

THE WALL STREET JOURNAL.

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Last week: DJIA 33886.47 ▲ 401.18 1.2% NASDAQ 12123.47 ▲ 0.3% STOXX600 466.91 ▲ 1.7% 10-YR. TREASURY ▼ 1 5/32, yield 3.521% OIL \$82.52 ▲ \$1.82 EURO \$1.0994 YEN 133.79

What's News

Business & Finance

Stocks have historically rallied after the Fed has finished raising interest rates, but some investors and analysts have warned that markets might not get the same boost this time around. **A1**

◆ **Merck & Co.** said it agreed to acquire Prometheus Biosciences Inc. for \$10.8 billion, a push into the lucrative market for immune-disease treatments. **A1**

◆ **A judge** delayed by a day the start of an eagerly anticipated trial on a voting-machine company's defamation claims against Fox News, a case with broad implications for the network and media law. **B1**

◆ **Saudi Arabia** put a second 4% stake of state oil giant Aramco, valued at nearly \$78 billion, under the control of the country's sovereign-wealth fund as the kingdom moves to diversify its economy. **B1**

◆ **Small and midsize** U.S. banks are coming under pressure to raise the interest rates they pay to avoid losing more depositors to big lenders. **B1**

◆ **Elon Musk** sought to lower expectations for SpaceX's inaugural launch attempt of the immense rocket Starship that is scheduled for Monday. **B3**

◆ **GM is ditching** Apple's popular CarPlay app for iPhones on many of its new electric models along with a similar one made by Google for Android phones. **B1**

World-Wide

◆ **A social-media account** overseen by a former U.S. Navy noncommissioned officer, a prominent online voice supporting Russia's war on Ukraine, played a key role in the spread of intelligence documents allegedly leaked by Airman First Class Jack Teixeira, reposting files from obscure online chat rooms. **A1**

◆ **Secretary of State** Blinken demanded that U.S. officials gain immediate access to Evan Gershkovich, as Russian officials continue to refuse him consular access more than two weeks after they arrested him on an espionage allegation. **A9**

◆ **Heavy fighting** gripped the Ukrainian city of Bakhmut as Russia claimed small advances while Ukraine said the intensity of the battle had reached a high point. **A6**

◆ **Senior Saudi officials** were set to meet with leaders of the Palestinian militant and political group Hamas to discuss renewing diplomatic ties which have been cool since 2007. **A8**

◆ **Moderna's cancer vaccine** helped prevent relapse for melanoma patients, results from a midstage trial showed, demonstrating progress in the pursuit of shots to ward off cancer by jump-starting the immune system. **A3**

◆ **At least four people** were killed and 28 others were injured in a mass shooting at a birthday party in Dadeville, Ala., state officials said. **A3**

JOURNAL REPORT

C-Suite Strategies: The power of gratitude in the workplace. **R1-12**

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Struggle Between Sudan's Top Generals Turns Deadly



CONFLICT RAGES: Smoke billowed above residential buildings in Khartoum on Sunday, the second day of fighting. The situation further destabilizes a country at the center of geopolitical competition among the Mideast, the U.S. and Russia. **A8**

Ex-Navy Technician Amplified Secrets Via Pro-Russia Persona

By YAROSLAV TROFIMOV AND BOB MACKIN

A social-media account overseen by a former U.S. Navy noncommissioned officer—a prominent online voice supporting Russia's war on Ukraine—played a key role in the spread of intelligence documents allegedly leaked by Airman First Class Jack Teixeira, reposting files from obscure online chat rooms.

A purported Russian blogger known as Donbass Devushka, which translates as Donbas Girl, is the face of a network of

pro-Kremlin social media, podcasting, merchandise and fundraising accounts. But the person who hosted podcasts as Donbass Devushka and oversees these accounts is a Washington state-based former U.S. enlisted aviation electronics technician whose real name is Sarah Bills.

Russia first intervened in the Donbas part of eastern Ukraine in 2014, and most of the recent fighting has focused on that area.

Ms. Bills, 37 years old, served at the U.S. naval air station on Whidbey Island until late last

year, even as the accounts she had established and supervised glorified the Russian military and the paramilitary Wagner Group. They are among the most widely followed English-language social-media outlets promoting Russia's views.

In an interview Saturday at her home in Oak Harbor, Wash., Ms. Bills said she is an administrator of the Donbass Devushka persona, and acknowledged raising funds and hosting podcasts under that name. She added, however, that she is one of 15 people "all over the world" involved in running the

Donbass Devushka network. Ms. Bills declined to identify these people.

On April 5, the Donbass Devushka Telegram account posted four of the allegedly leaked classified documents to its 65,000 followers, according to a screenshot seen by The Wall Street Journal. That led several large Russian social-media accounts to pick up on the documents, after which the Pentagon launched an investigation. *Please turn to page A6*

◆ **Battle for Ukrainian city of Bakhmut intensifies**..... **A6**

Market Watchers Doubt Rate Halt Will Spur A Rally

Shares often rise after Fed ends tightening, but weak earnings and high values are hurdles

By AKANE OTANI

Stocks have historically rallied after the Federal Reserve has finished raising interest rates, but some investors and analysts have warned that markets might not get the same boost this time around.

Going back to 1982, the S&P 500 returned an average of 19% in the 12 months after the federal-funds rate peaked, according to a Goldman Sachs team led by chief U.S. equity strategist David Kostin.

Goldman studied six Fed tightening cycles over that period. Stocks rose after all but one of them.

Yet Goldman is skeptical markets will rally again once the Fed is done with its current set of interest-rate increases. Many on Wall Street believe that the Fed might finish raising rates sometime this year.

Earnings growth has faltered. S&P 500 companies are expected to report profits declining at the start of the year by the biggest amount since the second quarter of 2020. Additionally, stocks look expensive relative to history. The S&P 500 trades at about 18 times its next 12 months of expected earnings. That ranks in the 81st percentile for valuations going back the past 40 years, according to Goldman Sachs. *Please turn to page A2*

◆ **Outlook: Views on inflation turn more pessimistic**..... **A2**

INSIDE



WORLD

Blinken demands U.S. consular access to WSJ's Evan Gershkovich 'now.' **A9**



GLOBAL FINANCE

Saudi Arabia adds \$78 billion to its wealth fund's stake in oil giant Saudi Aramco. **B1**

Fleeing China, Many Take Dangerous Route to U.S.

Seeking opportunity, Chinese face risky trek through Latin America

By WENXIN FAN AND SHEN LU

On a crowded speedboat making a night crossing in rough waters off Colombia in January, Daniel Huang, a former Shanghai fitness trainer, began to regret his decision to try to enter the U.S. via Latin America.

He was soaked through by the crashing waves and he feared the boat would tip over. On his cellphone, he said he typed up a farewell note to his father to send if it seemed he wouldn't make it to the shore on the Panamanian side, where he would start an arduous jungle trek.

Mr. Huang is part of a huge upsurge

of Chinese under Xi Jinping's rule who have risked arrest, drowning and robbery as they pass through some eight nations to reach the southern U.S. border, following in the footsteps of hundreds of thousands of Venezuelans, Cubans and others.

"I could no longer see hope" in China, he said. "If there was any other way, who would be willing to leave their family?"

The Chinese migrants making dangerous treks through Latin America are a subset of the larger outflow of Chinese of all wealth levels. Under Mr. Xi, the private sector has been squeezed, forcing layoffs and driving *Please turn to page A10*

Russian Jet Gets Jumbo Parking Bill

Meter for plane stuck in Canada hits \$330,000

By VIPAL MONGA

TORONTO—The Toronto Pearson Airport is charging what amounts to nearly a penny a second for a special, extra-large parking space, a bargain given the size.

An Antonov An-124 cargo plane has been parked there for more than a year. The flying monstrosity, one of 26 in the world, has a wingspan of 240 feet, double that of a Boeing 737's, and is roomy enough to ferry satellites, locomotive engines and wind turbines—as much as 150 tons of stuff.

Finding parking was easy compared with getting out. *Please turn to page A10*

Merck Agrees to Buy Firm for \$10.8 Billion

Merck & Co. said it agreed to acquire Prometheus Biosciences Inc. for \$10.8 billion, a push into the lucrative market for immune-disease treatments.

By Laura Cooper, Lauren Thomas and Jared S. Hopkins

Merck said Sunday it would acquire Prometheus at \$200 a share, a roughly 75% premium to where shares closed on Friday, at \$114.01. Prometheus had a market cap of \$5.4 billion as of Friday's market close. Its shares are up about 4% year-to-date.

The Wall Street Journal reported earlier Sunday that Merck was in late-stage talks with Prometheus for an acquisition. The deal is scheduled to close in the third quarter of 2023, Merck said.

Autoimmune drugs are some of the industry's biggest

sellers and can command high prices, but companies are searching for next-generation products. Some top-sellers such as AbbVie Inc.'s arthritis treatment Humira recently began experiencing their first competition from cheaper versions.

Other drugmakers have acquired autoimmune-treatment makers recently. Amgen Inc.'s \$27.8 billion agreement to purchase Horizon Therapeutics PLC in December was the biggest healthcare merger of last year. The global immunology market is estimated to be worth more than \$40 billion, according to analyst Michael Yee of Jefferies LLC.

Merck, of Rahway, N.J., has been looking for deals to add new products to its pipeline. It is expecting its top-selling product, cancer therapy Keytruda, to lose patent protection later this decade, leaving *Please turn to page A4*

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U.S. NEWS

THE OUTLOOK | By Gabriel T. Rubin and Anthony DeBarros

Views on Inflation Turn More Pessimistic

The economy is proving more resilient and inflation more stubborn than economists expected a few months ago, and as a result the Federal Reserve will keep interest rates high for longer, according to The Wall Street Journal's latest survey of economists.

On average, economists expect inflation, as measured by the annual increase in the consumer-price index, to end this year at 3.53%, up from 3.1% in the January survey. Inflation in March was 5%, the Labor Department reported this past week, the lowest in two years.

The midpoint of the Federal Reserve's current target range for the fed-funds rate now stands at 4.9%, and most economists see that midpoint rising to 5.125% by the end of June, implying one more quarter-point increase in May or June. But whereas markets expect the Fed to then cut rates by year-end, only 39% of economists surveyed agree; most see no rate cut before 2024. That is a change from Janu-

ary, when a slim majority did expect a cut by the end of the year.

With both inflation and interest rates persisting at higher levels than previously expected, economists put the same probability of a recession at some point in the next 12 months at 61%, as they did in January. They expect a recession to be relatively shallow and short-lived, in line with other recent surveys. They see the contraction as likely to begin in the third quarter of this year, later than the consensus in January's survey, which had put it in the second quarter.

This past week the International Monetary Fund said tighter credit conditions, the result of both the Fed's rate-raising campaign and reduced bank lending prompted by the recent failure of two midsize American banks, will slow U.S. economic growth this year. "A hard landing—particularly for advanced economies—has become a much

larger risk," it said.

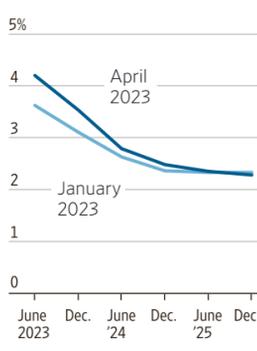
By contrast, most of the business, academic and financial economists who responded to the Journal's survey don't see banking turmoil as contributing to the recession threat. Among them, 58% said a crisis had been largely averted, while 42% predicted more trouble ahead.

"We do not expect rate cuts in 2023 unless there is further financial stress caused by the challenges around small and midsize banks," said Joe Brusuelas, chief economist at RSM US.

"Inflation will remain on a downward trajectory the rest of 2023," added Bernard Baumohl, chief economist of the Economic Outlook Group. "Barring, of course, a new major geopolitical eruption, like conflict in Europe or Asia or disruptions in energy supplies.

Surprise production cuts by some of the Organization of the Petroleum Exporting Countries' leading members, including Saudi Arabia, have sent crude prices sharply

Consumer-price index, forecast year-over-year percentage change



Source: Wall Street Journal surveys of economists

higher and could worsen inflation just as it appears to be moderating, the International Energy Agency said Friday.

Economists expect stagnant growth this year, forecasting inflation-adjusted gross domestic product to rise just 0.5% in the fourth quarter of 2023 from the fourth quarter of 2022.

Growth in 2024 isn't expected to fare much better, at 1.6%.

For the first time since officials began lifting rates a year ago, Fed staff in March presented a forecast that anticipated a recession would start later this year because of banking-sector turmoil, according to minutes released Wednesday. Previously, the staff had judged a recession was roughly as likely to occur as not this year.

A so-called hard landing—in which high interest rates succeed in lowering inflation but at the cost of a significant rise in unemployment and a recession—hasn't become more likely in recent months, but it remains the most probable outcome, economists said. Among respondents, 76% said there would be no soft landing, compared with 75% in January.

"The economy is likely to enter a 'slowcession,' with a tightening of credit conditions which act like an accident in slow motion, with

[the] economy stalling out," said Diane Swonk, chief economist at KPMG.

The pace of job growth has slowed in recent months but remains much higher than the 2019 prepandemic average. Employers added 236,000 workers in March, a historically strong gain but the smallest in more than two years, according to the Labor Department. The unemployment rate ticked down to 3.5%.

Economists expect that pace to slow considerably and turn negative later this year. They see the economy adding 12,000 jobs a month on average over the next four quarters, with job losses from the third quarter of 2023 through the first quarter of 2024. On average, they expect a 4.3% unemployment rate at the end of 2023, lower than the 4.65% they projected on average in the January survey.

The Wall Street Journal survey of 62 forecasters was conducted April 7-11. Not all participants responded to every question.

U.S. WATCH



FUR A GOOD CAUSE: Golden retrievers strike a pose in Boston. A Sunday event honored the life of Spencer, the Boston Marathon dog, and his sister Penny, who showed up to wave on runners, and all dogs who have lost their lives to cancer.

SEATTLE Ferry Runs Aground, No Injuries Reported

A passenger ferry carrying hundreds of people ran aground near Bainbridge Island west of Seattle on Saturday but there were no reports of injuries or contamination, authorities said.

The Walla Walla ran aground in Rich Passage around 4:30 p.m. as it was traveling from the city of Bremerton to Seattle, according to Washington State Ferries, a division of the state Depart-

ment of Transportation. "Initial indications are the vessel suffered a generator failure," but investigators were still looking into what happened, the agency said.

There were 596 passengers and 15 crew members aboard, according to ferries spokesperson Diane Rhodes. A tug boat and the Coast Guard were on the scene.

"Vessel engineers believe tide will be at the right height to safely tow the boat at midnight. We apologize to passengers. Their safety is our first priority,"

Washington State Ferries said via Twitter.

One passenger suffered a medical emergency unrelated to the grounding and necessitated an evacuation, the agency said.

—Associated Press

MAINE Freight Train Derails, Catches Fire

Canadian Pacific Railway is leading cleanup and track repairs following a freight train derailment and fire in Maine, officials

Sunday. Three rail workers were treated and released from a hospital after three locomotive engines and six train cars carrying lumber and electrical wiring went off the track Saturday in Somerset County, officials said.

Some hazardous materials were on the train, officials said, but first responders determined they weren't at risk of leaking or catching fire.

A preliminary assessment put the blame for the derailment on a washout caused by melting ice and debris, state officials said.

—Associated Press

Fed Halt May Not Aid Stocks

Continued from Page One
ing to Goldman.

"There's this great relief in the equity markets right now," said Brad Conger, deputy chief investment officer at Hirtle Callaghan & Co. "I think that's a mistake."

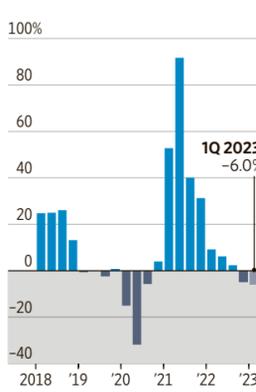
Mr. Conger said his firm has been focusing on investing in companies in industries such as healthcare, software and payment processing that look as though they will be able to continue increasing their profits, even if the U.S. economy cools significantly later this year, as he expects.

"It's hard to see a recession that doesn't impact corporate earnings to a greater degree," he said.

So far, markets have appeared to shrug off the possibility of a downturn. The S&P 500 has risen 7.8% for the year, while the Dow Jones Industrial Average has gained 2.2% and the Nasdaq Composite has climbed 16%.

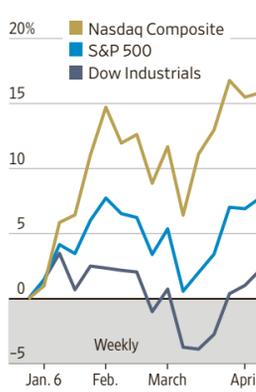
This coming week, investors expect to get a look at earnings from companies including Bank of America Corp., Netflix Inc., and United Airlines Holdings Inc., as well as fresh data on existing-home sales and

S&P 500 quarterly earnings, change from a year earlier



Based on estimates as of April 14

Index performance, year to date



Source: FactSet

manufacturing activity.

A big part of the reason many investors have remained optimistic is the strength of the labor market. Jobs growth, which many feared would take a sharp hit when the Fed began raising interest rates last year, has instead stayed robust. U.S. employers added 236,000 workers in March, the smallest gain in more than two years but still above prepandemic levels, Labor Department data from earlier in the month showed.

"We're in this period of calm right now because there's clearly no sign of recession just yet," said Jeff Schulze, director and investment strategist at ClearBridge Investments.

Additionally, inflation has also continued to pull back. Data last week showed inflation

in consumer goods and services rose at the slowest pace in nearly two years in March. Wholesale inflation also eased.

Yet price pressures remain well above the Fed's 2% inflation target. That could push the Fed to keep raising rates and then holding them at high levels for longer than investors currently anticipate.

Inflation is "still much too high and so my job is not done," Fed governor Christopher Waller said in a speech Friday.

Elevated inflation is likely to weigh on earnings in the coming quarters.

Goldman expects earnings growth to be almost flat for S&P 500 companies for the full year. That would be well below the average 9% growth rate

seen at the end of hiking cycles that weren't accompanied by recessions, the bank said.

"One of the things that's propelling the market higher here is the strength of the economic data we've seen in the first quarter," Mr. Schulze said. "But importantly, a lot of that data is lagging. It doesn't tell us where we're going to be in three to six months."

Some investors said that with so much uncertainty around when the Fed will finish raising interest rates, when it will begin cutting them and when or if a recession will materialize, it is best to focus on creating portfolios that can withstand a variety of outcomes.

"I think investors often make mistakes by trying to overanalyze and overpredict market cycles...when they begin, when they end," said Darrrell Cronk, president of Wells Fargo Investment Institute. "Probably more important than predicting is positioning."

CORRECTIONS & AMPLIFICATIONS

In some editions Saturday, a Page One What's News summary incorrectly gave the year of the 2021 attack on the U.S. Capitol as 2001.

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

Global Recovery Remains Fragile

By YUKA HAYASHI AND ANDREW DUEHREN

WASHINGTON—The global economy has emerged from the pandemic and weathered the war in Ukraine with surprising resilience, policy makers gathered in Washington said last week. Yet the recovery remains fragile as stubborn inflation fuels risks in many corners of the world.

Top finance officials and central bankers patted each other on the back over the way their economies pulled through the past year, as they met for the spring meetings of the World Bank and the International Monetary Fund.

The global economy grew 3.4% in 2022 even as the war upended energy and food trade. While this year's projected growth of 2.8% is hardly stellar, it's far better than in 2020, when the economy shrank by 2.8%.

While cautioning about risks, Treasury Secretary Janet Yellen said the global economy looks better than people realize: "It's certainly stronger and brighter than last time we had the annual meetings in October." French finance minister Bruno Le Maire said the global outlook might be a bit rockier than expected, but "Europe is doing well."

Still, IMF and World Bank officials warned about what could go wrong in coming months. Inflation is persistent in the U.S. and in many countries, leaving the possibility that their central banks will continue raising interest rates.

Higher rates in the U.S., accompanied by a stronger dollar, could exacerbate the hardships of developing nations that have grappled with soaring costs of imported food and energy and faced ballooning debts. Commodity trade and external debts are often priced in dollars, making them sensitive to Federal Reserve policy changes.

Interest-rate increases could also reignite turmoil in the banking sector, which in March saw the failure of two midsize U.S. banks and the forced acquisition of Credit Suisse Group by longtime rival UBS Group.

The IMF's baseline forecast for global growth is 2.8% in 2023. But it warns further financial stress could push that down to 2.5%, with advanced-economy growth falling below

1%. The multilateral lender said U.S. banking capacity will decline by 1% this year, shaving 0.44 percentage point off 2023 U.S. gross domestic product.

"Key is to monitor risks that may be hiding in the shadows in banks and nonbank financial institutions, or in sectors such as commercial real estate," said IMF Managing Director Kristalina Georgieva. "At this moment in time for the world economy, vigilance is absolutely paramount."

The Fed has raised interest rates at its fastest pace in four decades. Fed staff have predicted the U.S. economy will enter a recession later this year due to the banking-sector turmoil. Still, the central bank has signaled it could raise rates again next month.

As financial institutions try to adjust to the rapid rise in interest rates, some are scaling back lending. That has raised concerns that small businesses and others might not be able to get short-term loans, offi-

Stubborn inflation fuels risks in many parts of the world, policy makers said.

cials and economists said.

"In both the advanced economies and in developing countries, we're seeing the availability of credit go down as banking systems examine their balance sheets," World Bank President David Malpass said.

Other factors that officials and economists say could pull down the global economy include the war in Ukraine, a reversal in globalization that divides the world into blocs formed around Western democracies and authoritarian countries, and any flare-up of the Covid-19 virus or the emergence of a new pandemic.

The reopening Chinese economy after extended lockdowns is revving up Asia's economic activity, and the country is expected to account for one-third of global growth this year, according to the IMF. Yet China's postpandemic growth might disappoint, given a decline in its growth rate in recent years due to headwinds such as a rapidly aging population.

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U.S. NEWS

Progress Shown On Cancer Vaccine

By BRIANNA ABBOTT

Moderna Inc.'s cancer vaccine helped prevent relapse for melanoma patients, results from a midstage trial showed, demonstrating progress in the pursuit of shots to ward off cancer by jump-starting the immune system.

About 79% of high-risk melanoma patients who got Moderna's personalized vaccine and Merck & Co.'s immunotherapy Keytruda were alive and cancer-free at 18 months, compared with about 62% of patients who received immunotherapy alone, researchers said Sunday. The 157-person trial offers some of the strongest evidence yet that such vaccines could benefit cancer patients.

"I am fairly encouraged that this will open up a whole new set of trials," said Jeffrey Weber, the senior investigator on the trial and deputy director of the Perlmutter Cancer Center at NYU Langone Health.

Moderna and Merck said they would expand their research into other tumor types including non-small cell lung cancer. The companies have said they plan to run a larger study to confirm the vaccine's safety and efficacy in treating

The pandemic demonstrated the power of mRNA technology.

high-risk melanoma. They released a limited overview of the results in December.

Fuller results are to be presented at an American Association for Cancer Research conference in Orlando, Fla., where other researchers plan to present data on vaccines meant to treat cancers including pancreatic and head and neck. The work, which needs to be confirmed in more advanced trials, represents progress after decades of ambition but limited success.

"It feels as though harvest time is coming," said Andrew Allen, co-founder and chief executive officer at Gritstone bio Inc., which is conducting a midstage trial for a personalized vaccine that aims to treat metastatic colorectal cancer.

Many experimental cancer vaccines aim to treat cancer or prevent it from coming back rather than preventing it from developing in the first place. Advances in immunotherapies, genomic sequencing and artificial intelligence have helped make cancer-targeting vaccines more promising, oncologists said. The Covid-19 pandemic demonstrated the power of mRNA technology that Moderna and others are testing in cancer shots.

"This is the first time we've been able to use vaccine technology to really be able to change the course of a cancer," said Eliav Barr, Merck's head of global clinical development and chief medical officer.

Moderna's shot is tailored to each patient. The company analyzes a patient's tumor for mutations and chooses up to 34 targets called neoantigens that it suspects will create the strongest immune response. The patient receives nine doses of the vaccine, one every three weeks, on top of up to 18 cycles of immunotherapy.

Some 157 patients with stage three or four melanoma were enrolled and underwent surgery to remove the cancer. Around 107 patients received the shot and immunotherapy after surgery, while 50 were treated with immunotherapy after surgery alone.

Recurrence of cancer or death was reported in 22% of patients who got the shot and the immunotherapy Keytruda and in 40% of patients who got immunotherapy alone.

The combination with the vaccine helped reduce the risk of recurrence and death for the melanoma patients in the trial by some 44% compared with Keytruda alone, the researchers said.

—Peter Loftus contributed to this article.



A road in Tulare County remained flooded this month after record rains in California since December. New flooding is feared in the state as the snowpack atop the Sierra melts.

California Braces for Spring Flooding

By JIM CARLTON

ALLENSWORTH, Calif.—Ray Strong looked up at the Sierra Nevada range in its magnificent mantle of snow—and frowned.

"Once that water starts flowing, you can't stop it," said Mr. Strong, 66 years old, as he mowed his lawn in early April in the flatlands of California's Central Valley.

California's swing from record drought to record precipitation already has resulted in costly destruction across the state. Some of the hardest hit areas are in the southern Central Valley, where flooding from storms earlier this year has left an estimated \$2 billion in damages to farms and support industries in Kings County and hundreds of millions of dollars of damage in neighboring Tulare County, according to local government estimates.

Now the state faces the threat of new flooding from the massive snowpack atop the Sierra that hangs over the 450-mile valley. With temperatures on the rise, officials of the state Department of Water Resources said their forecasts show river levels running as much as four times as high as normal through July.

"If we get some hot days that come too quickly, that snowmelt is going to come

rushing down like a diesel train," said Richard Valle, chairman of the Kings County board of supervisors. "We have a very scary situation on our hands."

Government hydrologists say the rich farmlands of the southern Central Valley is an area of concern because the mountains above have some of the most snow in the state, with 10 feet or more in some places, three times the historical average. State, federal and local officials are busy raising roads and levees, repairing damaged canals and limiting reservoir water levels to leave room for the melted snow.

"There is a coordinated group looking at the situation and looking at as many options as possible to mitigate the hazard," said State Climatologist Michael Anderson.

The Central Valley's agriculture industry is particularly vulnerable to flooding. In Tulare County, Supervisor Pete Vander Poel III said almond yields alone are expected to be down as much as 59% because of water damage.

Local officials say greater damage could result if the snowmelt can't be corralled. One of the biggest threats, they say, is to the Kings County city of Corcoran, where the 22,000 residents, including 8,000 inmates in two state prisons, are protected by

Snowpack runoff forecast for April-July compared with historical average by percentage



Source: California Department of Water Resources
Erinna Brown/THE WALL STREET JOURNAL

a 14.5 mile-long levee that was built about 40 years ago.

Water from previous storms has already amassed along the levee, which has a maximum height of 20 feet. City officials and a local flood-control district have started a \$17 million emergency project to raise it an additional 4 feet.

If the levee is overwhelmed and Corcoran is flooded, the losses could total \$6 billion,

said City Manager Greg Gatzka. He said state and federal agencies have been too slow to help fund projects such as the levee project.

"With climate change, we need to mobilize resources faster," Mr. Gatzka said.

In Tulare County, officials say levees have been weakened by years of drought that allowed squirrels and other animals to burrow holes.

Storms flooded thousands of acres of farmland in the county in March, leaving communities including historically Black Allensworth partially cut off for weeks.

Mr. Strong said the town of about 500 would have been inundated had neighbors not hopped on their tractors and plowed holes in berms at one end of town to allow the floodwaters to rush past.

"What puzzles us is [government officials] know the water is going to come, but they come after the damage is done," said Mr. Strong, a former running back for the National Football League's Atlanta Falcons.

State officials say they are preparing for snowmelt and have already dropped 2,500 bags of sand and rock into levee breaches and installed portable flood barriers. Jeremy Arrich, who oversees flood management for the state water agency, said it doesn't have jurisdiction over many levees that are operated privately or by other agencies.

Bitta Toor said his family's farm in Tulare County suffered about \$20 million in losses after March storms flooded a 2,400-acre orchard, killing many of the pistachio trees.

"If the snow melts and the levees don't stop it," he said, "the water is going to come down here again."

Ukrainian Tech Workers Find Jobs in Oklahoma

By ALICIA A. CALDWELL

Andrii Skorniakov was scouring the internet looking for a place where his family could settle after fleeing Ukraine when he found a suggestion in a Facebook group that they move to the second-largest city in Oklahoma.

Ukrainians looking for a new home following the Russian invasion of their country are being recruited by a Tulsa, Okla., nonprofit that is looking for workers for the region's growing technology sector.

These recent arrivals are particularly attractive, according to local officials and business leaders, because they are eligible to bypass many immigration restrictions through a humanitarian program that allows Americans to sponsor Ukrainians to live and work in the U.S. for two years.

"I didn't actually believe what it was," Mr. Skorniakov said of his initial reaction when he learned about the recruitment effort, run by inTulsa Visa Network, a business group. "I thought it was a scam."

Mr. Skorniakov said a conversation with one of the program's top officials, who had moved to the U.S. from Ukraine as a child, convinced him that the effort was real and could be a good fit. He



started interviewing for a job in the region while he and his family were still in France, where they had initially fled after Russia invaded their home country.

He and his wife and two daughters moved to Oklahoma in December. They settled in a three-bedroom suburban home east of downtown Tulsa, where Mr. Skorniakov works as a data engineer.

Newly arrived migrants with college or advanced degrees can be attractive to employers, particularly in smaller cities, where many businesses struggle to fill vacancies in highly skilled jobs.

As of late February, more than 147,000 Ukrainians had

been approved to move to U.S. under the Biden administration's Uniting for Ukraine program. Unlike people who come to the U.S. through an H-1B visa for highly skilled workers, which are in limited supply, Ukrainians in the humanitarian program aren't restricted to working for the employer who sponsored them.

"Overnight, tens of thousands of super highly skilled Ukrainians uprooted, and we wanted to find out how we could help and really just make Tulsa an option," said Stan Khrapak, head of the inTulsa Visa Network. The program is an offshoot of a local tech-industry recruitment organization called inTulsa.



Stan Khrapak, above, is head of the inTulsa Visa Network. Andrii Skorniakov, left, at his computer at his family's home in Tulsa, Okla.

Timothy C. D'Arduini, a partner at the law firm Quarles & Brady LLP who works with the inTulsa Visa Network, said he believes the initiative is the first of its kind to help sponsor and refer immigrants to employers under the Uniting for Ukraine program.

The Tulsa group has so far approved 15 Ukrainians and their families to move to Tulsa, six of whom have been hired by local companies. It is planning to expand the effort to highly skilled immigrants from Cuba, Venezuela, Haiti and Nicaragua who are eligible to be sponsored by Americans, Mr. Khrapak said.

InTulsa is also recruiting foreigners who are already in

the U.S. on H-1B visas and who lost their jobs in the tech industry's recent layoffs.

Mayor G.T. Bynum has stressed drawing immigrants to Tulsa as a way to expand the labor pool and boost the economy in this city of about 400,000 people. Some 500 Afghan refugees who evacuated to the U.S. after the fall of Kabul have resettled in Tulsa, which Mr. Bynum said is among the most per capita in the U.S.

"Everyone in Tulsa benefits from this by having a vibrant immigrant community, being the kind of city that people believe in," the Republican mayor said. "But also...it drives economic growth."

Several years ago Mr. Bynum's administration launched a citywide welcome program for immigrants. It includes a policy to offer translation services in languages including Spanish, Burmese and Hmong, and programs to help foreigners with college degrees have documents translated to help them avoid underemployment.

Mr. Skorniakov said he doesn't know if he will ever return to Ukraine full time and hopes eventually to help his 21-year-old son who stayed in Kyiv to come to the U.S. "We like it here, but we want to have an opportunity to go and visit Ukraine," he said.

Gunfire Kills at Least 6, Injures Dozens in Alabama, Kentucky

By GINGER ADAMS OTIS

At least four people were killed and 28 others were injured in a mass shooting at a birthday party in Dadeville, Ala., state officials said.

The shooting happened just after 10:30 p.m. local time on Saturday in Dadeville, a city of about 3,000 located roughly 60 miles northeast of Montgomery, according to the Alabama Law Enforcement Agency.

The gunfire broke out during a birthday celebration, state officials said.

At a news conference Sunday afternoon, Alabama Law Enforcement Agency spokesman Sgt. Jeremy Burkett declined to give information about the four fatalities, citing the continuing investigation.

Several of those injured in the shooting remain in critical condition, he said.

Alabama Gov. Kay Ivey said she was grieving along with the city of Dadeville on Sunday morning. "Violent crime has NO place in our state, and we are staying closely updated by law enforcement as details



emerge," she said.

The Alabama shooting happened roughly an hour after a fatal shooting in Louisville, Ky.

Shots were fired into a crowded park in that city, killing two people and wounding four others, the Louisville Metro Police Department said.

President Biden, in a statement on Sunday, called both shootings outrageous and unacceptable. "What has our nation come to when children cannot attend a birthday party without fear? When parents have to worry every time their kids walk out the door to school, to the movie theater, or to the park?" he said.

Mr. Biden commended Ten-

nessee Gov. Bill Lee for recently signing an order to expand background checks on gun purchases and calling on state lawmakers to pass a red flag law.

Saturday's shooting in Louisville occurred at approximately 9 p.m. local time, the police department said. Officers responding to a 911 call found two men who had been fatally shot in Chickasaw Park.

Three other men and one woman were wounded but all are expected to survive, authorities said.

U.S. NEWS

Senate GOP Targets Biden Regulations

By ERIC BAZAIL-EIMIL

WASHINGTON—Republicans don't control the Senate. But on some days, they have controlled the Senate's agenda.

While Democrats run the Senate floor on account of their 51-49 majority, Republicans are using various tools to force votes on issues dear to the GOP, over the opposition of Senate Democratic leaders and President Biden. They have employed the Congressional Review Act and other provisions of federal law to target rules written by administration agencies and hold votes on hot-button issues, sometimes peeling off centrist Democrats positioning themselves ahead of the 2024 elections.

More GOP-led votes are expected in the coming weeks, testing Democratic unity and potentially forcing vetoes from Mr. Biden. Republicans are billing these votes as critical tools of legislative oversight and accountability over the executive branch.

"As a legislative branch, we must protect our authority. The Biden administration is trying to subvert our laws, and it must be stopped," Sen. Pete Ricketts (R., Neb.) said on the Senate floor last month.

A primary tool has been the Congressional Review Act, which allows Congress to overturn rules and regulations written by federal agencies within 60 days of their enactment by passing resolutions of disapproval. Disapproval resolutions



Disapproval resolutions on environmental rules are expected in the coming weeks, among them one introduced by GOP Sen. Deb Fischer to overturn regulations governing trucking emissions.

are exempt from the filibuster rule and can't be blocked by the Senate's majority leader, meaning they need just a simple majority in both chambers to reach the president's desk. They are still subject to a presidential veto, which would then require a two-thirds majority in each chamber to override.

Sen. Shelley Moore Capito (R., W.Va.) introduced a disapproval resolution targeting the administration's Waters of the United States rule, which expanded the definitions of waterways subject to federal pollution regulations.

After clearing the House, it passed 53-43 in the Senate, with Democratic Sens. Jacky Rosen and Catherine Cortez Masto of Nevada, Joe Manchin

of West Virginia and Jon Tester of Montana joining all Republicans to pass the measure. Sen. Kyrsten Sinema, an Arizona independent who caucuses with Democrats, also voted with Republicans.

The Senate also voted 50-46 to pass a disapproval resolution introduced by Sen. Mike Braun (R., Ind.) targeting Labor Department rules that allowed retirement-plan managers to consider environmental, social and corporate-governance issues, or ESG, in their investment decisions. Messrs. Manchin and Tester joined Republicans to pass the measure.

With Congress coming back into session, Republicans plan additional efforts to keep their agenda in the spotlight. A se-

ries of disapproval resolutions on environmental regulations is expected to receive votes in the coming weeks, among them a resolution introduced by Sen. Deb Fischer (R., Neb.) to overturn rules governing trucking emissions and one introduced by Sen. Cynthia Lummis (R., Wyo.) that would overturn new definitions of habitats for purposes of enforcing the Endangered Species Act.

Democrats defend such regulations as critical to protecting the environment, while Republicans cast them as costly government overreach.

Mr. Biden has used his veto power against these disapproval resolutions. He vetoed Mr. Braun's disapproval bill on ESG, the first veto of his presi-

dency, and an effort to override the veto in the House failed.

Mr. Biden also vetoed Ms. Capito's water-regulations bill. In a message to Congress, the White House said that "the increased uncertainty caused by [the bill] would threaten economic growth, including for agriculture, local economies, and downstream communities."

Disapproval resolutions rarely succeed. Of the 249 disapproval resolutions that were introduced by members of Congress since the law's inception in 1996 to October 2022, only 20 have successfully managed to overturn federal regulations, according to a new study by researchers at George Washington University. All the successes occurred immediately after a change in presidential administrations and when the president's party held majorities in both houses of Congress, and all but three have occurred during a Republican presidency.

But the resolutions can serve political purposes, even if their odds of overturning regulations are poor. For moderate lawmakers like Messrs. Manchin and Tester, breaking with their party and voting in favor of disapproval resolutions can bolster an image of legislative and political independence with voters. For Republicans, getting Democratic support makes the efforts bipartisan.

A spokesperson for Senate Majority Leader Chuck Schumer (D., N.Y.) didn't respond to a request for comment.

Santos Raises Little for Campaign

By JIMMY VIELKIND

Rep. George Santos's campaign refunded more contributions than it took in during the first three months of the year, disclosure reports show, raising questions about whether he intends to see through a re-election campaign.

The New York congressman is facing several investigations and criticism from fellow Republicans about apparent lies he told during his 2022 election.

Mr. Santos, who has filed paperwork to run for another term in 2024, received only \$5,333 in mostly small, unitemized donations, and paid out \$8,353 in refunds to contributors, according to a report filed Saturday with the Federal Election Commission.

Mr. Santos didn't spend other campaign funds, meaning he paid no staff or other operational expenses, and didn't pay back any of the \$715,000 in personal loans he previously made to his campaign. He reported about \$25,000 on hand.

Campaign finance has been a source of controversy for Mr. Santos, 34 years old, since he was sworn into office in January. Saturday's filing specified that all of the loans he made to his campaign last year came from personal funds. In January, Mr. Santos amended disclosure documents regarding the source of the loans, and they contained conflicting and incomplete information.

A campaign spokesman didn't return a message seeking comment on Saturday's filings. Mr. Santos previously said he wasn't personally responsible for amending his filings.

Republican officials in Long Island's Nassau County, which makes up much of the Third Congressional District, have said they won't support Mr.

The New York GOP congressman paid \$8,353 in refunds to contributors,

Santos for re-election and have called for his resignation. Kellen Curry, a U.S. Air Force Academy graduate, has filed paperwork to challenge Mr. Santos in a GOP primary.

Josh Lafazan, a Democratic county legislator who unsuccessfully sought his party's nomination for the seat in 2022, has been raising funds to challenge Mr. Santos. Tom Suozzi, a Democrat who represented the district but declined to run for re-election in 2022, has discussed a potential bid with local officials, political operatives said. Mr. Suozzi didn't return a message seeking comment.

The respective campaign filings for Messrs. Curry and Lafazan weren't available Saturday.

The House Committee on Ethics in March formally opened an investigation into Mr. Santos over allegations that he engaged in unlawful activity during his 2022 campaign and failed to disclose required information.

Mr. Santos has said he is cooperating with the probe. He has acknowledged misleading voters on his past, including his education and professional experience. He has said he hasn't committed any crimes.

—Anthony DeBarros contributed to this article.

Republican Girds for Fight on Debt Ceiling

By NATALIE ANDREWS

KERRVILLE, Texas—Rep. Chip Roy is preparing for battle.

"The fight's just begun—the speaker's fight was a preview," he said at a fundraiser last week for the Kerr County Republicans. Of his time in Washington, he said: "I'm not there to get second place. I'm there to win."

The GOP lawmaker was a leader of the conservative holdouts opposing Kevin McCarthy's speakership bid, extracting concessions at the negotiating table in exchange for allowing the California Republican to win the top job. Now, fresh off that January fight, Mr. Roy is telling backers to get ready for another one, as Mr. McCarthy tries to unite the party again, this time in a high-stakes battle with Democrats over the nation's borrowing limit.

"If you think it was hot then, the debt-ceiling fight is going to get a lot hotter," he told business owners at the Kerrville Area Chamber of Commerce on Wednesday.

Mr. Roy wants to see a debt-ceiling deal that is paired with immediate spending cuts that will start in the coming fiscal year, including setting the top-line number for appropriations spending to levels from two years earlier. He is pushing for Republicans to pass a plan this month to kick-start negotiations with the White House.

Republicans have a narrow majority, so Mr. McCarthy must get almost all members on board assuming no Democratic support.

The U.S. could become unable to pay all of its bills as soon as this summer. The Treasury Department announced it ran up against the roughly \$31.4 trillion debt limit in January. It is now deploying special accounting maneuvers to keep paying the government's obligations to bondholders, Social Security recipients and others.

Mr. Roy, 50, is a lead advocate for the House Freedom



Rep. Chip Roy visited with constituents last week in Fredericksburg, Texas, ahead of a coming fight over the debt ceiling.

Caucus—a group of several dozen far-right members who have generally opposed increasing the debt ceiling—in negotiations with broader GOP leadership and other blocs.

"Chip has been in probably 90% of the meetings that we've had, because of his ability to go down a secondary and tertiary layer on substance," said Rep. Garret Graves (R., La.), who Mr. McCarthy deputized to wrangle the factions of the Republican Conference.

President Biden, whose own budget includes tax increases that are nonstarters with Republicans, sat down with Mr. McCarthy in February, and the two haven't met since.

Many Republicans agree on setting the top-line spending limits to fiscal year 2022 levels—a step back from current fiscal 2023 levels—and then allowing for small annual increases. Many also back reinstating work requirements for

people to qualify for government programs like food stamps, canceling Mr. Biden's student-loan forgiveness program and putting unspent Covid-19 aid money back into the nation's coffers.

They also want to add a bill, dubbed the Reins Act, to require congressional approval of any federal rule or regulation that the Office of Management and Budget determines to have an economic impact of \$100 million or more.

Democrats won't agree to much or any of this. But Mr. Roy and other House Republicans said they hope to muscle the bill through the GOP-controlled House.

"You're going to lose right-flank support if you don't have upfront, first-year cuts," Mr. Roy said in an interview.

Moderate and defense-focused Republicans have pushed back on cutting defense spending. Mr. Roy countered by say-

ing nondefense spending could be cut back further to allow for more defense spending.

If talks fail, or if Mr. McCarthy is forced to strike a deal with Democrats, Mr. McCarthy could see his job jeopardized.

A bipartisan group, the Problem Solvers Caucus, has been quietly meeting to forge a path through which Republicans and Democrats could agree on raising the debt ceiling, according to several people familiar with the matter. That would likely cut out lawmakers like Mr. Roy and the House Freedom Caucus.

"All sides need to sit down at the table and get this done," said New Jersey Rep. Josh Gottheimer, Democratic co-chair of the Problem Solvers Caucus.

Mr. Roy is well-versed in House and Senate procedure. When Democrats were in the House majority, Mr. Roy used procedural motions to delay votes, and at times forced law-

makers to rush back to the Capitol or stay late into the night.

"Tactically, Chip and I have a lot of disagreements," said Rep. Dusty Johnson (R., S.D.), who chairs the Main Street Caucus, which bills itself as a group of pragmatic Republicans. "There are times when he will make a tactical decision that I think is the wrong one."

Still, Mr. Johnson maintained that he and Mr. Roy agree more on how to cut spending than they disagree. The Main Street Caucus in a letter to Mr. McCarthy backed a rollback of nondefense discretionary spending to fiscal 2022 levels, work requirements and a bipartisan commission on Social Security and Medicare, among other steps.

"A lot of members can be unrealistic about what's gettable in a negotiation. Chip doesn't live in a fantasy land," Mr. Johnson said.

Merck Deal Focuses on New Drugs

Continued from Page One

ing Merck with a potentially major drop in revenue. Keytruda sales last year totaled about \$21 billion of Merck's \$59.3 billion total. The drug's patent is forecast to expire in 2028.

Promethues, of San Diego, develops immune treatments and doesn't have any ap-

proved products. Its lead pipeline drug is in development for treating immune diseases including ulcerative colitis and Crohn's disease.

Promethues recently reported separate positive study results in midstage testing of its drug for ulcerative colitis and Crohn's disease and said it would advance the treatment into late-stage trials.

Company sales totaled \$6.8 million last year. SVB Securities LLC analysts forecast that will grow to more than \$1.6 billion in 2029.

Merck Chief Executive Officer Robert Davis has said that Merck would be active in deal making this year.

"The science is what drives us," he said.

He said the Prometheus acquisition would give Merck access to a database of genetic data that can be tapped to help develop future drugs. Mr. Davis said that Merck wants to expand its immunology business further.

"We do see this as a foundational asset for a broader portfolio and immunology, and we are going to invest fully behind that."

Merck recently agreed to acquire blood-cancer biotech Imago BioSciences for \$1.35 billion.

There has been a flurry of merger-and-acquisition activ-

ity lately in the sector. Pfizer Inc. earlier this year agreed to pay \$43 billion for biotech Seagen Inc. and its pioneering class of targeted cancer drugs. In January, there were a number of deal announcements from mostly smaller European drug companies paying big premiums to fill their pipelines.

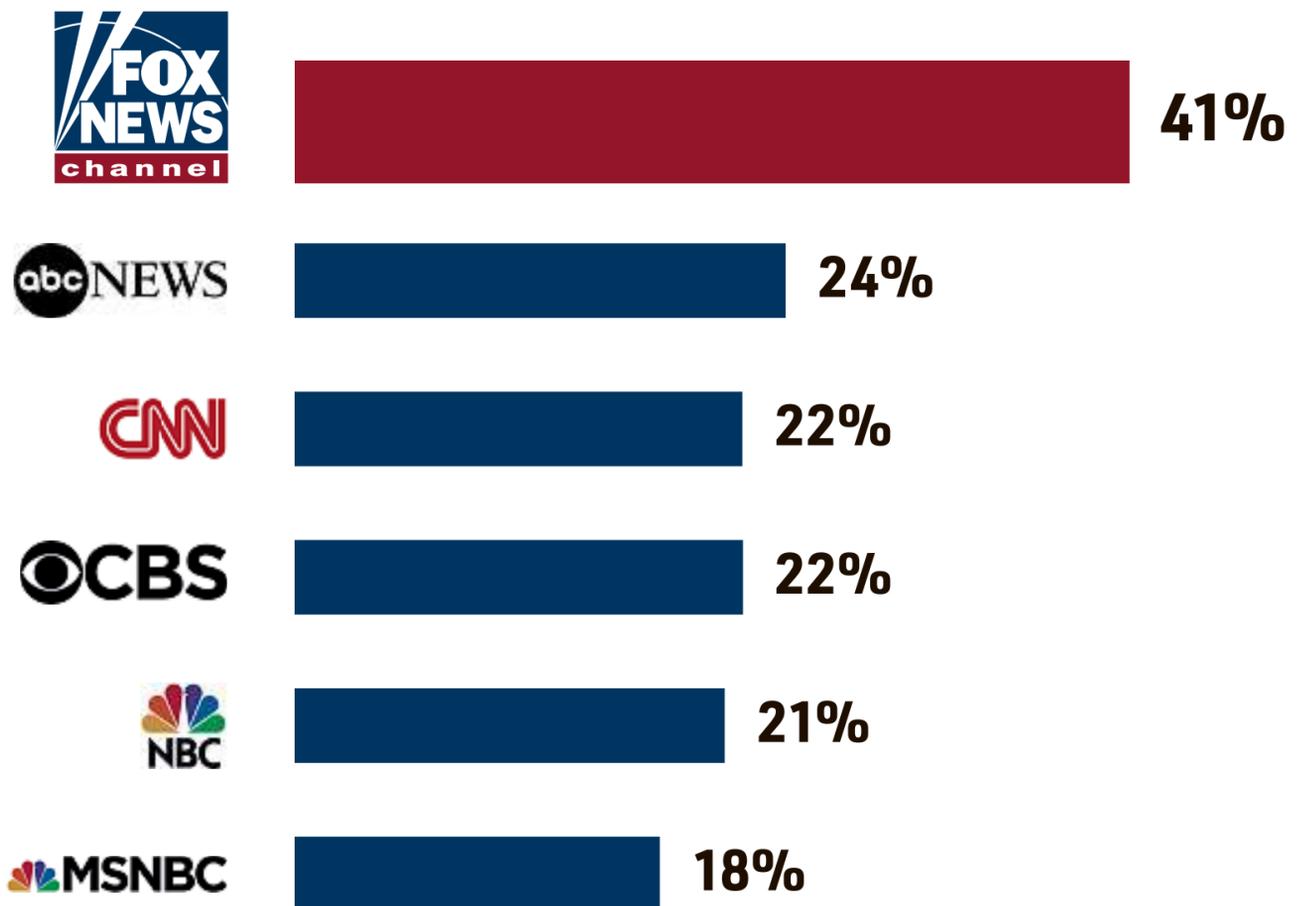
Drug companies have been hunting for acquisitions, facing revenue drops as top-selling products lose patent protection. Healthcare companies as a whole are also largely seen as recession-resistant, which has insulated the industry somewhat from fears of an economic slowdown.



Merck plans to be active in deal making in 2023 as its cancer drug Keytruda is expected to lose patent protection later this decade.

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WORLD NEWS

Battle for Ukraine's Bakhmut Intensifies

Russian forces are advancing block by block as Kyiv seeks to inflict maximum losses

By JAMES MARSON

KYIV, Ukraine—Heavy fighting gripped the Ukrainian city of Bakhmut on Sunday, as Russia claimed small advances while Ukraine said the intensity of the battle had reached its highest level yet.

The Russian Ministry of Defense said that Wagner paramilitaries had advanced a few blocks on the northern and southern edges of the city. The Ukrainian military said it had repelled Russian attacks in and around the city, Russia's main immediate target in the country.

"Our soldiers are doing everything to grind down the enemy's fighting capacity in bloody and brutal battles," Serhiy Cherevaty, a Ukrainian military spokesman, told Ukrainian television.

The battle for Bakhmut, a city of some 70,000 before Russia's invasion, has become one of the fiercest of the war, as Moscow has thrown tens of thousands of troops, many of them convicts recruited by Wagner, into frontal assaults. Despite heavy losses, they have gradually chipped away at Ukraine's control of the city.

Russia has Ukrainian forces hemmed in from the north, south and east with only one decent supply route. In recent days, Russian troops have made a fresh thrust inside the city, cutting further into the area held by Ukrainian forces.

Ukrainian troops are holding on, despite heavy losses of their own. Ukrainian commanders say they want to wear down Russian forces and buy time to prepare for an offensive of their own in the coming weeks.

Meanwhile, Ukraine and Russia traded accusations of



A woman gathered religious icons on Orthodox Easter Sunday at a church in the Zaporizhzhia region that Ukrainian officials said was destroyed by a Russian missile strike.

shellings of civilian areas. Ukraine said two teenagers were killed in the southern Mykolaiv region and a church was severely damaged in the Zaporizhzhia region. Russia said a woman was killed by a Ukrainian in the occupied eastern city of Donetsk.

Ukrainian officials said rescuers were working for a third day at the ruins of an apartment block in the northeastern city of Sloviansk, searching for four people who may be buried there. The building was destroyed Friday after-

noon by a Russian strike that killed 11 and injured 22, according to Ukrainian officials.

Both sides celebrated Orthodox Easter on Sunday. Ukrainian President Volodymyr Zelensky addressed Ukrainians in a video from the Kyiv Monastery of the Caves, one of the country's holiest sites that the government is seeking to wrest from the control of the local arm of the Russian Orthodox Church. He pledged to return all occupied lands to Ukrainian control.

Russian President Vladimir

Putin attended a midnight service held by Patriarch Kirill, the leader of the Russian Orthodox Church, in Moscow's Christ the Savior Cathedral. Patriarch Kirill has offered vocal backing for Russia's invasion of its neighbor.

Ukrainian officials on Sunday announced the return of several groups of prisoners from Russian captivity. A total of 130 Ukrainians have returned in recent days in several groups.

Also on Sunday, Mr. Putin met with Chinese Defense

Minister Li Shangfu, who was on a visit to Russia. The Kremlin leader praised the strengthening partnership between Russia and China that extends to the military sphere.

"We are also working actively through the military departments, regularly exchanging information that is useful to us, cooperating in the field of military-technical cooperation, conducting joint exercises," Mr. Putin said in remarks carried on Russian state media before the meeting.

China has offered Russia

critical economic support during the war, while the two countries have also stepped up joint military exercises, as Moscow seeks to offset Western isolation by drawing its partners closer.

China's foreign minister said Friday that Beijing won't send Russia munitions for the conflict in Ukraine, its strongest response yet to statements by U.S. officials that China was considering such assistance to Moscow.

—Ann M. Simmons contributed to this article.

Airman's Arrest Surprises Small New England Town

DIGHTON, Mass.—The house on Maple Street where Airman First Class Jack Teixeira was arrested Thursday sits

By Jon Kamp,
Kris Maher
and Ginger Adams Otis

on a thickly wooded lot set far back from the road. By Friday, after law-enforcement agents and media descended on this small town, a loader backhoe blocked the driveway entrance

near an empty flower cart.

A 2020 graduate of Dighton-Rehoboth Regional High School in southeastern Massachusetts, Airman Teixeira, 21 years old, was viewed by those who know him as a military enthusiast from a family who supports the military and its causes.

Airman Teixeira had been with the Massachusetts Air National Guard since 2019 and was based at Otis Air National Guard Base on Cape Cod, according to his service record.

Defense officials said he was a member of the 102nd Intelligence Wing. His Thursday arrest for allegedly leaking highly classified documents surprised some who knew him.

Kailani Reis, who said she graduated from Dighton-Rehoboth with Airman Teixeira, described him as obsessed with guns and the military.

"When we were graduating and I heard that he was going into the National Guard, I was thinking, 'Wow, that's going to

be really good for him to have that structure' and that he's been wanting to do that for a really long time," said Ms. Reis.

"I was kind of surprised that he would do anything against the National Guard at all," said Ms. Reis, 20, who is now a student at Muhlenberg College in Pennsylvania.

Attempts to speak to members of Airman Teixeira's family haven't been successful.

Dighton, a town of roughly 7,900 located about 17 miles

east of Providence, R.I., is a right-to-farm community, meaning agriculture is encouraged there. The town was famed for its strawberry farms in the 19th century, when a train known as the Strawberry Express would leave nightly with the day's haul, according to the town website.

Locals at the 1712 Restaurant & Tavern said they didn't know the family but were bemused by the sudden burst of attention. "It's a tiny, little town,"

said Lisa Atwood, 51, who owns the restaurant with her husband. "Not a lot of people, very homey, welcoming, quiet."

Other former classmates recalled Airman Teixeira harboring a fascination with history, especially the minutiae of weapons and armaments used in famous battles.

"He was just really into the whole, like, gun and war thing, more than, like, normal people were," said Brooke Cleathero, 21. "He just wore a lot of camo."

Accounts Amplified Secrets

Continued from Page One
gation. Ms. Bils said another administrator posted the four files.

There is no evidence that Ms. Bils, who had a security clearance during her Navy service, has used that access to steal any classified information herself. "I obviously know the gravity of top-secret classified materials. We didn't leak them," she said.

Brig. Gen. Pat Ryder, a spokesman for the Pentagon, referred requests for comment on Ms. Bils and her role in reposting classified information to the Justice Department, which declined to comment.

In a statement in response to questions, Gen. Ryder said U.S. Defense Secretary Lloyd Austin has ordered a review of intelligence access, accountability and control procedures within the Pentagon to help prevent future leaks. The Navy also declined to comment.

Airman Teixeira's posts had languished online for months, shared among a small circle of fellow war and computer-game enthusiasts on the Discord platform. Even after another member reposted the files to a larger Discord server, they went unnoticed by the broader public. It was only after the posting of some of the files on Donbass Devushka's account that they turned into fodder for military enthusiasts and Russia supporters. Several dozen other classified files have been found in Dis-

cord since then, mostly dealing with Ukraine but also containing secrets about other nations.

Airman Teixeira was arraigned on Friday for unauthorized retention and transmission of classified documents he allegedly took from the U.S. military. The airman didn't enter a plea, and a judge ordered him jailed until a Wednesday detention hearing.

The federal public defender's office in Boston didn't respond to a request for comment. Airman Teixeira's family members couldn't be reached.

The Donbass Devushka Telegram account describes itself as engaging in "Russian-style information warfare."

Linked accounts using the same name on other platforms also promoted the Russian agenda after Moscow's invasion of Ukraine in February 2022. The Donbass Devushka network hawked merchandise featuring Wagner and the Russian military, promising to send proceeds for the "freedom of Donbass" and to help "our men on the front."

Ms. Bils was promoted to the E-7 rank of chief aviation electronics technician in late 2020, a senior NCO position, according to promotion records on the Navy website and photographs of the ceremony on her former installation's Facebook page. Ms. Bils left the military in November 2022 with an honorable discharge and the lower rank of E-5, according to military records. The reason for that significant demotion couldn't be immediately determined. Ms. Bils said she left the Navy for medical reasons, after suffering from posttraumatic stress disorder.

"Some very interesting potential intel," the Donbass Devushka Telegram account



The avatar on the Twitter page for Donbass Devushka, a network of social-media, podcasting, merchandise and fundraising accounts.

posted on April 5, attaching images of four files that Airman Teixeira allegedly stole from the U.S. military. "The authenticity cannot be confirmed but looks to be very damning nato information." The post remained online for several days.

Ms. Bils said another administrator had posted these images and that she was the one who later deleted them. "I don't even know the authenticity of the documents or what they say. I am not very well versed in reading documents like that," she said.

In addition to being on the Telegram account, Donbass Devushka operates popular accounts on Twitter, YouTube, Spotify and other platforms.

Some of the slides reposted on the Telegram account had been altered from the otherwise identical photographs allegedly posted by Airman Teixeira on Discord—changed to inflate Ukrainian losses and play down Russian casualties. A subse-

quent post on the Donbass Devushka Telegram channel, on April 12, denied that the image had been doctored by the administrators.

"We would never edit content for our viewers," the post said.

Ms. Bils has recorded podcasts with guests advocating for President Vladimir Putin of Russia and opposing U.S. aid to Ukraine, according to a review of the podcast content. As a podcast host, Ms. Bils, originally from New Jersey, spoke with a slight Russian accent and claimed to have been born in Luhansk, in the Russian-controlled Donbas. In an interview, Ms. Bils said she had "some" Russian heritage, without providing details.

Rachel Stevens, a former Navy colleague at the Naval Air Station Whidbey Island, said a person in Ms. Bils's position and rank would have typically held a top-secret clearance. Whidbey is the main naval avia-

tion installation in the Pacific Northwest.

No evidence has emerged that anybody associated with Donbass Devushka played a role in Airman Teixeira's alleged theft and posting of government secrets.

On Saturday, Ms. Bils said she no longer has access to classified information.

The fact that Donbass Devushka isn't a Russian from Donbas, as she presented herself online, but an American residing in Washington state, was first disclosed by pro-Ukrainian online open-source intelligence analysts and activists known as NAFO.

One of them, Pekka Kallioniemi, a fellow at the University of Tampere in Finland, posted on Saturday a series of tweets outlining the evidence, including the matching birth date of Ms. Bils in official documents and Donbass Devushka's online solicitation of birthday donations.

The Donbass Devushka network has become a significant part of pro-Russian propaganda, Mr. Kallioniemi said: "They were definitely one of the fastest-growing English language, pro-Russian communities."

Ms. Bils said in the interview that she doesn't hate Ukraine or Ukrainians and has long been interested in Eastern Europe. She added that it was "hypocritical" for the International Criminal Court to charge Mr. Putin with war crimes.

The Donbass Devushka Telegram account remains active, posting this weekend a video of a bear stretching and describing the governor of a Ukrainian region with the Nazi term "gauleiter" for a top regional official. Addressing the NAFO campaign, the Donbass Devushka account posted an item

referring to herself Saturday on Twitter and Telegram as "a woman who is proud of being Russian and Jewish, and of the country and its people."

In a post soliciting funds and noting a bitcoin wallet number on another platform, Donbass Devushka describes itself as "a group of dedicated individuals."

A post in September announced a partnership with Rybar, a Russian open-source intelligence channel on Telegram with more than a million followers. In December, Rybar's chief editor, former Russian ministry of defense press officer Mikhail Zvinchuk, became one of Mr. Putin's advisers on mobilization.

All the proceeds from the sale of Rybar-branded merchandise will go toward "efforts to help our men on the front," according to a screenshot of the Donbass Devushka post. The linked page on the website MyShopOnline has since been removed.

Donating to the Russian military, a sanctioned entity in the U.S., is illegal. Asked in an interview whether she sent funds to Russia, Ms. Bils said she used the proceeds to fund the operations of the Donbass Devushka platforms, including buying podcast equipment for another administrator, and sent money to charities in Serbia, Pakistan, Somalia, Syria and the Palestinian territories. She added that she has raised only a "small" amount.

An archived version of the Donbass Devushka page on MyShopOnline shows merchandise praising Mr. Putin and Chechen leader Ramzan Kadyrov, and items with the "Z" symbol of the Russian invasion.

—Gordon Lubold and Sadie Gurman contributed to this article.

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WORLD NEWS

Power Struggle in Sudan Turns Deadly

Dozens of civilians killed as fighting rages between forces loyal to two rival generals

A bitter rivalry between Sudan's top two generals erupted into open warfare this weekend, further destabilizing a country that has been at the center of geopolitical power competition from the Middle East, the U.S. and Russia.

By Gabriele Steinhäuser and Benoit Faucon

For Sudan's more than 45 million people, the conflict between Lt. Gen. Abdel Fattah al-Burhan and Lt. Gen. Mohamed Hamdan Dagalo is set to deepen an already intense economic and humanitarian crisis. It will also further delay a promised transition to civilian rule.

Heavy fighting between Sudan's military, commanded by Gen. Burhan, and the Rapid Support Forces, a state-sponsored militia led by Gen. Dagalo, raged for a second day Sunday in the capital, Khartoum, and other parts of the country. Residents said the two factions exchanged gunfire and artillery, while the Sudanese air force bombed ground positions of the RSF, many near residential areas.

Video footage showed warplanes flying at low altitude over Khartoum, with plumes of smoke rising from the ground in several locations. Clashes between the military and the RSF were also reported in the Red Sea city of Port Sudan, Al Qadafir in the east and Darfur in the west.

The Committee of Sudanese Doctors, a medical union, said its members had counted at



People greet soldiers backing army chief Lt. Gen. Abdel Fattah al-Burhan in the Red Sea city of Port Sudan. Fighting broke out between the military, led by Gen. Burhan, and the Rapid Support Forces, a state-sponsored militia led by Lt. Gen. Mohamed Hamdan Dagalo.

least 56 civilian deaths and nearly 600 injured by early Sunday, although the full scale of the casualties was impossible to assess as many parts of the country remained inaccessible to emergency services. The World Food Program said three of its staff had been killed and two others injured while working in Darfur, and one of its planes was damaged at Khartoum's international airport.

"We have been hearing gunfire throughout the night and this morning. We barely slept," said Rabie Tot, a 29-year-old IT expert who was sheltering at home with his wife and two children near the University of Khartoum. "It's so scary."

The United Nations Security

Council, the African Union, the U.S. and the European Union urged an immediate end to the violence in Sudan. Following an emergency meeting Sunday, the AU warned against "any external interference that could complicate the situation in Sudan" and said it would dispatch a field mission to the country to engage affected parties.

U.S. Secretary of State Antony Blinken said he has consulted with his counterparts in Saudi Arabia and the United Arab Emirates, two countries that have large economic and political interests in Sudan.

"The dangerous fighting ... threatens the security and safety of Sudanese civilians and undermines efforts to re-

store Sudan's democratic transition," Mr. Blinken said.

Sudan's de facto leaders for the past few years, Gen. Burhan and his deputy, Gen. Dagalo, both rose to prominence under the country's longtime dictator Omar al-Bashir, and both were involved in the brutal repression of an uprising in the southwestern Darfur region. In 2019, they ousted Mr. Bashir after months of pro-democracy demonstrations. Two years later, they toppled a civilian-led transitional government that was meant to guide Sudan toward elections.

In recent months, Gens. Burhan and Dagalo have been maneuvering for an upper hand over who will ultimately con-

trol Sudan's armed forces and key sectors of the economy, from agriculture to gold mining.

Last Tuesday, their ruling junta missed a deadline agreed on with the U.N., the U.S. and other foreign governments for restoring civilian rule.

Analysts have warned that failure to quickly end the fighting and restart talks with civilian leaders could see Sudan once again descend into civil war.

That could further destabilize a region grappling with an Islamist insurgency in Somalia and where warring parties in Ethiopia only recently entered into a peace deal.

Within Sudan, the violence

will worsen a debilitating economic crisis, including runaway inflation that has put basics such as bread and sugar out of reach for many people. The World Food Program says that 15 million Sudanese are suffering from hunger.

Complicating a resolution to the conflict is a set of alliances forged by Gens. Burhan and Dagalo in recent years.

Gen. Dagalo has sent RSF personnel to fight as part of a Saudi- and U.A.E.-backed alliance in Yemen since 2015. Gen. Burhan, on the other hand, is a close ally of Egyptian President Abdel Fattah Al Sisi.

The Rapid Support Forces said on its Twitter account on Saturday that Egyptian soldiers at a military base in the country had "surrendered" after RSF forces entered the base. The paramilitary force said it didn't consider the Egyptian troops to be an enemy and was prepared to hand them over to the Egyptian government.

On Sunday, Mr. Sisi, together with the president of South Sudan, called for an immediate cease-fire.

The Gulf monarchies have deepened their involvement in Sudan since Mr. Bashir's ouster, buying up huge swaths of land to produce food crops and animal feeds like alfalfa. Last year, the U.A.E. agreed to a \$6 billion investment in Sudan that includes building a new Red Sea port.

U.S. officials, meanwhile, are worried about a deal between Gen. Dagalo and the Russian paramilitary Wagner Group. In recent months the U.S. has encouraged Egypt to lobby Gen. Burhan to expel the group, according to current and former Western security officials.

—Nicholas Bariyo and Sumner Said contributed to this article.

Saudis, Hamas to Discuss Re-Establishing Relations

Senior Saudi officials were planning to meet with leaders of the Palestinian militant and political group Hamas on Sunday to discuss renewing diplomatic ties which have been cool since 2007, part of a diplomacy spree led by Crown Prince Mohammad Bin Salman that has seen Riyadh move closer to Iran.

By Sumner Said, Dov Lieber and Aaron Boxerman

Re-establishing ties between Iran-backed Hamas, which is a U.S.-designated terrorist group, and the Saudi kingdom would mark a setback for efforts by the U.S. and Israel to establish a military alliance between Israel and other Sunni-majority countries against Iran and its allies. They also complicate Israeli Prime Minister Benjamin Netanyahu's goal of normalizing relations with Riyadh, with opposition to Iran as their primary shared interest.

Hamas was invited to the

kingdom by Saudi leaders, Hamas officials said. Senior officials were expected to land in Jeddah, Saudi Arabia, late Sunday, the officials said. The effort to re-establish ties is being pushed by Iran and Syria, said Saudi officials.

As part of the talks, Hamas officials hope to free scores of Palestinian prisoners held in Saudi Arabia who were imprisoned when the two sides were at odds, according to Saudi officials and a diplomat familiar with the matter.

"We seek relations with all forces in the region and the world, and we have no enmity toward anyone, except for the Zionist enemy," tweeted Mousa Abu Marzouk, a Hamas official who was to attend the meeting on Sunday.

Representatives for the Saudi government didn't respond to a request for comment. Mr. Netanyahu's office declined to comment.

Hamas, which has fought several wars with Israel, fell out of favor with Riyadh in

2007 after it violently wrestled control of the Gaza Strip from rival Palestinian faction Fatah, which controls the U.S.-backed Palestinian Authority. Hamas's growing ties with Iran further weakened its relationship with Riyadh, which also looked askance at Hamas for being an

The move is part of a diplomacy spree that has seen Riyadh move closer to Iran.

offshoot of the Muslim Brotherhood, a movement Riyadh has often viewed as a threat.

Palestinian Authority President Mahmoud Abbas is also planning to visit Jeddah this week and will meet the crown prince, according to Saudi and Palestinian officials. While Saudi Arabia was once a strong backer of the Palestinian Authority, its aid to Ramallah has

declined in recent years. Ties between the two sides have deteriorated as the kingdom grew closer to Israel and allied itself with the former Trump administration, which often clashed with the Palestinian leadership.

Eventually brokering a reconciliation deal between Palestinian factions is a longer-term goal for the crown prince, said Saudi officials.

Multiple previous efforts at brokering a reconciliation between Palestinian factions, including by Riyadh, have failed over disagreements on potential Palestinian elections, which haven't taken place since 2006, and whether Hamas can keep its own military.

Ismail Haniyeh, the leader of Hamas, was to attend the meeting with Mr. Marzouk and Khaled Mashaal, key diplomatic officials for Hamas.

According to Saudi officials familiar with the visit, the kingdom's rapprochement efforts with Hamas are part of a larger drive to demonstrate the crown prince's diplomatic clout

as regional players re-establish ties with Syria and countries such as China and Russia challenge the U.S. for influence in the volatile region.

Saudi Arabia, the United Arab Emirates and some other Arab states are rekindling ties with the government of Syrian President Bashar al-Assad. Last month, Saudi Arabia also re-established ties with Iran in a deal brokered by Beijing.

The Saudi deal to renew diplomatic ties with Iran paved the way for Hamas to reopen dialogue with the Saudis, Saudi officials said.

Hamas's leadership has been divided in recent years over how closely it should align with Iran. Mr. Haniyeh has advocated for closer ties with Tehran and its allies, while other senior leaders have warned the group could lose the support of Sunni Gulf states should it choose to do so, Israeli officials and political analysts have said.

"The Iran-Saudi rapprochement opened the door wider to

this meeting," said Yoel Guzan-sky, a senior research fellow at the Tel Aviv-based Institute for National Security Studies. "It is tectonic," he said of Saudi Arabia's recent diplomatic efforts.

Mr. Netanyahu said shortly after taking office in December that one of his top goals was normalizing relations with Saudi Arabia. Israeli officials earlier this year expressed optimism that a deal could come within a few months.

While quiet cooperation continues between Israel and Saudi Arabia on security, intelligence and business ties, efforts to expand relations with the Gulf kingdom and other Muslim nations have slowed, according to people familiar with the efforts. Jacob Nagel, a senior fellow at the Washington, D.C.-based Foundation for Defense of Democracies, said the outreach to Hamas shows that the Saudis "are trying to play all sides, and not put the cards in one basket."

—Fatima AbdulKarim contributed to this article.

U.S. Allies in Middle East Turn to Russia on Military

By Chao Deng and Stephen Kalin

DUBAI—Leaked U.S. intelligence documents highlight how military relationships between Russia and U.S. allies in the Middle East have sown discord with Washington.

One document disclosed plans for a Russian defense firm to build a regional maintenance center in the United Arab Emirates for Russian missiles and combat vehicles that the Persian Gulf country had bought, including the possible expansion to service neighboring countries' Russia-origin equipment. Another said the Russian paramilitary group Wagner tried to buy weapons made in Turkey, a member of the North Atlantic Treaty Organization, through "Turkish contacts."

Western diplomats said Turkey's government was unlikely to sell weapons to Wagner, but didn't rule out a black-market deal. Turkey's Defense Industry Agency, which oversees the country's growing weapons industry, said it had no information about the allegations in the leaked documents.

U.S. and Egyptian officials

have also responded to a Washington Post report citing a document showing that Egypt, a formal U.S. ally, planned to produce and sell 40,000 rockets to Russia this year. U.S. officials said the plan never materialized, while an Egyptian Foreign Ministry spokesman said the country remained neutral.

The Wall Street Journal wasn't able to independently authenticate the leaked documents, but they contain enough detail to give them credibility. Defense officials have said they believe some of the documents could be authentic, though some appear to have been altered.

The purported documents show how Russia's military effort in the Middle East and North Africa in particular has increasingly garnered attention from American policy makers because of the U.S.'s deep security ties in the region. It adds to worries about how Middle East partners, especially Turkey and the U.A.E., have helped Russia evade Western trade sanctions.

"Having relations with Russia is very much seen through a lens of great-power competition today and Russia's invasion

of Ukraine was a final straw," said Seth Binder, director of advocacy at D.C.-based non-profit Project on Middle East Democracy. "The feeling in D.C. is you're with us or against us."

Russian arms exports to Egypt increased 44% in the 2018-to-2022 period versus the 2013-to-2017 period, according to the Stockholm International Peace Research Institute. Between 2018 and 2022, Russia made up 19% of Turkey's arms imports, closely tailing Italy and Spain.

The U.A.E.'s political and commercial ties with Russia have deepened over the past decade, although Russia has made up only 5.4% of arms imports by the U.A.E. in recent years, trailing exports from the U.S. and Turkey by a long shot.

The U.S. remains the Middle East's most important security guarantor by orders of magnitude. The U.S. has provided 67.5% of combat aircraft owned by the Middle East and North Africa, reflecting the region's preference and reliance on U.S. technology and security, according to the London-based think tank International Institute for Strategic Studies.



President Sisi, center, welcomed Russian President Vladimir Putin, right, to Egypt in 2015.

France, the U.K. and Russia make up the remainder.

U.S. officials have told Middle East allies that developing economic and political relations with Washington's rivals like Russia and China could be tolerated, but military cooperation was a red line. The U.S. was alarmed when it learned the Chinese were building a military base in Abu Dhabi, which U.A.E. officials put an end to after protests from Washington.

Russia had relatively little military influence in the Middle East until the Arab Spring began shifting the region's al-

liances more than a decade ago. Since then, Russia has intervened in Syria's civil war, deepened its military cooperation with Iran and developed cordial relations with Saudi Arabia and the U.A.E.

Washington had been Egypt's weapons provider of choice, but that ended after a military coup brought President Abdel Fattah Al Sisi to power in 2013 and the U.S. suspended military assistance to Cairo. Under Mr. Sisi, the Egyptian military has made it a strategy to diversify its purchases by turning to Russia, as

well as Europe. Egypt began ordering aircraft from Russia with contracts in 2015 and 2018, according to IISS.

"Egypt's use of Russia as a wedge has been quite deliberate and obvious," said Michael Wahid Hanna, U.S. program director at the International Crisis Group. "Russia is providing hardware with political overtones that have been useful for Sisi."

Washington still provides about \$1 billion worth of military aid to Cairo each year.

—Jared Malsin contributed to this article.

WORLD NEWS

Blinken Wants U.S. Access to Reporter ‘Now’

By WILLIAM MAULDIN

HANOI—U.S. Secretary of State Antony Blinken demanded that U.S. officials gain immediate access to Evan Gershkovich, as Russian officials continue to refuse him consular access more than two weeks after they arrested him on an espionage allegation.

Mr. Blinken called on Moscow to grant Mr. Gershkovich, a 31-year-old American and a reporter for The Wall Street Journal, a basic right that is afforded to foreign prisoners under international obligations.

“We continue to call for his immediate release, and cer-

the espionage allegation.

Virtually all espionage trials in Russia end in a guilty verdict.

“I’ve heard some of the comments that have been made, but there’s nothing that I have to report on where this might go,” Mr. Blinken told reporters Saturday in the Vietnamese capital, where he was meeting government officials.

The Russian Foreign Ministry’s spokeswoman, Maria Zakharova, said last that a visit from U.S. consular officials would be allowed “in due time in line with the consular practices and Russian legislation.”

Russia hasn’t given any clear explanation for denying access to Mr. Gershkovich.

Mr. Gershkovich was accredited to work as a journalist in Russia by the country’s Foreign Ministry at the time of his detention.

Consular access has been a regular point of contention between Washington and Moscow for years. The U.S. has frequently accused Russia of ignoring international law in depriving Americans of proper diplomatic representation, and its language is becoming increasingly blunt.

The State Department on April 10 designated Mr. Gershkovich as “wrongfully detained,” launching a broad U.S. government effort to exert pressure on Russia to free him.

Roger Carstens, the special presidential envoy for hostage affairs who will now lead the efforts to free Mr. Gershkovich, said in an interview with ABC last week that the administration has begun sketching out what negotiations might look like.

—Ann M. Simmons contributed to this article.

Russia has denied the Journal’s Evan Gershkovich consular support.

tainly we need to see consular access now,” Mr. Blinken said Saturday.

The top U.S. diplomat said he had no new developments to share about Mr. Gershkovich’s case.

The reporter was detained on March 29 while on a reporting trip inside Russia and has been charged with espionage, allegations that The Wall Street Journal vehemently denies.

The Biden administration has said that Mr. Gershkovich is not a spy.

Last week, Russian Deputy Foreign Minister Sergei Ryabkov said Moscow could consider the possibility of a prisoner exchange for Mr. Gershkovich only after a Russian court renders a verdict on

WORLD WATCH



Police at the scene where ex-lawmaker Atiq Ahmad and his brother were shot dead Saturday in a televised attack in Prayagraj, India.

VIETNAM

U.S. Seeks to Draw Country Closer

Secretary of State Antony Blinken broke ground at a new U.S. Embassy site during his first visit to Vietnam as America’s top diplomat, with Washington seeking to establish closer relations with a country that has historic ties with both China and Russia.

In Communist-led Vietnam, Mr. Blinken didn’t make direct comments about Beijing, with which Washington’s relations have worsened. Instead, as with much of Southeast Asia—where governments are wary about picking sides—U.S. officials say they are eager to build practical cooperation based on trade and adhering to agreed-upon international rules of the road.

“On South China Sea, I think it’s very clear that countries throughout the region, to include Vietnam, feel strongly about the importance of respecting the rule of law, particularly under the Law

of the Sea Convention,” Mr. Blinken told reporters Saturday hours after the ceremonial groundbreaking. He said the U.S. is finalizing the transfer of a third Coast Guard cutter to Hanoi.

—William Mauldin and Jon Emont

JAPAN

Prime Minister Unhurt in Attack

A man tossed an apparent smoke bomb near Prime Minister Fumio Kishida at a campaign stop Saturday. Mr. Kishida was unhurt and the man was arrested.

Footage on public broadcaster NHK showed a commotion after the man threw an object into the air and was wrestled to the ground by at least one bystander and security personnel. About 50 seconds after the commotion began, there was the sound of an explosion and smoke filled the air.

By that point Mr. Kishida, unharmed, had left the scene in Wakayama, near Osaka. One po-

lice officer suffered mild injuries, a police spokesman in Wakayama said. Japanese police have stepped up security around dignitaries since the assassination of former Prime Minister Shinzo Abe last summer, also at a campaign rally near Osaka.

Following the incident, Mr. Kishida continued on his campaign schedule. He tweeted that he was determined not to give in to threats.

—Miho Inada and Peter Landers

INDIA

Former Lawmaker’s Killing Seen on TV

A former Indian lawmaker who had been convicted of kidnapping and was facing murder and assault charges was shot dead along with his brother in a dramatic attack caught live on TV in northern India, officials said.

Atiq Ahmad and his brother Ashraf were under police escort on their way to a medical checkup at a hospital on Satur-

day night when three men posing as journalists targeted them from close range in the city of Prayagraj in Uttar Pradesh state.

The men surrendered to the police after the shooting, with at least one of them chanting “Jai Shri Ram,” or “Hail Lord Ram,” a slogan that has become a battle cry for Hindu nationalists in their campaign against Muslims.

Uttar Pradesh has been governed by India’s ruling Hindu nationalist Bhartiya Janata Party since 2017. Since then, over 180 people facing criminal charges in India’s most populous state have been killed in so-called police encounters that rights groups say are often extrajudicial killings.

The shooting was broadcast live on local TV channels as the brothers spoke to media while being taken to the hospital.

Atiq Ahmad, 60, was jailed in 2019 after he was convicted of kidnapping a lawyer, Umesh Pal, who had testified against him as a witness in the killing of a lawmaker in 2005. In February, Mr. Pal was also killed.

—Associated Press

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FROM PAGE ONE

Russian Jet Is Stuck In Canada

Continued from Page One

Canada restricted its airspace after Russia's invasion of Ukraine last year, grounding the Russian-owned behemoth without recourse—not unlike the Iranian man stranded in the Paris airport for 18 years. A spokeswoman for Canada's transportation minister said the government had no plans to lift the restrictions. The Russian Embassy in Ottawa didn't respond to requests for comment.

The cargo plane is parked at the east side of the airport, on one of the few stretches of tarmac sturdy enough to hold its weight. Parking fees, which

went to the equivalent of 58 cents a minute from 55 cents a minute last year, have shot past \$330,000 all told.

Despite the ballooning parking receipts, airport officials would like the cargo plane to leave. So does Volga-Dnepr, the Russian airline that owns it. The airline can't even get permission for its mechanics to service the aircraft, which, like a car sitting idle outside too long, needs care. Besides running engines and checking electronics, the plane's specialty mechanics need to rotate its 24 tires before they go flat.

Without a hanger, the blue-and-white painted aircraft has been exposed to snow, rain and wind, which risks lasting damage, according to mechanics and airline engineers.

Bill Clark, a lawyer specializing in aviation, is gleeful. The plane, weighing in at something like 400,000 pounds, is "going to become a

giant paperweight," he said. His Toronto-based firm, YYZLaw was hired by an airline broker seeking to keep the plane grounded as long as possible so it doesn't get used by Russia in the war.

If Canada decides to give Volga-Dnepr permission to remove the aircraft, Mr. Clark said his client will demand that it meet Canadian aircraft standards before being allowed to fly. He expects that will be tougher the longer the Antonov An-124 sits. "We're just sitting here, watching this plane rust away," he said.

Sameer Haqqi, a 47-year-old former aeronautical engineer from the Toronto area, said that would be a shame for a world short of such oversize cargo planes. "They shouldn't scrap it. That's a big no-no," he said. "Why would you want to scrap a good plane?"

The stranded plane landed in Toronto on Feb. 27, 2022, three days after Russia in-

vaded Ukraine. It had arrived from China with a delivery of personal protective equipment. Canada had closed its airspace to Russian-owned planes before it could take off. The problem now is that it occupies tarmac space needed for parking other planes between flights, said Guy Nicholson, a spokesman for the Greater Toronto Airports Authority.

The 1980s-era Antonov An-124 cargo planes were originally built in Ukraine when it was part of the Soviet Union. About 55 were completed. Since the Russian invasion, the Ukrainian-owned An-124 cargo planes have been renamed. One is now called "Be Brave like Kherson," in honor of the city retaken by Ukrainian forces last year.

Before the war, the giant aircraft passed through Toronto a few times a year, drawing the attention of plane-spotters, said Ernest

Gutschik. He runs a YouTube channel that features videos of planes landing and taking off from the Toronto Airport.

The 226-foot-long plane lumbers down the runway during takeoff, Mr. Gutschik said, and then "it just floats off the ground." He is a heavy-metal music fan and appreciates the growl of the plane's four massive engines. "When it flies overhead," he said, "it has a unique shriek."

Six of the An-124 planes are now flying in Western countries, one owned by the United Arab Emirates-based Maximus Air and five belonging to Ukraine's Antonov Airlines. The Ukrainian planes fly from the airport in Leipzig, Germany, where they were relocated after the war started, said Dmytro Prosvirin, commercial director for Antonov Airlines. Two Russian-owned An-124s are grounded in Leipzig, he said.

Western bans on Russian

aircraft have greatly limited the use of the remaining An-124 planes, said Dan Morgan-Evans, cargo director of London-based Air Charter Service. Aside from the commercial transport of oil-and-gas industry equipment and satellites, the Ukrainian An-124s are in use delivering equipment such as electric generators to Warsaw and other cities near Ukraine's border.

David Hills, a former airplane mechanic, said he was glad Canada has kept the plane grounded.

"It's a shame it's idle, but it's depriving a strategic asset to the Russian system," said Mr. Hills, who volunteers for the Canadian Warplane Heritage Museum in Hamilton, Ontario.

On Facebook, Kerith Groom Richards, posted a picture of the plane parked in Toronto and also praised its detention. "And people say Canadians are pushovers," she said.

Peril Hits Chinese On U.S. Trek

Continued from Page One

away entrepreneurs. Others worry political repression will only get more suffocating as Mr. Xi embarks on his third term.

The United Nations refugee agency counted 116,868 Chinese seeking asylum around the world at a point measured in mid-2022, up from 15,362 at the end of 2012, the year Mr. Xi took power. The U.N. numbers don't include Chinese who enter other countries using work, tourist or other types of visas—often people with more assets and education—which have also increased in the past decade.

In the first three months of this year, 3,855 Chinese migrants crossed the Darién Gap, the 60 miles or so of treacherous terrain connecting South and Central America. That compares with 2,005 for the full year in 2022, and just 376 Chinese total in the years from 2010 to 2021, according to Panama migration data. Chinese nationals were the fourth-largest group making the Darién crossing from Colombia in the three months.

The Chinese taking the Latin America route are generally those with low incomes, education levels and skills, who have little to no chance of securing a U.S. visa. Many lost their livelihood in the pandemic, when much of China shut down. This article is based on interviews with more than a dozen Chinese who are either on the trek or have recently arrived in the U.S.

The rush to escape China—now the world's second-largest economy—is reminiscent of earlier waves driven by political convulsions or economic hardship. In the decades after the 1949 Communist takeover, when China effectively isolated itself from the world, large numbers fled famine and political turmoil.

In the 1990s, Chinese desperate for economic opportunity borrowed crushing sums that could take years to pay back to pay smugglers to sneak them into the U.S.

The current procession through Latin America, while smaller, comes from a country much wealthier overall, and is made up of people seeking opportunities or freedom not found at home.

Fitness trainer

Mr. Huang, 30 years old, said he had invested nearly \$3,000 to become a certified fitness trainer. When Covid-19 hit in 2020, many gyms closed.

After two jobless years, he was hired at an iPhone plant in November but became involved in protests over contracts. He said he was let go after scuffling with security guards. Police in his hometown in Hubei province called to ask him to come explain what happened. The call terrified Mr. Huang, who had been jailed for six months as an 18-year-old after what he says was a false charge that he solicited prostitutes. Worried he would go to jail again, he started to plan his departure.

In China, a new hashtag—#zouxian, roughly translated as trek—started gaining popularity last year when some migrants posted footage of their



Migrants prepare in the camp before starting to cross the Darién Gap, the treacherous terrain connecting South and Central America.

journeys through Latin America on TikTok's Chinese version, Douyin.

After stumbling upon the videos in December, Mr. Huang borrowed \$13,000 from lenders online—a relatively simple process in a country accustomed to online payments and finance. The first obstacle was getting out of China. In the pandemic, China had restricted passport issuance to those who could show they needed it for study, work or business purposes. To get a passport, Mr. Huang paid money online for a fake acceptance letter made to look like it came from a college abroad.

He obtained a visa to Turkey, lied to Chinese border officials that he was going there to survey restaurants and was allowed to go abroad for the first time. In Istanbul, Mr. Huang said he sold his iPhone 13 and bought an outdated model that he thought wouldn't attract robbers. From there he flew to Ecuador, the only country along the Latin America route that lets Chinese enter without a visa.

He arrived in Quito in late January. He and other Chinese people on the flight added each other on messaging apps to keep in touch on the journey. Mr. Huang and a Chinese man from the flight paid a smuggler to help them cross into Colombia by car.

But there, they had to pay a bribe of \$1,700, most of their cash. The other man wanted to give up and go home.

Mr. Huang cut open the sole of his sneaker to retrieve two \$100 bills that he had hidden. It was enough to take them to Necoclí, Colombia, by taxi, the last stop before the Darién Gap.

Migrants prepared for the Darién crossing in Necoclí, shopping for tents, flashlights and water-purification pills. The passage through the Darién requires hiking along muddy paths in dense, roadless jungle for a couple of days or more, with little access to fresh water or defense against mosquitoes.

The cost of a trek like the one Mr. Huang was attempting ranges from \$7,000 to \$10,000 to pay for smugglers, transportation and lodging, Chinese migrants say. The going rate for more direct or safer smuggling routes, such as air passage to Mexico where snakehead "agents" bribe customs officials with forged travel documents, is \$60,000 or more, the migrants say.

In Necoclí, Mr. Huang befriended Li Xiaosan, a leather trader from Guangdong province, who was traveling with his 16-year-old son, Joehan. Mr. Li, 42, had assets in China and had led a fairly comfort-

able life there. For more than a decade, he had joined protests against pollution and voiced support for Hong Kong's democracy movement.

In 2019, authorities forced him to delete criticism of Mr. Xi and the Communist Party on social media. He said he was taken in for questioning in 2021, and last year.

After that, Mr. Li decided to leave. He wanted to get Joehan and his younger brother away from the party line they were taught in Chinese schools but didn't think the family could get tourist visas. He decided that he and Joehan would go first via Latin America. "If you can trek to the destination, then you are the master of your own fate," he

said. By the time they crossed paths with Mr. Huang, the Lis had been robbed in Ipiales, near Colombia's border with Ecuador. Joehan was ready to give up, sobbing in video chats with his mother and brother in China. "Freedom isn't free," Mr. Li said he told him.

The harrowing boat rides carried the migrants from Necoclí across the rough body of water to the edge of the Darién Gap. The Lis and Mr. Huang were among more than a dozen Chinese who started the hike through the jungle. A rotten stench hovered over some sections of the trek; Mr. Huang said he believed it was caused by dead bodies. The U.N.'s International Organ-

ization for Migration said 36 deaths were reported in the Darién Gap last year; the IOM said it believed many more were uncounted.

While crossing a river with water to his chest, Mr. Li fell on a slippery rock. Mr. Huang slid down a steep trail above a cliff and feared death. It took them two days to get through.

'Highway of Death'

A couple of weeks and several hazardous trips by sea and land later, Mr. Huang parted ways with Mr. Li and his son in Mexico. From Mexico City, many Chinese said they paid \$650 to smugglers to take them by car to near the U.S. border. Mr. Huang bought a public bus ticket for one-eighth the price. Shortly after the bus left, local police intercepted it and dragged him off, he said. He was thrown in jail for 10 days for failing to get the proper transit permit when he entered Mexico. He was released and sent back to Chiapas, Mexico's southernmost state. He then teamed up to buy two motorbikes with three other Chinese he met there, accessing his bank account by phone for funds. The group headed back north following a bicycle route they downloaded from Google Maps to avoid police. Video clips on Mr. Huang's phone show the maneuvering of a rocky mountain path and his excitement racing down a dirt road.

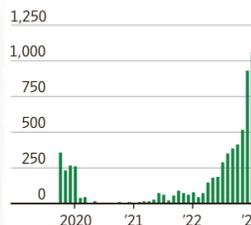
Within a few days, the group got on Mexico's Highway 101, known as the "Highway of Death" due to crime.



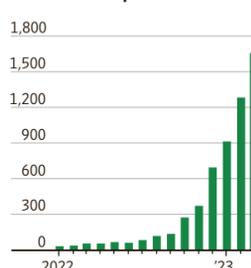
Sources: Li Xiaosan (map); U.S. Customs and Border Protection (apprehensions); Panama National Migration Service (crossing)

Emma Brown/THE WALL STREET JOURNAL

Apprehensions of Chinese along the southwest border by U.S. Border Patrol agents.



Chinese nationals crossing the Darién Gap.



Li Xiaosan, who migrated from China with his son by traveling through Latin America, walks in his neighborhood in Albany, N.Y.

Near the town of La Coma, in Tamaulipas state, a van started to chase them.

Shouting and waving guns, the men in the van signaled them to stop. Mr. Huang rolled the throttle and raced to a nearby military checkpoint for help as his passenger jumped and ran into the bushes.

The van forced the second bike to a stop. The rider, Li Quanlong, a construction contractor, sprinted off the road and crawled under a fence. He was almost through when two gangsters grabbed his feet. They took his shoes but couldn't pull him out, he said.

His companion was dragged into the van but got away after faking a heart attack. Soldiers later found Mr. Huang's passenger by the side of the road, severely dehydrated. The military let the migrants go, but they lost the motorbikes.

A local Chinese contact near La Coma arranged for someone to drive the four men to the border, where they climbed over a wall and surrendered to U.S. border authorities in Texas. Mr. Huang applied for asylum and was released; he has a hearing later this month.

It was early March, nearly two months after Mr. Huang left China.

Li Xiaosan, the dissident from Guangdong, and his son made it in a shorter time. They rode on a bus to the border near Matamoros and crossed the Rio Grande in a kayak in late February. U.S. border agents detained them and later dropped them off at a migrant shelter run by a church in McAllen, Texas. They are applying for asylum.

Since the start of the government's budget year in October through February, U.S. Customs and Border Protection agents have apprehended 4,271 Chinese nationals along the southwest border, 12 times the number in the same period a year earlier. Total arrests at the border during the period were 891,774.

Norma Pimentel, who oversees the Catholic Charities of the Rio Grande Valley in McAllen, said the shelter staff used to see a Chinese person once every couple of months.

"Now, all of a sudden, we see a surge of people from China," she said, adding that on a day recently, 50 people, or about 25% of the day's refugees, were Chinese.

In the U.S., Chinese asylum seekers have been among the groups with the highest acceptance rate, 67%, in recent decades, according to the Transactional Records Access Clearinghouse, a data-research organization at Syracuse University.

Asylum seekers are eligible for work authorization after their asylum application has been pending for 180 days, according to the U.S. Citizenship and Immigration Services. By this month, Mr. Li and Joehan had made it to Albany, N.Y. Joehan was enrolled in a public school and Mr. Li was awaiting an asylum court hearing in October and a work permit.

Mr. Huang, meanwhile, found accommodation in a Los Angeles guesthouse with two dozen Chinese that took the same route. A businessman from Beijing said he left after receiving death threats from a state-owned company with which he had a dispute. On a recent Saturday, Mr. Huang and three men shared a bowl of stewed chicken and downed some beer.

"Some people's journey was smooth; mine was very difficult," he said. "But now I'm thankful."

By DALVIN BROWN

If we've learned one thing from years of hacks and phishing, it's this: A username and a password alone aren't strong enough to protect our most precious accounts.

So why don't our bank apps require us to pile on extra security settings?

Security experts (and our own columnists) have long urged people to turn on two-factor authentication or other tools to secure their apps. Banks, arguably the most sensitive apps on our smartphones, don't often make you use any of that.

Instead, banks run a lot of software in the background to make sure you're really you. Among several factors considered during logins are: the time of day, location, device IP address, mobile carrier and if any links prompted users to open the app. If anything differs from your unique "fingerprint," your bank might suspect a hacker or a phishing attempt, and prompt you to take more steps to verify your identity.

The four biggest U.S. consumer banks by deposits, **Bank of America Corp.**, **Citigroup Inc.**, **JPMorgan Chase** and **Wells Fargo & Co.**, say they run multiple layers of authentication and monitoring tools from the moment users open the app until they log out.

"We have multiple and redundant controls that are not always visible to our end user," said Tami Hudson, Wells Fargo's executive vice president and cybersecurity client officer. "Those things really help us to proactively identify login attempts that we would define as risky or potentially risky."

What the banks do

In the past, you might have been asked to answer security questions—"What was the name of your first pet?"

Now, newer behind-the-scenes measures take precedence, say security experts and banking software providers. Some compare a user's password-typing speed and cadence with that person's prior attempts. Others analyze the pressure with which credentials are entered by checking how many pixels are covered when the user taps each key.

This mélange of authentication practices is found largely in banking apps because the stakes are higher. Banks know if customers have any concerns about the safety of their money, they'll go elsewhere. On top of that, banks must abide by federal regulations to use secure data management practices, such as end-to-end encryption.

All of that weighs on a bank's decision to approve a login or transaction, said John Buzzard, lead fraud and security analyst at Javelin Strategy & Research,



ILLUSTRATION BY DAN PAGE

How a Bank App Knows It's You

The big U.S. consumer banks run multiple layers of tools behind the scenes to thwart hackers

which assesses risks in digital banking security.

"If there is a sudden about-face somewhere, there's an opportunity for banks to stop it, pause it or request more information," he added.

These tools aren't failproof. If you have your login credentials stored on your smartphone, a phone thief who also knows your passcode may still be able to use

Banks know if customers have concerns about the safety of their money, they'll go elsewhere.

autofill to log in. "But the secret sauce determines how far they go once they get through," Mr. Buzzard said.

Even if these defenses are breached and money is stolen—more often through victim manipulation than actual hacking—the funds are generally protected in other ways, too.

What you can do

The four banks we spoke to say protecting users from swindlers means not revealing every tool they have at their disposal. Still, each shared information about its techniques.

All four support Face ID and Touch ID for Apple devices, and fingerprint sign-on for Android phones. Biometrics can make signing in easy for you and harder for people who aren't you, Mr. Buzzard said. The apps also automatically log you out after a short period of inactivity.

There might be other security layers, such as transaction alerts, two-factor (aka two-step) authentication and single-use passwords, that you choose to activate. Banks don't turn everything on by default because they don't want to create too much friction, Mr. Buzzard said.

If you do want to do more, here are security options offered by the individual banks:

► **Bank of America:** The bank will ask to verify your identity via two-factor at various times, like when you're making a transfer or using

an unrecognized device. But you can have it prompt with a code via text or email every time you log in on the mobile app.

Find the tool in the bank's Security Center, which has a checklist detailing other ways to improve your account's security.

► **Chase:** When you log on for the first time, or use a device the bank's servers don't recognize, Chase sends an authentication code to the customer via phone, text or email.

Chase customers can also opt into extra security in settings. You can require the entry of a one-time passcode delivered by phone, text or email alongside the username and password for every website login attempt.

► **Citibank:** The Citi Mobile app doesn't automatically ask users to turn on two-factor authentication. Go to Profile > Security Center > 2-Step Authentication and turn the setting on. Once you do, logging in will require a one-time code sent via text or call. Note: Citi is in the process of updating its mobile

app, so the process may vary.

Customers can also activate account alerts, which will text or email you when anything unusual happens with your balance, payments spending and account activity.

► **Wells Fargo:** Go to the app's Security & Profile section to turn on two-step authentication. Once activated, customers will be prompted via text, email, call or push notification to enter an access code every time they sign on. (You can also opt for this requirement to be waived when you're logging into your phone's app.)

Even if you haven't activated two-step authentication, Wells Fargo might send a one-time password to authenticate you during logins, or when transferring and receiving money from new non-Wells Fargo accounts.

For extra login protection, you can buy a \$25 portable security device from Wells Fargo. It generates and displays unique random passcodes every 60 seconds. But if you lose it, you'll have to call customer support.

MY RIDE | A.J. BAIME

Shag Rug Enhances A '70s Van's Revival

Soumaya Majout Bent, 35, who lives in Jackson Hole, Wyo., and Santa Barbara, Calif., and is a student planning on opening a restaurant in Santa Barbara, on her 1977 Dodge custom van, as told to A.J. Baime.

It was the week of my wedding, and my fiancé and I were driving in Chicago. We saw this van parked on a lawn with a "for sale" sign. I was always mentioning how I wanted a van to go road tripping. I yelled, "Stop the car!" When we approached the van, I noticed two other people looking at it. I thought, I need this van in my life. So we called the owner right away. The following day—Aug. 5, 2022—

he met us with this van. It had over 90,000 miles on it, and we bought it for \$12K. The next day, my fiancé and I got married.

We shipped the van up to Jackson Hole. The outside had this great paint and pinstriping. It was a little beat-up, but I wanted to keep the patina. The van had a Waylon Jennings CD in the stereo, and a spare tire cover with a Waylon Jennings logo. We decided to leave the exterior pretty much as it was when we found it. But for the inside, I wanted to create something special.

I was inspired by the design of the van from "That '70s Show." There is a character on the show named Fez [played by Wilmer



Valderrama], which is also the name of a city in Morocco. I have a lot of family in Morocco and have been to Fez, so that's what I named the van.

I spent four or five months looking for cool things for the interior. The right textile, the right lava lamp, the right shag rug. A disco ball, a leather table. Everything had to have a 1970s vibe. I found these things on Etsy, so it was all budget-friendly. We had two moonlights [round windows] put into the sides of the van. We added an electrical system powered by a lithium battery. I travel with a 200-pound

Soumaya Majout Bent with her 1977 custom Dodge van, which she calls Fez, and her dog, Whiskey.

dog named Whiskey, and I needed air conditioning to keep him comfortable. So now we have two air-conditioning systems, one in front and one in the back.

I found a little VHS movie player and a TV, and I keep movies in the van like "South Park" and "Animal House." I have an app on my phone that can control the AC and the lights and things. We also built in a sound system with 2,000 watts and 11 Focal speakers.

We finished the van just a day or two before the photos for this story were taken in early April. All in, it cost about \$20K. Now we are ready to go road tripping. Next weekend, we are driving Fez from Jackson Hole to the Coachella music festival in southern California. I hope that the van interests people, so we can make friends along the way. Whiskey will ride in the back, where he will be nice and cool.



After she bought Fez last year, she added a TV and VHS player to the van's 1970s-style interior. The Waylon Jennings spare-tire cover, however, came with the van.

PERSONAL JOURNAL.

By CORDILIA JAMES

Do you ever get the feeling social-media algorithms are a little too eager to please?

Hover a beat too long on a workout TikTok, and suddenly you get fitness fever. Save an Instagram Reel about cats and it's feline overflow. Like a few tweets about people starting new jobs and your Twitter timeline becomes a career counseling center.

Tech companies' algorithms are the secret sauce that make their apps so popular. They use your likes, comments and other online behavior to gauge what you're likely to interact with. The goal of algorithms is to keep you in the app as long as possible. But it isn't always what you want, at least not in those quantities.

That's when it's time for a reset—something that companies have lately made it a bit easier to do.

Last month, TikTok began rolling out a tool that lets users refresh their For You feeds, essentially rebuilding the recommendations from scratch. Meta Platforms, parent of Facebook and Instagram, made it easier to manage suggested content directly in each app's feeds in recent months.

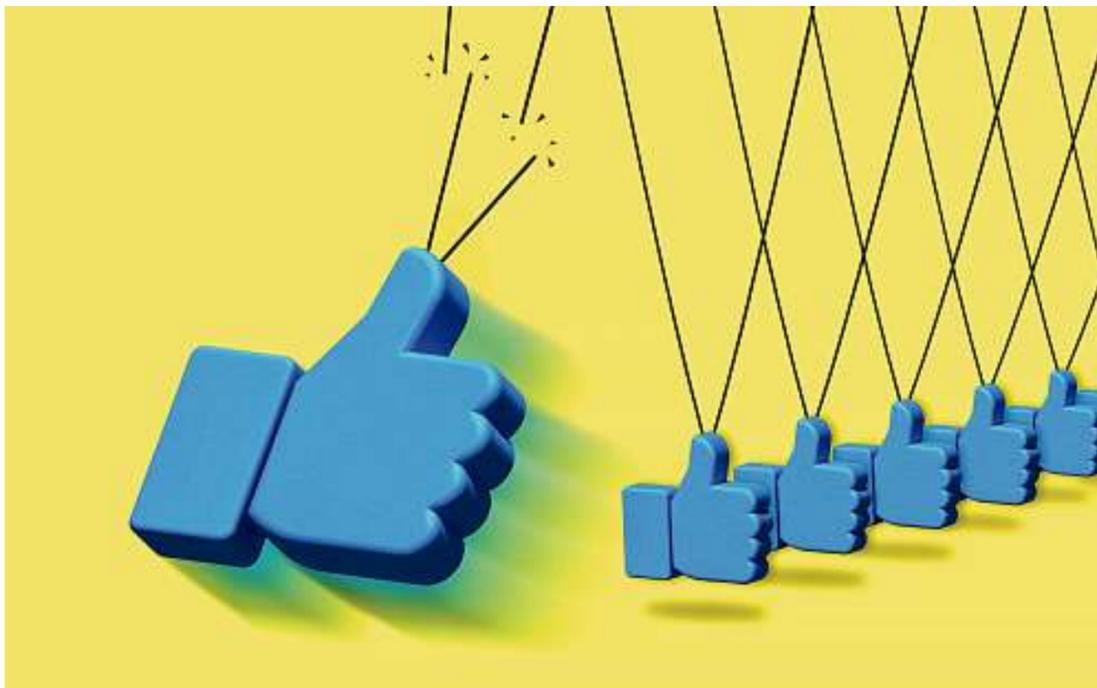
Here are ways to regain some control over what you see in those apps and others.

TikTok

TikTok's algorithm monitors shares, likes, comments and who you follow to figure out what to show you next. A WSJ investigation found that how long you linger or watch a video is enough for it to guess.

To reset TikTok's suggestions, try the new Refresh feature. In an up-to-date TikTok app, go to Settings > Content preferences > Refresh your For You feed. Some users already have access to this, while others will see it in an update over the next couple of weeks, a TikTok spokesman says.

If you want to fine-tune, there are other options. You can stop videos with certain hashtags or



PERSONAL TECHNOLOGY

Freeing Your Social Feeds From Iridescent Algorithms

Instagram, TikTok, Facebook and others offer tools to regain control

keywords from appearing in the Following or For You feeds. Mobile users can open the Profile tab, tap the three horizontal lines in the top right, then tap Settings and privacy > Content preferences > Filter video keywords.

Just remember, filtering keywords only works if the creator included that text in the video or its description. A DIY video that doesn't have "DIY" written somewhere in the post can still slip through. Generic terms or hashtags—such as #fyp ("For You page") and #fyf ("For You feed")—can't be filtered, a TikTok spokesman says.

You can also long press a specific video in your For You feed and tap Not interested > Details to min-

imize exposure to a particular creator or even a particular audio clip.

Instagram

Instagram suggests posts based on who you follow, as well as what posts you've liked, saved or commented on. A year ago, the platform introduced Following and Favorites feeds, so you can view posts in chronological order from accounts you follow. Access them on mobile by tapping the drop down arrow next to the Instagram logo.

You can also pause suggested posts for 30 days. In the profile tab, tap the three lines in the top right, then tap Settings > Suggested content > Snooze suggested posts in feed. The "Suggested content" page also lets you hide specific words,

phrases and emojis, though they need to be in the post's caption for the filter to catch them, an Instagram spokeswoman says.

Tapping the three dots next to a suggested post also gives you the option to mark it as "Not Interested." This hides the post and tells the algorithm you may not want to see similar content, the spokeswoman says.

Facebook

The factors Facebook uses to suggest posts include what you and others in your network interacted with, the topics you engaged with, your location and the interests of people near you.

To manage these suggestions in Facebook's mobile apps, tap the

three dots in the post's top right. Then tap "Show more" or "Show less." You can also tap Hide post to see fewer posts like it in general.

Like Instagram, Facebook lets you give priority to certain people and pages by managing favorites. If you get too much from one account, you can snooze it so it won't appear for a given time. Or you can unfollow it, so it won't appear at all, while you and the account holder remain friends.

On the web, click your profile picture in the top right, then select Settings & privacy > Feed > Favorites, Snooze or Unfollow people and groups. On iOS, tap the three lines in the bottom right, then tap the gear icon at the top right. Under Preferences, tap News Feed > Favorites, Snooze or Unfollow.

Twitter, Snapchat and YouTube

Twitter's For You timeline

recommends tweets based on topics and accounts you follow. To tweak this on mobile, open Settings and privacy > Privacy and safety > Content you see > Interests. Add or remove topics by selecting Topics instead of Interests.

You can also get Twitter to stop showing you tweets that include certain words, phrases, usernames, emojis or hashtags. In iOS, open Settings and privacy > Privacy and safety > Mute and block > Muted words > Add. For Android, tap the Notifications tab then the gear icon, then "Muted words."

On Snapchat for iOS and Android, you can limit the types of videos suggested to you in Snapchat's Spotlight tab. Tap the three dots in the bottom right of a video, then tap "I don't like."

YouTube viewers can stop a specific video or channel from being recommended to them using the "Not interested" and "Don't recommend channel" buttons. However, these controls won't prevent entire topics or viewpoints from being recommended to you. That's by design, says a YouTube spokeswoman, so you don't get trapped in an "echo chamber" of similar opinions.

PHOTO ILLUSTRATION BY RACHEL MENDELSON/THE WALL STREET JOURNAL. (STOCK) (2)



CRISS-CROSSING THE GLOBE

The watch of choice for travelers. Introduced in 1955, the original GMT-Master was soon adopted by transatlantic pilots as a navigational aid. A 24-hour hand and rotatable bezel allow it to display two time zones simultaneously. Today, the GMT-Master II is the ideal timepiece for travelers, its high-tech two-color Cerachrom bezel mirroring the aesthetics of the original model. **The GMT-Master II.**

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Does Your Résumé Pass 6-Second Test?

By KAILYN RHONE

No pressure, but your résumé has six seconds to make an impression before it is sent to the don't-even-bother pile.

That is how long a recruiter typically skims a résumé to decide whether to pass it on to a hiring manager, said J.T. O'Donnell, chief executive of career-coaching website Work It Daily. Recruiters often have hundreds of online applications to wade through, even with algorithms helping filter many of them out. They will likely give yours little more than a glance to judge whether you make it onto the shortlist of candidates.

Your résumé has to be highly "skimmable," she said at The Wall Street Journal's recent Jobs Summit. "I'm going down, looking for four to five things that I was told you need to have or you cannot be considered."

The CV won't clinch a job offer, but it gets you to the next step, she and other career coaches say. A résumé that's hard to skim or fails to mention key skills could keep you from ever getting the chance to make your case in an interview.

Some ways to make your résumé stand out, and some job-search killers to avoid, according to the experts at the summit:

1) Forget the professional statement.

Job seekers have long been advised to include a short paragraph summing up their skills, experience, achievements and goals. No more. "Recruiters don't have time for that," Ms. O'Donnell said. Instead, open with a one-line "headline" stating your occupational specialty—ideally with words matching the role you're applying for, like "digital marketing specialist" or "technical writer," she said. Follow the headline with

two short columns of bullets with concrete skills. If you coordinated a team on a big assignment and the job posting mentions project-management experience, use that same language, said Jane Oates, president of WorkingNation, a nonprofit focused on workforce development.

2) Don't be a jack of all trades.

It is tempting to pack your résumé with the entirety of your work experience, espe-



To get noticed, résumés must be highly 'skimmable,' says J.T. O'Donnell.

cially for those who have a lot of it. Resist the urge, and focus on your relevant professional work history.

Recruiters are looking for a match to that particular job opening, Ms. O'Donnell said. They are not interested in the twists and turns of your career, which could suggest you're overqualified.

It is OK for a résumé to be two pages, she adds. But make sure it is formatted with enough white space to be easily skimmed. Start each line about your experience with the bolded job title, so that they are easy to scan down the left side.

3) Use numbers.

Avoid subjective, ambiguous language, such as "passionate

self-starter." The hiring manager or recruiter will assess your soft skills when they interview you, Ms. O'Donnell said. A résumé is about your hard skills, which are best told through numbers. Her tip: Circle all of the nouns on your CV, because they can usually be quantified.

4) Make your LinkedIn profile the priority

"Your LinkedIn is really your best résumé," said Brian Liou, founder and CEO of Rora, which advises tech-industry professionals in negotiating with employers. Recruiters trawl LinkedIn to find candidates for a given job opening. A few hacks

can improve your chances of coming up in their searches.

First, set a reminder to switch up some of the keywords in your profile every two weeks. Changing the content helps prompt the site's algorithm to re-scan your profile, keeping it toward the top of recruiter searches.

And take advantage of Creator Mode. The setting alters the presentation of profiles to emphasize topics that users discuss most on the platform and lets them choose hashtags aligned with their skills.

5) Resist using ChatGPT.

The artificial-intelligence chatbot from OpenAI is a popular tool for creating and tweaking résumés. The trouble is, recruiters can spot a ChatGPT-built résumé "a mile away," Ms. O'Donnell said, "and you get points off for that sort of thing."

The chat assistant can be helpful if you're building a résumé from scratch, but use it only as a starting point, she cautions.

She suggests using a free word-cloud app. (Wordart.com and wordclouds.com are two popular ones.) Paste the text of the job posting to see which words show up as the biggest—the ones repeated most often in the ad.

"That's how you're going to find your top five or six things" to describe your skills and experience, she said.

THE WALL STREET JOURNAL

ARTS IN REVIEW



Clockwise from left: 'Forbidding Canyon, Glen Canyon' (1964), 'Evening Star No. II' (1917), 'Jimsonweed (Datura Stramonium)' (1964-68), and 'Skull, Ghost Ranch' (1961-72), by Georgia O'Keeffe

ART REVIEW

O'Keeffe's Art Beyond The Canvas

By Lance Esplund

Gorgia O'Keeffe (1887-1986), the modernist doyenne of the American Southwest, is having a big moment right now. But with small things. O'Keeffe is being celebrated not for the large, suggestively sensual flower paintings for which she is best known, and whose blown-up scale turns viewers into hovering insects; nor for her pared-down, arid oils of animal skulls and New Mexico's desert landscape. Instead, both an exhibition of her works on paper and one of her photographs present relatively unknown, behind-the-scenes and more intimate sides of the artist—offering us windows into her home and private life, her sources and studio practice.

New York's Museum of Modern Art has launched "Georgia O'Keeffe: To See Takes Time," an exhibition of more than 120 small works on paper made in series, spanning more than four decades. And Ohio's Cincinnati Art Museum has mounted "Georgia O'Keeffe, Photographer," a traveling show focusing on O'Keeffe's passionate, three-decade engagement with photography. CAM's exhibition (through May 7) includes over 100 of her photographs (many not much bigger than a postcard).

In 1946, O'Keeffe was the first woman to be granted a retrospective at MoMA, which, oddly enough, has not had a solo show devoted to her since. "To See Takes Time" (through Aug. 12), organized by MoMA's Samantha Friedman, with Laura Neufeld and Emily Olek, attempts to make a case for O'Keeffe as an abstractionist. Certainly, O'Keeffe wanted to transform her subjects—such as sunsets, rivers, roadways, skulls, blossoms, landscapes and clouds—into iconic forms and to elevate them above their humble origins. But even in her most simplified and representationally unrecognizable pictures she remains a nature- and, primarily, a landscape-based artist. No matter how seemingly far from the



observable realm she ventures, O'Keeffe never fully relinquishes horizon lines, three-dimensional space and organic motifs.

At most, and at her best, O'Keeffe distills the world into essences. Swirling, rainbow-colored cloud forms activate blue sky in the pastel "Special No. 33" (1915). In the two series "Black Lines" and "Blue Lines" (both 1916), O'Keeffe merges standing totemic figure and logo-like lighting. The red and black watercolor "Untitled Abstraction" (1916) undulates like liquid fire. In the series "Tent Door at Night" (1916), a bright, triangular opening in darkness suggests not merely a passageway but a portal. And in each of her "Evening Star" watercolors (1917), a big red and yellow sun spirals like a nautilus shell over bold swaths of blue.

O'Keeffe wavered among distillations and straightforward representations of the world, as well as amalgamations straddling both. The show includes a candid watercolor series of pink and blue nude women, from 1917; individual flowers (c. 1918-20); storms off the Maine coast (1922); and New York skyscrapers, from the late 1920s and early 1930s. Cool pastels seemingly of aerial views of Lake George (1922) read as landscape, pool, flower and emblem. In the charcoals "Indian Beads" and "Eagle Claw and Bean Necklace" (both 1934), jewelry, bigger than life,



is anthropomorphized.

Illustratively fussy is O'Keeffe's series of portrait heads of the American painter Beauford Delaney, from 1943. Luminous and satisfyingly spare, however, are some of her delicate pencil drawings. O'Keeffe's small closeups, from the 1950s, of the 15th-century Incan stacked-stone walls at Sacsayhuamán, Peru, are decorative yet volumetric and tightly packed. And three ethereal drawings, all called "Untitled (Bone)" (c. 1944-45), suggest a bird gently alighting or even angel's wings. These are sides of O'Keeffe we rarely see.

"Georgia O'Keeffe, Photographer," organized by the Museum of Fine Arts, Houston, in collaboration with Santa Fe's Georgia O'Keeffe Museum, was curated by the MFA's Lisa Volpe and overseen at CAM by Nathaniel M. Stein. It's the first

major investigation of O'Keeffe behind the lens. The show and its excellent catalog offer yet another view through the eye of the artist. But the exhibition is more informative than it is aesthetically gratifying. The strongest images here are the portraits of O'Keeffe taken by others, such as her husband, the American photographer and art dealer Alfred Stieglitz. His stern, beautiful depiction of O'Keeffe, from 1933, is reminiscent of the subjects in Grant Wood's "American Gothic" (1930). Haunting and dynamic are Yousuf Karsh's portrait of O'Keeffe with antlers in her studio, from 1956, and Todd Webb's portrait, from 1961, of O'Keeffe and her dog in a darkened hallway. Both were taken at Ghost Ranch, her home 60 miles northwest of Santa Fe, N.M.

O'Keeffe took more than 400 photographs. Most are typical snapshots: of family and friends; New York's skyline; animals, including her pet dogs; the architecture of Ghost Ranch; the desert landscape and its skulls, hills, rivers, roadways and clouds. They appear to have acted as mementos and artistic research material. At times, however, it's as if she's struck a match, arriving at illuminating themes for her paintings.

Especially poignant are some of the photographs, from the 1950s, taken across Ghost Ranch's open courtyard. O'Keeffe gives weight and pressure to expanses of the garage's ceiling and bands of empty sky; and to lonely wood ladders leaning against adobe walls punctured by

open doorways—velvety black voids. Absolutely lovely, silky and flowing yet coarse is a series of gelatin silver prints, "Big Sage (Artemisia Tridentata)" (1957)—not pictures but portraits of trees. Equally dramatic are some of her photographs of mounted animal skulls; her series "Forbidding Canyon, Glen Canyon" (1964); and her black-and-white Polaroids "Jimsonweed (Datura Stramonium)" (1964-68). Some of these photographs—gorgeous and direct—actually eclipse the full-color paintings for which they served as sources.

Both "To See Takes Time" and "Photographer," ultimately, are a little bloated—supplementary to O'Keeffe's oeuvre, not the main event. Each show, if edited, would be a welcome addition to a full-dress O'Keeffe retrospective. If you're expecting her signature greatest hits (those big paintings of flowers, landscapes and skulls), you might be disappointed. But you'll still probably be edified, perhaps even moved, by the O'Keeffe you didn't know.

Georgia O'Keeffe: To See Takes Time

Museum of Modern Art, Through Aug. 12

Georgia O'Keeffe, Photographer

Cincinnati Art Museum, through May 7

Mr. Esplund, the author of "The Art of Looking: How to Read Modern and Contemporary Art" (Basic Books), writes about art for the Journal.

CULTURAL COMMENTARY

Bob Marley's 'Catch A Fire' Turns 50

By Marc Myers

Jamaican music was hardly foreign to American ears or the U.S. pop charts in 1973. Starting with Harry Belafonte's recording of "Day-O (The Banana Boat Song)" in 1956, singles became hits using Jamaica's brassy ska and mellow rocksteady styles. These included Millie Small's "My Boy Lollipop" (1964), Johnny Nash's "Hold Me Tight" (1968) and "I Can See Clearly Now" (1972), the Beatles' "Ob-La-Di, Ob-La-Da" (1968) and Desmond Dekker & the Aces' "Israelites" (1968).

Then, in February 1973, the Jamaican crime film "The Harder They Come," starring singer Jimmy Cliff, was released in the U.S. along with the soundtrack album. Many Americans were exposed for the first time to reggae—a bass-heavy rhythmic style that emerged in 1968 with the Maytals' "Do the Reggay."

Bob Marley and the Wailers' album "Catch a Fire" went a step further. Released 50 years ago this month, the LP was the first by a Jamaican band to fuse reggae with rock and country elements. The record also presented reggae not as a collection of singles but as a Rastafarian message album about love and despair. American and British

rock critics raved about the record's singular energy and eclecticism.

Though the LP peaked only at No. 171 on Billboard's pop album chart and No. 51 on the black album chart, it ignited the imaginations of British and American rock artists seeking a new, more soulful sound. Reggae was folk-driven—more instrumentally complex and socially conscious than earlier Jamaican pop.

Reggae-influenced rock hits soon followed: Led Zeppelin's "D'Yer Mak'er" (1973), Eric Clapton's cover of Marley's "I Shot the Sheriff" (1974), the Rolling Stones' "Hey Negrita" (1976), Elvis Costello's "Watching the Detectives" (1977), the Police's "Roxanne" (1978), the Clash's "The Guns of Brixton" (1979) and Blondie's cover of John Holt's "The Tide Is High" (1980).

"Catch a Fire" was the Wailers' fifth studio album, but it also marked an ascension for Marley, a songwriting member of the group along with Peter Tosh and Bunny Wailer. The trio had co-founded the band 10 years earlier as the Teenagers.

In London on tour in 1972, the Wailers met Island Records founder Chris Blackwell. Eager to tap into the expanding international rock market, Mr. Blackwell offered the Wailers an advance for a new album. He also



Bob Marley; he and the Wailers brought reggae to the world.

dubs and excited about Mr. Blackwell's vision and the results.

To celebrate Marley's legacy, UMe recently released for the first time on vinyl the album's Jamaican version without the London overdubs, along with 11 other Marley albums. The limited-edition records were pressed in

Jamaica at Tuff Gong International, the record label and plant the Wailers founded in 1970.

Marley wrote seven of the nine tracks and Tosh wrote two—"400 Years" and "Stop That Train." Messrs. Perkins and Bundrick overdubbed on three of the songs: "Concrete Jungle," "Stir It Up" and "Baby We've Got a Date (Rock It Baby)." "Concrete Jungle" is an undulating mid-tempo ballad that opens with Mr. Perkins's jangly guitar and Mr. Bundrick's twitching synthesizer. When Robbie Shakespeare's bass punches in, Marley sings about the hardship of Jamaican life: "No chains around my feet / But I'm not free / I know I am bound here in captivity."

Mr. Bundrick's synthesizer on "Stir It Up" sets a lush, liquid mood for

this rocksteady-reggae love song punctuated by Aston "Family Man" Barrett on bass. Mr. Perkins's guitar was fed through a wah-wah pedal to give it a meowing effect.

"Baby We've Got a Date" is also rooted in rocksteady and opens with a bass and organ instrumental salute to Belafonte's "Day-O." Mr. Perkins's slide guitar gives this lullaby a country veneer. "Stop That Train" first appeared on "The Best of the Wailers" in 1971 as "Stop the Train." The slower '73 version makes Tosh's vocal about leaving home more meaningful: "And even though I tried my best / I still can't find no happiness."

The rest of the album is about love and coping. "Slave Driver" is a political statement on destitution ("Today they say that we are free / Only to be chained in poverty"), "400 Years" looks at the suppression of Jamaica's youth culture, "No More Trouble" is a call for peace, and "Midnight Ravers" is about Jamaica's outdoor dance-party culture.

The Jamaican recording and the original album release with London overdubs were issued together on a deluxe CD in 2001 and can be heard together on streaming platforms.

While both renditions have special qualities, Mr. Perkins's guitar solos and Mr. Bundrick's keyboards still sound fascinating paired with the Wailers' music. The hybrid tracks raised Marley's and the band's visibility and helped make reggae a worldwide sensation.

Mr. Myers is the author of "Rock Concert: An Oral History" and "Anatomy of 55 More Songs" (Grove Press).

SPORTS

This Series Explains the Modern NBA

The Golden State Warriors revolutionized offense. The Sacramento Kings embellished it. Now they are facing off.

By ROBERT O'CONNELL

In the opener of their first-round playoff series Saturday night, the Sacramento Kings and Golden State Warriors put together a sequence that summed up the NBA of 2023—a season in 15 seconds.

With just over four minutes remaining in a one-point game, Golden State's Stephen Curry caught a pass at the deepest corner of the court and dropped a 3-pointer over the corner of the backboard, flipping the lead. Kings guard De'Aaron Fox immediately sped down the floor, caught a pass on the wing and tossed in a triple of his own to get it back.

Sacramento held on to win Game 1, 126-123, behind 38 points from Fox. It was a fitting, thrilling start to a series that likely will say as much about the state of the sport as the two teams playing in it.

By nearly every meaningful measure, the just-completed regular season featured the finest-tuned offenses in NBA history. According to effective field-goal percentage—which weighs the relative value of 3-pointers and twos—players shot at the best rate, 54.5%, since the NBA's introduction of the 3-point arc in 1979, according to Stats Perform. The average team scored 112.1 points per 100 possessions, also the highest mark ever recorded.

Where did all of these points come from? One way to answer the question is in terms of the aggregation of well-established trends: Teams learned the value of the 3-pointer, players trained to access that value and a sport that was once built on driving toward the rim reoriented itself toward hunting pockets of space along the perimeter.

Another way is to look at the factors at work in what figures to be the playoffs' point-richest first-round matchup. The Warriors reimagined basketball over the last decade. This year's Kings, who built the NBA's most efficient attack ever this season, clearly took notes—and added some explosive



Kings guard De'Aaron Fox shoots over Warriors guard Donte DiVincenzo. Fox scored 38 points in Sacramento's 126-123 win in Game 1 of the first-round series.

flourishes of their own.

The far-reaching influence of Golden State is embodied in Mike Brown, the Kings' first-year coach. Brown began his head coaching career with the Cleveland Cavaliers, during LeBron James's first stretch with the franchise, and then moved on to Kobe Bryant's Los Angeles Lakers. Brown's teams tended to be rugged, defense-first outfits that relied on James's and Bryant's playmaking to keep them afloat on the other end.

In 2016, he took an assistant role with Golden State, where he stayed for six seasons, filling in for Kerr when Kerr missed time with back ailments and Covid-19. "I

learned a lot from Steve, I really did," Brown said in October, before a game against his former club.

Brown emphasized that many of the lessons he drew from Kerr had to do with building and sustaining a collaborative culture, the work that you can't put on a whiteboard. But in a Sacramento offense that scored 120.7 points per 100 possessions this season—the most in NBA history—the passed-along X's-and-O's are visible.

Across four championship runs, the Warriors' bedrock has always been the interplay between Curry and Draymond Green. Curry is, by reputation and record book, the best long-range shooter in NBA

history, but he's no less a maestro at finding ways to unleash that talent, sprinting sideline-to-sideline and swerving around screens. Green, part-power forward and part-point guard, is his ideal collaborator, knocking defenders out of Curry's path one play and finding him with a pass the next.

If the Kings pull more directly from the Warriors than other teams do, they nevertheless demonstrate how a once-disruptive basketball ideology has become the game's dogma. Skeptics of the Warriors' strategies once wondered how they'd work without two of the best marksmen in history—Curry and Klay Thompson—

making them look smart.

The tactics have held up. For all of their talent, the Kings have no certain future Hall-of-Famers on their roster—at least, none that can be identified yet. The new basketball has proven it doesn't just optimize all-time players. It also maximizes the output of merely good ones.

On the floor Saturday night, the game gave off the heat of a simmering rivalry between one team that cracked basketball's codes and another that picked up its signals.

"Keep shooting the ball," Brown exhorted his team during a timeout. "Keep shooting it, and let it fly."

The WSJ Daily Crossword | Edited by Mike Shenk

1	2	3	4	5	6	7	8	9	10	11	12	
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- 22 Donkey beaten with a stick, perhaps
- 23 Faces court charges
- 27 Banana part
- 28 One way to signal approval
- 29 Peg at Pebble Beach
- 31 "Know what I'm sayin'?"
- 32 Signed off on
- 35 Netting
- 38 Apple Store buy
- 39 Knight's title
- 41 Squirrel away, say
- 44 Office drone's space
- 47 Appears
- 49 City on the Loire
- 50 Castro colleague Guevara
- 52 Org. for Pelicans, Pacers and Pistons
- 55 "Li'l Abner" cartoonist Al
- 56 Savvy about
- 57 Forearm bone
- 58 Go yachting
- 59 Boo-boo
- 62 Movie locale
- 63 Touch gently
- 64 Cunning

ABS-OLUTELY! | By Sam Koperwas & Jeff Chen

- Across**
- 1 Waste away, like a coastline
 - 6 Carve into a surface
 - 10 Org. that issues Covid advisories
 - 13 Gal in "Wonder Woman"
 - 14 Like bucks, bulls and billies
 - 15 Two-part
 - 16 Luxury watch brand with a Greek letter name
 - 17 So that you might
 - 19 Barbecued with cedar-infused smoke
 - 21 Lhasa ___ (canine breed)
 - 24 Go bad
 - 25 Vietnamese soup
 - 26 Take a chair near the stage
 - 30 Scoop, so to speak
 - 33 Ridiculous
 - 34 Amanda Gorman's "The Hill We Climb," for example
 - 36 Squeal on sighting scurrying
 - 37 Bicycles built for two
 - 40 Home for a lanternfish
 - 42 "___ be my pleasure"
 - 43 Nonclerical
 - 45 Tarnish
 - 46 Fresh talk
 - 48 Crucial period in an undertaking
 - 51 Morning hour
 - 53 Scrooge exclamation
 - 54 Imitated
 - 55 Main focus of a company, and of the starts of
 - 19-, 26- and 48-Across
 - 60 Circus segment
 - 61 They make a song sound like a thong
 - 65 Sch.-supporting groups
 - 66 River past Cairo
 - 67 Most favorable
 - 68 Campaign pro
 - 69 Pub potables
 - 70 Small-minded
- Down**
- 1 Big-headed problem
 - 2 Lamb's dad
 - 3 "___ to Our Ocean" (Amanda Gorman work)
 - 4 Where you might find a lost shepherd
 - 5 And others, for short
 - 6 Key of Ralph Vaughan Williams's Symphony No. 9
 - 7 Muscle shirt's kin
 - 8 Gum up
 - 9 Mister, in München
 - 10 Show disdain, in a way
 - 11 Social engagement
 - 12 Lump of earth
 - 15 City of north central India
 - 18 Salsa or guacamole
 - 20 Pup sound
 - 21 "The way things are..."

Previous Puzzle's Solution

B	O	T	H	S	C	A	N	T	A	C						
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R	O	M	P	R	S											
A	T	H	E	N	S	R	O	O	F	T	O	P				
H	O	U	S	E	N	E	I	N	S	F	L	A				
M	A	T	T	F	O	A	L	S	E	Y	E	R				
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T	H	E	R	E	A	T	F	R	E	U	D	S				
R	I	B	S	L	I	P										
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A	C	N	E	E	A	M	E	S		N	E	A	T			
T	E	D		D	R	O	P		T	A	R	I	O			

The contest answer is THOROUGHRED. Twelve Across clues end with "win," "place" or "show." Taking first-place letters in the "win" answers, second-place letters in the "place" answers and third-place letters in the "show" answers (TAC, SHORE, BROADWAY, MUSICAL, ROMP, ROOFTOP, HOUSE, GLOAT, THERAT, RIB, RAISE THE STAKES, NEAT, TED) spells the contest answer.

Kipchoge Is Ready for Boston

By LAINE HIGGINS

When you've pushed the boundaries of human achievement as far as Eliud Kipchoge, there comes a time when you have to start inventing milestones. The Kenyan marathoner is already the sport's world record holder. He's also the only human ever to run 26.2 miles in less than two hours, a feat achieved in a non-race environment.

Yet there are also milestones that Kipchoge hasn't reached. No one has won all six of the world's major marathons. No one has won three gold medals in a row at the Olympics in the marathon. In the next 16 months, both of those feats are within Kipchoge's grasp. And that explains why, on Monday, the 38-year-old will toe the line at the Boston Marathon for the first time in his decorated career.

Boston gives Kipchoge a shot at adding to his list of major marathon wins. And by competing on Boston's brutal hills—and possibly in New York City later this year—he can test his readiness for the 2024 Paris Olympics, whose marathon course features the most elevation ever.

"He wants to write history, of course," said Jos Hermens, founder of the NN Running Team with which Kipchoge trains. "If he can do it with course records that would be even more amazing."

Kipchoge already has 10 major marathon wins to his name: four in Berlin, four in London, plus Chicago in 2014 and Tokyo in 2022. He holds the course records everywhere, save the Windy City. He's twice broken the world record in Berlin, most recently in September 2022 when he crossed the finish line in 2:01:09. His average pace was 4 minutes and 37 seconds per mile.



Eliud Kipchoge won gold in the marathon at the 2020 Olympics.

tion, that one day a human being will run under two hours in a normal course."

Kipchoge has accomplished all of these time-bending feats amid a torrent of falling records in long-distance running that coincided with the arrival of Nike's "super shoes." The controversial footwear features a thick, cushy midsole and a built-in carbon-fiber plate designed to improve runners' economy of movement.

Another facet of his blazing times has been the races he has chosen. Berlin is favorable to fast times because the course is pancake flat, with a total elevation gain of 241 feet. The late September calendar slot usually ensures favorable weather conditions. But running a marathon in the crisp German autumn is nothing like braving Boston in April. The race in Beantown isn't for the faint of heart—or quadriceps.

The marathon has a downhill pitch from the start in Hopkinton, Mass., through mile 16. Then come the Newton Hills, four steep climbs culminating in "Heartbreak Hill," the incline named for its tendency to derail runners' races. The final climb entails roughly 90 feet of elevation over about half a mile—which feels like a lot more than it is after 20 miles of pounding.

As tough as the uphills are, nothing shreds a marathoner's legs like running downhill. It's why Boston, with its 815 feet of elevation gain and 1,275 feet of loss, is widely considered to be the hardest of the six major marathons.

Perhaps the biggest thing pulling Kipchoge toward Boston in 2023 is one of the things that kept him away before: the notorious Newton Hills. If he wants to become the first three-time marathon medalist in history, Kipchoge will need to conquer an Olympic marathon course that is *très vallonnés*. That route covers roughly 1,430 feet of elevation gain—six times more climbing than Berlin and nearly twice as much as Boston.

Every major marathon that Kipchoge has won, including those at the past two Summer Olympics, features a flat course. This isn't to say that Kipchoge is incapable of winning on a more technical marathon. He trains in the highlands of Kenya's Rift Valley on trails nicknamed "Boston" for their rolling hills. It's just that he has never tried.

"I don't even want to participate in the six World Marathon Majors," Kipchoge told a newspaper in Kenya last year. "I want to participate and win all the six."

OPINION

A Wrench Thrown Into Capitalism



INSIDE VIEW
By Andy Kessler

I'm pretty sure we've hit peak absurdity. I recently read about a climate author "investigating how shade can be a powerful civic resource to protect us from climate change." Shade! This from the announcement of a new "climate cohort" at a well-regarded philanthropy. It reveals a flaw in capitalism.

Not a single scientist can be found in the climate cohort—why bother?—but instead authors, educators, designers, a poet and, hmmm, a chef. There is a "data ecologist," but that almost sounds made up. Reading further, apparently the lack of shade is racist and a product of inequality. Of course it is.

Hey look, the wealthy can do what they like with their money—often paradoxically amassed by delivering productivity-enhancing products. I've noted before that there are only four things you can do with your money: spend it, pay taxes, invest it or give it away. The flaw in capitalism is that only one of these helps the world in the long term.

In the short term, spending is great for the economy, but it's hard to blow a billion dollars at Costco or buy 3,000 Lamborghinis. Paying taxes funnels money to unproductive government spending and should be kept to a minimum. Even investing has turned absurd: An Oklahoma City brand

designer prompted ChatGPT: "You have \$100, and your goal is to turn that into as much money as possible in the shortest time possible, without doing anything illegal." ChatGPT instructed him to launch "Green Gadget Guru" and promote "eco-friendly gadgets and sustainable living." Climate is lucrative!

Anyway, of the four, philanthropy is the most misunderstood. Yes, many philanthropies do great stuff, especially on a local level. And it sure feels good for the giver. We all get that warm fuzzy feeling—a psychic re-

Giving money away seems noble, but it rarely boosts economic growth.

ward—when we donate to causes. Help your fellow human. Fund schools. Gild the opera. But does that giving do any lasting good? Sadly, only sometimes.

Andrew Carnegie funded libraries. Others, like Leland Stanford, Ezra Cornell, Cornelius Vanderbilt and John D. Rockefeller, took their entrepreneurial wealth and created universities. Good for them. Books and education are the bedrock of human capital. But that was more than a century ago. What works today? Now gifts to education often enable diversity, equity and inclusion departments and squishy professors who push the anticapitalist ideologies

du jour. I doubt that was the intent of Carnegie and friends.

Others, like Henry Ford, started foundations, often as a tax dodge to finesse estate taxes. The Ford Foundation's current grants are a showcase of syrupy social justice. Ted Turner gave \$1 billion to the United Nations, perhaps to buy those orange "Trick or Treat for Unicef" boxes. Warren Buffett gave money, pretax, to the Gates Foundation, to minimize estate taxes. The Gates Foundation has done wonderful work trying to eradicate malaria and AIDS, but its effectiveness is debatable.

Paul David Hewson said it best during a 2012 speech at Georgetown University. Wait, who? "Aid is just a stopgap," said Mr. Hewson, whose stage name is Bono. "Commerce [and] entrepreneurial capitalism take more people out of poverty than aid. We need Africa to become an economic powerhouse." We still haven't found what he's looking for. An economic powerhouse would be able to afford mosquito nets and malaria drugs without handouts. That should be the endgame.

Jeff Bezos is spending \$500 million on a yacht and has blasted himself into space. Elon Musk is trying to colonize Mars. But he's asking for volunteers rather than going himself, noting "your probability of dying on Mars is much higher than Earth. Really, the ad for going to Mars would be like Shackleton's ad for going to the Antarctic"—reputedly "Men

Wanted for Hazardous Journey." Mr. Musk was also part of the early \$1 billion funding of OpenAI, the ChatGPT creator, as a nonprofit.

At its best, lots of philanthropy is very useful, but may not be sustainable over time—a sugar high that rarely enables that "teach a man how to fish" thing. Effective altruism may be an oxymoron. And it's hard to miss that much of philanthropy is to fix government failures in education, welfare or medicine. I think that was Bono's point.

But at its shadiest, philanthropy drives the misallocation of capital, overvaluing professors, the U.N. and climate poets and undervaluing those who can productively increase societal wealth to fund solutions to the future's harder problems.

If only there were a way to use capital to provide opportunity, train workers, pay middle-class wages, help people build wealth . . . wait, it just came to me. How about starting new companies and investing in entrepreneurs and world-changing technology? Sure, that's "a hazardous journey," but so what? Actually, part of OpenAI is now a for-profit. Yes, it turns out the perfect cure for the flaw in capitalism is, voilà, more capitalism. You may not get that warm fuzzy feeling or media adulation—in fact, you'll likely be labeled greedy—but you might fund future economic powerhouses. Scolds will throw shade. Ignore them.

Write to kessler@wsj.com.

BOOKSHELF | By Leslie Lenkowsky

Poverty Is Your Fault

Poverty, by America

By Matthew Desmond
(Crown, 284 pages, \$28)

In his State of the Union address in 1964, President Lyndon Johnson famously called for "an unconditional war on poverty." Since then, according to the Census Bureau, the proportion of Americans with incomes below the official poverty threshold has fallen from 19% to 11.6% (in 2021). Using a broader measure of income, one that includes social-welfare benefits such as food stamps and housing subsidies, the share is lower still: 7.8%.

To Matthew Desmond, these results, as impressive as they might seem to be, are not even close to good enough. In "Poverty, by America," he begins by asking why there is "so much poverty in the United States." He then proceeds to describe, in sometimes harrowing detail, the hardships of American poverty and to advance his own explanation for poverty's persistence.

For Mr. Desmond, a sociology professor at Princeton and the author of "Evicted: Poverty and Profit in the American City" (2016), poverty persists not because of the personal failings of the poor or even because of the insufficiency of government social programs. Rather, the blame rests on the entire society—that is to say, on those of us who are not poor. There are too many poor people in the U.S. today, Mr. Desmond argues, citing Tolstoy, because too many aspects of American life "make them poor."

Mr. Desmond's culprits are mostly familiar. Large corporations, like Amazon or Walmart, pay their employees too little and resist unionization that might improve working conditions. Banks are inhospitable to the poor, making saving and obtaining credit more difficult than it should be and driving the poor to use "payday loan" shops that charge exorbitant interest rates. Zoning laws restrict the availability of "affordable housing" and make the amenities that come with livable neighborhoods—good schools, accessible health care, safe streets—less possible or likely.

Consumers, for their part, don't give enough priority to shopping at stores that treat their employees fairly or that support progressive policies. "My family," Mr. Desmond writes, "stopped shopping at Home Depot after learning about the company's hefty donations to Republican lawmakers who refused to certify the results of the 2020 presidential election."

Not surprisingly, Mr. Desmond is all in favor of raising taxes on the wealthy to pay for increased assistance to the poor. But his criticisms of existing social programs are not quite so predictable. While ultimately endorsing an increased minimum wage, Mr. Desmond acknowledges—though he doesn't accept—research showing that raising the minimum wage can be harmful to workers, by reducing the number of jobs. He views programs that aid low-income workers, such as the Earned Income Tax Credit and the child tax credit, as essentially subsidies to employers, allowing them to pay low wages. Though he recognizes that the U.S. is now spending much more on poverty than it used to, he says that the spending isn't having the effect it should "because the American welfare state is a leaky bucket." Much of the money, he says, goes to people who are not poor, including lawyers who sue the government for benefits.

Despite trillions spent on social programs, a professor argues that American society is to blame for the persistence of poverty.

What is needed most of all, in Mr. Desmond's view, is a shift in perspective or a change of consciousness. We all need to become "poverty abolitionists," he writes, "unwinding ourselves from our neighbors' deprivation and refusing to live as unwitting enemies of the poor." He isn't calling for us to follow Tolstoy and take vows of poverty; he even says that he's not calling for more income redistribution, since America already manages to do a fair amount of it, though in the wrong direction—toward the better-off, not the needy. He argues instead that, by changing how we shop, reside, invest, donate and spend public funds—by redefining the norms that guide our lives—we can help the poor enjoy the kinds of choices that other Americans have today.

For Mr. Desmond, in fact, poverty is less a matter of insufficient income than insufficient options. The poor, in his portrait, are basically compelled to work in low-paying jobs, live in rundown communities and make use of high-cost banks. It's almost as if they aren't allowed to do otherwise. Yet in his discussion of the ways in which the poor might be empowered, he overlooks school vouchers, which enable low-income families to bypass neighborhood public schools if they wish. He also gives short shrift to similar programs—aimed at helping the poor—in housing and health care, such as the Affordable Care Act, which was meant to aid the uninsured but which, he tells us without explaining why, has left 30 million Americans uncovered a decade after its enactment.

Nor does Mr. Desmond consider whether the poor might sometimes prefer to stay in their "segregated" neighborhoods (as he calls them) rather than move next door to people with whom they have little in common, as he thinks they should be encouraged to do. As for turning companies like Amazon or Walmart into union shops, he doesn't say how doing so would create more job opportunities rather than limit them to those who hold a union card.

Since it is meant to be a call to action more than a plan for achieving it, "Poverty, by America" doesn't dwell on problems like this or on the feasibility of other proposals. Mr. Desmond believes that we still live in the world that John Kenneth Galbraith characterized, in 1958, as "private affluence amid public squalor." The resources for eliminating poverty are bountiful, Mr. Desmond maintains, and need only to be put to better use. Gone are the messy complications of politics and economics or the actions of the poor themselves: The high rates of school failure or drug use in poor communities, for instance, barely warrant attention. In Mr. Desmond's view, we have "so much poverty" because we lack the will to have less of it. If only that were so.

Mr. Lenkowsky is an emeritus professor at Indiana University.

Lula Cozies Up to America's Enemies



AMERICAS
By Mary Anastasia O'Grady

Porto Alegre, Brazil
The sermon at Easter Sunday Mass in a small church outside this state capital city began with the glory of the resurrection. It finished with the evils of Nicaraguan communism.

One reason a Catholic clergyman in Brazil might have the Central American police state—some 4,000 miles away—on his mind is that Nicaraguan dictator Daniel Ortega has been holding Matagalpa Bishop Rolando Álvarez in a Managua dungeon since early February. Another reason, closer to home, has to do with Brazilian President Luiz Inácio "Lula" da Silva.

The parish priest didn't mention Lula, but as I listened I wondered whether it wasn't the 77-year-old socialist, inaugurated Jan. 1, who had set off the man in the pulpit.

On March 3, 54 countries signed a joint declaration to protest Mr. Ortega's "egregious" acts against his own nation. The document noted "the deteriorating human rights situation of Indigenous Peoples and Afro-descendants in Nicaragua, who face increasing repression, persecution and discrimination." The declaration added a call for the release of political prisoners, "including leaders of the Catholic Church."

Mr. Ortega has exiled hundreds of adversaries, including

his most capable political opponents. The much-loved bishop, who angered the dictator by speaking in favor of a return to democracy, refused to leave the country. This has made him a symbol of the Nicaraguan resistance. Mr. Ortega is so worried about the Catholic opposition that this year he prohibited traditional Good Friday processions.

Nicaraguan state terror is repulsive to leaders all over the world and on both sides of the political divide. Signatories to the Geneva declaration issued in March included left-of-center governments in Chile, Canada, Spain and the U.S.

Brazil refused to sign. It later offered some mumbo-jumbo about seeking dialogue between Mr. Ortega and his victims, who have been hunted, beaten, jailed, deported and sometimes murdered for their peaceful opposition to the military dictatorship.

Lula's benefit of the doubt for *sandinismo* doesn't pass the smell test and it would be interesting to know why he's sticking with it. His government is also flirting with other antidemocratic regimes—and not only with his buddies in Cuba, Bolivia and Venezuela. In his first 100 days in office Mr. da Silva has made a point of moving closer to Russia, China and Iran.

Former President Jair Bolsonaro visited Vladimir Putin in Moscow as Russia prepared to invade Ukraine. But his engagement with the Kremlin seemed to be largely

aimed at solving a fertilizer shortage for Brazilian farmers when the Biden administration was giving him the cold shoulder.

With Mr. Biden tripping over himself to befriend Lula, the new Brazilian government has no such excuse. Yet when Germany's Chancellor Olaf Scholz visited Brasilia in January, Lula rejected his appeal to support Kyiv. The Brazilian president instead engaged in silly moral relativism, arguing that the invaded country is also at fault.

Biden's presidential pal in Brazil moves closer to a global cast of dictators.

In February, Brazil let two Iranian warships dock in Rio de Janeiro just after Lula had visited the White House. This was also odd. Is Brazil so obsessed with demonstrating its independence from the U.S. that it has decided to ally itself with one of the world's most notorious antidemocratic states and a leading exporter of terrorism?

Last week Mr. da Silva went to Beijing to call on President Xi Jinping, who is threatening to end democracy in Taiwan much as he did with a brutal crackdown in Hong Kong.

The two large countries have an important trade relationship. But Lula's announcement that Brazil will soon become a major destination for

Chinese infrastructure projects looks fishy given China's reputation for corruption and shoddy construction.

Lula built his political career as an advocate for left-wing totalitarianism during the Cold War. After the Berlin Wall fell in 1989, he teamed up with Fidel Castro to create the Foro de São Paulo, a collectivist clearinghouse designed to keep the communist flame burning in the Americas.

Nevertheless, Lula's first two terms as president (2003-10) showed him to be a wily politician, as practical as he is ideological. He got along with both George W. Bush and Barack Obama because if you scratch the surface of this aging revolutionary, you find a demagogue obsessed with money and power.

Sympathy with the Kremlin, boot licking in Beijing, kowtowing to Tehran and protecting Mr. Ortega are statements of political support for anti-American despots. They delight Lula's leftists supporters. But they are also a way of keeping the door open to any and all sources of capital, including from organized-crime groups that have moved into politics.

The last time Lula's Workers' Party was in power it got caught vote-buying in Congress. It later got wrapped up in the largest kickback scheme in the history of Latin America. Increased scrutiny at home means Mr. da Silva needs new partners this time around. Bishop Álvarez is merely collateral damage.

Write to O'Grady@wsj.com.

My Bid to Make JPMorgan Less Woke

By David Bahnsen

Left-wing activists have been harassing corporate America with demands for more diversity and inclusion in the boardroom and among their employees. That's a fine goal, but the left's demands are becoming more militant. The activism is distracting companies from their core mission to make profits and serve investors and customers with quality products.

Why not take a page out of the left's playbook and drag companies back to the political middle?

As a shareholder of JPMorgan Chase, I proposed a resolution on Jan. 13 calling for an evaluation of the company's discrimination policies, including those related to religious and political views. My proposal is a response to me-

dia reports that the company has been "debanking" customers because of their political and religious leanings—when those leanings happen to be Christian or conservative. JPMorgan forcefully denies this claim.

The company's management and its law firm, Skadden Arps, sent me a certified letter declining my request for a shareholder vote on my proposal. I appealed to the Securities and Exchange Commission.

My persistence paid off—at least for now. The SEC ruled on March 21 that JPMorgan Chase may not exclude my resolution from a shareholder vote. In rebuffing the company's refusal, the SEC agreed with my argument that the proposal was reasonable.

My proposal is now on the agenda of the next

shareholder meeting, on May 16. I will be allowed to argue for its merits at the meeting. The board of directors has recommended against adoption, which isn't surprising, since they also sought to

The bank resisted my shareholder resolution but accepted some proposed by the left.

block it from consideration.

What will happen in the shareholder vote is anyone's guess. The company's fiduciary duty is to maximize profit for shareholders. Looking deeper into its religious and political discrimination practices is a shareholder-friendly step.

JPMorgan Chase's strenu-

ous resistance to my resolution, while accepting similar resolutions from shareholders on the far left, is evidence of corporate America's bias against conservatives. Management kowtows to progressives in hopes of buying peace but flouts the concerns of those on the political right.

JPMorgan Chase says it doesn't discriminate on the basis of race or sexual orientation. It advertises what a good corporate citizen it is while trumpeting diversity and inclusion. That should include diversity of religious beliefs and political views. It would make for a more profitable megabank better able to serve customers and shareholders.

Mr. Bahnsen is founder and managing partner of the Bahnsen Group, a private wealth management firm.

OPINION

REVIEW & OUTLOOK

DeSantis's Gamble on Abortion

On DeSantis's decision to sign a new Florida law that bans most abortions after six weeks of pregnancy is a political gamble that Democrats are eager to attack. The Governor's obligation now is to explain and defend it if he wants to win the White House.

Though Democrats will never admit it, the current abortion debate vindicates Justice Samuel Alito's majority opinion in *Dobbs* last year overruling *Roe v. Wade*. "The Constitution does not prohibit the citizens of each State from regulating or prohibiting abortion," he wrote. "*Roe* and *Casey* arrogated that authority. We now overrule those decisions and return that authority to the people and their elected representatives."

He added earlier in his opinion that "we do not pretend to know how our political system or society will respond to today's decision." Democrats predicted doom, but so far they are winning the post-*Dobbs* political debate in most places. The Court's ruling was silent on abortion policy, and states as expected have gone in different directions.

The Florida law will now be one of the country's most restrictive. The state had a 15-week ban, but abortion opponents deemed that too expansive since more than 90% of abortions occur before 15 weeks. But the new law amounts to a near-ban because at six weeks many women may not know they are pregnant.

The law has restrictions for rape, incest and human-trafficking pregnancies up to 15 weeks. It also has an exception if the life of the mother is endangered. Drugs that induce abortions would have to be dispensed in person, not by mail. Democrats will portray this as a blanket ban, and every poll of public opinion says voters oppose a ban even as they support some abortion restrictions.

Florida Republicans deserve to be taken at their word that their opposition to abortion is a matter of moral conviction. The bill passed the Florida House 70-40, so it wasn't close. Mr. DeSantis could have tried to maneuver his Legislature to make the law less restrictive, per-

haps by lowering the 15-week ban to 10. He didn't, so presumably he also supports the ban out of personal belief. This is admirable in our age of political cynicism.

But if Mr. DeSantis runs for President, he will have to defend the law on the national stage. He will thus be presented with the challenge facing any political figure who believes in the morality of a cause that is unpopular.

Mr. DeSantis may figure the six-week ban will help him in the GOP primaries against other candidates competing for the votes of social conservatives. He might be right. But GOP donor Thomas Peterffy has said his support for Mr. DeSantis is on hold because of the abortion law and other social positions.

Donald Trump has also been notably silent about abortion since *Dobbs*, and his advisers are telling reporters that Mr. Trump thinks the issue is a loser for Republicans. The aides are also quietly spinning that Florida's six-week ban makes Mr. DeSantis less electable in the general election against a Democrat. Mr. Trump may figure that since he appointed the Justices who overturned *Roe*, he can now run to the left of Mr. DeSantis on abortion.

Like Justice Alito, we don't pretend to know how this debate will turn out in 2024. Georgia Gov. Brian Kemp signed a six-week ban after *Dobbs* and easily won re-election last year. Abortion is merely one issue among many that voters will consider as they measure the candidates. But one certainty is that Mr. DeSantis will be asked about the six-week ban again and again. The press is largely pro-abortion and believes the issue will hurt Republicans, so it will come up in every debate.

Mr. DeSantis could say the issue should be settled at the state level, and that Florida's law shouldn't dictate to Wisconsin or Pennsylvania. That works for us, but you can expect other candidates to challenge that as insufficient. Mr. DeSantis will have to defend the six-week ban in any case. Now that the abortion die is cast, Mr. DeSantis's presidential chances may hang on how well he defends the law just signed.

A Florida ban after six weeks will echo through the 2024 campaign.

The Wrong Track to Rail Safety

Rail disasters are mercifully rare, so the railroad unions won't let one go to waste. They're seeking a mandate on crew sizes in the aftermath of a major derailment in February. But the policy has topped the union wish list for years, and it would do little to improve safety.

The crew mandate is part of the Railway Safety Act, a Senate bill aimed at tightening safety protocols after the Norfolk Southern derailment in East Palestine, Ohio. The bill was drafted by that state's two Senators, Democrat Sherrod Brown and Republican J.D. Vance, and much of it is reasonable. It would require railroads shipping hazardous materials to notify state emergency departments, place more heat sensors on the tracks, and boost fines for violations.

But the provision on crew sizes stands out for its potential burden and irrelevance to safety. The bill would require freight trains to have at least two men aboard at all times, including a certified conductor and an engineer. There are few exceptions, such as one for small rail carriers with less than \$40 million in annual revenue.

The cost of the requirement would fall most heavily on midsize carriers. The industrywide labor contract already requires the seven largest railroads to staff two-man crews, but many regional carriers routinely run trains with a single engineer. Scaling up crews would cost these carriers a fortune. A transportation economist

at the University of Tennessee found in December that the two-man requirement would decrease non-coal rail traffic by up to 14%.

The 12 major rail unions have sought a crew minimum for years to increase their hours and membership. They prodded the Federal Railroad Administration (FRA) to mandate two-man crews during the last year of the Obama Administration, but the rule was rescinded under President Trump in 2019 before it took effect.

"The federal government is refusing to protect the public," said the legislative director of the largest rail union after the reversal. But there's no evidence that two-man crews are safer. The consulting firm Oliver Wyman studied rail safety in 2015 and again in 2021, including small and large carriers in the U.S. and Europe, and it found no effect from doubling the crews. The FRA's studies have also shown no benefit from larger crews.

Carriers say an extra man in the cab has little to add to the hardware systems that detect train and track issues. Take it from Norfolk Southern—it's train that derailed in East Palestine had a three-man crew.

Sens. Brown and Vance are using railway safety as an excuse for a union payoff. Their Senate or House colleagues would do the nation a service by removing this mandate that would make rail transportation more costly but no safer.

Mandatory two-man crews are a union wish with no rationale.

Incredible Shrinking Japan

Remember when global elites worried about overpopulation? Tell it to Japan, where the internal affairs ministry announced last week that the country's population fell in 2022 for the 12th consecutive year, dropping 556,000 to 124.95 million.

This marks the 16th year in a row in which deaths exceeded births, with a record drop in births of 731,000. All of Japan's 47 prefectures except Tokyo saw declines.

To maintain a stable population, countries need a fertility rate of at least 2.1. Japan's is 1.34. The U.S. has a birth rate of 1.64. Twenty-seven percent of Japan's 50-year old women have never had a live birth, the highest share of childlessness among developed countries. Finland is next at 20.7%.

Japan's shrinking population is an accelerated version of the trend across the developed world. More women are seeking professional careers rather than motherhood, more men and women are delaying marriage and family decisions, and the overall cultural zeitgeist runs toward individual fulfillment rather than the sacrifices of child-rearing.

A shrinking population has consequences for economic and national vitality. In Japan it is straining the aging workforce, and burdening a shrinking number of young taxpayers with a growing cost of elderly care. Japan's saving grace is that millions of its seniors are willing to work past retirement age. According to a 2021

Annual Report on the Aging Society from Japan's Cabinet Office, 40% of seniors in Japan want to continue earning an income, compared to 30% in the U.S.

Japan's leaders have tried numerous pro-natalist policies to arrest the decline. This includes more money for child care, longer maternity and paternity leave, and paying mothers a lump-sum of 500,000 yen (about \$3,700) per baby. Nothing has worked. That's a warning for American conservatives who think they can fire up a new baby boom by turning the dial on child subsidies. Cultural trends are hard to overcome.

One policy alternative is more immigration, which was once taboo in insular Japan but was increased under former Prime Minister Shinzo Abe. Most migrants to Japan are guest workers from other countries of East Asia who fill openings in the labor market. But Japan has never made it easy for foreigners to assimilate.

Immigration has helped to offset the birth dearth in the U.S., which for 200 years has had a genius for assimilation. But that may be ending as voices on the left preach that American society is corrupt and racist, while many on the right want to stop all immigration.

Japan is a highly stable and successful society that is managing to cope with slower growth and less dynamism caused in part by its declining population. We doubt the U.S., with its cultural diversity and history of seeking new frontiers, would cope as well.

The great country's population has fallen for 12 years in a row.

LETTERS TO THE EDITOR

Where Did All That Borrowed Money Go?

Since President Barack Obama entered the White House in 2009, the national debt has risen by around \$20 trillion ("Ballooning National Debt Is a Rotten Legacy" by William Galston, Politics & Ideas, April 12). Can someone please show us what we got for that money? Our school systems are a joke, defense is underfunded and still politicians claim we are cutting to the bone if even a freeze on spending is proposed. As a former chief executive, I reviewed all expenses on a zero base. Politicians should do the same.

MICHAEL GREENOUGH
Irving, Texas

Mr. Galston warns that continued massive borrowing by Washington threatens U.S. economic health. He is far too generous, however, in making this observation about the Biden administration: "To his credit, President Biden has issued a budget proposal based on reasonable economic assumptions and mostly honest numbers that claims to reduce the next decade's aggregate deficit by \$3 trillion, from \$20 to \$17 trillion."

It took more than 230 years for U.S. national debt held by the public to reach \$17 trillion. Now, Mr. Galston gives credit for a plan to add only \$17 trillion in the next 10 years.

With regard to President Biden's "deficit reduction" projections, if interest rates stay at current levels or rise, there is likely to be a fiscal crisis as future borrowing costs drive deficits even higher. If growth stalls, can Washington be trusted not to pass another spending package?

In the investment business, if a client's portfolio declines in value by 10% when the market is down 20%, that is a decent relative return—but clients can't spend negative relative returns. An annual reduction of \$300 billion in projected deficits is a baby step in the right direction (if you believe the numbers), but Washington still will be spending \$1.7 trillion a year more than its revenue. Democrats still will be itching to spend their relative deficit "savings," particularly if they can't hike tax rates enough to justify more spending and borrowing.

PHILIP GRANT
Palm Coast, Fla.

Between Gender Stereotypes and Common Sense

It felt restorative to read Colin Wright's "A Biologist Explains Why Sex is Binary" (op-ed, April 10). I was beginning to think that my college education was for naught. How refreshing to know that there is a hard scientific explanation for what many of us view as common sense.

DOC WALLACE
Rockport, Maine

Perhaps it would help to clarify that identity isn't binary—it is infinitely diverse. Girls can play with trucks and boys can play with dolls. Girls can be successful professionals and boys can be homemakers. Girls can go hunting and boys go shopping. It's all OK. To me, transgender intervention is an extreme example of conformity. Our desire to conform to social stereotypes is so strong that we are willing to change our sex to

conform to social expectations.

To move the narrative in a productive direction, I think we have to start with empathy for how difficult it can be for young people who are different in a society with strong pressure to conform.

JOHN M. PRIZER
Maitland, Fla.

Here is an idea for sports federations: Have two groups, the XX and the XY. Drop all the nomenclature referring to male, female, trans male, trans female, etc. Just follow real science and have the athletes compete with those in the same genetic category. Truly disappointing is the silence from so many women's advocacy groups on this issue. Do they not see the eventual outcome of this insanity?

DAVID BARSALOU
Myrtle Beach, S.C.

Too Many Parking Spots? Not Where I Live

"Countless residential parking spots go unused?" Not in Seattle! ("America Has Too Much Parking. Really," Page One, April 3). Come tour the city's older neighborhoods, where most lots are 30-to-60 feet in width, and many have curb cuts for driveways that reduce on-street parking spots. Those driveways often accommodate a single car. A household's other vehicles could be on the street, which may be so narrow that on-street parking is permitted on only one side.

The congestion is increased with cars that belong to people who live in nearby apartments with minimal parking. Those apartment dwellers may bus or bike to work, but few give up their cars: They simply park them three or four blocks away on the quiet side streets lined with single-family houses, whose owners and guests now have no place to park.

The situation is worse in business districts, where the city has increased parking-meter rates, claiming it will force motorists to park for shorter periods. Unused spots in parking gar-

ages? In the retail areas of neighborhoods, there are no garages, and seldom any for-free parking lots, whether city- or privately owned.

LINDA CARLSON
Sequim, Wash.

While I was studying architecture and city planning in the late 1960s, the automobile challenged us idealistic young designers who imagined a smog-free future without congestion. Now retired from that career, I recently completed a term as president of a nonprofit in bicycle- and transit-friendly Portland, Ore. Among my accomplishments at our busy cultural center was adding a new parking lot.

JOHN A. NELSON
Bend, Ore.

Come to South Philadelphia where parking on the median, sidewalk or in a grocery-store lot is common because of lack of spaces. The great news is that for home-sale listings, garage or off-street parking typically enhances home-sale prices significantly.

MARK BALAWEDJER
Philadelphia

The State Level Is Only Half The Battle for School Choice

In a well-reasoned letter to the editor (April 11), Jason Bedrick quotes Milton Friedman: "There will be a breakthrough; we shall get a universal voucher plan in one or more states." The good news is this is happening in a half-dozen states, with many more possible. The bad news is that state funding is only about half of total school funding. Until the other half follows the child, rather than the school system, we will still be playing with one hand tied behind our backs. This means we will need not only the support of state legislatures and governors, but cities, mayors and city councils as well.

JEFF YASS
Bala Cynwyd, Pa.

They Learned From Gadhafi

Regarding Walter Russell Mead's "How Obama Killed Nuclear Nonproliferation" (Global View, April 11): With his support of the overthrow of Libyan dictator Moammar Gadhafi, who had surrendered his nuclear weapons following the U.S. invasion of Iraq (a major plus to that currently out-of-favor venture), President Obama taught the world a lesson: If you have nukes, don't ever give them up. President Biden and the major players on his foreign policy team were members of that disastrous Obama team.

EDWIN WILLIAMSON
Washington

Pepper ... And Salt

THE WALL STREET JOURNAL



Friends After War Crimes?

In "Defeat Russia, Then Make Friends" (op-ed, April 12), Jack Devine doesn't tell us how prosecuting Russia's leaders for their war crimes would affect our rapprochement. Certainly, prosecution of those responsible for indiscriminate attacks against hospitals and schools, civilian massacres, torture and rape is a necessary second step before we "make friends."

JOHN LARNED
Eagle, Idaho

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

OPINION

The Truth About Clarence Thomas's Disclosures

By James Taranto

Clarence Thomas lost his beloved maternal grandparents barely a month apart in the spring of 1983. Myers Anderson, whom his grandson knew as “Daddy,” died of a stroke on March 30. Christine Anderson, known as “Aunt Tina,” suffered a stroke as well and died on May 1. “Perhaps, I thought, she’d lost the will to live,” Justice Thomas writes in his 2007 memoir, “My Grandfather’s Son.”

The Andersons, who were 75 and 70 respectively, are buried at Palmyra Baptist Church in Liberty County, Ga. When they died, Mr. Thomas was 34 and chairman of the Equal Employment Opportunity Commission. “Losing Aunt Tina a month after Daddy was more painful than I could ever have imagined,” he writes. “How could I have let myself grow away from her, or from the man who . . . was the only real father I’d ever had?”

He reported carefully on his inherited real estate. ProPublica’s reporting was slipshod and incurious.

Mr. Thomas inherited a one-third interest in a few modest houses Myers Anderson owned. Forty years later, ProPublica has taken a different kind of interest in those properties. ProPublica describes itself as “an independent, nonprofit newsroom that produces investigative journalism with moral force.” It promises “deep-dive reporting” dedicated to “exposing corruption, informing the public about complex issues, and using the power of investigative journalism to spur reform.”

Give ProPublica credit for admitting its journalism has an agenda. So does mine, as the word “opinion” atop this page should make clear. But ProPublica’s acknowledgment that it’s in the opinion business doesn’t excuse it from the obligation to report facts accurately, carefully and thoroughly.

ProPublica has at least three reporters working the Clarence Thomas beat—Justin Elliott, Joshua Kaplan and Alex Mierjeski. Their story, published last Thursday, is titled “Billionaire Harlan Crow Bought Property From Clarence Thomas. The Justice Didn’t Disclose the Deal.” The troika write that the lack of disclosure “appears to be a violation of the law, four ethics law experts told ProPublica.” That statement is equivocal

because it’s a legal theory based on incomplete facts. Justice Thomas didn’t respond to ProPublica’s questions or to mine.

Some facts are known and undisputed. Mr. Crow, a Dallas developer and friend of the justice, confirmed in a written statement to ProPublica that Savannah Historic Development LLC, a company he established, bought “the childhood home of Justice Thomas,” which Mr. Crow plans to convert into a museum “telling the story of our nation’s second black Supreme Court Justice.” Public documents show that the company paid Anderson’s heirs a total of \$133,363 for the Savannah house and two adjacent empty lots. According to ProPublica, Justice Thomas’s mother, 94-year-old Leola Williams, lived in the house at least until 2020 and possibly still does.

Assuming Justice Thomas received one-third of the sale price (or any amount more than \$1,000), the text of the federal financial-disclosure statute would require him to have reported the transaction in Part VII (“Investments and Trusts”) of his annual AO-10 form for 2014. He didn’t do so and may need to file an amended form.

But my review of Justice Thomas’s disclosures and other documents convinces me that any failure to disclose was an honest mistake. On all other matters involving his scanty real-estate inheritance, he followed the Filing Instructions for Judicial Officers and Employees, prepared by the Committee on Financial Disclosures of the Administrative Office of the U.S. Courts. Those instructions don’t make clear the statutory obligation to disclose the 2014 transaction.

Further, the ProPublica troika made a sloppy reporting error, the effect of which is to cast Justice Thomas’s disclosures in a falsely unfavorable light—to make them look shambolic or perhaps even dishonest when in fact they followed the filing instructions without fail.

The reporters’ error involves a confusion about what Justice Thomas did disclose. “By the early 2000s,” ProPublica reports, “he had stopped listing specific addresses of property he owned in his disclosures. But he continued to report holding a one-third interest in what he described as ‘rental property at #1, 2, & 3’ in Savannah.” It’s worth noting—ProPublica doesn’t—that the filing instructions (on page 32) prescribe disclosing rental properties in precisely this manner.

The story continues: “Two of the houses were torn down around 2010, according to property records and a footnote in Thomas’ annual disclosure archived by Free Law Project.”



Justice Thomas speaks in Atlanta in February 2020.

That footnote in Justice Thomas’s 2010 disclosure states in full: “Part VII, Line 2 - Two of the Georgia rental properties have been torn down. The only remaining property is an old house in Liberty County.”

Liberty County is where our journey began, but the ProPublica troika somehow missed it on the map. Their story leads the reader to think that the “remaining property” was the Savannah house where Justice Thomas’s mother lived. A Friday letter from the Center for Responsibility and Ethics in Washington—co-signed by Virginia Canter, the first of ProPublica’s “four ethics experts”—expressly says so and accuses Justice Thomas of deceptively disclosing (rather than failing to disclose) the property’s disposition.

The footnote makes clear that this is wrong. There’s a fourth property. Justice Thomas’s 2009 disclosure listed three rental properties in “Sav., GA.” Beginning in 2010, he listed only one, in “Liberty Cty, GA.” Savannah is in Chatham County, not Liberty. But Liberty County is in the Savannah area, roughly a 45-minute drive from the city. For someone living hundreds of miles away, it would have been reasonable to describe the three rental properties collectively as being “in Savannah.”

That implies that Justice Thomas never disclosed his interest in the Savannah house where his mother lived. But he didn’t need to. “Information pertaining to a personal residence is exempted from reporting, unless the property generates rental income,” the filing instructions say on page 33. Nor was there any requirement to disclose the ownership of the other two Savannah properties after the houses were demolished. Who wants to rent an empty lot in Savannah?

When an asset isn’t sold but stops being reportable—in this case because it is no longer capable of generating rental income—page 50 of the filing instructions directs the filer to “insert ‘Y’ after the asset description in Column A and leave Columns B-D blank, or include an explanatory note in Part VIII.” Justice Thomas did exactly that for the Savannah rental properties in 2010, and for the Liberty County property in 2015. The latter footnote reads simply: “Line 1: The asset listed on line 1 does not receive any rental income for this property.” This is the disclosure Ms. Canter and her co-signers mistake for a deception.

When my mother died in 2019, I inherited a one-third interest in her house, which I sold to my brother. I understand the statute to mean that if I had been a federal judge, I would be obligated to disclose that transaction. But if I hadn’t been made aware of the statute, it wouldn’t have occurred to me to think of my inheritance as an “investment,” and I searched the filing instructions in vain for language that makes plain a judge’s duty to disclose this sort of transaction.

In Justice Thomas’s circumstances, moreover, the instructions seem to say *not* to report the sale of the former rental properties. The above-quoted “insert ‘Y’” language on page 50 is followed immediately by this sentence: “In subsequent years, this asset should be deleted from Part VII.”

One may be tempted to think that of all people a judge should know what the law says. But that’s a nonsensical standard. A judge’s job isn’t to memorize statute books; it’s to discern laws’ meaning and their application to the facts in cases that litigants bring before him. Inasmuch as

the law applies to the judge’s personal affairs and interests, he’s in the same boat with the rest of us—often dependent on lawyers or other specialists, such as the Committee on Financial Disclosures of the Administrative Office of the U.S. Courts, to make sense of his duties and rights.

The job of a journalist is similar in some ways to that of a judge. Both involve asking questions, testing arguments, and judiciously ascertaining facts and their significance. ProPublica failed to consider some obvious questions: Where is Liberty County? What is Justice Thomas’s connection to the place? If the remaining rental property was the house Mr. Crow’s company bought, what was it doing on Justice Thomas’s AO-10 for 2015, the year after the sale closed?

Journalists don’t memorize books either. I read “My Grandfather’s Son” when it came out in 2007, but as I researched this article I had to return to it and refresh my memory. “Daddy’s people worked on a three-thousand-acre rice plantation in Liberty County,” Justice Thomas writes, “and after their manumission they stayed nearby. The maternal side of my mother’s family also came from Liberty County, and probably worked on the same plantation.”

Daddy grew up on a family plot known as “the farm,” which “had been passed down undivided from generation to generation, as was often customary with land owned by southern blacks. Any family member was entitled to live there.” The fields were followed by Christmas 1957, when Clarence was 9 and Daddy decided to build a house there. He enlisted the help of Clarence and his brother, Myers Thomas, and “by springtime we’d finished building a simple four-room house,” writes Justice Thomas, who spent his summers there until he left for college in 1967.

When Aunt Tina died in May 1983, “no sooner did Myers and I go home to the farm after the funeral than some of our relatives started fighting over the contents of the house, declaring that Aunt Tina would have wanted them to have this item or that,” Justice Thomas recounts. “Part of me was disgusted by their greed, but I couldn’t bring myself to care. Death had already stolen the only things in the house that mattered to me.”

Justice Thomas disclosed all this in a book that’s available on Kindle for \$13.99. If you’re a journalist whose job is to investigate him, you probably ought to read it—especially if you aspire to produce work “with moral force.”

Mr. Taranto is the Journal’s editorial features editor.

Joe Manchin’s Faux Betrayal and an Endless Green Bill of Goods



LIFE SCIENCE
By Allysia Finley

Who knows if West Virginia Sen. Joe Manchin truly believed the Inflation Reduction Act would reduce the deficit. Either way, he bought a green bill of goods. Several recent independent studies show that the law’s climate spending will cost trillions of dollars—many multiples more than Democrats claimed—and most of it will go to the affluent.

A Goldman Sachs report last month estimated the law’s climate spending would cost \$1.2 trillion over the next decade—three times as much as the Congressional Budget Office estimated last summer. One reason is the law’s sundry green-energy tax credits are uncapped, and most are available to businesses that pay little or no tax.

But even that estimate underestimates the true price because it calculates only the costs over a 10-year budget window, and many tax credits won’t expire for decades. Mr. Manchin opposed Build Back Better’s social-entitlement programs because they buried costs in “out years.” This is exactly what the Inflation Reduction Act does for green corporate welfare.

Take the tax credits for renewable-energy production and investment, which don’t lapse until the

end of 2032 or until U.S. carbon electricity emissions are 75% lower than in 2022. Even then, they’re allowed a seven-year phaseout and safe-harbor period. The research shop Wood Mackenzie forecasts the U.S. won’t hit the emission threshold until 2044, meaning that renewable projects would qualify for tax credits as long as they begin operating before 2052.

In the event that electricity emissions decline more slowly—say, because natural gas continues to be necessary to keep the lights on—tax credits for building and producing renewable energy could be available for decades longer. The sun may never set on these subsidies. Wood Mackenzie reports that unless the law’s provisions are repealed, “instead of several hundred billion dollars in tax credits for new renewables and storage through 2032, the real money on the table is on the order of trillions of dollars over multiple decades.”

Tax credits for carbon capture, unlike for solar, wind and energy storage, technically expire in 2032, but a project only has to begin construction by the end of that year to qualify. Carbon capture is still in its early stages, so many projects probably won’t break ground until next decade. The tax credits are good for 12 years after the facilities start operating. That means companies could pocket the credits well into the 2040s.

A study by the Brookings Institution last month estimates that the carbon-capture tax credits will cost \$210 billion by 2040—\$176 billion more than CBO estimated over 10 years. Brookings likewise projects that the law’s climate provisions could cost up to \$1.2 trillion through 2031.

The Inflation Reduction Act is welfare for the rich, not investment for places like West Virginia.

A Credit Suisse report last year came to a similar conclusion. By its estimates, a special tax credit to boost U.S. solar, wind and battery supply chains would cost \$250 billion, about eight times what CBO estimated. Banks are producing these reports because customers want to know where to invest.

Therein lies the problem: CBO underestimated how much the subsi-

dies would drive—or, more accurately, distort—business investment. That’s especially true since the tax credits are exempt from the law’s new alternative corporate minimum tax on book income, which is designed to hit large companies that pay a low effective tax rate. Don’t call it a tax loophole.

The Biden administration is also rewriting provisions in the law that Mr. Manchin carefully negotiated to broaden subsidies. Last month, for example, the Treasury expansively redefined what constitutes a “free trade agreement” and “critical minerals” so more electric vehicles would qualify for the \$7,500 consumer tax credits.

Earlier this month, the administration released guidance on the law’s “bonus” tax credits for green investment in “energy communities.” Mr. Manchin wanted these enhanced credits to increase investment in fossil-fuel-producing places like West Virginia, which are harmed by the government’s force-fed green-energy transition. But the Energy Department’s map indicates that over half

the country might qualify for the credits, including San Francisco and Greenwich, Conn. Are there abandoned coal mines under the estates of the rich and famous?

As it turns out, much of the law’s climate spending is merely welfare for the affluent. Brookings predicts that 73% of electric-vehicle sales in 2030 would occur without the new subsidies. The government’s Energy Information Administration last month estimated that the subsidies would increase electric vehicles’ share of car sales only from 12% to 15% in 2030.

Mr. Manchin now expresses indignation about the administration’s “betrayal,” but he was a victim of his own self-deception. He was so eager last summer to cut a deal that he could tout as “deficit reduction” and “good for West Virginians” that he overlooked the fine print and how the administration would further stretch the text, as is its habit.

No doubt he believed it would help him win re-election and perhaps even mount a presidential bid. Love is blind, and so is political ambition.

Sports Movies That Continue to Inspire

By Mike Kerrigan

When I text with friends who, like me, came of age in the 1980s, it isn’t long before someone refers to a sports movie from his youth. With a buddy facing long odds in a job interview, I shared the tryouts sequence from “Rudy.” When I thought he was overthinking preparation, I sent him the wilderness training montage from “Rocky IV.”

I’ve written “Wanna have a catch?” from the end of “Field of Dreams” to remind one friend of the importance of seeking forgiveness. On the power of granting it, the town-hall vote of confidence in Norman Dale, the high-school basketball coach with a checkered past in “Hoosiers,” is my go-to bounce-pass.

Recently I received such a text from my friend Greg. We’d been debating the nature of beauty. My head, filled with Thomas Aquinas,

C.S. Lewis and John Keats, knew pure beauty is objective reality: an attribute first of the thing observed before any secondary perception of it. Knowing in your head and feeling in your bones, though, are two different things.

The scene Greg shared was from “Vision Quest.” Protagonist Loudon Swain, an 18-year old wrestler, can’t understand why Elmo, a much older night cook at the hotel where they both work, is missing a shift and much-needed wages, to watch Loudon wrestle Brian Shute, his nemesis.

Loudon asks Elmo why. Elmo explains by describing his reaction to something he saw on television: Brazilian soccer sensation Pelé scoring—and then celebrating over—an acrobatic, bicycle-kick goal. Though watching alone in his shabby apartment, ignorant of soccer and hardly a crier, Elmo admits that the vision moved him to weep. Elmo’s tears show the arresting

effect beauty has on the ordinary person. The gruff cook is overtaken by Pelé’s preternatural talent and joyful heart. Mere proximity to it draws Elmo from the cramped confines of his subjective self to a higher plane where the sublime is appreciated, simply for existing.

Nourishing not his stomach but his spirit, objective beauty compels the hash slinger to forgo wages and watch Loudon wrestle. Beauty restores man’s capacity for wonder, which remakes a tired world anew. Its power derives from its source, which is both outside the subjective self and the created world.

Greg’s clip reminded me how the sports movies we adored in childhood not only can transcend. They can be signposts to transcendentals themselves, of which earthly beauty is but a foretaste. Those movies really were the best.

Mr. Kerrigan is an attorney in Charlotte, N.C.

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OUR 14-SECOND STORY

On the anniversary of Apollo 13, we remember our role in a life or death drama that lasted 14 seconds. For the crew, that brief time span would determine whether they landed safely on Earth or bounced back into space, never to return. To realign their spacecraft would require a fuel burn of precisely 14 seconds. Precision they had on hand, thanks to the NASA-qualified Speedmaster Moonwatch, worn by all three astronauts. To say thank you, NASA gave us a Silver Snoopy Award. A proud moment. Today, our Co-Axial Master Chronometer certified Moonwatch measures the seconds with even greater precision – and you don't have to be an astronaut to wear one.


OMEGA

BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

Monday, April 17, 2023 | B1

Last Week: S&P 4137.64 ▲ 0.79% S&P FIN ▲ 2.86% S&P IT ▼ 0.37% DJ TRANS ▲ 2.01% WSJ \$IDX ▼ 0.25% 2-YR. TREAS. yield 4.103% NIKKEI 28493.47 ▲ 3.54% See more at WSJ.com/Markets

Saudi Fund Adds to Aramco Stake

Transfer of \$78 billion in stock comes amid high oil prices, push to diversify economy

By JARED MALSIN AND SUMMER SAID

Saudi Arabia has put a second 4% stake of state oil giant Saudi Aramco, valued at nearly \$78 billion, under the control of the country's sovereign-wealth fund, as the king-

dom leverages a year of high oil prices toward diversifying its economy.

The shares are expected to be transferred to the Saudi Arabian Investment Co.—known as Sanabil Investments—which is wholly owned by Saudi Arabia's Public Investment Fund.

Saudi Arabia's Crown Prince Mohammed bin Salman made the transfer in a move designed to "diversify the national economy and expand investment opportunities,"

according to the kingdom's state-run news agency SPA.

The deal will reduce the Saudi government's direct ownership in the world's largest oil exporter to 90.18%. Aramco said the transfer doesn't have an impact on the company's operations, strategy or distribution of dividends, which have been a key source of funding for the Saudi government.

The government first transferred 4% to the PIF last year to support the fund's plan to

increase its assets under management to over \$1 trillion by 2025, from about \$480 billion currently.

Spurred on by past years of low energy prices that forced it to make budget cuts at home, Saudi Arabia, the world's largest crude exporter, is taking steps to make its economy less dependent on oil.

A global shift away from hydrocarbons over concerns about climate change has piled on to the kingdom's economic concerns.

Sunday's decision comes at a time when Saudi Arabia's economy is reaping the benefits of a global surge in energy prices, resulting in part from the Russian invasion of Ukraine.

The kingdom had the world's highest rate of growth last year among major economies, while the U.S. and Europe are concerned about a possible recession.

Aramco is one of the world's most valuable companies. Please turn to page B2

Banks Are Pressured To Raise Rates on Deposits

By GINA HEEB

Depositors fled to the perceived safety of the titans of finance following a pair of bank failures last month. A raft of earnings this week will show just how costly the run was for everyone else.

Small and midsize U.S. banks lost hundreds of billions of dollars in recent weeks to their bigger peers and to money-market funds offering higher yields. That is likely to force many of them to increase the interest rates they are paying to avoid losing more customers.

The extent of the damage will become clearer when dozens of regional banks including M&T Bank Corp., U.S. Bancorp and Citizens Financial Group Please turn to page B2

Green Hydrogen Lures Veterans Of Fossil Fuel

By AMRITH RAMKUMAR

Fossil-fuel executives are following the money into green hydrogen.

The queen of liquefied natural gas, an Italian energy executive and top officials from companies entwined in the fossil-fuel industry have made the switch to the nascent hydrogen business.

Green hydrogen is produced by splitting water using machines called electrolyzers that run on renewable power. Its ability to carry green electricity where it is needed and power fuel cells has made it a dream of clean-energy advocates for decades and drawn interest from the fossil-fuel industry.

Among the highest-profile executives to make the switch is Meg Gentle, a former top executive at liquefied natural gas companies Cheniere Energy Inc. and Tellurian Inc. She is known by some as the queen of LNG for her work helping Cheniere build the first LNG terminal on the Gulf Coast to export natural gas extracted in the U.S.

"There are all the same elements," Ms. Gentle said. "We'll go from the one plant and create a new transformation just like we did with LNG."

Other executives jumping into green hydrogen include: Mark Hutchinson, formerly head of General Electric Co.'s Europe and China divisions and now the CEO of the clean-energy unit of miner Fortescue Metals Group Ltd.; Paul Eremenko, the former chief

technology officer at Airbus SE and United Technologies Corp. and now CEO of flight-infrastructure focused Universal Hydrogen Co.; and Marco Alverà, a former executive at Italian energy firms Enel SpA and Eni SpA and now CEO of Tree Energy Solutions.

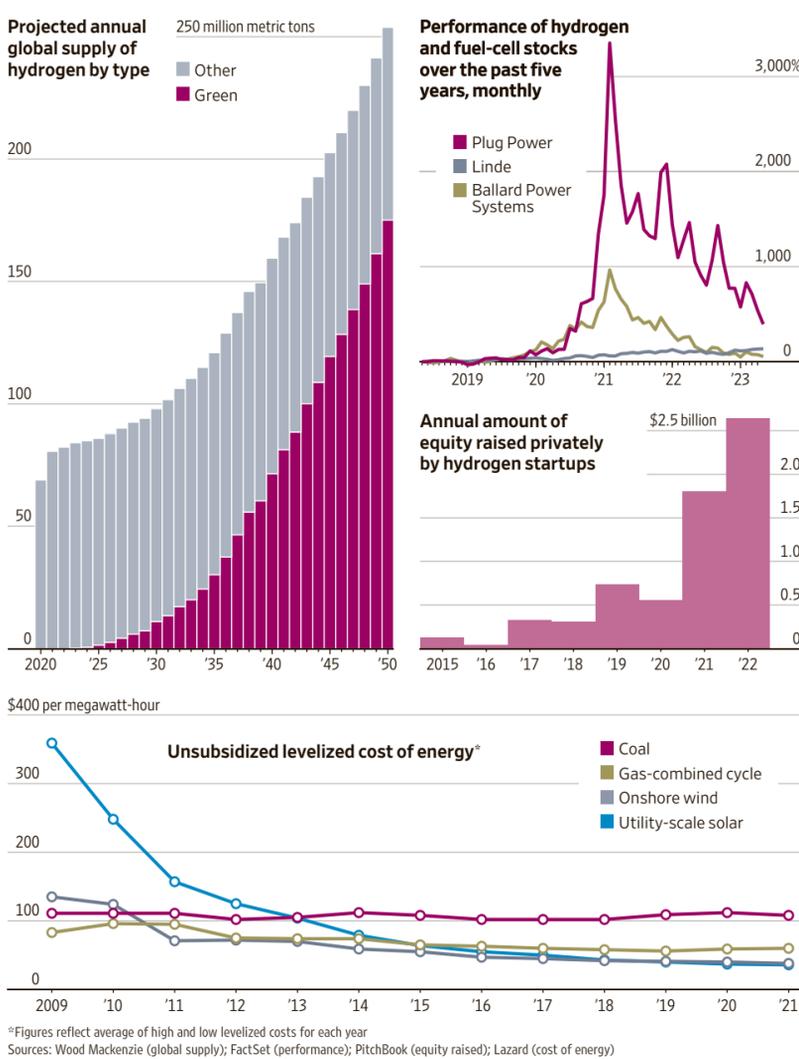
They are at the forefront of a shift among many in the fossil-fuel industry to clean-energy jobs of the future.

After leaving Tellurian late in 2020, Ms. Gentle planned to take time off. Former colleagues called and told her about their startup called HIF Global, which had a project in Chile to produce so-called e-fuels. These synthetic fuels are based on green hydrogen—which is typically combined with carbon dioxide—and could replace conventional gasoline or shipping fuel.

Soon she was HIF Global's executive director, involved in its day-to-day operations and helping it raise \$260 million from investors including Porsche AG and oil-field services firm Baker Hughes Co. last year. HIF produced a tiny amount of synthetic fuel in Chile in December and is attempting to complete its first large facility in Texas by 2027.

Energy executives such as Ms. Gentle made the jump before Washington approved hundreds of billions of dollars in tax credits and other subsidies for clean energy.

The money makes jobs in clean energy more attractive. The credits and other incentives cover roughly 60% of the



*Figures reflect average of high and low levelized costs for each year. Sources: Wood Mackenzie (global supply); FactSet (performance); PitchBook (equity raised); Lazard (cost of energy)

Judge Delays Dominion, Fox Trial

A Delaware judge delayed the start of the eagerly anticipated trial on a voting-machine company's defamation claims against Fox News, an announcement that came as the network is looking for a possible way to settle the case.

By Erin Mulvaney, Isabella Simonetti and Joe Flint

Superior Court Judge Eric Davis said late Sunday that he was delaying the start of the trial by one day, moving it from Monday to Tuesday. He didn't explain the reasons for the move.

Fox has made a late push to settle the dispute with Dominion Voting Systems out of court, people familiar with the situation said Sunday.

Dominion has been seeking \$1.6 billion in damages but appears to have softened its claims. An April 14 email from Please turn to page B4



Protesters in Big Rapids, Mich., this month carried signs opposing the proposed Gotion battery-component factory.

China Clean-Power Firms Face Furor

By PHRED DVORAK

Chinese clean-energy manufacturers were enticed by huge green subsidies to expand in the U.S. Now, they are confronting a storm of anti-China sentiment.

Projects across the country involving Chinese companies face resistance, including a \$3.5 billion battery factory Ford Motor Co. is setting up with the help of Chinese battery company Contemporary Amperex Technology Co., or CATL. Other projects are soft-pedaling their Chinese ties.

Then there is China-based Gotion High-Tech Co., which in October unveiled plans for a \$2.4 billion battery-component

factory in Big Rapids, Mich., that would be the area's largest plant.

In recent weeks, Gotion executives and local officials say they denied accusations that the company would spread Communism, bring in thousands of Chinese workers and hide ballistic missiles in its factory. Gotion, which has significant investment from Volkswagen AG's China unit and is listed in Switzerland as well as Shenzhen, China, argued it should be considered a multinational company rather than Chinese.

Such arguments only deepened the skepticism of Julie Reynolds, a member of a conservative women's caucus in

nearby Muskegon County. Ms. Reynolds drove to the Big Rapids area to join a couple hundred protesters waving American flags and brandishing "No!" signs at an April 5 rally to protest the factory.

"I'm not sure why in the world we would be supporting a company that has CCP [Chinese Communist Party] interests when they're a threat to the entire world," said Ms. Reynolds, noting Gotion is slated to get millions of dollars in state and local incentives.

Chinese companies dominate clean-energy manufacturing, making them natural choices to set up cutting-edge plants in the U.S., say some

energy executives and experts. Those who advocate a tough-on-China policy counter that encouraging—and helping to fund—Chinese investment in the U.S. would cement the companies' lock on industries such as solar. Plus, they raised concerns about possible connections between the companies and Beijing.

"There's no denying the geopolitical situation right now is very explosive," said Chuck Thelen, vice president of North American operations for Gotion's U.S. unit.

"We've become a lightning rod," said Jim Chapman, supervisor for Green Charter Town- Please turn to page B4

GM Dumps Apple App From Many New EVs

By MIKE COLIAS

Apple Inc.'s CarPlay, the app that allows drivers to use their iPhones through the car's display, has become a staple in millions of cars and trucks sold each year and a mission-critical feature for some buyers.

Now, General Motors Co. is ditching the popular app on many of its new electric models, along with a similar one made by Alphabet Inc.'s Google for Android phones.

GM surprised many in the auto industry when it said ear-

lier this month that it was dropping the apps in favor of new software for the multimedia display.

Executives said its software offers more built-in functionality than what drivers can now get through smartphone connections.

GM's strategy, which aligns with those of Tesla Inc. and other EV makers, is the latest turn in a battle between car and tech companies over a vehicle's digital real estate and services—a fight with billions of dollars in future revenue at Please turn to page B4

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The FTC warns companies of penalties if they make misleading product claims. B2



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Luxury brands surpassed quarterly sales expectations. B10

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INDEX TO PEOPLE

Table with columns A, B, C, E, F, G, H, J, K, M, N, P, S listing names and page numbers.

BUSINESS & FINANCE

Firms Warned on Marketing Claims

By PATRICK COFFEE

The Federal Trade Commission warned approximately 670 companies of the penalties they could face if they mislead consumers with unsubstantiated product claims...



Samuel Levine said the FTC aims to enhance its ability to secure monetary relief and to discourage false advertising.

baum said. "As a general matter, if 10 consumers see a deceptive ad, that's 10 violations. These numbers can add up very quickly," he said.

The letter is likely to prompt many brands to review their marketing strategies even if they didn't receive one directly, according to Mr. Greenbaum. Companies on the list are at a disadvantage, however, because parties are only subject to penalties if they have already received such a notice, he said.

Last year, Walmart Inc. and Kohl's Corp. agreed to pay a combined \$5.5 million for falsely promoting some products as being made from bamboo fiber when, in fact, they consisted primarily of rayon.

It was the largest judgment to date under the FTC's newly aggressive approach to deceptive advertising, wherein the agency has targeted brands and platforms over everything from "green" marketing claims to fake reviews and investment scams, Mr. Levine said.

"We are not backing down on seeking monetary relief in our false advertising cases. Consumers should get money back, but it's become much harder to do that since the AMG decision," he said, referring to a 2021 Supreme Court case.

ent list "does not in any way suggest that it has engaged in deceptive or unfair conduct" and that it could pursue penalties against others.

The agency's ultimate goal is both to enhance its ability to secure monetary relief and discourage false advertising altogether, said Samuel Levine, director of the FTC's Bureau of Consumer Protection. "If their marketing is deceptive, if it's not substantiated, they can expect more than a slap on the wrist. They can expect to pay a heavy price," he said.

A 2021 Supreme Court deci-

sion significantly limited the FTC's ability to seek financial damages for customers affected by such practices, but the agency still has ways to take action, said Jeffrey A. Greenbaum, managing partner at law firm Frankfurt Kurnit Klein & Selz, which specializes in advertising law.

The FTC can still penalize advertisers. While it only has the authority to seek \$50,120 for any given violation, penalties could total millions or even hundreds of millions of dollars because of the way violations are counted, Mr. Green-

Banks Are Pushed to Pay More

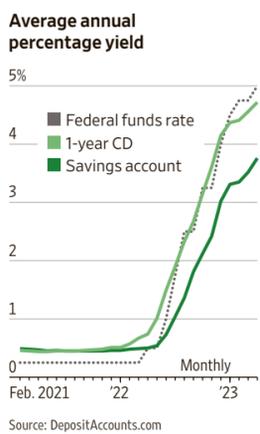
Continued from page B1 Inc. begin to report first-quarter results. Investors, analysts and central bankers are likely to pore over the results looking for clues about the health of the financial system and the broader economy.

Some banks are already jacking up the interest rates they pay savers, with the biggest increases coming from banks with a high percentage of deposits that exceed the Federal Deposit Corp.'s \$250,000 insurance cap or whose customers are concentrated in a few industries. Silicon Valley Bank and Signature Bank collapsed after uninsured depositors fled en masse.

Los Angeles-based PacWest Bancorp, a lender with a lot of startup customers, had offered as much as 5.5% for a shorter-term CD in recent weeks. A CD offered by Merchants Bank of Indiana has an introductory yield of about 5.4% that can move higher if the Federal Reserve's benchmark rate does. Mortgage lenders, a casualty of rising rates, make up a good chunk of customers of the bank's parent company.

Some banks appear to be trying to "get ahead of any potential situation" and "make sure they have the liquidity if difficulty should arise," said Ken Tumin, founder and editor of DepositAccounts.com. "Things have started to change over the past month."

Deposit rates on standard savings accounts have inched up over the past year. The average rate paid on deposits at banks and credit unions was 0.37% in March, according to the FDIC, compared with 0.06% a year earlier. But rates have moved faster on deposit accounts designed to keep money



parked for longer periods. The average yield for online savings accounts rose to about 3.75% in March, according to indexes from Deposits Online LLC, compared with 0.5% a year ago. Online one-year certificates of deposits on average offered an annual percentage yield of nearly 4.75%, up from less than 1% in 2022.

Even America's biggest banks are paying more to keep customers from taking their business elsewhere. Citigroup Inc. paid 2.72% on interest-bearing deposits in the first quarter, up from 2.1% at the end of 2022. JPMorgan Chase & Co. paid 1.85%, up from 1.37%, while Wells Fargo & Co. paid 1.22%, up from 0.70%. Those increases didn't dent the banks' net interest income, the money they make on loans minus what they pay on deposits.

Regional banks that lost customers in the turmoil aren't likely to fare as well, especially if they were forced to replace low-cost deposits with more-expensive loans from the Fed's discount window or an emergency facility it created to help banks meet withdrawals.

The Fed has raised interest rates at the fastest pace since the 1980s to curb inflation, driving some customers with big account balances to ditch banks in search of better yields. That shift picked up steam after SVB and Signature failed.

Total deposits at banks in the U.S. fell to \$17.4 trillion in March, Fed data shows, a \$312 billion decline from the start of the month. A year earlier, banks had north of \$18 trillion in deposits.

Regional banks have taken the biggest hits to deposits since the turmoil began. The 25 largest U.S. banks gained \$18 billion in deposits last month, while the ones below that size lost \$212 billion.

There are signs that midsize banks have started to feel the pressure to raise yields. Synchrony Financial and Ally Financial both have recently offered a 5% annual percentage yield on CDs that don't have any minimum balance requirements.

Synchrony prices products "to be competitive in the market with the desire to attract new customers," a spokeswoman said. Ally assesses market conditions and other factors to determine rates and can keep them lower because it doesn't have physical branches, a spokesman said.

When the Fed began its anti-inflation campaign last year, banks were able to charge more for loans and keep the interest they pay on deposits relatively low because pandemic stimulus had flooded them with deposits. That was nine rate increases and a banking crisis ago.

Property-management company Norhart LLC started to move some of its money from Bell Bank in Minnesota into government bonds earlier this year. The interest the company would earn from Treasuries was nearly 2 percentage points higher than the roughly 3% it got from the bank.

Norhart sped up the shift from traditional bank accounts after the bank crisis started, moving \$1.25 million out of a savings account and into Treasuries. In late March, the bank raised the yield on that account a half-percentage point. Norhart still plans to move the majority of its funds into bonds.

"I just don't want to risk it on that kind of money," said Chief Executive Mike Kaeding.

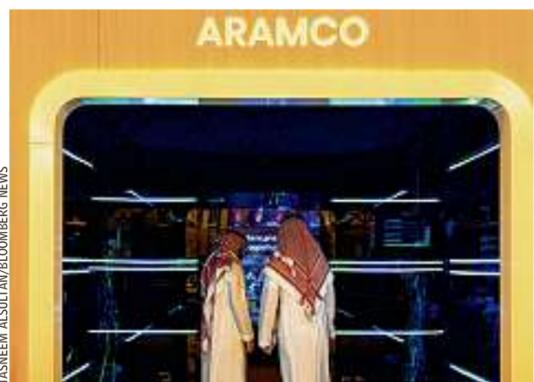
Fund Adds To Stake In Aramco

Continued from page B1 nies, with a market capitalization of \$1.9 trillion.

The oil boom appears to have bolstered Saudi Arabia's willingness to challenge the U.S. in areas of clashing economic and geopolitical interests.

Last year the kingdom rejected U.S. requests to pump more oil to bring down surging crude prices. U.S. officials said high energy prices helped Russia to fund its war on Ukraine.

Prince Mohammed, who runs the kingdom's day-to-day affairs, has directed oil policy through the Organization of the Petroleum Exporting Countries to keep crude prices



The deal will reduce the Saudi government's direct ownership in Saudi Aramco, the world's largest oil exporter, to 90.18%.

high for as long as possible, The Wall Street Journal has reported.

The injection of funds could help further PIF's efforts to expand its role as a global investment player.

The fund has invested in recent years in everything from electric-vehicle manufacturer Lucid Motors, Citigroup Inc.

and the Premier League soccer club Newcastle United. It invested billions in SoftBank Corp.'s Vision Fund.

Diversifying the Saudi economy away from oil is part of the crown prince's broader vision to transform the ultra-conservative kingdom into a global hub for tourism and entertainment.

Advertisement for IBKR featuring a large graphic with the text 'IBKR pays up to USD 4.33% on instantly available cash in your brokerage account' and a table of interest rates for different broker services.

BUSINESS NEWS

Railroad Outsider Aims to Improve Service

CSX CEO Joe Hinrichs says industry needs to get back on track by rebuilding trust with employees, customers

By ESTHER FUNG

After taking the post of CSX Corp. chief executive in September, Joe Hinrichs went on a listening tour.

As tensions festered during rancorous labor-contract talks, Mr. Hinrichs said he needed to talk to employees to build better relationships. He also heard what they

BOSS TALK

thought about precision-scheduled railroading, the management strategy designed to improve railroad service and control costs by keeping trains to preset schedules.

“The best-run companies that provide service to other companies focus on their employees. They focus on employees’ morale, their attitudes, how they’re feeling about the company,” said Mr. Hinrichs, 56 years old, who runs the Jacksonville, Fla.-based freight railroad whose network runs largely throughout the Eastern U.S.

Precision scheduling “was heavily indexed toward controlling costs and improved asset utilization and, in many ways, didn’t prioritize improving the employee experience and improving customer service,” Mr. Hinrichs said.

It’s an issue of... making sure that you have the right priorities constantly.

The appointment of a railroad outsider to run CSX was a surprise to some investors, after recent bosses such as the late Hunter Harrison—a champion of precision railroading—and industry veteran Jim Foote. Mr. Hinrichs spent 30 years in the automotive industry, including working at Ford Motor Co. and General Motors Co.

Mr. Hinrichs recently spoke with The Wall Street Journal about rebuilding trust with employees, improving CSX’s relationships with its customers and spending more time than he expected talking with regulators. Here are edited excerpts:

WSJ: In your time at CSX, you have faced a potential rail strike, continued service issues and broader scrutiny of derailments and train accidents. How do you sum up the state of the industry?

MR. HINRICHS: We know that the rail industry can



Mr. Hinrichs in Jacksonville, Fla., where the railroad is based.

serve our customers better, and we’re working hard at doing that at CSX. There’s a tremendous opportunity to build a better relationship with our employees, especially our employees in the field, and improve the employee experience.

WSJ: What have you learned from your conversations with the railroad unions?

MR. HINRICHS: We’re 196 years old, and there’s been a lot of distrust over the years between employees and management. Any hope of having trust, there has to be a relationship. There has to be regular and constant communication and interaction. This industry is ripe for change when it comes to employee and union relations.

I have found that, maybe because I’m new to the industry, they’ve been very accepting. People want to see progress, they want it to be a place where people feel valued and respected and appreciated and included, and that’s what we’re spending our time on.

I think our railroad is running the best it’s ever run because we’re engaging with our workforce. We’re solving paid sick leave, attendance policy issues or other things, and I think they go hand in hand. We’re getting the service to our customers because our employees know we’re listening to them.

WSJ: How do you see the future of precision-scheduled railroading, or PSR, playing out at the railroads?

MR. HINRICHS: You read all of the Hunter Harrison books, if you look at even the CSX website, it says the five guiding principles are first: improved safety. Second: control costs. Third: improve asset utilization. Fourth: improve employee experience. And fifth: improve customer service. Those five guiding princi-

ples are relevant today. They’ll be relevant tomorrow and they were relevant five years ago.

Now, it was implemented in a way that didn’t really take the employee experience into account and frankly, didn’t prioritize better customer service.

It’s not an issue of, ‘Is PSR bad or good?’ It’s an issue of balance and making sure that you have the right priorities constantly and including employees and customers in how you implement scheduled railroading.

WSJ: Have you seen any notable differences between how companies in the railroad industry and automobile industry are regulated?

MR. HINRICHS: The rail industry lately has had a more strained relationship with its regulators, largely due to customer-service issues as opposed to, until recently, safety

or cost or other things. The facts are the railroad industry has gotten significantly safer over the last 10 years, and the data say that.

When I’m out in the field talking to our employees here in the railroad industry, safety is very much on their minds. None of us take any pride at all when there’s any kind of accident or injury or derailment.

I don’t get the sense that there is a lack of commitment or that people are not focused on it. The fact is, there’s a lot going on. It’s very heavy equipment, and you have to have a process in place. When you have a high-risk environment, you need to have very strong discipline to follow processes.

WSJ: You were once a railroad customer. Now you’re on the other side of the table talking to customers. What are your customers telling you now?

MR. HINRICHS: They’re so happy to have somebody as CEO of a railroad who was a customer of the railroads because it’s a different experience on the other side. I’ve been very vocal inside CSX about what it’s like to be a customer of the railroad over the years.

They want us to do what we say, to do what we commit to do and then do it repeatedly. So they can have confidence in that because they run their business based on our schedules, based on assuming we’re going to do our piece of it.

WHERE RISK MEETS OPPORTUNITY

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Musk Warns of Risk In SpaceX’s First Starship Launch Bid

By MICAH MAIDENBERG

BROWNSVILLE, Texas—Elon Musk sought to lower expectations for SpaceX’s inaugural launch attempt of Starship, the immense rocket that his space company is preparing to try to fly on Monday morning.

Mr. Musk told listeners Sunday evening during a Twitter discussion that the company faces serious challenges pulling off the operation, pointing to potential hazards that could stem from the dozens of engines that would power the rocket off a launchpad.

“We’re going to be pretty careful about this launch. If it does go wrong, it’s a lot to go wrong,” he said of the potential launch, which could occur as soon as 9 a.m. ET Monday. SpaceX plans to offer a live stream of the test that will start around 45 minutes before any potential liftoff.

Besides technical challenges, weather conditions and wind could play a factor in determining if SpaceX could try to fly the vehicle or if the company would need to push off the effort.

The flight test Monday is “more likely to scrub than not,” he said at one point, adding that it wasn’t clear when the company would try

again if that happens.

SpaceX has been working on Starship for years, aiming to create a powerful, fully reusable rocket for ambitious missions into deep space. Mr. Musk has discussed using Starship to launch people to Mars. The company also has a number of customers that have hired the vehicle for future flights, including NASA, which selected a Starship variant for a moon landing currently set for 2025.

Over the weekend, SpaceX teams were completing final checks and reviews of the vehicle, the company said. Employees at the Hawthorne, Calif.-based company, ex-staffers, investors and fans have been traveling to the Brownsville area to try to witness the potential test flight. The Starship launchpad is located on a beach east of Brownsville, near the Gulf of Mexico. SpaceX’s Starbase production and infrastructure site is located nearby, situated among bays and sand.

Mr. Musk on Sunday pointed to Starship’s engines as among his top concerns going into the flight attempt, at one point comparing them to grenades. The engines, called Raptors, were designed in-house at SpaceX. Thirty-three are installed on the vehicle’s booster, called Super Heavy.

TECHNOLOGY & MEDIA

WSJ.com/Tech

GM Moves Away From Apple App

Continued from page B1

The move is a gamble, though, threatening to alienate CarPlay loyalists who use the app exclusively for navigation, listening to music and podcasts, and other tasks, dealers and industry analysts say. GM is using Google's underlying technology for its new interface, so Android users will still see Google Maps and many familiar features, even though Android Auto won't be available.

Auto makers have tried for years to mimic the look and feel of consumer electronics in the car, only to fumble with hard-to-use tech that has irked drivers. Instead, owners have flocked to the more simplified offerings of the tech giants, leaving car executives worried they have lost an important touch point with their customers.

GM finance chief Paul Jacobson said the new GM-specific software will offer a more personalized experience for its drivers. The touch-screen interface will be customized with GM's own, branded look and features.

For instance, the software will be able to collect data on the vehicle's electric charge and tire pressure and make suggestions, such as the best location to stop and plug in, GM said. It also could add a suggested route to Google Maps for drivers who want to use the hands-free Super Cruise assisted driving system, which is activated only on designated roadways.

Those functions can't be offered through CarPlay and Android Auto, GM said.

"It is up to us to create that and ultimately convince customers that it can be better across the board," Mr. Jacobson said.

A Google spokeswoman said GM is expanding its in-car tech using Google's operating system, and its decision not to use Android Auto on future EVs was the auto maker's choice based on its brand

goals. An Apple spokeswoman declined to comment.

Executives at some rival auto makers say they have no plans to remove CarPlay and Android Auto from their vehicles. Still, they agree competition between tech and auto companies for car owners' attention is growing more intense.

"We want people to be in our ecosystem," said Mike Coleran, head of Nissan Motor Co.'s U.S. marketing and sales. "That is where the battle is going to be."

CarPlay and Android Auto are so-called projection or mirroring systems, because they project the familiar look of the smartphone screen onto the car's touch screen. Within the past decade, the programs have become ubiquitous: CarPlay and Android Auto were installed on more than 90% of new vehicles produced for the U.S. market in 2022, according to research firm Wards Intelligence.

Some car executives and engineers were reluctant to cede space in the dashboard but wanted to ease customer frustration with auto makers' own multimedia screens, which many found glitchy and difficult to use.

Now, car companies are racing to put out electric vehicles that are increasingly loaded with software that can be updated remotely, like a smartphone.

Auto executives see an opportunity to offer an expanding menu of digital features and services to generate revenue long after the vehicle is sold, and at much higher profit margins than car manufacturers are accustomed to.

GM has said the ability to beam new features to the car—adding hands-free lane-change capability as part of the assisted-driving system Super Cruise, for example—could generate \$20 billion to \$25 billion in revenue annually by 2030, up from \$2 billion in 2021.

But the car companies could have a harder time selling those features if owners are always connected to CarPlay or Android Auto, said Anna Buettner, a principal analyst at research firm S&P Global Mobility.

"It is all about owning the customer experience and the data," she said.



A voter casts his ballot at a Dominion Voting Systems machine in the midterm elections in Atlanta last November.

Dominion, Fox Trial Delayed

Continued from page B1

Dominion to Fox, attached to a new Fox legal filing on Sunday, indicated that Dominion wouldn't present a jury with claims for alleged lost profits. In its original 2021 lawsuit, Dominion sought lost-profits damages of not less than \$600 million.

Dominion had no comment on the Fox filing. Both sides declined to comment on the judge's delay.

If the case isn't resolved out of court, a jury will decide a once-in-a-generation defamation case that could have broad ramifications for the network and test the contours of modern media law. The proceedings are scheduled to last about six weeks.

Dominion has accused Fox News, a unit of Fox Corp., of airing false claims by hosts and guests that Dominion helped rig the outcome of the 2020 U.S. presidential election in favor of Joe Biden. It is seeking damages for alleged financial harm to the company, arguing that Fox News and Fox Business egregiously departed from journalistic norms by broadcasting stolen-election segments they knew or should have known were false.

Fox has sought to position its actions and election coverage as within the mainstream: reporting on allegations from then-President Donald Trump and his associates that were newsworthy. It has been on the losing end of a series of pretrial rulings in recent months.

The release of internal Fox communications during the litigation shows that network executives and hosts were skeptical of election-fraud claims but also concerned about alienating viewers who supported Mr. Trump.

"In some ways, it's just another piece of litigation for a large dollar amount, but it's also unlike any case you've seen before, weighing the future of Fox News, what's permissible for what a reporter can trust, and the future of faith in the media," said Victoria Baranetsky, general counsel at the Center for Investigative Reporting. "In those ways, the stakes are high."

Media organizations enjoy robust protections under the First Amendment, making defamation cases difficult for plaintiffs to win. Most lawsuits don't even make it to trial, prompting some to argue that modern precedent makes it too difficult for businesses or individuals to vindicate their reputations in court.

Legal observers say the Dominion case could prove a counterexample. The company has come to the eve of the trial riding momentum. Judge Davis has already concluded that Fox News and Fox Business did in fact broadcast false claims about Dominion, voiced by both network hosts and Trump associates, including Sidney Powell and Rudy Giuliani, who appeared as guests.

The judge has said Fox had a credibility problem and questioned whether the company failed to provide required disclosures and information in the litigation. Fox denies wrongdoing.

If the trial moves forward, it will be up to a jury to decide whether Fox acted with "actual malice" in broadcasting false claims, a standard that turns on

whether Dominion can prove that Fox knowingly published false information or proceeded with a reckless disregard for the truth.

Dominion says it has enough evidence to meet this bar. It says text and email communications from Fox executives and hosts—in some instances mocking claims made on air by guests or openly worrying about losing viewers to other networks embracing a harder line—show they knew the information wasn't true but continued to air the false claims.

Not long after the election, Fox News prime-time host Tucker Carlson wrote to his producer that "Sidney Powell is lying" about having evidence of

Fox Corp., which is also a defendant in this case, shares common ownership with News Corp, parent of The Wall Street Journal's publisher, Dow Jones & Co.

A Fox spokeswoman said that Dominion had pushed "irrelevant and misleading information to generate headlines," and called the lawsuit "a political crusade in search of a financial windfall, but the real cost would be cherished First Amendment rights."

Dominion said: "The First Amendment does not shield broadcasters that knowingly or recklessly spread lies."

The company says it was defamed by hosts or their guests on 17 programs that ran on Fox News and Fox Business between Nov. 8, 2020, and Jan. 26, 2021, as well as three tweets by then-host Lou Dobbs.

Fox News and Fox Business are the largest profit engines of Fox Corp., accounting for about 70% of its earnings before interest, taxes, depreciation and amortization, according to Wells Fargo.

Longtime defamation attorney Lee Levine said the jury's decision ultimately won't pose an existential threat to Fox Corp. "Frankly, I don't think it will change much about the way Fox does business," Mr. Levine said.

Wall Street analysts said that while Fox could absorb a substantial financial penalty, that might limit its flexibility to engage in share buybacks. "They can afford it, but of course there's other things that they'd rather do with that cash," said Joseph Bonner, a senior analyst at Argus Research.

Fox had just over \$4 billion in cash when it last reported quarterly earnings in February. At the time, it authorized a new \$3 billion stock-buyback plan.

The case could have ramifications for Fox and test modern media law.

election fraud, according to a court filing.

He wrote a similar message to fellow anchor Laura Ingraham. "It's unbelievably offensive to me. Our viewers are good people and they believe it," Mr. Carlson wrote.

Fox Corp. Chair Rupert Murdoch, who is expected to be called to testify, acknowledged in a deposition that some Fox hosts and commentators endorsed the false election-fraud narrative but said the company itself didn't.

"I would have liked us to be stronger in denouncing it, in hindsight," Mr. Murdoch said.

Other high-profile witnesses who could be called to testify at the trial include Fox hosts Sean Hannity, Maria Bartiromo and Mr. Carlson.



The auto maker is dropping an Android app from many new models.

China Power Firms Face Backlash

Continued from page B1

ship, where the Gotion plant will be located, and whose board is supporting the plant.

Washington and Beijing are locked in a great-power competition that is sending relations spiraling and causing headaches for companies on both sides of the Pacific.

Chinese clean-energy manufacturers started to tiptoe into the U.S. market, attracted by surging demand for their products that prompted a multibillion-dollar wave of green-energy investments here.

Those investments were accelerated by President Biden's aggressive targets for renewable energy and electric vehicles, as well as billions of dollars in fed-

eral tax credits to support the making of everything from solar panels to batteries in the U.S.

China hawks say Chinese companies shouldn't get support from U.S. federal or local subsidies meant to encourage domestic investment, especially when it can be tough to gauge any possible Beijing influence.

Chinese companies must "make sure that what they're doing is supportive of what the Communist Party wants to do, especially in critical industries," said Pete Hoekstra, a former Republican member of Congress from Michigan and ambassador to the Netherlands, who joined the anti-Gotion rally and is opposing the Ford-CATL project. CATL is the world's biggest battery producer and has expertise in one key technology "that no American company can deliver at scale," said a Ford spokeswoman, explaining why the auto maker chose to work with the Chinese maker for the proposed battery factory. Ford is sidestepping the is-



Jim Chapman, supervisor for Green Charter Township, before a virtual panel discussion in April on the proposed Gotion plant.

sue of government incentives by taking 100% ownership of its proposed Michigan battery factory. Ford says it will pay CATL for its manufacturing services and technology, and that any incentives for battery production will go to Ford, and "zero tax dollars will go to CATL," the Ford spokeswoman said.

Sen. Marco Rubio (R., Fla.) sponsored a bill last month dubbed the Restricting Electric Vehicle Outlays from Kleptomaniac Enemies Act, aimed at preventing projects such as Ford's from benefiting from federal tax credits, even if they don't have direct Chinese investment.

"If Chinese companies like CATL are able to exploit both Chinese and United States incentives for battery and EV technology through clever cor-

porate arrangements, then there is no use in investing federal funds toward industrial development in the first place," Mr. Rubio wrote in a February letter to the Biden administration protesting the Ford deal.

The deal is being scrutinized in China as well, after Chinese officials warned CATL to be careful with its intellectual property in dealings with Ford, people familiar with the matter said.

The officials are worried the Ford deal could undermine CATL's global competitiveness, the people said.

Ford and CATL said the Michigan project is proceeding as planned, and it will help accelerate electric-vehicle sales and manufacturing in the U.S. Other clean-energy projects

involving Chinese manufacturers have played down China connections.

When South Carolina and Hounen Solar announced the company was setting up a solar-panel factory in the state in March, they referred to Hounen as a California company, though Hounen's parent is based near Shanghai.

China's Longi Green Energy Technology Co., one of the world's biggest solar manufacturers, is building its first U.S. solar-panel factory through a joint venture in Ohio with Chicago-based Invenenergy LLC.

With a proposed capacity of 5 gigawatts, it will be one of the biggest such facilities in the country and could qualify for around \$350 million a year in federal tax credits, accord-

ing to a Wall Street Journal calculation.

To qualify for local incentives, Invenenergy had to maintain its majority control of the venture, currently 51%. Invenenergy said it would own the factory building and land, with the rest of the \$600 million investment split between the two companies.

When the project's announcement came out in mid-March, Longi's name appeared only once toward the end of the news release, and the company's nationality was never mentioned. Invenenergy said its own prominence in the announcement is because the company is well known for its solar farms in Ohio and will own the factory building.

Longi didn't respond to requests for comment.

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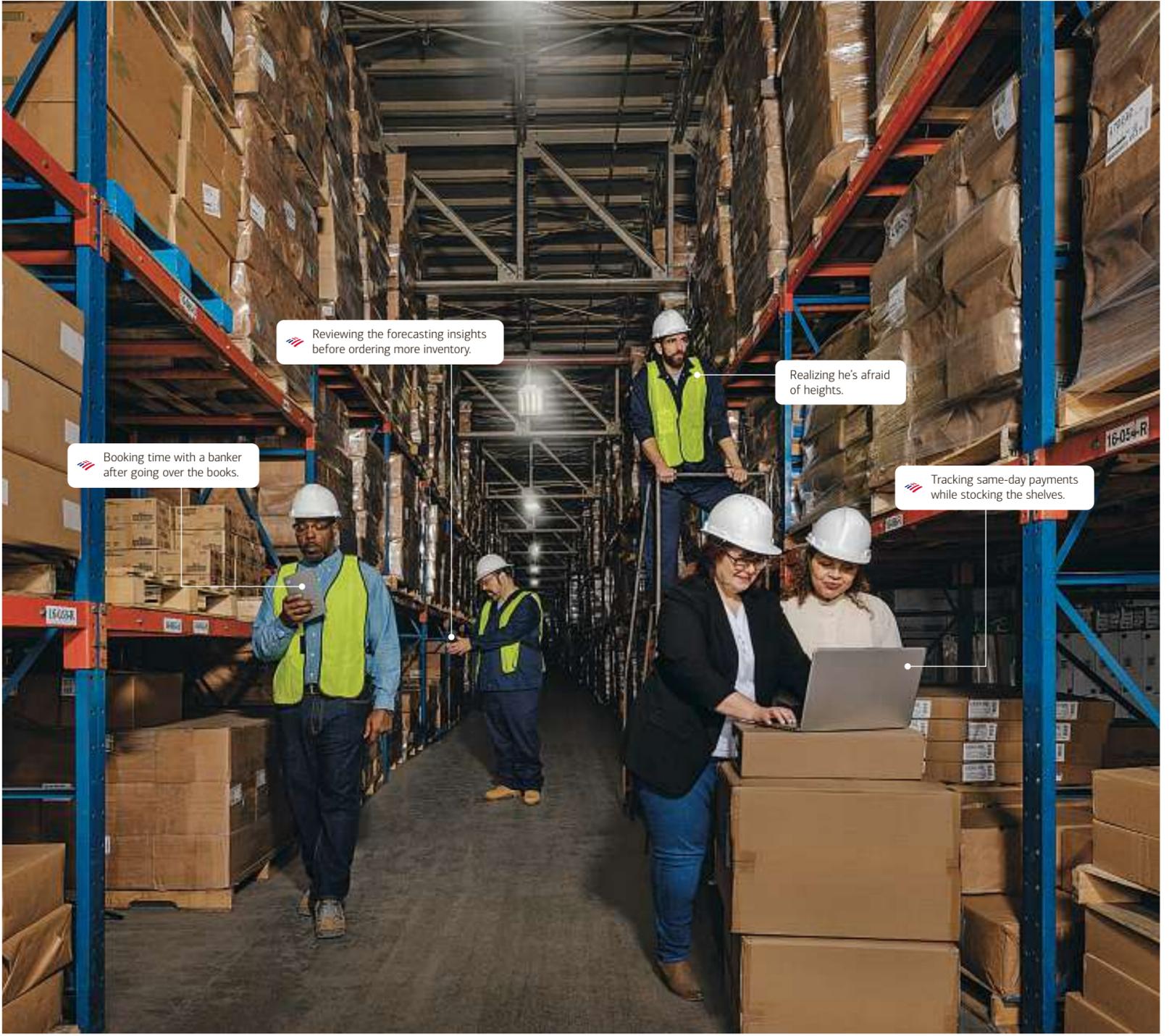
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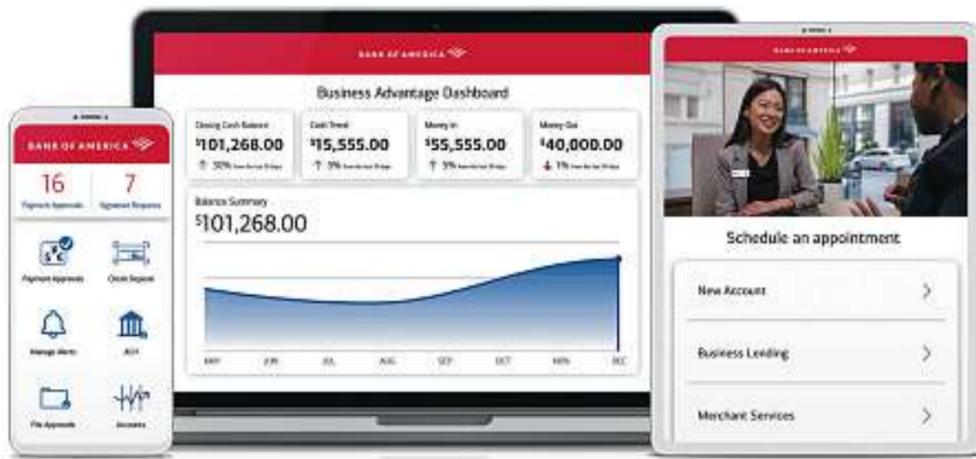
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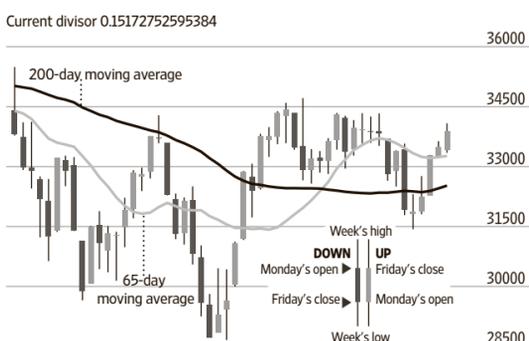
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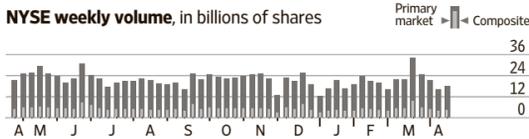
MARKETS DIGEST

Dow Jones Industrial Average

33886.47 ▲401.18, or 1.20% last week
 Last Year ago: 22.45 19.14
 P/E estimate: 18.25 18.20
 High, low, open and close for each of the past 52 weeks
 Dividend yield: 2.07 2.05
 All-time high: 36799.65, 01/04/22



Current divisor 0.15172752595384
 Bars measure the point change from Monday's open



*Weekly P/E data based on as-reported earnings from Biriyni Associates Inc. †Based on Nasdaq-100 Index

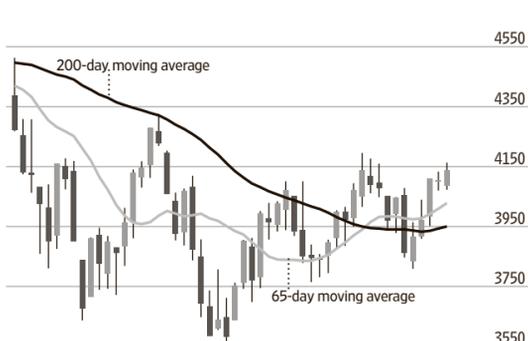
Major U.S. Stock-Market Indexes

Index	High	Low	Latest Week Close	Net chg	% chg	52-Week Close	High	% chg	YTD	3-yr. ann.
Dow Jones										
Industrial Average	34082.94	33343.43	33886.47	401.18	1.20	28725.51	35160.79	-1.6	2.2	12.3
Transportation Avg	14440.97	13846.58	14246.60	280.28	2.01	11999.40	15640.7	-9.0	6.4	20.3
Utility Average	977.31	949.93	956.47	-14.32	-1.48	838.99	1071.75	-9.9	-1.1	5.0
Total Stock Market	41575.35	40614.85	41290.28	363.09	0.89	36056.21	45125.57	-7.1	7.2	13.1
Barron's 400	936.73	918.85	927.78	19.22	2.12	825.73	1023.82	-6.7	0.8	16.9
Nasdaq Stock Market										
Nasdaq Composite	12205.72	11916.54	12123.47	35.51	0.29	10213.29	13619.66	-9.2	15.8	12.5
Nasdaq-100	13152.28	12833.31	13079.52	16.92	0.13	10679.34	14210.26	-5.9	19.6	14.6
S&P										
500 Index	4163.19	4072.55	4137.64	32.62	0.79	3577.03	4462.21	-5.8	7.8	13.3
MidCap 400	2519.91	2437.61	2489.47	42.38	1.73	2200.75	2726.61	-5.3	2.4	16.6
SmallCap 600	1181.90	1145.59	1163.71	13.70	1.19	1064.45	1315.82	-9.4	0.5	16.8
Other Indexes										
Russell 2000	1805.02	1745.46	1781.15	26.69	1.52	1649.84	2038.19	-11.2	1.1	12.9
NYSE Composite	15707.81	15297.78	15601.78	222.65	1.45	13472.18	16761.35	-5.5	2.7	11.8
Value Line	561.35	544.60	554.87	7.84	1.43	491.56	634.2	-10.9	3.5	12.6
NYSE Arca Biotech	5441.55	5302.95	5391.43	-0.40	-0.01	4208.43	5644.5	3.1	2.1	3.3
NYSE Arca Pharma	888.29	865.47	884.20	10.44	1.19	737.84	887.73	2.4	1.9	12.1
KBW Bank	84.09	79.82	82.98	2.56	3.18	78.06	121.2	-28.9	-17.7	5.2
PHLX [®] Gold/Silver	145.15	136.05	141.54	2.85	2.06	91.40	167.76	-15.6	17.1	10.0
PHLX [®] Oil Service	83.68	80.26	82.89	3.011	3.77	56.08	93.94	-3.0	-1.1	44.0
PHLX [®] Semiconductor	3146.00	3036.03	3070.45	-1.31	-0.04	2162.32	3230.86	1.4	21.3	21.9
Cboe Volatility	20.05	17.07	17.07	-1.33	-7.23	17.07	34.75	-24.8	-21.2	-23.3

†Nasdaq PHLX Sources: FactSet; Dow Jones Market Data

S&P 500 Index

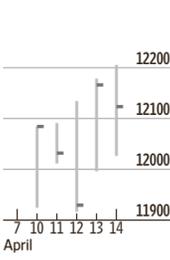
4137.64 ▲32.62, or 0.79% last week
 Last Year ago: 18.56 24.82
 P/E estimate: 18.88 19.62
 High, low, open and close for each of the past 52 weeks
 Dividend yield: 1.67 1.42
 All-time high: 4796.56, 01/03/22



Current divisor 0.15172752595384

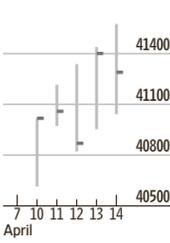
Nasdaq Composite

▲35.51, or 0.29% last week



DJ US TSM

▲363.09, or 0.89% last week



New to the Market

Public Offerings of Stock

IPOs in the U.S. Market

Initial public offerings of stock expected this week; might include some offerings, U.S. and foreign, open to institutional investors only via the Rule 144a market; deal amounts are for the U.S. market only

Expected pricing date	Filed	Issuer/business	Symbol/primary exchange	Shares (mil.)	Pricing Range(\$)	Low/High	Bookrunner(s)
4/18	12/22 2022	U Power Ltd Vehicle-sourcing service provider in China, primarily focused on battery-swapping technology.	UCAR Nq	2.5	6.00/8.00		WestPark Capital Inc
4/20	2/10	US GoldMining Inc Mineral exploration company focused on the acquisition and development of gold assets in the Americas.	USGO A	2.0	10.00/10.00		HC Wainwright, BMO Cptl Mkts

Lockup Expirations

Below, companies whose officers and other insiders will become eligible to sell shares in their newly public companies for the first time. Such sales can move the stock's price.

Lockup expiration	Issue date	Symbol	Offer price(\$)	Offer amt (\$ mil.)	Through Friday (%)	Lockup provision	
April 21	April 21, '22	JE Cleantech Holdings Ltd	JCSJ	4.00	15.0	-88.0	365 days
	Oct. 19, '22	Prime Medicine Inc	PRME	17.00	151.3	-21.2	180 days

Sources: Dealogic; Dow Jones Market Data

IPO Scorecard

Performance of IPOs, most-recent listed first

Company	SYMBOL	IPO date/offer price	Friday's close(\$)	Offer price	1st-day close	% Chg From	Company	SYMBOL	IPO date/offer price	Friday's close(\$)	Offer price	1st-day close	% Chg From
CytoMed Thera	GTCT	April 14/\$4.00	4.00	Hongli Grp	HLP	March 29/\$4.00	3.70	-7.5	5.7	
VCI Global	VCIG	April 13/\$4.00	2.56	-36.0	-39.8		Trailblazer Merger I	TBCU	March 29/\$10.00	10.12	1.2	0.1	
Golden Heaven Grp Hldgs	GDHG	April 12/\$4.00	4.00	...	-0.2		Jin Med Intl	ZJYL	March 28/\$8.00	6.99	-12.6	-12.1	
ARB IOT Grp	ARBB	April 5/\$4.00	4.33	8.3	12.5		TMT Acquisition	TMTU	March 28/\$10.00	10.22	2.2	0.3	
Inspire Technology	ISPR	April 4/\$7.00	7.48	6.9	-0.9		YanGuFang Intl Grp	YGF	March 28/\$4.00	3.48	-13.0	-10.5	
Millennium Grp Intl	MGIH	April 4/\$4.00	2.06	-48.5	-35.8		Oak Woods Acquisition	OAKUU	March 24/\$10.00	10.21	2.1	0.2	
Multi Ways Hldgs	MWVG	April 3/\$2.50	8.19	227.6	-7.7		CBL Intl	BANL	March 23/\$4.00	19.95	398.8	351.4	
Hitek Global	HKIT	March 31/\$5.00	4.83	-3.4	-13.1		Mangoceuticals	MGRX	March 21/\$4.00	1.03	-74.3	-74.3	
Shengfeng Development	SFWL	March 31/\$4.00	4.50	12.5	11.9		Ohmyhome	OMH	March 21/\$4.00	5.07	26.8	26.8	
Chanson Intl	CHSN	March 30/\$4.00	1.13	-71.9	-54.1		Four Leaf Acquisition	FORLU	March 17/\$10.00	10.24	2.4	0.4	

Sources: Dow Jones Market Data; FactSet

Public and Private Borrowing

Treasuries

Date	Auction of	Settles on
Monday, April 17	Auction of 13 and 26 week bills; announced on April 13; settles on April 20	Wednesday, April 19 Auction of 17 week bill; announced on April 18; settles on April 25
Tuesday, April 18	Auction of 52 week bill; announced on April 13; settles on April 20	Thursday, April 20 Auction of 4 and 8 week bills; announced on April 18; settles on April 25 Auction of 5 year TIPS; announced on April 13; settles on April 28

International Stock Indexes

Region/Country	Index	Close	Latest Week % chg	Low	52-Week Range	High	YTD % chg
World	MSCI ACWI	654.57	1.28	550.37	550.37 - 696.27	696.27	8.1
	MSCI ACWI ex-USA	305.29	1.96	244.35	244.35 - 314.80	314.80	8.5
	MSCI World	2825.75	1.27	2367.69	2367.69 - 2994.64	2994.64	8.6
	MSCI Emerging Markets	1000.49	1.36	842.76	842.76 - 1112.90	1112.90	4.6
Americas	MSCI AC Americas	1571.53	0.99	1363.36	1363.36 - 1712.42	1712.42	7.8
Canada	S&P/TSX Comp	20579.91	1.90	18206.28	18206.28 - 22018.82	22018.82	6.2
Latin Amer.	MSCI EM Latin America	2287.80	5.61	1912.59	1912.59 - 2592.52	2592.52	7.5
Brazil	BOVESPA	106279.37	5.41	96120.85	96120.85 - 119928.79	119928.79	-3.1
Chile	S&P IPSA	3216.28	2.71	2937.32	2937.32 - 3546.47	3546.47	1.4
Mexico	S&P/BMV IPC	54460.06	1.80	44626.80	44626.80 - 55164.01	55164.01	12.4
EMEA	STOXX Europe 600	466.91	1.74	382.89	382.89 - 466.91	466.91	9.9
	STOXX Europe 50	4044.51	1.57	3310.09	3310.09 - 4044.51	4044.51	10.8
Eurozone	Euro STOXX	463.81	1.66	359.45	359.45 - 463.81	463.81	13.1
	Euro STOXX 50	4390.75	1.89	3279.04	3279.04 - 4390.75	4390.75	15.7
Austria	ATX	3258.03	1.95	2647.43	2647.43 - 3557.01	3557.01	4.2
Belgium	Bel-20	3838.12	0.82	3313.82	3313.82 - 4266.01	4266.01	3.7
France	CAC 40	7519.61	2.66	5676.87	5676.87 - 7519.61	7519.61	16.2
Germany	DAX	15807.50	1.34	11975.55	11975.55 - 15807.50	15807.50	13.5
Greece	Athex Composite	1102.79	2.68	779.20	779.20 - 1133.11	1133.11	18.6
Israel	Tel Aviv	1740.01	-0.11	1707.57	1707.57 - 2067.23	2067.23	-3.2
Italy	FTSE MIB	27872.24	2.42	20353	20353 - 27949	27949	17.6
Netherlands	AEX	761.40	0.21	630.58	630.58 - 771.69	771.69	10.5
Norway	Oslo Bors All-Share	1388.34	2.17	1247.07	1247.07 - 1476.42	1476.42	1.9
Portugal	PSI 20	6153.35	0.57	5190.28	5190.28 - 6349.21	6349.21	7.5
South Africa	FTSE/JSE All-Share	78870.36	2.28	63263.94	63263.94 - 80791.36	80791.36	8.0
Spain	IBEX 35	9362.90	0.54	7261.1	7261.1 - 9511.0	9511.0	13.8
Sweden	OMX Stockholm	858.82	3.42	690.07	690.07 - 886.59	886.59	9.8
Switzerland	Swiss Market	11342.86	1.00	10072.62	10072.62 - 12475.08	12475.08	5.7
U.K.	FTSE 100	7871.91	1.68	6826.15	6826.15 - 8014.31	8014.31	5.6
Asia-Pacific	MSCI AC Asia Pacific	163.29	1.22	134.3	134.3 - 173.9	173.9	4.9
Australia	S&P/ASX 200	7361.60	1.98	6433.4	6433.4 - 7592.8	7592.8	4.6
China	Shanghai Composite	3338.15	0.32	2886.43	2886.43 - 3409.21	3409.21	8.1
Hong Kong	Hang Seng	20438.81	0.53	14687.02	14687.02 - 22688.90	22688.90	3.3
India	S&P BSE Sensex	60431.00	1.00	51360.42	51360.42 - 63284.19	63284.19	-0.7
Japan	NIKKEI 225	28493.47	3.54	25716.86	25716.86 - 29222.77	29222.77	9.2
Malaysia	FTSE Bursa Malaysia KLCI	1435.13	0.57	1373.36	1373.36 - 1601.97	1601.97	-4.0
Singapore	Straits Times	3302.66	0.07	2969.95	2969.95 - 3394.21	3394.21	1.6
South Korea	KOSPI	2571.49	3.26	2155.49	2155.49 - 2728.21	2728.21	15.0
Taiwan	TAIEX	15929.43	0.59	12666.12	12666.12 - 17148.88	17148.88	12.7

Source: FactSet; Dow Jones Market Data

Commodities and Currencies

Commodity	Last Week Close	Net chg	% Chg	YTD % chg
DJ Commodity	1026.28	15.66	1.55	-2.14
Refinitiv/CC CRB Index	276.22	4.23	1.55	-0.55
Crude oil, \$ per barrel				

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CLOSED-END FUNDS

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

Source: Lipper

Friday, April 14, 2023

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MARKETS

Crypto Exchange Bittrex Faces SEC Action

As it winds down U.S. operations, Seattle company comes under regulatory threat

By Dave Michaels
and Mengqi Sun

WASHINGTON—Bittrex Inc. once ranked as the country's biggest platform for trading digital assets. Its rocky history at home is coming to an end with a regulatory threat and a decision to leave the U.S. for good.

The Securities and Exchange Commission's enforcement staff told Bittrex in March it would recommend the agency sue the company over alleged violations of investor-protection laws, according to David Maria, the company's general counsel.

Seattle-based Bittrex was prepared to wind down its U.S. operations when it got the notice, Mr. Maria said, citing the difficulty of working with U.S. regulators that took enforcement action against over 100 crypto defendants in six years. The SEC declined to comment.

The outcome shows how

aggressive regulatory enforcement could drive some of the industry offshore and underscores how regulators are targeting crypto exchanges, including Coinbase Global Inc., after years of going after the companies that issued digital coins listed on those platforms. The SEC recently forced Kraken, the second-largest U.S. digital-asset exchange, to stop offering services that allowed users to earn a yield on certain tokens.

SEC Chair Gary Gensler said much of the crypto industry brushed off investor-protection rules that his agency enforces. He said exchanges such as Bittrex should register their operations with the SEC, which would require them to dismantle their operations, reduce conflicts of interest and look more like traditional stock exchanges. Many crypto exchanges say the digital assets they list aren't securities and have resisted the SEC's call for them to come under the agency's supervision.

The SEC typically won't tell crypto exchanges outright which digital assets are securities, counseling the industry

to apply a legal test created by a 1946 Supreme Court case that addressed an investment in orange groves. Industry officials say the SEC has been unwilling to provide guidance that would put them on the right path and has chosen instead to score points through enforcement actions.

The SEC has been investigating Bittrex since 2017, when the agency opened a sweeping investigation of what was then a new industry. The agency issued several subpoenas to Bittrex over the years, mainly aimed at understanding how it makes money and decides which assets to list.

In its notice of a potential enforcement action, known as a Wells notice, SEC attorneys wrote that Bittrex violated laws by doing business as an exchange, broker-dealer and clearinghouse without first registering with the agency, Mr. Maria said. U.S. law generally requires entities offering securities to investors to register with the SEC and follow rules designed to protect investors' funds and disclose fees and risks.

The SEC's commissioners

would have to approve any lawsuit against Bittrex. Commissioners' votes on cases sometimes come as long as six months after a Wells notice is issued. In some cases, the SEC's enforcement division decides to drop an investigation after issuing a Wells notice, or a settlement is reached.

Bittrex discussed with the SEC staff late last year how it could register its operations, Mr. Maria said. It found that path wasn't possible without essentially ceasing all of its revenue-producing activities in the U.S., he said.

"The lack of regulatory clarity here results in substantial costs and no certainty as to what can and can't be offered," Mr. Maria said.

Bittrex doesn't know if the SEC will file a lawsuit now that the company is winding down in the U.S. If the agency decides to take enforcement action, Mr. Maria said his company would litigate unless regulators "came with a reasonable settlement offer."

The SEC investigation adds to legal troubles that include \$29 million in fines that Bittrex paid in 2021 over its

early failure to comply with U.S. anti-money-laundering and sanctions laws. A bureau of the Treasury Department said Bittrex had a deficient program for monitoring suspicious transactions, including trades done by entities located in Iran and Syria, from 2014 through 2018.

Bittrex was founded in 2014 by software engineers who had worked for Amazon.com Inc. and Microsoft Corp. It was once the largest U.S.-based crypto exchange by trading volume, according to a December 2017 opinion article in The Wall Street Journal written by former executives Kiran Raj and John Roth. Bittrex was the third-largest in the world in 2017, according to digital-asset data provider CCData. American exchanges including Coinbase Global and Kraken, as well as offshore platforms such as Binance, later surpassed it.

Bittrex grew quickly by adding new digital assets to its platform, despite the risk that regulators would deem them illegally issued securities. It eventually handled over 250 different digital assets, ac-

ording to its settlement with Treasury's Financial Crimes Enforcement Network, known as FinCEN.

The exchange's monthly bitcoin trading volume was lower than Coinbase's and Kraken's from June 2017 to June 2018, according to data provider Kaiko. But its total volume was higher than those two better-known exchanges because it listed so many other digital coins, according to Riyadh Carey, research analyst at Kaiko.

Daily trading volume peaked in December 2017 at \$3.1 billion, according to Kaiko. Bittrex separated its U.S. and international operations in 2019, purging a significant amount of volume from its American exchange.

The exchange temporarily stopped adding new customers in late 2017 to improve its compliance with anti-money-laundering laws, according to the settlement with FinCEN. The halt came at an inopportune time. New participants poured into crypto in 2017, a bullish year when the price of bitcoin rose from under \$1000 to over \$19,600.

Bank Failures Hit Market For Short-Term Lending

By Eric Wallerstein

March's bank collapses rattled the short-term lending that underpins the financial system, known on Wall Street as funding markets. Traces of the shake-up remain.

At the first signs of banking tumult, funding-market activity fell to its quietest since the Covid-19 pandemic erupted. On two days in mid-March, less than \$2 billion of commercial paper with maturities longer than 80 days was issued, according to Federal Reserve data on the short-term IOUs issued by companies to fund their operations. That is well below typical levels for the unsecured debt averaging around \$8 billion of issuance a day.

"Our market completely froze," said Ryan Weldon, portfolio manager of the IFM US Dollar Liquidity Fund, which invests in highly rated, short-term corporate debt through commercial paper and certificates of deposit, known as the CP/CD market.

Prime money-market funds, those that invest primarily in CP/CD, help fund domestic banks. Of the nearly \$1.2 trillion invested by prime funds before the March banking turmoil, \$125 billion was in U.S. financial institutions, Office of Financial Research data show. Debt from JPMorgan Chase & Co., Bank of America Corp. and Citigroup Inc. comprised about half of that total.

Foreign banks tap CP/CD markets to borrow U.S. dollars. Prime funds had roughly \$575 billion invested abroad as of the end of February. Another \$336 billion of prime fund as-

sets are parked at the Fed's reverse repo facility.

Other companies use commercial paper to fund their day-to-day activities, such as paying employees. Prime funds have roughly \$16 billion in U.S. nonfinancial commercial paper.

Rates on the highest-rated 90-day commercial paper—issued by blue-chip borrowers including New York Life Insurance Co., Johnson & Johnson and Procter & Gamble Co.—rose to 0.2 percentage point above the benchmark three-month secured overnight

Some companies use commercial paper to fund their day-to-day activities.

financing rate, or SOFR. Those rates have since narrowed closer to the benchmark, according to IFM Investors' analysis.

Meanwhile, yields on paper considered to be highly rated—one notch down from the safest securities, issued by foreign banks such as BNP Paribas and Crédit Agricole in recent weeks—surged more than 0.3 point above the three-month SOFR. Those rates remain well elevated relative to the negative spreads seen before the banking turmoil.

New York Life keeps roughly \$500 million in the commercial-paper market at any given time, "keeping their name familiar" should the

company ever need to borrow more, said Tom Hendry, senior vice president and treasurer. It might tap the market if normal cash flows were unable to meet an uptick in surrenders—policy cancellations that trigger a cash payout—or policyholder loans, and its high rating allows it to borrow at favorable rates compared with other companies.

"During the Silicon Valley Bank crisis, there was some tightening in the market," said Mr. Hendry. "Rates ticked up, but we didn't feel like we were getting squeezed."

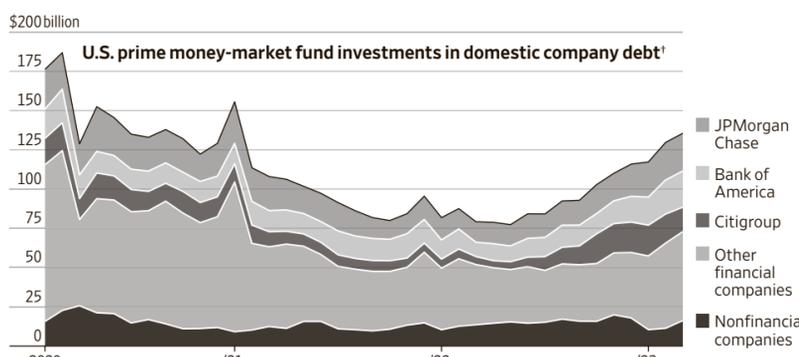
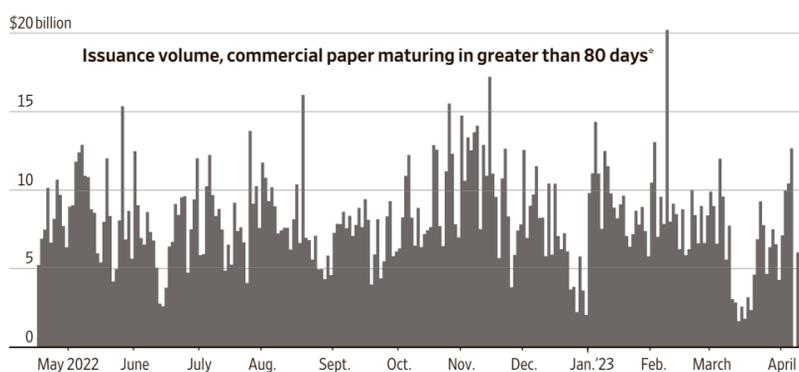
The banking-sector disruptions put pressure on borrowing rates for Duke Energy Corp., one of the largest power producers in the U.S.

"Some companies weren't able to get the funding or the term they needed from commercial-paper issuances and needed to borrow from their credit facilities," said Karl Newlin, Duke Energy's senior vice president of corporate development and treasurer. "We were able to access the commercial paper markets, but at higher rates."

Barring further banking issues, Mr. Newlin doesn't anticipate any hurdles going forward.

Lenders were spooked into keeping their cash in shorter-term or safer assets. Further crimping their willingness to lend, investors were yanking cash from prime funds in favor of their government counterparts, which stick to Treasuries, repos and similarly safer assets.

The quick flinch in commercial-paper markets echoed



*Data through April 12 †Monthly data, through Feb. 28

Sources: Federal Reserve (Issuance); Office of Financial Research (Investments)

March 2020, when the market seized up and required intervention from the Fed. Minutes from the Fed's meeting in March showed that staff discussed the pressures in the CP/CD market.

Encouragingly, volumes have since recovered above their long-term averages, leading some analysts to play down the episode's severity.

"This comes nowhere close to what we saw in 2020," said Nafis Smith, head of Vanguard's taxable money markets group.

Still, regulatory scrutiny that cropped up regarding prime funds in the aftermath of the 2008 financial crisis persists.

"If there is any place where the vulnerabilities of the system to runs and fire sales have been clear-cut, it is money-market funds," said Treasury Secretary Janet Yellen at an economics conference on March 30.

That risk of a wave of withdrawals from money funds cascading into broader financial stability hasn't been sufficiently addressed, she said. Vanguard's Mr. Smith said the issues highlighted by Ms. Yellen primarily apply to prime funds. Government funds, which have a stricter set of investment options, carry "similar risk profiles to a bank deposit," he said.

Forthcoming regulatory

changes threaten to shrink the prime fund industry further, likely raising funding costs, analysts said.

Money-market funds sit at the fulcrum of the financial system, providing credit to banks and other companies while helping investors manage their cash. Assets in money funds have surged more than \$715 billion to a record \$5.28 trillion since the Fed began raising rates, Investment Company Institute data show.

"Whether we are through this mini-banking crisis or not, we need a little more time and space to see that play out," said New York Life's Mr. Hendry.

THE TICKER | MARKET EVENTS COMING THIS WEEK

Monday

Empire Manufacturing
March, previous -24.6
April, expected -15.0

Earnings expected
Estimate/Year Ago

Charles Schwab
0.90/0.77

Equity LifeStyle Properties
0.46/0.45

J.B. Hunt Transport
Services 2.04/2.29

M&T Bank 3.94/2.62

State Street 1.64/1.59

Tuesday

Building Permits
Feb., previous 1,524 mil.
March, expected 1,450 mil.

Housing starts
Feb., previous 1,450 mil.
March, expected 1,400 mil.

Earnings expected
Estimate/Year Ago

Bank of America
0.81/0.80

Goldman Sachs
8.14/10.76

Johnson & Johnson
2.51/2.67

Lockheed Martin
6.05/6.44

Netflix 2.86/3.53

Prologis 0.56/1.54

Wednesday

EIA status report
Previous change in stocks in millions of barrels



A scene from Netflix's 'Beef.' Netflix is scheduled to post results Tuesday.

Commodity	Change	Previous change in stocks in billions of cubic feet	Stock	Change
Crude oil	up 0.6		CSX	0.43/0.39
Gasoline	down 0.3		Marsh & McLennan	2.48/2.30
Distillates	down 0.6	up 25	Philip Morris International	1.35/1.56
Mort. bankers indexes			Union Pacific	2.58/2.57
Purch., previous	up 8.0%			
Refinan., previous	up 0.1%			
Earnings expected				
Estimate/Year Ago				
Abbott Labs	0.99/1.73			
Expected	239,000			
Elevance Health	9.32/8.25			
Leading indicators	1.27/1.40			
Feb., previous	down 0.3%			
March, exp.	down 0.7%			
Philadelphia Fed survey	6.52/7.40			
March, previous	-23.2			
April, expected	-20			
Earnings expected	1.72/2.06			
Estimate/Year Ago	0.86/1.07			
American Express	2.66/2.73			
Thursday	0.58/0.77			
EIA report: natural gas				
AT&T	0.60/0.34			

* FactSet Estimates earnings-per-share estimates don't include extraordinary items (Losses in parentheses)
◆ Adjusted for stock split
Note: Forecasts are from Dow Jones weekly survey of economists

Green Hydrogen Lures Talent

Continued from page B1
bon associated with today's hydrogen production—which typically uses natural gas—rather than green hydrogen.

Roughly 120 hydrogen startups privately raised about \$2.6 billion in equity in 2022, a nearly 50% increase from the year before, PitchBook figures show. Funding in 2021 almost matched the total from the previous six years combined.

Many executives say they are attracted to green hydrogen because it is a new challenge. When turned into a liquid for transport, hydrogen can't carry nearly as much energy as fossil fuels, presenting a cost and logistics headache. "No one has been able to do this at scale," Mr. Hutchinson said. "The opportunity is just enormous." Following a long career at GE, he joined Fortescue Future Industries last year at the urging of billionaire Andrew Forrest, the founder of the mining company, which aims to use hydrogen and re-



Meg Gentle

newables to slash emissions in its operations.

Fortescue plans to combine hydrogen with nitrogen to make green ammonia and ship it around the world to customers who aren't near production sites. It invested in Mr. Eremenko's Universal Hydrogen as one of its potential partners. The startup aims to buy hydrogen from Fortescue and others, then transport it to airports by using capsules that can be loaded directly onto airplanes and power fuel-cell engines. A regional airplane recently flew

for 15 minutes using one of its fuel-cell engines.

Mr. Eremenko aims to convince Airbus, his old company, and Boeing Co. to put more money into hydrogen-powered flight. "They can't invest billions if there's no infrastructure," he said.

Mr. Alverà's Tree Energy Solutions is attempting to solve an infrastructure problem by constructing a large terminal in Germany that could take in synthetic natural gas, or "eNG," derived from green hydrogen.

Synthetic fuels are currently much more expensive than fossil fuels even with government subsidies. They produce emissions when burned, though the companies say using recycled carbon mitigates their environmental impact.

As CEO of Italian energy infrastructure firm SNAM SpA, Mr. Alverà experimented with blending hydrogen with natural gas, and he wrote several books about hydrogen before joining Tree Energy Solutions last summer. The former Goldman Sachs banker grew convinced that hydrogen was a viable business when renewable electricity became cheaper than fossil fuels.

"You've had this amazing inversion that's making this all possible," he said.