to stock declines that have sent the S&P 500 down about 13% on the year. Still, many analysts think that the fed-funds rate could have to climb well above 3% to subdue inflation, suggesting that the bond selloff could still have room to run.

One point made by such analysts is that inflation expectations over the next decade are still elevated, even with the anticipated Fed tightening. That means that real, or inflation-adjusted, Treasury yields remain low by even recent historical standards, potentially providing an incentive for businesses to borrow and invest.

Watch a Video

Scan this code for a video on how Americans are taking on record debt.

Citigroup Spurs 'Flash Crash' in European Markets

BY ANNA HIRTENSTEIN AND DAVID BENOIT

Several European stock markets suffered a "flash crash" on Monday morning following sell orders by Citigroup Inc., according to people familiar with the matter.

Trading was halted momentarily in several markets after major stock indexes plunged for a few minutes just before 10 a.m. Central European time. Stocks in the Nordic region were hit the hardest, though other European stocks tumbled briefly on a day when share prices around the globe declined.

Nasdaq and Euronext NV, which operate stock exchanges across the region, said they are investigating the cause. Nasdaq said it hasn't seen any reason to cancel trades.

Citigroup is working with the exchanges to determine

what happened and why, one person said.

"This morning one of our traders made an error when inputting a transaction," a Citigroup spokeswoman said in a statement late Monday. "Within minutes, we identified the error and corrected it."

The nature and extent of the sales by Citigroup weren't immediately clear.

Investors thought the incident may have been caused by human error, known in industry parlance as a "fat finger."

Sweden's benchmark index, the OMX Stockholm All-Share, fell nearly 8% before largely rebounding. Denmark's equivalent index fell over 6% around the same time and also mostly recovered. Both closed down around 2%.

Markets run by Amsterdam-based Euronext also tumbled before largely recovering. The Dutch AEX index fell 3% and



Markets run by Amsterdam-based Euronext such as the Dutch AEX index tumbled before largely recovering.

Belgium's BEL20 declined over 5%. France's CAC40 fell 3%. These indexes ended the day down more than 1%.

Euronext temporarily halted trading to try to lower the impact on markets, according to a spokesman. Nasdaq said it used circuit breakers in the immedi-

ate aftermath of the crash on major stocks on Nordic exchanges, including Kone Oyj and Stora Enso Oyj.

Fat-finger trades can be costly. In 2009, an oil trader on a bender placed around \$520 million of trades for crude oil, saddling his company with \$10

million in losses. In 2012, financial-services firm Knight Capital lost \$440 million from a computer-trading glitch that entered millions of trades in less than an hour.

Citigroup has a history of untimely errors. In 2020, it was ordered by regulators to clean up

systems meant to safeguard the bank and its clients and fined \$400 million. It is spending billions of dollars to transform its technology and inner workings, a cost that has investors anxious. Chief Executive Jane Fraser has said it is the bank's top priority to get it right.

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Social-Media Platforms Lay It On Thick

Sector's stocks often trade off small changes in user numbers, but those metrics aren't always so accurate

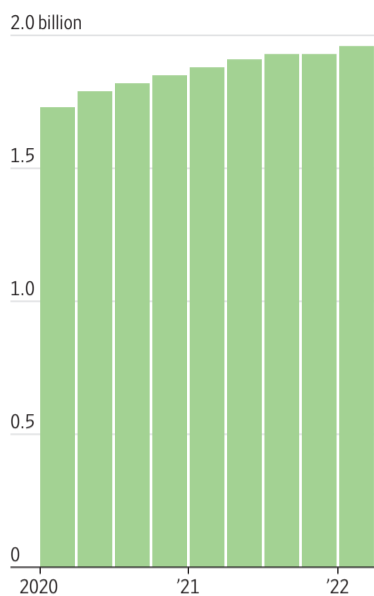
The tech industry hasn't been shy about coining its own dubious metrics over the years. But lately, even the basic ones aren't to be trusted.

Social-media investors have historically focused on two key figures: advertising dollars and user numbers. Ideally both would be growing hand in hand, but a big move or sudden reversal of trend in one or the other can often trigger a major change in share price.

Ad revenue is money and, we have to hope, not something that can be so easily fudged or forgivably miscounted. User numbers are a different story. All social-media companies seem to have their own standard for how they measure their breadth. Reporting four of them, **Meta Platforms** simultaneously shares so much and yet so little. It tells you how many people use its Facebook app and its broader "family" of apps on a daily and monthly basis, respectively. Even though its hottest asset these days is Instagram, those specific user numbers remain anyone's best guess.

As recently as 2018, **Twitter** was telling investors that daily active user growth was "the best measure" of its success in driving the use of the platform as a daily utility. But in early 2019, Twitter introduced a novel metric, "monetizable daily active users," which it defined as those users who could view ads. The new metric is "not comparable to current disclosures from other companies," Twitter said in its fourth-quarter 2018

Facebook global daily active users, quarterly

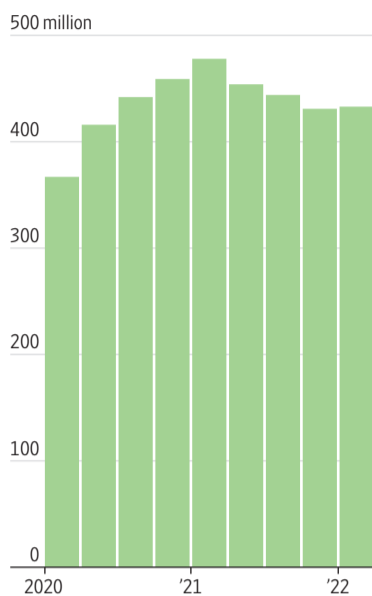


Sources: Meta Platforms (Facebook); FactSet (Pinterest)

shareholder letter, noting its goal wasn't to disclose the largest daily active user number it could. That was convenient: Back then Meta's Facebook app seemed to have around 10 times the number of daily users as Twitter did.

Snap Inc.'s Snapchat reports daily users, but **Pinterest** doesn't. Per its annual filing, Pinterest's growth efforts "are not currently focused on increasing the number of daily active users, and we do not anticipate that most of our users will become daily active users." You could give them credit

Pinterest's global monthly active users, quarterly



for not trying to be something they aren't, but you have to imagine the daily tally is pretty unimpressive for the company to open itself up to perhaps the most intimidating comparison ever: Like Pinterest, Meta also calculates average revenue per user with monthly user metrics. In the U.S. and Canada, Facebook generated an average of more than \$48 per monthly user in the first quarter; Pinterest generated \$4.98.

Ultimately, most user metrics are a bit hazy, no matter which a company opts for. Twitter said

Thursday it actually misstated its mDAUs for 12 consecutive quarters through the end of last year, giving itself credit for multiple accounts being owned by a single user. The difference wasn't particularly large: Twitter said it accounted for about 1.9 million fewer monetizable daily active users in the fourth quarter of 2021, for example, out of a restated total of 214.7 million.

Similarly, Meta said in a filing that in the fourth quarter of 2021 around 11% of monthly active users for its Facebook app could be duplicate accounts.

But small changes can go a long way on Wall Street. Pinterest shares flew more than 13% higher Thursday after the company's first-quarter report suggested its monthly active users might be stabilizing. After three straight quarters of declines, Pinterest said it added two million monthly active users in the first quarter. Then again, the company also said its monthly active users as of April 25 were 432.9 million, suggesting a slight decline from its first-quarter reported figure of 433 million. Pinterest declined to elucidate whether the difference was due to rounding.

Meta's shares imploded, losing more than a quarter of their value in one day, after the company said its daily active Facebook users declined by one million sequentially in the fourth quarter. But its shares soared more than 17% Thursday following first-quarter earnings that showed Facebook's

daily active user base was back to sequential growth, among other things.

Meta's latest quarterly filing opens with a disclosure of "limitations of key metrics," specifically user ones. The company talks about inherent challenges in tracking usage of its products, adding that it requires "significant judgment" and is also susceptible to technical errors.

It goes on to note that regular review of its calculation processes can result in adjustments to its historical data, which it said it generally doesn't intend to update so long as the changes fall within its error margin. While that margin varies by period and category, Facebook said for its global family of apps it could generally be defined as approximately 3% of its monthly active users. On a base of 3.64 billion in the first quarter, that would equate to about 109 million users. In short, it makes little sense for the stock to make big moves on quarterly fluctuations of just one million or so users.

In recent months, tech companies have gone from being speculative winners to potential value plays with the social-media sector hardly an exception. Shares of Meta, Pinterest and Snap are down an average of 41% this year thus far.

Prices could now be quite compelling—unless of course you are wildly overvaluing key fundamentals.

—Laura Forman

Japan Could Use More, Not Less, Inflation

Prices are finally rising, but not for the right reasons or the right products

It's clear why the yen is plunging: Japan wants more inflation while most other developed countries have too much of it. Partly driven by rising energy prices, the country may finally reach its long elusive target for the measure. Its real objective—wage growth—seems harder to come by, but there is a glimmer of hope there, too.

The Japanese yen has lost 13% against the dollar this year, reaching its lowest level in two decades. The decline picked up further pace last week as the Bank of Japan reiterated its commitment to cap 10-year Japanese government-bond yields at 0.25%, saying it would buy the bonds every business day if needed.

The continued easing in Japan and tightening in the U.S. means a wider gap in bond yields between the two countries: The yield spread between their 10-year government bonds rose to 2.67%, the

highest in three years.

The reason for the policy divergence? While consumer prices in the U.S. rose 8.5% from a year earlier in March, inflation in Japan is still running lower than the central bank's 2% target. Japan's core consumer-price index, which excludes fresh food but includes energy, was up 0.8% from a year earlier in March—the highest in more than two years. Rising energy prices will likely drive it even higher and a tumbling yen could exacerbate that as Japan imports most of its food and energy.

While Japan might finally hit its target, such cost-driven inflation—instead of price increases driven by demand—might not be what the central bank is looking for. Excluding energy and fresh foods, the country is still experiencing deflation. That puts the government in a tough spot, especially with an election coming in a few months:



Inflation in Japan is still lower than the central bank's target. A Tokyo shopping mall.

Tightening too early could risk nipping the green shoots of growth, but easing might drive consumer prices higher through an even weaker yen.

More aggressive fiscal policies could help soften the blow for consumers and transfer some money to households, but another key lies in the job market. Japanese wages have been stagnant for nearly

three decades and have lagged behind corporate profits. That might be set to change, according to CLSA strategist Nicholas Smith. He says that a shrinking population together with hiring driven by re-opening could force companies to compete for workers. The working-age population has been declining in Japan for decades, but more people have joined the workforce—

especially women—to fill job vacancies. Around 91% of the working-age population were employed just before the pandemic hit, up from 78% in 2012, according to CLSA.

Japan will likely hit its inflation target soon. But even more important is whether it will finally be able to lift its wages.

—Jacky Wong

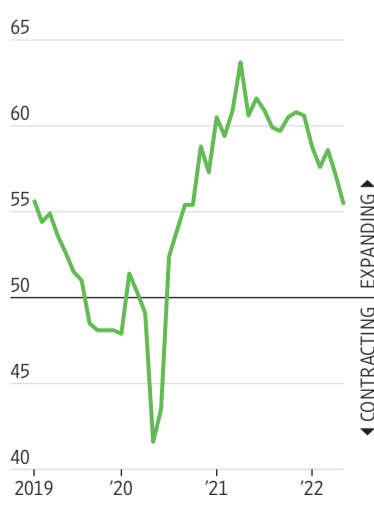
Manufacturers Could Face Demand Woes on Top of Supply Snarls

Supply-chain problems are a bear, but they are better than the alternative of waning demand. The worry for some manufacturers has to be that the latter might become a live concern in the months ahead.

The Institute for Supply Management on Monday said that its index of manufacturing activity slipped to 55.4 in April from March's 57.1. That is still solidly above 50—the dividing line between growth and contraction—but marked the lowest level since July 2020. Moreover, the index got a boost in April from a slowdown in supplier deliveries, which is usually a positive sign for manufacturing, but in the context of on-going supply-chain issues counts a negative. It was at an elevated 67.2 versus 65.4 in March.

Manufacturing growth could further moderate in the months ahead, in response to shifts in demand. The easing of the pandemic has led to a shift away from spending on many types of manufactured goods toward services. Commerce Department figures re-

The Institute for Supply Management's index of manufacturing activity



leased last week showed that, adjusted for inflation, consumer spending on furnishings, appliances and other household equipment in the first quarter was 5.1% below its year-earlier level. Spend-



High level of spending on some goods has probably reduced pent-up demand.

ing on restaurants, bars and other food services was up 19.5% over the same period, while spending on hotels and motels was up 49%.

With warmer weather beckoning and worries about Covid-19

continuing to fade, the move back toward more services spending might only accelerate in the months ahead. Further, the high level of spending on some goods categories has probably reduced a

lot of pent-up demand. And the fact that inflation in goods has been steeper than inflation in services might lead people to reconsider some spending trade-offs—appliance prices have gone up a lot more since before the pandemic than prices for hotel rooms, for example, so a hotel stay could seem more worthwhile.

How shifts in spending will affect manufacturers will depend on what they are making. Demand for new cars, for example, doesn't seem close to sated in comparison with categories such as mattresses. Moreover, inventories are still very low, so parts and components manufacturers, in particular, might continue to see strong demand as their customers stock up. In April, 36.3% of manufacturers responding to the Institute for Supply Management's survey said customers' inventories were too low, versus just 10.5% who said they were too high.

Factories' day in the sun isn't over just yet, but they might be closer to dusk than to dawn.

—Justin Lahart