

What's News

Business & Finance

Volkswagen CEO Oliver Blume, in his first major restructuring move since becoming chief last year, is expected to replace the management of the company's struggling software unit after it caused delays to new model launches, according to people familiar with the matter. B1

◆ U.S. sanctions are spurring Chinese tech companies to accelerate research to develop cutting-edge artificial intelligence without relying on the latest American chips. B1

◆ Money managers are shying away from risk, turning to defensive stocks and Treasuries, but they appear equally worried about missing out on a potential stock-market rally. B1

◆ Natural-gas producers kept drilling even as prices plummeted last winter, a potential boon for consumers, who could benefit from lower electricity bills heading into summer. B3

◆ Employers across the economy cranked out jobs last month, despite high-profile companies recently cutting staff. Employment held up in tech, finance, construction and manufacturing and expanded in fields such as restaurants and hospitals. A2

◆ The latest "Guardians of the Galaxy" movie tallied \$114 million in domestic ticket sales this weekend, giving Walt Disney's Marvel Studios a strong but tepid start to the aging franchise's release. B2

World-Wide

◆ Authorities are investigating a Texas shooter's possible links to white supremacist ideology, according to law-enforcement officials with knowledge of the probe, following a killing spree at a suburban Dallas mall on Saturday. A1

◆ Some U.S. and European officials said they believe that Ukraine's planned spring offensive could pave the way for negotiations between Kyiv and Moscow and that China could help bring Russia to the table. A1

◆ The leader of Russian paramilitary group Wagner said he has reversed his decision to fully withdraw from Bakhmut, Ukraine, after pledges from Russia to provide more ammunition and operational freedom. A7

◆ Thousands of migrants have set up an encampment on sidewalks and alleys around a church in El Paso, Texas, ahead of a planned policy change by the Biden administration. A3

◆ Eight people were killed in Brownsville, Texas, when a vehicle plowed into a group at a bus stop near a homeless shelter currently housing migrants. A3

◆ The leaders of South Korea and Japan met as the U.S. allies continue to rekindle cooperation to counter aggression by China and North Korea. A18

◆ Arab leaders agreed to bring Syria back into the Arab League after more than a decade of isolation. A18

JOURNAL REPORT Investing Monthly: Wary investors rush into 'cash.' R1-6

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Sun's Up, Toes Out for a Spring Morning in the Carolinas



PICTURE PERFECT: People are silhouetted as they walk along the beach toward the sunrise Sunday morning in Isle of Palms, S.C. The Charleston area was experiencing unusually cool and dry weather for May.

Officials Probe Texas Shooter's Possible White Supremacy Ties

Authorities are investigating a Texas shooter's possible links to white supremacist ideology, according to law-enforcement officials, following a

By Dan Frosch, Sadie Gurman, Ginger Adams Otis and Adolfo Flores

killings at a suburban Dallas mall on Saturday. The gunman was identified by law-enforcement officials as Mauricio Garcia, 33 years old. He is accused of killing eight people and injuring

seven others after opening fire at the Allen Premium Outlets in Allen, north of Dallas, before being shot dead by a police officer. The shooter used an AR-15-style rifle in the attack, and multiple other firearms were found at the scene, officials said.

Law-enforcement officials were examining Mr. Garcia's social-media accounts, which appeared to show an interest in white supremacy, one of the officials said. After he was killed, Mr. Garcia was found wearing a patch with a white supremacist abbreviation, ac-

ording to the official. Law-enforcement officials said Mr. Garcia had been staying at a hotel before the shooting, and investigators found more firearms there. He was wearing body armor, they said. Authorities were looking into whether Mr. Garcia had worked as a security guard. Texas public records show a man with the same name with a Dallas address had worked as a security officer before his license expired in 2020. More details emerged on Sunday about the massacre. At around 3:30 p.m. on Sat-

urday, with the sprawling outdoor mall crowded with people, a barrage of gunfire erupted, police said. Waves of panicked shoppers fled inside stores, as employees hurried them into stockrooms and storage areas, bolting the doors behind them. Gunfire continued to ring out, and officers from across the Dallas area, including from state and federal agencies, began to rush to the shopping center. Mary Ann Greene, 71, was browsing with her husband in the mall's Columbia Factory Please turn to page A2

Tech Stock Slump Hits Worker Wealth

Tommy York grew up in San Francisco but was far from his goal of saving enough money to buy a home in the pricey market—until he landed an engineering job at Google.

It was December 2021, and the shares of Google parent Alphabet had just climbed to a record. Mr. York's pay package included a \$175,000 stock grant to be paid out over four years. The success of the \$2 trillion company would be his, too.

Then, the Federal Reserve started raising interest rates. Tech stocks crashed. Alphabet ended 2022 down 39%.

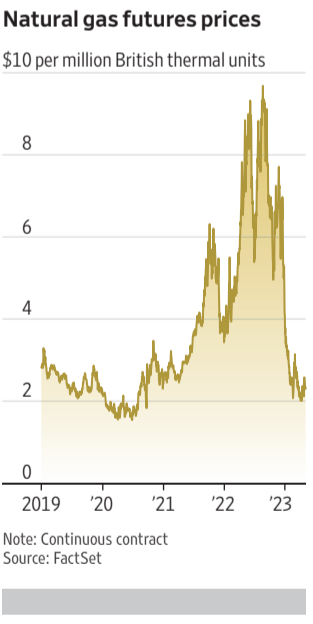
For years, tech jobs were a ticket to riches. Much of that wealth has evaporated along with tech companies' boom-

time gains. Stock typically makes up a large portion of tech workers' generous pay. Compensation soared when a pivot to remote everything made tech companies the market's darlings. The reverse, in turn, sent tech shares down sharply. While they have recovered somewhat this year, they are still well below their 2021 heights.

The rout has wiped out a big chunk of the wealth employees had planned to tap for big-ticket expenses such as houses and college tuition. It has frozen the business of initial public offerings, putting startup employees' windfall hopes on hold indefinitely. And it has cost hundreds of thousands of tech workers their jobs. Please turn to page A9

Natural Gas Keeps Drilling

Natural-gas producers are betting that a lull in prices is only short-term. B3



Fight for Bakhmut Rages in Trenches

Ukrainian troops weather intense attacks in ground combat that recalls World War I

For weeks, Ukraine's Honor Company held back Russian forces on the road to Bakhmut.

The two sides traded fire with artillery, machine guns and rifles in trenches and fields that recalled scenes from the destroyed landscapes of northern France and Belgium during World War I. The Ukrainians staked out front-line positions in dugouts along a line of trees, under constant threat from artillery assaults. Hundreds of Russian rounds sliced

through tree trunks and left nearby fields covered in craters. Honor Company soldiers would spend only a few hours at a time on the front line to safeguard their mental and physical well-being. Winter rain and snow turned the trench system into a muddy bog. Those heading to forward positions scammed in ones and twos to avoid being targeted. The positions were critical Please turn to page A10

◆ Wagner plans to stay in Bakhmut..... A6

INSIDE



PERSONAL JOURNAL Now in their 40s, millennials are reaching a milestone in aging. A12



BUSINESS & FINANCE Branson's Virgin Galactic strains to make space tourism a reality. B1

Can a State Flag Be Too 'Woke'? In Utah, Some Say So

Governor thought redesign would unite people; 'I should have known better'

BY NATALIE ANDREWS

Utah's state flag has always featured a beehive, a symbol the early Mormons used for everyone working together.

When the state moved to adopt a new flag, it struck a hornet's nest.

A bill signed into law in March said that a redesigned flag, replacing one from 1911, will start flying above the capitol early next year, alongside the former flag, now dubbed the historical flag.

Proponents say it replaces a dowdy and unremarkable flag showing the state's seal with a vibrant banner that stands out. "We had a sucky flag. Now we have a cool flag," said Mike Schultz, majority leader of the

Utah House of Representatives, who has a large flagpole in front of his home. Like all of the state's top political leaders, he is a Republican.

But a long-shot campaign is under way to undo all that and keep the old flag, with supporters accusing new-flag proponents of waving away Utah's history and even of embracing "woke" politics.

"I was hoping this would be a thing that brings people together," said Gov. Spencer Cox, who signed the March flag bill. "I should have known better."

The path to a new Utah state flag involved years of effort in the legislature, including Please turn to page A10

Palantir advertisement: The industry leader in artificial intelligence software. Table with 3 columns: RANK, COMPANY, 2021 AI REVENUE. Includes a list of top 5 companies and their revenues.

U.S. NEWS

THE OUTLOOK | By Daniel Michaels

Tariffs Take Back Seat in Trade Deals Now

In just the past year, the Biden administration has opened talks with Japan, the European Union and more than 20 countries from India to Peru on cross-border economic links. Terms that generally aren't part of these discussions: "free trade" and "tariffs."

Welcome to the new world of trade deals. It's no longer about slashing duties, but a host of other issues—from digital copyright to air quality and technology and product standards—often brokered in government-level agreements rather than full-blown treaties.

The reshaping of free-trade agreements, or FTAs, has been driven by shifting economic tides and political winds. With the rise of services and online commerce, physical goods now play a proportionally smaller role in world trade. Gaps in wages and production costs between rich and poor countries have narrowed, shifting attention to indirect costs like environmental regulations. And economic dislocation from glob-

alization has made old-style free trade a losing proposition in many politicians' eyes.

FTAs took off in the 1990s, when free-market economics appeared to have triumphed following the Soviet Union's collapse. In 1992, when independent presidential candidate H. Ross Perot warned of "a giant sucking sound" from American jobs being siphoned to Mexico by the then-proposed North American Free Trade Agreement, customs agents expended great efforts ensuring proper duties were being paid on products crossing borders.

Nafta, which took effect in 1994, launched a wave of copycat deals that slashed tariffs between dozens of countries. Reinforcing the trend were the creation of the World Trade Organization in 1995 and the European Community's transformation from a loose confederation into the European Union—a free-trade zone that today boasts 27 members and many linked nations. The trade-weighted average U.S. tariff rate fell 46% during the 1990s, accord-

ing to the World Bank.

The push continued through the early 2000s, peaking with two Obama-administration efforts: the Trans-Pacific Partnership, aimed at linking 12 countries in Asia and the Americas, and the Transatlantic Trade and Investment Partnership, between the U.S. and EU.

TTIP hit strong opposition in Europe around 2014. Targeted by both U.S. parties in the 2016 elections, it effectively died. One of former President Trump's first actions on taking office was to withdraw the U.S. from the trans-Pacific pact before it was ratified and took force.

While the treaties' collapse did prompt a big recalibration of objectives, it didn't portend an end to trade liberalization.

Outside the U.S., countries have continued striking FTAs, though few have the impact of deals that include the massive American economy. TPP was reborn with a longer name, linking 11 countries,

without the U.S. The EU doubled down on FTAs.

Still, these deals increasingly emphasize issues other than tariffs. The same is true for the U.S.'s international economic diplomacy. "The project of the 2020s and the 2030s is different from the project of the 1990s," President Biden's national security adviser, Jake Sullivan, said

Old-style free trade has become a losing proposition in many politicians' eyes.

recently. Washington has "a different set of fundamental priorities than simply bringing down tariffs."

The Biden administration is now working to provide Japan and the EU with access to the clean-energy subsidies in the Inflation Reduction Act. Regional agreements with the Indo-Pacific and the Americas seek to deepen eco-

economic ties, link supply chains and level standards without touching customs duties. None require congressional approval.

In fact, the shift away from tariffs has been long under way, in part because tariffs are now so low. Most of the ill-fated TTIP's elements were about nontariff barriers (NTBs), such as regulations and industrial standards.

"We essentially have free trade" across the Atlantic, said Dan Hamilton, a senior fellow at the Foreign Policy Institute of Johns Hopkins University's School of Advanced International Studies. Tariffs on EU goods entering the U.S. average around 2.5%, compared with around 10% with many other markets, and are low by global standards.

Thus, a potentially bigger impact on trade comes from reducing seemingly minor NTBs like rules for car-bumper design and cleaning pharmaceuticals factories.

One reason for the shift to

narrower pacts focused on specific sectors is that FTAs became too sprawling to execute politically. Some of these new agreements are between regulators and don't require approval from Congress or other parliaments, as FTAs usually do. For example, in 2008, the U.S. and EU struck a bilateral air-safety agreement that said, in essence, we've got different regulations but they're equally effective and so interchangeable. Still, controversy in Congress over the radical approach meant the deal sat for almost three years before taking effect.

Even under Mr. Trump, a vocal opponent of free trade, the U.S. worked to remove nontariff barriers. The U.S. and EU food and drug regulators in 2017 signed a mutual-recognition agreement on good manufacturing practices for active pharmaceutical ingredients. Like the aviation agreement, it allowed the two regulators to shift inspectors from each other's facilities to markets seen as posing potentially greater risks, such as China and India.

April's Strong Hiring Offset Layoffs in Some Sectors

By GABRIEL T. RUBIN

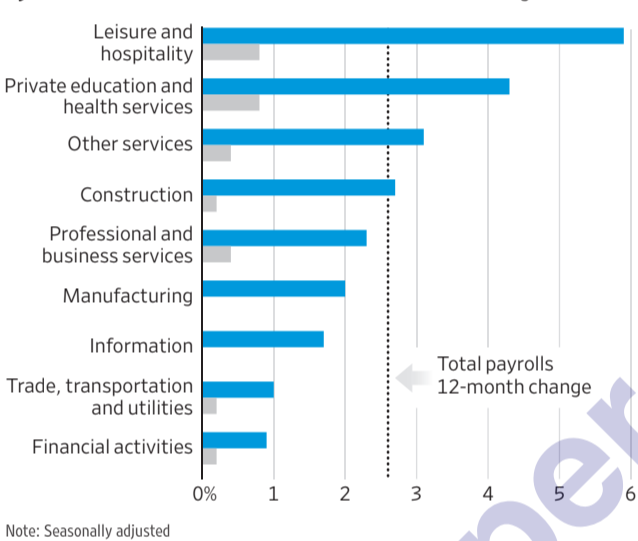
Employers across the economy cranked out jobs last month, despite Amazon, Disney, General Motors and other high-profile companies recently cutting staff, according to Friday's April employment report.

Overall, April employment held up in the tech, finance, construction and manufacturing industries, the Labor Department said Friday. Hiring expanded in other fields such as restaurants and hospitals that have led the hiring boom.

Both trends supported 253,000 new jobs last month, the best gain since January in a hot labor market that has stood up against high inflation, rising interest rates and banking turmoil. The unemployment rate fell to 3.4% in April, matching the lowest reading since 1969.

"The April employment report was stronger than ex-

Change in payrolls in April, by select sector



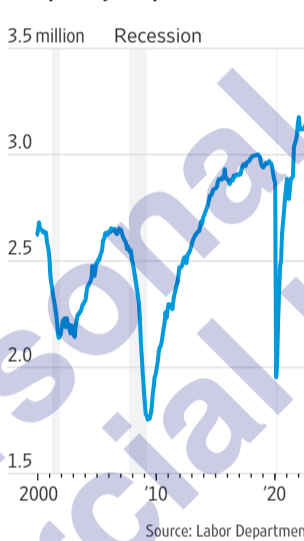
Note: Seasonally adjusted

pected, almost across the board," said Stephen Stanley, chief U.S. economist for Santander U.S. Capital Markets.

Tech companies have an-

nounced a string of layoffs, including Facebook parent Meta Platforms, Google parent Alphabet and Microsoft. Those cuts have been offset by hiring

Number of workers in temporary-help services



elsewhere in the industry.

"Now that they're not hiring at the same rate, it gives the small and medium-size companies a chance," said Becky

Frankiewicz, chief commercial officer of staffing firm ManpowerGroup.

Payrolls grew modestly in April from the prior month in tech-related sectors such as computer-systems design and services, Labor Department data show.

The number of Americans working in construction rose to a seasonally adjusted 7.9 million people in April, a record high. Building backlogs for residential and commercial properties have buttressed employment in the construction industry, often one of the first sectors to shed workers in a downturn.

Manufacturing and retail employers added jobs in April, after cutting them the prior month. Hiring has cooled in these industries as consumers shifted some of their spending to services from goods.

In-person services such as restaurants and healthcare—

larger parts of the labor market that have driven employment growth in recent months—had some of the biggest gains last month. Those industries continue to fill openings after being hit hard during the pandemic. Leisure and hospitality businesses are still 400,000 jobs, or 2.4%, below their level in February 2020.

Employers hired more accountants, bankers and other white-collar employees in April than in the prior two months.

Temporary-help jobs fell in April for the third straight month. While drops in temporary employment have preceded every recession in the

past 25 years, some economists say it may not be worrisome now given robust demand continues for full-time jobs. "Given the rapid pace of hiring in recent years, it may simply be another sign of moderation," said Nick Bunker, an economist at jobs site Indeed.

Shooter's Motive Is Probed

Continued from Page One Store when she heard the gunfire and looked out the window. "I saw people running," Mrs. Greene said. "I shouted 'Lock that door!'"

Store employees locked the entrance and moved the couple along with about 30 other customers into a stockroom in the back, she said.

"We could hear gunshots and we heard lots of sirens," said Mrs. Greene, who works with children at school in Dallas. "There was a pregnant woman with us, expecting her first baby in June." Mrs. Greene said she tried to keep the woman calm by chatting with her about her pregnancy.

Around that time, Steven Spainhouer, 63, got a call from his son, saying there was a shooting outside the H&M store where he was working. Mr. Spainhouer told his son to barricade himself in the store and wait for police. Then he drove the short distance to the mall.

As he approached the entrance, he saw numerous bodies outside. He walked up to a girl on her knees with her head on the ground and hands underneath her. When she didn't respond, Mr. Spainhouer asked if she was OK and felt for a pulse on her neck.

"There was no pulse," Mr. Spainhouer said.

An officer with the Allen Police Department, who was in the area on an unrelated call, heard the gunshots ring out and engaged the suspect, the department said. The officer "neutralized the threat," the department said.

About 90 minutes after the gunfire ended, about 15 heavily armed officers opened the door to the stockroom where

Mrs. Greene was. They escorted her and the other customers outside, she said. Walking out, she saw bodies on the ground, draped in blankets. From beneath one covering, she could see "a little leg with a little shoe" poking out.

Officers found seven people dead at the scene, including the gunman, and took nine wounded to area hospitals. Two of the victims later died, bringing the death toll to nine, authorities said.

Three people were in critical condition Sunday, authorities said. The other patients, including one who was transferred to Medical City Children's Hospital, were in stable condition, authorities said.

Officials stressed it was early in the investigation and that no definitive motive had been determined. Investigators were trying to piece together Mr. Garcia's final days before the massacre and tracking down his associates.

Investigators late Sunday were still trying to determine possible links between Mr. Garcia and white supremacist ideology. People with white supremacist beliefs have carried out several mass shootings in recent years, including at a Walmart in El Paso, Texas, and a supermarket in Buffalo, N.Y.

Many of the deadliest mass

Allen's mass shooting ranks as one of the deadliest to date in 2023.

shootings in the U.S. have involved assault-style rifles like the AR-15. They are semiautomatic and allow someone to fire rapidly and use high-capacity magazines or other accessories. More than 100 fired cartridges were also found at the crime scene outside of Dallas, one of the law-enforcement officials said.



Mourners on Sunday pray at a memorial for the victims of the mass shooting at a suburban mall in Allen, Texas, on Saturday.

Mayor Ken Fulk of Allen, a city of about 100,000 people, said that he had received calls from the White House and Texas Gov. Greg Abbott offering support for shooting victims.

"Allen is a proud and safe city which makes [this] senseless act of violence even more shocking," the mayor said.

President Biden in a statement said the violence was shocking but all too familiar.

"Once again I ask Congress to send me a bill banning assault weapons and high-capacity magazines. Enacting universal background checks. Requiring safe storage. Ending immunity for gun manufacturers," said Mr. Biden, a Democrat. "I will sign it immediately."

Saturday's attack comes about a week after a man in Cleveland, Texas, north of Houston, fatally shot five people, including a child, authorities said. The man used an

AR-15-style assault weapon to shoot his neighbors after they asked him to stop firing his weapons outside at night.

Allen's mass shooting ranks as one of the deadliest to date in 2023, according to the Gun Violence Archive. The non-profit research group tracks mass shootings, defined as at least four people shot excluding the gunman.

Twenty-four hours after Saturday's shooting, Mr. Spainhouer said he was still grappling with what he had witnessed. He said he can't stop thinking about a child covered in blood he saw lodged under a woman's body. The child was calling out for help, Mr. Spainhouer said, and he reached out his hand. The child, who appeared unscathed, stood up and began quickly pacing in a circle.

"My mom's hurt," the child kept repeating.

—Jim Oberman contributed to this article.

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U.S. NEWS

Driver Strikes Crowd In Texas, Killing 8

By GINGER ADAMS OTIS

Eight people were killed in Brownsville, Texas, on Sunday when a vehicle plowed into a group at a bus stop near a homeless shelter currently housing migrants.

Several migrants were among the fatalities and injured, said Brownsville Police Department spokesman Martin Sandoval. At least 10 people were taken to local hospitals for treatment, he said.

Federal investigators were helping police confirm the identities of the victims.

Police responding to 911 calls about 8:30 a.m. local time found a chaotic scene outside the Ozanam Center, a non-profit homeless shelter that is also housing some migrants. Brownsville is a border city adjacent to Matamoros, Mexico.

A gray Land Rover had hit a group of people standing at or near a bus stop near the center, said Mr. Sandoval.

The route is a busy one with stops at the airport and the central bus terminal, he said. The vehicle appeared to be traveling at high speed and had rolled over, according to police. The driver was detained at the scene and was at the hospital, where he was being treated for injuries sustained in the crash, said Mr. Sandoval.

He was also undergoing toxicology tests, Mr. Sandoval said. The motorist was charged with reckless driving and detectives are weighing additional charges, according to Mr. Sandoval. No motive has been determined yet.

It remains unknown if the crash was caused by alcohol or other substances, a possible medical event, an accident or if it was deliberate, he said.

"We don't know the driver's intentions at this time," Mr. Sandoval said. "Our detectives are trying to figure out if there is any criminal element to this."



Migrants have recently congregated around Sacred Heart Church in El Paso, seeking food and donations. More migrants are expected after Title 42 ends Thursday.

El Paso Braces for Surge of Migrants

By ALICIA A. CALDWELL

EL PASO, Texas—Thousands of migrants have set up an encampment on sidewalks and alleys around a church in this border city, where they wait for assistance and swap stories of their recent rush to cross into the U.S. ahead of a planned policy change by the Biden administration.

Among the crowd of adults and children Thursday was Angel Amarista, a 22-year-old Venezuelan who left for the U.S. in March in part because of rumors that he should enter before the law known as Title 42 expires.

On Wednesday he walked through the Rio Grande and into El Paso, sneaking past a phalanx of U.S. Border Patrol agents, state police and Texas National Guard troops.

"There's a lot of information out there, but it's hard to know what's true and what's not," Mr. Amarista said. "A lot of people said it was better to go now. So I went."

Title 42, a public health law the Trump administration started using in March 2020 to expel migrants quickly, will end along with the federal Covid-19 emergency on Thursday. In its place, the Biden administration

plans to implement a new set of rules limiting which migrants are eligible to ask for protections in the U.S. Those who don't qualify could be swiftly deported.

The change has sparked confusion among migrants. Some are rushing across before May 11, while others are waiting until then to illegally enter the U.S.

El Paso officials estimated Thursday that as many as 2,500 migrants are currently in the city, waiting to travel to other parts of the U.S. They expect that figure to grow in the coming days and skyrocket after Title 42 ends Thursday, straining the city's ability to provide shelter, food and other assistance.

U.S. officials estimate somewhere between 12,000 and 35,000 people are currently in Ciudad Juárez, a Mexican city across the Rio Grande from El Paso, waiting to enter after Thursday.

"There is no light at the end of the tunnel," said El Paso Mayor Oscar Leeser. "We are preparing for the unknown."

The Biden administration is deploying 1,500 military troops to help Border Patrol agents with administrative and other tasks.

Many of the migrants in El Paso were arrested by border

agents and released with orders to report to immigration court at a later date. Now they are trying to make arrangements to leave by bus or plane.

Others who weren't arrested are stuck in El Paso because they lack government paperwork allowing them to travel, including Mr. Amarista.

"I'm hopeful I'll be able to work and make money to send back to my family," he said, adding he is unsure where in the U.S. he wants to go.

El Paso officials estimated as many as 2,500 migrants are currently in the city.

The city is planning to work with nongovernmental organizations to shuttle migrants to other cities in Texas where more transportation options are available. And officials said El Paso may resume public busing operations it previously halted to transport migrants around the country.

Mario D'Agostino, an assistant city manager, said buses would only go to cities where

the migrants want to go. The state of Texas has resumed busing operations in other cities to transport migrants to destinations including New York and Chicago.

Mr. D'Agostino said a pair of decommissioned schools that can house between 500 and 1,500 people will be ready for use early next week.

John Martin, deputy director of the Opportunity Center, a nonprofit group that is housing migrants, said the surge started in earnest about a week ago, "but it feels like it's been a year."

Nonprofit shelters around El Paso are full, as is Sacred Heart Church, which sits within eyeshot of the border and a downtown Border Patrol station and has been surrounded by migrants, including young children, for days.

Aid groups offer meals outside Sacred Heart. Migrants with cash have been frequenting downtown restaurants, convenience stores and discount clothing and shoe stores.

El Paso has historically been a popular crossing point for migrants looking to make their way to the U.S. The city of nearly 700,000 people on the Western edge of Texas has long prided itself on being a bina-

tional community. In previous surges of migrants dating back to the 1990s, the impact was felt primarily in neighborhoods closest to the border near downtown.

This year, however, migrants have been crossing into neighborhoods further east and west, after Texas National Guard troops deployed by Gov. Greg Abbott strung concertina wire along the river levee through downtown.

Raul Gonzalez, who has spent much of his life in El Paso, said large numbers of border crossers haven't previously gotten as much attention. This time is different, he said, as more people who can't cross into downtown dart across border-adjacent highways, causing traffic slowdowns and occasional near misses or accidents.

"For the first time, it's been kind of a nuisance," Mr. Gonzalez said in the restaurant he owns on the city's west side. "They don't have a place to go and they can't work."

Watch a Video

Scan this code for a video on El Paso's plans for a new influx of migrants.

Violence Uptick at Medical Facilities Rattles Industry

By JON KAMP AND CAMERON McWHIRTER

ATLANTA—Healthcare industry officials and state leaders are voicing growing concern over violence in medical facilities, highlighted by last week's deadly shooting here.

On May 3, a man opened fire with a handgun in the waiting room on the 11th floor of Northside Medical Midtown, a medical office building, according to Atlanta police. The day before, Georgia Gov. Brian Kemp had signed a new law, which partially took effect May 2, allowing hospital systems to establish their own campus police forces. Other states have also passed bills aimed at preventing attacks and increasing penalties for assaults, and more are in the works.

Available federal data show a marked increase in reported violence against health workers in the past decade, and some healthcare officials say the trend has continued through the Covid-19 pandemic. The problem is contributing to the health industry's staffing crunch by prompting

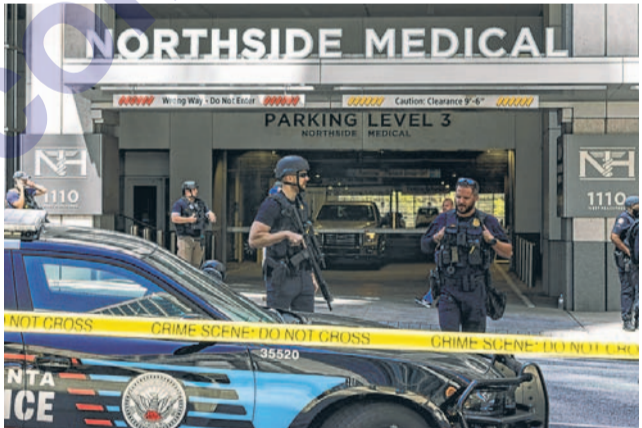
nurses to leave their jobs, healthcare officials said.

"If you don't feel safe on the job, you aren't going to last long," said Matt Caseman, chief executive of the Georgia Nurses Association, which represents nurses across the state.

The shooter in Atlanta this week, identified by police as Deion Patterson, 24 years old, killed one woman and injured four others, two patients and two employees, according to police. The woman killed was Amy St. Pierre, a mother of two and a Centers for Disease Control and Prevention employee, according to her family and the CDC.

Mr. Patterson, who had served in the Coast Guard, was later arrested in a suburb. His lawyer, R. Shawn Hoover, issued a statement that his client "is a veteran and suffers from apparent mental-health issues," but didn't elaborate.

There were 10.3 incidences of nonfatal workplace violence resulting in days away from work per 10,000 full-time health workers in 2020, up from 6.4 incidences in 2011, according to the most recent



A shooting at a medical office building in Atlanta this past week left one woman dead and four people injured.

data from the U.S. Bureau of Labor Statistics. The rate dipped slightly in 2019 before rising again in 2020.

In Massachusetts, workers in health facilities experienced a physical assault, verbal abuse or a threat every 38 minutes last year, up from every 57 minutes in 2020, the Massachusetts Health and Hospital Association reported in January.

The report said some of the uptick is linked to increased

reporting of incidents that health officials say often went unmentioned in the past. Reporting violence and threats can help other health workers know if a particular patient has violent tendencies, said Connie Packard, board president at the International Association for Healthcare Security and Safety.

A 2022 survey of more than 11,000 nurses nationwide by the Silver Spring, Md.-based American Nurses Foundation

found that 29% of those responding said they had experienced "violence, bullying, or incivility" at work within a year before the survey was conducted.

Health workers are "dealing with patients who are hitting them, they're dealing with patients who are spitting at them, they're dealing with patients in extreme examples who are attacking them," said Katie Fullam Harris, chief government affairs officer at MaineHealth.

A legislative committee there is reviewing a bill that would broaden the definition of a health worker whom a person could be charged with assaulting. Nancijean Goudey, director of emergency services at Maine Medical Center, said in recent testimony that verbal threats are part of the rising problem emergency staff around the state are facing. In one example, she said a patient threatened: "I have a gun. I'm going to follow you home and kill you and your family."

At least five other states have pending legislation dealing with healthcare violence,

according to an incomplete tally from the National Conference of State Legislatures. Many states have already passed bills aimed at protecting health workers through measures such as increased penalties, reporting requirements or development of safety plans. Several of these bills have been enacted since the pandemic, including in New Hampshire, Rhode Island and Kentucky, NCSL said.

Legislation in Congress would direct the Labor Department to require healthcare and social-service employers to develop and implement comprehensive violence-prevention plans. Another federal bill would increase penalties for those who commit violence against healthcare workers and authorize federal grants to help hospitals reduce violence.

Starting July 1, Georgia's new law will also set stiffer penalties for assaults against healthcare workers. A state commission studying Georgia's healthcare workforce said in a January report that the violence problem is making it harder to retain staff.

Proud Boys Still Active After Capitol Attack, Despite Prosecutions

By JAN WOLFE

The Proud Boys organization has branched out since 2020, researchers say, with-standing criminal prosecutions against members who joined in the breach of the U.S. Capitol on Jan. 6, 2021.

The group's former chairman, Enrique Tarrío, and three lieutenants were found guilty of sedition charges last week. The historic verdict followed a lengthy jury trial in Washington's federal courthouse, just steps from the Capitol complex stormed by Proud Boys and other supporters of then-Presi-

dent Donald Trump more than two years ago.

Despite this federal prosecution and others, "the Proud Boys have remained very active since Jan. 6," said Michael Jensen, a senior researcher at the National Consortium for the Study of Terrorism and Responses to Terrorism, based at the University of Maryland.

"They really haven't missed a beat," Dr. Jensen said, in part by pivoting from supporting Mr. Trump's denial of the 2020 election results to cultural grievances over issues such as gay rights.

Data on the Proud Boys is

difficult to compile, researchers say, because of the localized nature of the group and their use of private chats on platforms like Telegram. Researchers monitor the group by collecting data from protests, social media and news reports.

One nonprofit that monitors extremism, the Armed Conflict Location & Event Data Project, or ACLED, recorded 143 incidents of Proud Boys political violence or protest activity in 2022. ACLED says that was a decrease from the 166 incidents it recorded in 2021 but an uptick compared with the 128 recorded in 2020.

"Proud Boys and the broader far right have adapted to pursue a more localized campaign of violence and intimidation against new targets, including the LGBTQ+ community," said Jon Lewis, a researcher at George Washington University's Program on Extremism.

"Proud Boys activity actually increased after the Jan. 6 Capitol riot compared with 2020," said ACLED's communications head, Sam Jones. "Our data indicate that they remain one of the most active—and most violent—far-right groups in the country."

Proud Boys members have described their group as a men's organization for "Western chauvinists." They have often fought with left-wing activists. Mr. Tarrío has defended the group's actions, previously telling The Wall Street Journal that the group doesn't condone violence unless in self-defense.

The group saw a surge in membership after Mr. Trump referred to the group by name during a 2020 presidential debate. A Journal video investigation found Proud Boys were key instigators of Jan. 6.

"There is no question that the group has had a bigger impact on the local level post-Jan. 6," said Stephen Piggott, an analyst at the left-leaning Western States Center. "The Proud Boys are one of the leading anti-democracy groups in the States."

The Proud Boys have been hobbled in some ways by the Justice Department's investigation into the Capitol breach, which has led to more than 1,000 criminal cases, including the sedition trial that ended last week. The group also faces a batch of potentially costly civil lawsuits.

U.S. NEWS

Direct Negotiations on Borrowing Limit Set

By DAVID HARRISON

WASHINGTON—Top Democrats and Republicans are racing to try to find a politically acceptable way to raise the nation's borrowing limit in the coming weeks, diving into talks that President Biden has avoided during months of impasse.

Mr. Biden will host House Speaker Kevin McCarthy (R., Calif.) and other congressional leaders at the White House on Tuesday, the first direct contact in months as officials grapple with the prospect of the first-ever U.S. default as soon as June 1.

While the two parties are publicly standing by their negotiating stances, officials on both sides of the aisle have started to quietly search for a way out of a potential crisis.

"The sooner these two guys get in the room and listen to what the other one needs, the more likely they are to solve this challenge and protect the full faith and credit" of the U.S., said Sen. Kyrsten Sinema (I., Ariz.) on CBS, referring to Mr. Biden and Mr. McCarthy.

Democrats, who control the Senate, have insisted on a stand-alone bill, while Republicans, who control the House,

say any proposal to raise the country's borrowing must include spending cuts and policy changes.

Some Biden administration officials increasingly see a short-term extension of the debt limit until later into the summer as the best-case scenario for an agreement with House Republicans in the coming weeks, barring the GOP dropping its demands entirely. That could allow for further talks over spending, which Democrats acknowledge they would eventually do with Republicans anyway.

A White House spokesman said a short-term extension "is not our plan."

Mr. Biden is expected to bless bipartisan negotiations over spending levels during the White House meeting on Tuesday, while still calling for Congress to raise the debt limit without other conditions, according to people familiar with the plans.

A promising sign would be if both parties emerge from the talks ready to discuss next year's spending levels, with the understanding that a spending agreement could include an increase in the debt limit, said Tobin Marcus, senior policy strategist at Evercore ISI, a re-

search firm. Talk about a short-term extension would also be helpful, he said.

"It's not necessarily the case that we need a watershed moment in the negotiations to happen on Tuesday in order to be on track to prevent disaster," he said.

Brian Riedl, senior fellow at the Manhattan Institute, said Tuesday's meeting would kickstart more substantive closed-door talks.

"It's going to start the back-channel negotiations between the White House and congressional leadership staff where the real deal gets made," he said.

House Republicans last month narrowly passed legislation to raise the debt limit for about a year in exchange for lower spending levels and the elimination of some of the Biden administration's signature policy victories. Minority Leader Hakeem Jeffries (D., N.Y.) dismissed the bill as a "ransom note."

Speaking to reporters after the vote, Mr. McCarthy acknowledged his bill would have to change to get through the Senate.

The challenge now will be to come up with a plan that can pass muster among all fac-



House Speaker Kevin McCarthy will meet with President Biden and congressional leaders this week.

tions on Capitol Hill. One sticking point could be the powerful bloc of conservative Republicans in the House.

Mr. McCarthy won his leadership post only after making concessions to his party's right flank. A revolt among conservatives could cost him his job.

"They're going to need Democratic votes in the House to put any deal over," said Mr. Riedl. "That being said, Speaker McCarthy is going to need a strong majority of Republican votes to maintain his credibility and authority."

Senate Republicans have largely deferred to their House counterparts. Forty-three GOP senators, including Minority

Leader Mitch McConnell, said in a letter that they wouldn't support any debt-ceiling increase "without substantive spending and budget reforms."

That position makes it unlikely any clean debt-ceiling bill could advance in the 100-member Senate, where it would need 60 votes.

One possibility, Mr. Riedl said, would be a more modest two-year cap on federal spending rather than the 10-year plan outlined by House Republicans, accompanied by an increase in the debt ceiling until after next year's election. That would allow Republicans to point to real spending cuts while Democrats could argue

they headed off some of the House bill's more draconian demands.

Treasury Secretary Janet Yellen said Sunday that the U.S. needed to raise the debt ceiling "to avoid economic calamity." She said Mr. Biden was prepared to negotiate on spending cuts, though she said the debt limit needed to be raised.

The tight timeline puts pressure on Senate leaders. Under that chamber's rules, it can take more than a week to get a bill passed unless there is unanimous agreement to speed up the process, something that could be difficult to achieve in today's polarized atmosphere.

Debt Talks, Border Woes Form Tricky Month for Biden

By CATHERINE LUCEY AND KEN THOMAS

WASHINGTON—President Biden is staring down a rough month just as his re-election campaign is getting off the ground.

The White House faces a series of wrenching issues that could weaken his political standing and distract from his effort to sell his accomplishments, including a clash with Republicans over raising the debt ceiling and an expected surge of migrants along the U.S. southern border as the pandemic-era Title 42 policy comes to an end May 11. The recent seizure of another failing bank could add to voters' uncertainty about the health of the economy.

The policy headaches come as early 2024 polling shows Mr. Biden in a virtual tie with former President Donald Trump, his 2020 rival, who has been leading in surveys of Republican primary voters.

Polls also show many Democrats are skeptical on whether the 80-year-old president should run again.

"I think the forces outside of his control are always a worry," said Matt Mareno, chairman of the Waukesha County Democrats in Wisconsin. But he said he was optimistic about the campaign ahead. "I think we're in a great position to sell four years of Joe Biden," he said.

Mr. Biden's team feels that he has a record of accomplishments to run on, such as investments in infrastructure and computer-chip manufacturing, and that his message will contrast with the still-developing Republican primary field. On MSNBC on Friday, Mr. Biden said he was the right person for the job. "Because I have acquired a hell of a lot of wisdom," he said.

Following the campaign launch, Mr. Biden's team declined to release his initial fundraising totals. People familiar with the early fundrais-



President Biden

ing said the president didn't surpass the amount raised during the first 24 hours of Mr. Biden's 2020 campaign, when he brought in \$6.3 million from about 97,000 donors, his campaign said at the time.

The Hollywood mogul Jeffrey Katzenberg, who is serving as a national co-chair of the campaign, argued that the beginning of the 2024 race wasn't comparable to spring 2019,

when Mr. Biden was in a competitive primary race and building an operation from scratch.

"We will be ensuring that he has all the resources to be able to run a triple-A campaign, which we know is expensive to do," Mr. Katzenberg said.

Mr. Biden will hold a pair of fundraisers in New York City this coming week. The campaign has a joint fundraising agreement with the Democratic National Committee that allows donors to give to multiple committees. But most of the president's attention will be on pressing issues at the White House.

The president plans to meet Tuesday with congressional leaders, including House Speaker Kevin McCarthy (R., Calif.), for a conversation on debt and spending. Mr. Biden said Friday he would tell the leaders to do "what every other Congress has done—that is, pass the debt limit, avoid default."

The White House and lawmakers have a limited amount

of time before June 1, the date when Treasury Secretary Janet Yellen says the U.S. could be unable to pay all its bills on time. And Mr. Biden is scheduled to leave the country for an international summit in Japan in mid-May.

Also ahead, Mr. Biden plans to send 1,500 active-duty troops to the southern border in anticipation of Title 42 immigration restrictions lifting and an expected surge of border crossings. The move comes as Republicans have indicated that they will make immigration and Mr. Biden's handling of the border a focus.

Mr. Trump, meanwhile, has been holding campaign rallies and other events and will appear Wednesday in a CNN town hall in New Hampshire. Spokesman Steven Cheung said that Mr. Biden has been an "absolute failure at every turn. President Trump has a proven, successful track record of lower taxes, bigger paychecks, and more jobs for

American workers."

Mr. Biden has argued that Mr. Trump mishandled the pandemic and the economy, and that he is a threat to democracy, citing the Jan. 6, 2021, riot at the U.S. Capitol. Biden campaign spokesman Kevin Munoz cited the better than expected midterm results for Democrats and said Mr. Biden "is leading a unified party that will expand its 2020 winning coalition, while MAGA Republicans remain divided and focused on a deeply unpopular agenda."

The former president has frequently assailed Mr. Biden's son, Hunter, who is facing legal scrutiny on multiple fronts.

Democrats said Mr. Biden could use the slate of tough challenges as an opportunity to galvanize his base of supporters by reaffirming his commitment to comprehensive immigration reform, or refusal to agree to spending cuts in the debt-ceiling fight.

Prison vs. Harvard: Rivals Go Head to Head in Debate Rematch

By CORINNE RAMEY

NAPANOCH, N.Y.—The Harvard College Debating Union wanted a rematch. The team had suffered a hard loss in 2015 to a group of talented debaters, drawing international attention.

So the Harvard team this year sent an email requesting another shot. It turned out their opponents, too, were seeking another contest after hearing stories about the legendary debate when their predecessors beat the mighty Ivy.

"I just googled, 'what is their email, how do I reach out,'" said 21-year-old Rasmee Ky, an economics major who serves as the Harvard team's president. "And it worked out."

The opponents were Bard College students, albeit ones inside Eastern Correctional Facility, a maximum-security prison in upstate New York. The men, all of whom were convicted of state crimes, are part of the Bard Prison Initiative, which enrolls more than 325 inmates across seven New York state prisons. About 20 of them take part in the debate program. Friday's rematch took place in the Eastern auditorium, before an



The rematch between the Harvard and Bard Prison Initiative teams took place Friday at the Eastern Correctional Facility in Napanoch, N.Y.

audience of men in green prison garb, who gave approving nods and occasional cheers in favor of the home team.

"It's like having a football team," said Dyjuan Tatro, who was a member of the team that defeated Harvard in 2015 and now works at Bard on the expansion of college-in-prison programs. He said when he was incarcerated at Eastern, correction officers and inmates alike rallied around the debaters.

After their Harvard win, the prison team continued debating twice annually, besting teams from Brown and Duke

universities, and losing to the University of Pennsylvania. Coach David Register chalked up the team's 12-4 record to obsessive preparation, teamwork and more life experience than most of their opponents.

Both sides had prepared for months ahead of Friday's contest. The proposition being debated: The corporatization of higher education does more harm than good. Harvard, as the visiting team, chose to argue in favor of that position.

At the beginning of this semester, Mr. Register handed his debaters—who don't have on-

line access—a couple of books and 400 pages printed off the internet. The debaters also asked their friends and family to print out articles and recount YouTube videos they watched on the topic.

During weekly sessions, they rehearsed arguments and discussed strategy. Outside of class, fellow inmates quizzed the debaters to help them prepare. "The last two days were crazy," said debater Ricardo Mendez, 30, who is majoring in literature and the humanities. "Guys were constantly stopping me, saying, 'Yo, why is corpora-

tization good for this?'"

Back in Massachusetts, Harvard students discussed strategy and framing, and assigned each debater a specific focus. "Above all it's googling," said 22-year-old debater Andy Wang, who majors in social studies and philosophy.

Ms. Ky, the Harvard team president, said the debaters had prepared for potential attacks by their opponents. "There are ways the Bard team could frame us as being out of touch with what is happening within higher education generally," she said. "Our school has much

more funding than the typical higher-education institution."

Friday's debate came as college-in-prison programs have grown. In the 2021-22 academic year, more than 13,000 inmates enrolled in college programs across the U.S., up from 6,000 in 2016-17, according to the Vera Institute of Justice, which has pushed for increased funding for such initiatives.

The debate over college in prison, once focused on whether it should exist, has shifted amid expanded funding and a recognition that most prisoners will re-enter society. "Now the fight is about what college in prison will be," said Max Kenner, Bard Prison Initiative's executive director.

On Friday, debaters on both sides spoke rapid fire, throwing out statistics on the fly. "We believe education is a public good," said Ms. Ky, who proceeded to argue that when universities focus on economic bottom lines, it ruins education. The prisoners argued that colleges were failing because of dwindling public funding, and that partnerships with corporations led to internships and jobs for graduating students. "We believe corporatization...is setting us on a path to a more equitable society," said Dhorruba Shuaib, 31.

After an hourlong debate, the judges left the room to deliberate. They called it for Harvard, by a 2-1 vote. But it was close, one judge said, adding that the Eastern men had been required to argue what seemed the tougher position.

Still, there was an upside. "Now that Harvard won," said 48-year-old team member Leroy Taylor, "there has to be a rematch."

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U.S. NEWS

Uneven Access Seen for Alzheimer's Drugs

By DOMINIQUE MOSBERGEN AND JOSEPH WALKER

The rollout of long-awaited Alzheimer's treatments looks set to start as a case of the haves and the have-nots.

Clinics and academic hospitals in large cities are recruiting neurologists and buying screening equipment on a bet that Biogen's and Eisai's drug Leqembi will win full approval this summer and draw a flood of new patients. Eli Lilly's treatment donanemab could also be up for approval this year or next and could draw even more patients seeking care.

Some rural health systems, meanwhile, said they would wait to see whether Medicare covers the drugs and whether more evidence supports their efficacy before adding them to the workload of thinly staffed hospitals and clinics. "In some of our counties, there aren't even medical doctors, period," said Dr. Lisa M. Renzi Hammond, co-director of the University of Georgia's Cognitive Aging Research and Education Center. She said the center doesn't intend to prescribe Leqembi soon.

The Food and Drug Administration conditionally approved Leqembi in January and has a July 6 deadline to decide whether to grant it full approval. Leqembi, also known as lecanemab, belongs to a class of drugs aiming to slow cognitive decline in Alzheimer's patients by targeting a sticky plaque in the brain called amyloid.

Leqembi was the first drug to clearly show that reducing amyloid buildup benefited Alzheimer's patients. Eli Lilly said on May 3 that it would seek full FDA approval for donanemab, its anti-amyloid treatment, which had slowed cognitive and functional decline for early-stage Alzheimer's patients.

The Centers for Medicare and Medicaid Services denied routine coverage of anti-amyloid treatments last year be-

cause of doubts about the safety and effectiveness of Aduhelm, another anti-amyloid drug from Biogen and Eisai.

Medicare coverage for anti-amyloid drugs is limited to patients in clinical trials. If Leqembi or donanemab receives full FDA approval, Medicare would cover it for enrollees of a registry that tracks the safety and effectiveness of treatments. CMS said it would quickly reconsider coverage of Leqembi if evidence demonstrates that it provides a clinical benefit.

Many of the 6.5 million people in the U.S. with Alzheimer's, a form of dementia, struggle to find specialty care. Almost every state has a shortage of neu-

rologists, research shows, and new dementia patients regularly wait six months or longer to see specialists.

Janet Engelbrecht, who was diagnosed with Alzheimer's this year at age 58, has received five Leqembi infusions at a Memory Treatment Centers clinic in Bonita Springs, Fla. She paid about \$1,500 out-of-pocket for each of the first few infusions, she said.

Ms. Engelbrecht, a real-estate agent who has stopped working because of her symptoms, said she couldn't afford to keep that up. She now pays about \$440 a session with financial assistance from Eisai. "I feel better every time I go," Ms. Engelbrecht said.

Some neurologists have questioned whether modest improvements from anti-amyloid treatments outweigh potentially serious side effects including brain swelling and bleeding. Richard Isaacson, a neurologist at the Institute for Neurodegenerative Disease of Florida, said that in clinical trials, he checks prospective Leqembi patients for risks including whether they take blood thinners or have genetic mutations linked to higher rates of brain bleeding and swelling.

He has three patients who will start getting Leqembi soon. They will receive one-hour infusions every two weeks and MRI scans to check for side effects.



Janet Engelbrecht was prepped for an infusion of Leqembi, a treatment for Alzheimer's, in Bonita Springs, Fla., last month.



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U.S. WATCH

CHICAGO

Former FCC Chief Minow Dies at 97

Newton N. Minow, who as Federal Communications Commission chief in the early 1960s famously proclaimed that network television was a "vast wasteland," died Saturday. He was 97.

Mr. Minow, who received a Presidential Medal of Freedom in 2016, died Saturday at home, surrounded by loved ones, said his daughter, Nell Minow.

Though Mr. Minow remained in the FCC post just two years, he left a permanent stamp on the broadcasting industry through government steps to foster satellite communications, the passage of a law mandating UHF reception on TV sets and his outspoken advocacy for quality in television.

Mr. Minow laid down his famous challenge to TV executives on May 9, 1961, in a speech to the National Association of Broadcasters, urging them to sit down and watch their station for a full day, "without a book, magazine, newspaper, profit-and-loss sheet or rating book to distract you."

"I can assure you that you will observe a vast wasteland," he told them. "You will see a procession of game shows, formula comedies about totally unbelievable families, blood and thunder, mayhem, violence, sadism, murder, Western bad men, Western good men, private eyes, gangsters, more violence and cartoons. And, endlessly, commercials—many screaming, cajoling and offending."

—Associated Press

NEW YORK

Navy Commissions USS Cooperstown

The U.S. Navy on Saturday commissioned the USS Cooperstown in honor of 70 Major League Baseball Hall of Fame players who served in the military during wartime.

The littoral combat ship is named after the village in New York state where the Hall is located.

Hall of Famers Joe Torre and Johnny Bench took part in the ceremony.

The 70 players honored served during conflicts from the Civil War through the Korean War.

—Associated Press

WORLD NEWS

Russian Nationalist Wounded In Blast

By ANN M. SIMMONS

A prominent Russian nationalist writer and politician was wounded when his car was damaged by an explosion on Saturday, the latest in a series of attacks aimed at prominent pro-war figures.

Zakhar Prilepin was in the western Russian city of Nizhny Novgorod when the car he was traveling in was hit, killing the driver, state news agency Tass reported, citing law-enforcement officials.

Russia's Foreign Ministry spokeswoman, Maria Zakharova, described the incident as an act of terrorism and blamed the explosion on Ukraine. Officials in Kyiv didn't comment.

Russian authorities said they had detained a man they said confessed to the attack and said he was working for Ukraine's intelligence services. Investigators said the man planted an explosive device along the route Mr. Prilepin was traveling and detonated it as his car passed.

Mr. Prilepin was hospitalized but suffered non-life-threatening injuries, the news agency Interfax reported, citing emergency-services officials.

Mr. Prilepin was a vocal backer of the Russian invasion of Ukraine. Tass reported that he is a veteran of Russia's war in Chechnya and fought in eastern Ukraine on the side of Moscow-backed forces after Russia began fomenting violence there in 2014.

The European Union imposed economic sanctions on Mr. Prilepin in 2022, saying "he is responsible for actively supporting or implementing actions or policies which undermine or threaten the territorial integrity, sovereignty and independence of Ukraine, as well as stability and security in Ukraine."



In an image taken from a video released by Prigozhin Press Service last week, Yevgeny Prigozhin, head of Wagner Group, stands with his troops in an unknown location.

Wagner Plans to Stay in Bakhmut

Paramilitary group's leader says Moscow's pledge of supplies and support led to change

By MATTHEW LUXMOORE AND ANN M. SIMMONS

The leader of Russian paramilitary group Wagner said he has reversed his decision to fully withdraw from the eastern Ukrainian city of Bakhmut after pledges from Russian military officials to provide more ammunition and operational freedom to Wagner units he said had sustained tens of thousands of casualties.

The statement on Sunday by Yevgeny Prigozhin, Wagner's founder and an ally of Russian President Vladimir Putin, came the day after he reiterated his plan to withdraw all Wagner troops from

the front lines by May 10, saying that "after seven months of the Bakhmut meat-grinder, the Wagner Group has lost its combat potential."

On Sunday morning, Mr. Prigozhin said the Defense Ministry had pledged to supply Wagner with all the arms and ammunition necessary to continue its campaign in Bakhmut, and said Gen. Sergei Surovikin, who was removed in January from his post as Russia's top commander in Ukraine, would mediate between Wagner and the Defense Ministry.

Wagner has spearheaded Russia's offensive in Bakhmut, which Ukrainian forces are clinging to after months of brutal combat that has taken a heavy toll on both sides, relying largely on convicts recruited from Russian prisons. The White House estimated this week that about half the 20,000 Russian troops killed in

Ukraine since December were from Wagner.

But the campaign in Ukraine, and Mr. Prigozhin's very active presence on social media promoting Wagner's work, have exposed major rifts in Russia's military command, with Mr. Prigozhin openly criticizing Defense Minister Sergei Shoigu and Valery Gerasimov, the chief of general staff of Russia's armed forces.

The new flare-up of tensions within Russia's military machine involving Mr. Prigozhin follows a spate of drone attacks on Russian soil this week. The strikes, which have mainly targeted infrastructure used to sustain Moscow's war effort such as trains, airfields and fuel depots, have put the Kremlin on the back foot ahead of what Western analysts say is an imminent Ukrainian offensive.

Authorities in Russian-held Crimea said more than 10

drones attacked the peninsula overnight into Sunday, including the strategic Black Sea port city of Sevastopol.

Mikhail Razvozhayev, the Russian-installed governor of the region, said air-defense forces and electronic warfare repelled the attack. One drone lost control and crashed in a forest belt, while two others were shot down over the Black Sea, Mr. Razvozhayev said.

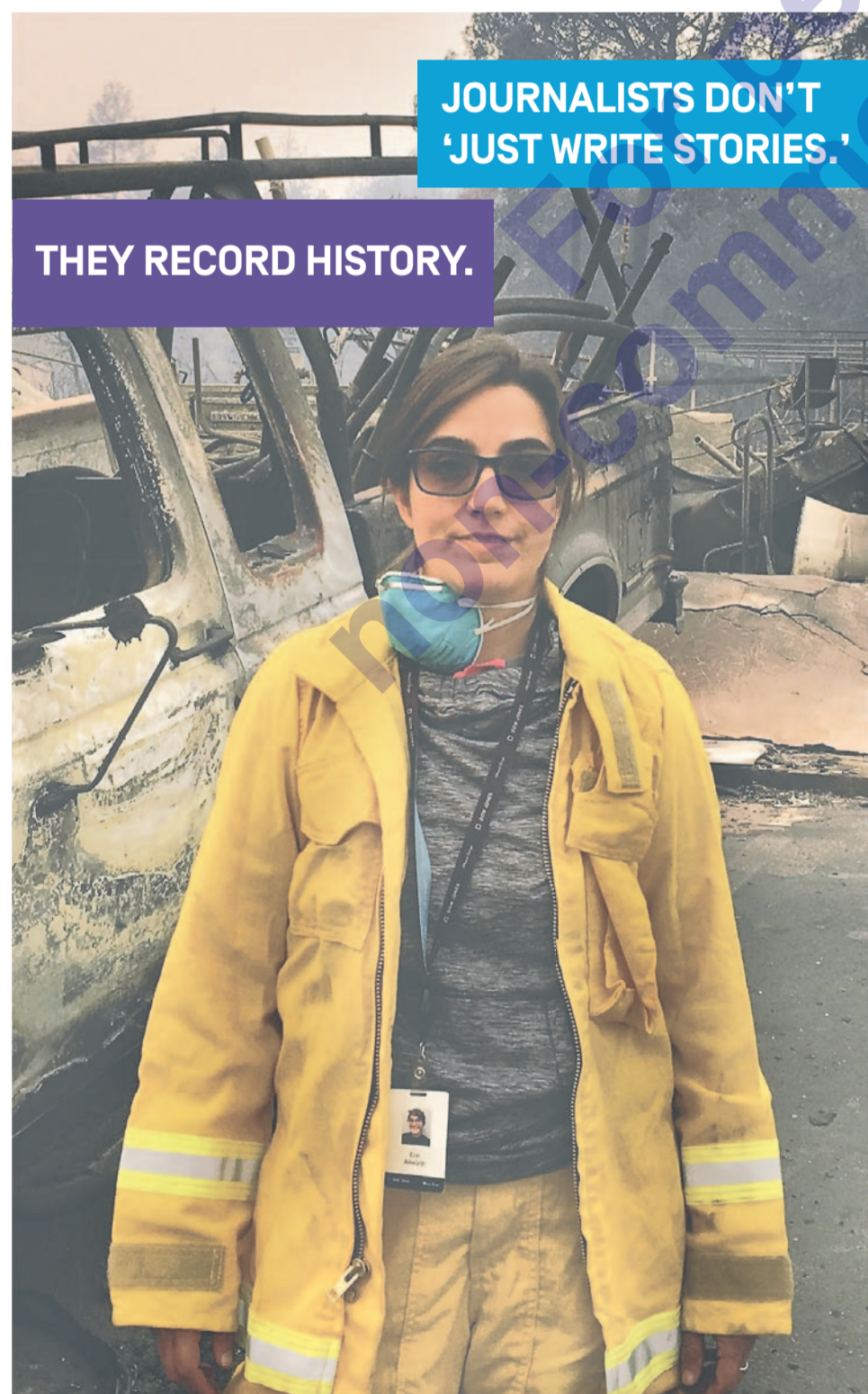
Mr. Razvozhayev said there were no reports of damage, including in Sevastopol, home to Russia's Black Sea Fleet. The incidents follow another reported drone attack on Crimea on Saturday. Kyiv hasn't claimed responsibility for the attacks but many experts see the assaults as part of the preparations for the widely anticipated Ukrainian offensive.

On Wednesday, two drones crashed into the Kremlin, ac-

ording to the Russian government, which blamed Kyiv for the attack in the heart of Moscow. The incident sent a glaring signal to Russia about its vulnerability.

The strikes come days before Russia is set to mark Victory Day, the annual May 9 celebration of the Soviet victory over Nazi Germany in World War II. Russian President Vladimir Putin is expected to use the holiday to rally support for the war in Ukraine.

Meanwhile, Russia continued rocket strikes against Ukraine into Sunday. In the southern Kherson region, authorities said six people had been killed as a result of missile attacks on Saturday and into Sunday. In Mykolaiv, north of Kherson, regional Gov. Vitaliy Kim said five ship-launched missiles struck an industrial sector and damaged buildings there.



Kremlin to Mark Victory Day In Quieter Fashion This Year

By ANN M. SIMMONS

Russia's Victory Day, the country's most important civic holiday, is this year shaping up to be a sober reminder of Moscow's battlefield struggles in Ukraine as the threat of drone attacks and sabotage at home limits the scope of official commemorations and parades.

It is a stark difference from last May, when Russian President Vladimir Putin used the

celebrations marking the Soviet Union's victory over Nazi Germany to rally public support for his decision for Russia to invade its smaller neighbor, declaring Russia "a great invincible power."

But a drone attack on the Kremlin on Wednesday and a series of recent strikes on infrastructure deep inside Russia have exposed the country's vulnerability and rattled many Russians.

At least 20 cities have decided to cancel parades and other public celebrations. Others have scaled them back.

Moscow accused the U.S. of organizing the Kremlin attack and said Ukraine carried it out. Washington and Kyiv have denied involvement in the episode some analysts said sent a strong and embarrassing message that even the seat of government power isn't untouchable.

The diminished commemorations present a challenge to Mr. Putin's efforts to project strength and prime his population for the possibility of a long-running conflict after heavy losses in Ukraine and continued Western support for Kyiv.

Mr. Putin also faces an arrest warrant from the International Criminal Court in connection with Russia's forced deportation of children from Russian-occupied areas of Ukraine.

"They want this war in Ukraine to look like a sacred war," said Tatiana Stanovaya, founder of R. Politik, an independent analysis project on contemporary Russian politics. "A very important part of this narrative is an attempt to picture Russia as a geopolitical victim of international injustice, where Russia suffers from external aggression coming from the West, seeking to destroy the state."

It is a message that resonates with the domestic audience. A review of Russian social media in recent days showed many people calling for tougher action against Ukraine—even a tactical nuclear strike—after the Kremlin attack. There is also a notable measure of fear over the possibility of a direct conflict with the U.S. and its allies.

Posts on Russian social media indicated that some Russians were planning to stay indoors during the Victory Day festivities. There are also voices of discontent over the progress of the war.

"Why were we told that everything was going according to plan?" asked one reader in Volgograd. "According to what plan is everything going, if the Kremlin is already being bombed?"

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WORLD NEWS

U.S. to Ease Privacy Act to Aid Detainees

By LOUISE RADNOFSKY

WASHINGTON—For years, U.S. officials' ability to share information about Americans held in hostile foreign nations was tied to a permission form that detainees often weren't able to sign—a bureaucratic impasse that compounded family distress and at times complicated their situations.

Under a 1974 law known as the Privacy Act, the U.S. government needs to receive written consent from citizens before sharing information about them with anyone, including relatives. Without the completed paperwork, U.S. officials have been delayed speaking directly about a case, whether that is with a person's loved ones or an American public whose support can be critical for securing a release.

Now, the State Department is moving to try to address the obstacles posed by the Privacy Act for American detainees who might be wrongfully held.

A notice appeared in the Federal Register in April announcing a carefully constructed legal approach that will, in effect, allow State Department officials to share details about a wrongful detainee's case where it appears to be in the person's in-



American Paul Whelan is seen in a Moscow court in 2019, after he was arrested on espionage charges.

terest. Those who might be allowed to receive information about the jailed American include family members, an employer, law-enforcement agencies or the media.

The move comes in the wake of Russia's arrest of Wall Street Journal reporter Evan Gershkovich, whose detention is the latest case highlighting the challenges when Americans are considered to be unjustly

held by foreign governments.

"The Privacy Act is really, really wonderful, until you're dealing with a hostile foreign power that wants to prevent you from communicating your circumstances to the outside world," said Jonathan Franks, a public-relations consultant who has worked with a roster of American detainees' families in campaigns for their release. "If we're asking them to

act quickly and decisively, we've got to give them the authority to do so," he said of the U.S. government.

Mr. Gershkovich was detained on March 29 by Russia's Federal Security Service, or FSB, while he was on a reporting trip in the city of Yekaterinburg, and held on an allegation of espionage that the Journal and the U.S. government vehemently deny. At the time of his

detention, Mr. Gershkovich was accredited to work as a journalist in Russia by the country's foreign ministry.

He was confined the following day to a prison in Moscow run by the FSB, which keeps a tight grip on the materials inmates can receive. Lawyers retained by Dow Jones, the parent company of the Journal, were first allowed to visit him on April 4. U.S. Ambassador Lynne Tracy was granted the first consular access to him on April 17, but a request for a second visit on May 11 was rejected by Russia's foreign ministry.

In recent years, more Americans have been detained by foreign governments on what the U.S. considers trumped-up charges than have been taken captive by foreign terrorism groups or criminal gangs, according to U.S. authorities and private assessments. The wave of detentions has ushered in a new era of hostage diplomacy that carries with it new negotiating tactics.

Families, and at times the U.S. government, are increasingly willing to publicly call for Americans' release as soon as possible, rather than keeping silent in the hopes of a quiet deal.

The family of Paul Whelan,

an American corporate-security director held in Russia since December 2018 and accused of espionage, says the FSB blocked him from signing a waiver form for months. Without the waiver, they say, State Department officials kept them at arm's length. Mr. Whelan, who had traveled to Russia for a friend's wedding, is also considered by the U.S. government to be wrongfully detained under a definition that was formally established in 2020.

"It was just another hurdle, especially when State was largely ignoring Paul's case, as they had no way to define it," recalled his twin brother, David Whelan.

In February 2019, the U.S. Embassy was allowed to give Mr. Whelan the form, his brother said. Mr. Whelan was finally able to mail the waiver to the U.S. Embassy only in the middle of the following month.

The new step by the State Department could take effect as early as mid-May. It would empower State Department officials to publicly mention the name of someone who may be wrongfully detained. It would also allow officials to discuss details of a case with lawmakers and third parties trying to work for a detainee's release.



Ukrainian soldiers fire a cannon near hotly contested Bakhmut.

Role Seen For China In Talks

Continued from Page One

Russia's willingness to negotiate a cease-fire under Russian President Vladimir Putin.

The interest in negotiations brings Washington in closer alignment with some European countries, which are eager to see the conflict end, or at the very least moderate in intensity, and have been the most intent on discussing some resolution this year. The U.S., the U.K. and other countries have been publicly saying that Ukraine should be supported as long as it takes to defeat Russia.

"We have been clear that we will continue to support Ukraine as they defend their country from Russia's unprovoked invasion, and that support will continue," said Adam Hodge, a spokesman for the National Security Council. "Unfortunately, we see no signs that Russia is preparing to stop its attacks on the Ukrainian people. That's why we are committed to continuing to help Ukraine protect its people against Russian aggression."

President Emmanuel Macron of France has been the most explicit in pushing Ukraine to seek negotiations with the Kremlin after the spring offensive. Officials at the White House and State Department have long maintained that all wars end at the negotiating table, but said it will require a genuine interest on the part of Russia to approach any talks in good faith. The military aid dispatched to Ukraine is designed to put Kyiv in a stronger negotiating position.

Key U.S. officials on the National Security Council are in favor of negotiations, European officials said, while the State Department and the Central Intelligence Agency have been more skeptical, eager to see how the offensive goes before pitching for a diplomatic off-ramp.

An NSC spokesperson disputed that any distance within the administration exists. The State Department and the CIA didn't respond to a request for comment.

Senior officials in Paris and Berlin who are familiar with their leaders' discussions with President Biden said they expect the White House to attempt to facilitate talks following the Ukrainian

offensive's anticipated gains.

The aim is for Ukraine to regain important territory in the south, a development that could be interpreted as a success even if Russia retains chunks of territory its forces have occupied.

Chancellor Olaf Scholz of Germany plans to host President Volodymyr Zelensky of Ukraine in Berlin this month on what is set to be his first trip to Germany since Russia invaded. While Mr. Scholz won't pressure Mr. Zelensky into talks, Mr. Biden is expected to signal to the Ukrainian leader that cease-fire talks might be opportune in the coming months, European officials said.

The push to negotiate comes in the midst of concern on both sides of the Atlantic that the scale of support provided by allies to Ukraine for the coming push will be hard to match in the future if the war grinds into a stalemate. The supply of ammunition is a key problem because Western industrial capacity has proven unable to meet its own demands while supporting Ukraine, several officials and industry leaders said.

A number of senior officials across European governments expressed concern about the high attrition rates of troops and materiel in Ukraine, whose population is less than one-third of Russia's.

The European push for negotiations isn't a consensus. Poland, the Baltic states, other smaller nations and some officials from the U.K. believe that Ukraine should be given the time it needs to make gains.

Russia faces challenges sustaining its war effort, which some believe could force it to the negotiating table. Testifying May 4 on Capitol Hill, Director of National Intelligence Avril Haines said U.S. intelligence agencies assess that Mr. Putin has little interest in negotiating a definitive settlement of the conflict and is still assuming the West's will to support Ukraine will erode.

"We continue to assess that Putin most likely calculates that time works in his favor," Ms. Haines said.

She added that the Russian leader has probably scaled back his near-term goals in Ukraine of consolidating control in the east and south of the country and ensuring that Kyiv never joins the North Atlantic Treaty Organization. If Mr. Putin accedes to a "negotiated pause" in the conflict, she said, his goal might be to use the time to rebuild Russia's forces for future offensive operations.

—Warren P. Strobil contributed to this article.

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WORLD NEWS

Prince Harry Takes a Back Seat

By MAX COLCHESTER

LONDON—Prince Harry sat several rows back in Westminster Abbey on Saturday watching as his older brother, Prince William, knelt and pledged loyalty before his father, King Charles III.

The moment was a striking image of a family disunited and a reminder of the differing paths the brothers have taken in the past three years.

King Charles III's short reign since he acceded to the throne in September has been dominated by revelations churned out by his disgruntled second son, creating a public-relations nightmare for the 74-year-old monarch, exacerbating tensions between the brothers and sealing Prince Harry's exile

from the royal front line.

On Saturday, Prince Harry was in London for a whistle-stop tour without his wife, Meghan Markle, Duchess of Sussex. Both had been invited to the service, but Ms. Markle opted to stay in California with their children. During the ceremony at Westminster Abbey, Prince Harry walked down the aisle greeting people and sat in the third row alongside a cast of minor royals, to watch as Charles whispered, "Thank you, William," as the heir swore fealty to the monarch. Prince Harry, who quit royal duties in 2020 to start a media business, later wasn't present on the balcony of Buckingham Palace with the rest of the working

royals to witness a flyover in front of crowds of thousands.

That he attended at all was seen by some royal watchers as a sign of detente. After Queen Elizabeth II's death, King Charles addressed the nation and named the Sussexes to "express my love for Harry and Meghan as they continue to build their lives overseas."

But that new life overseas has been predicated on what Britons would call "spilling tea" on the monarchy. Prince Harry's autobiography "Spare," published in January, described King Charles as aloof—a father who didn't hug his son when telling him of his mother's death—and painted a picture of the monarchy as an ossified in-

stitution out of touch with modern Britain. He and his wife produced a Netflix series highlighting the direct links between the slave trade and the monarchy, a reputational blow for an institution that is trying to present itself as representative of a diverse Britain.

It wasn't only Charles and the monarchy that came under fire. Prince Harry gave numerous interviews which doubled down on many of the claims in "Spare," including that Prince William pushed him to the floor during a heated argument and that his stepmother, now Queen Camilla, "sacrificed me on her personal PR altar" by leaking details of private conversations to burnish her image. He also claimed



Prince Harry attended Saturday's coronation without his wife.

that he and his brother urged Charles not to marry her.

Buckingham Palace responded with public silence and an invitation to attend his father's coronation. The Duke and Duchess said they were

also asked to vacate Frogmore Cottage, which they were leasing in Windsor as their U.K. pied-à-terre.

◆ Heard on the Street: Funding for monarchy evolves..... B10

FROM PAGE ONE

Tech Stock Slump Hits Staff Pay

Continued from Page One

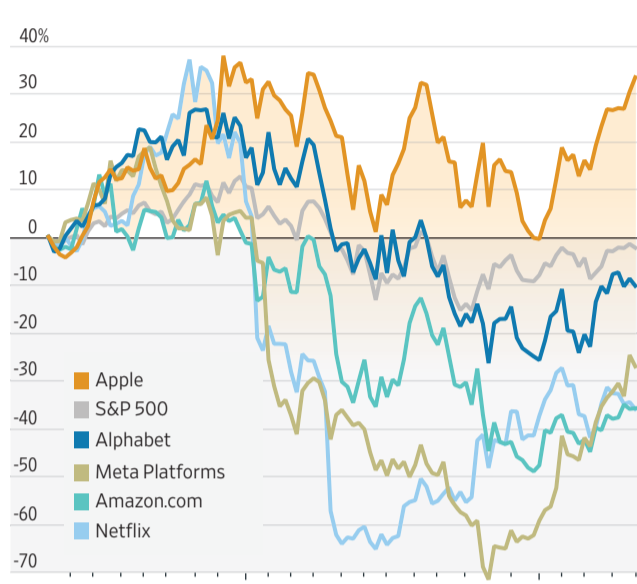
In January, days after he returned from bereavement leave following his mother's death, Mr. York, 33 years old, was laid off alongside thousands of other Google employees. In the end, he got about \$46,000 from the stock grant.

The dreary market for tech talent means he will probably have to take a pay cut in his next job.

"I just wanted to put a down payment on a home in San Francisco," he said.

Employees at publicly traded tech companies are typically paid with restricted stock units, or RSUs, which are doled out over a number of years. The awards are based on the company's stock price at the time they are awarded. A grant of Facebook parent Meta Platforms stock valued at \$50,000 when awarded at the end of

Share-price and index performance over the past two years



Source: FactSet

2021, for instance, is now worth one-third less. Amazon.com's stock slump has shaved 15% to 50% off 2023 compensation, The Wall Street Journal previously reported.

Company stock often makes up a sizable share of a tech employees' total wealth. Many resisted selling shares once they

vested, betting that the price would keep going up. Laid-off employees with multiyear stock grants were typically only given the portion covering the period they worked at the company.

"During this great long-term run where tech stocks are just going up, equity compensation was a fantastic feature,"

said Brandon Welch, a financial adviser in San Diego. "Then all of a sudden in 2022, it becomes a bug."

A portfolio that invested equally in each of the so-called FAANG stocks—Meta Platforms, Apple, Amazon, Netflix and Google parent Alphabet—would have increased more than four-fold in the five years through 2021. At that time, Mr. Welch's young tech clients were laying plans to tap their ballooning company equity to buy homes for their parents or second homes for themselves.

"The conversations were almost like what you would have with a young athlete after they got drafted into a sports league," Mr. Welch said. Now the conversation often revolves around layoffs or belt-tightening, he said.

Samantha Voigt took a software engineering job at Square, now known as Block, in 2017 after graduating from college. The company's stock increased ninefold during her time there, affording Ms. Voigt a level of financial security she never expected to have so early in her career. She typically sold her shares as soon as they vested.

Ms. Voigt, 27, paid off her

student loans and bought a car in cash. She maxed out her 401(k) and put \$500,000 away in a brokerage account. She easily covered twice-weekly therapy sessions and costly visits to the hair salon every few months. When she felt burned out by the pandemic, she took a year off from work.

Her new job at a startup pays a higher salary, but her public-company stock payouts are gone. In their place, she receives options in a private company with an uncertain payout.

"I used to be able to kind of spend whatever, and it would be fine," Ms. Voigt said. "Now I'm having to think about it a lot more."

She recently started using Mint to track spending and is making small lifestyle changes such as bathing her dog herself instead of relying on a groomer.

The tech rout has put startup employees in an especially tough spot, denting the value of their employers and indefinitely delaying their IPOs.

Ryan Stevens, 39, worked at a Verizon call center in Tennessee before switching to the tech industry in 2009, drawn by workplace perks and higher

pay. He was employed in product-operations roles at Google, Meta and the question-and-answer site Quora.

"It was a culture shock in a good way," Mr. Stevens said of his move to the Bay Area.

The stock and options Mr. Stevens collected over the years were less generous than what his software-engineering peers earned, but he still hoped they would help him buy a house when he started a family. His goal was to put a 20% down payment on a \$1.5 million property—about \$300,000.

Now Mr. Stevens can't tap the stock options from his six years at Quora, which remains private.

Meta gave him a grant worth \$80,000 over four years when he started at the firm in August 2021. Last November, Meta laid him off along with thousands of others. After cashing out some shares to cover expenses, Mr. Stevens has stock valued at about \$10,000 left.

"All of that was just supposed to come together magically down the road and set us up for homeownership," Mr. Stevens said, "and make us feel like we made it."

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FROM PAGE ONE

Soldiers' View of Key Battle

Continued from Page One to Ukraine's efforts to keep open the supply line to its besieged forces in Bakhmut, the eastern city that has been Moscow's main target in recent months. Then, on April 9, the Russians launched a fresh effort to overwhelm Honor Company's positions.

Two soldiers from the unit captured footage of the fighting on cameras attached to their helmets, which the Ukrainian military shared with The Wall Street Journal. This article is based on the footage and interviews with Honor Company members.

On that day, First Lt. Oleksandr Yabchanka, a 42-year-old pediatrician with Honor Company, was walking toward a dugout on the front line when he saw a blast and a plume of smoke up ahead.

"Oh dear, oh dear," said the lieutenant, known to fellow soldiers simply as Yabchanka.

The dugout, where other company members were hunkered down, had been hit. It was their most advanced position along the line of trees that juts north from the O-0506 road into Bakhmut.

The task for the Ukrainians on the front line was to hold their positions. They mostly hid from artillery fire in dugouts, praying there wouldn't be a direct hit. They had to periodically overcome their fear and emerge from the bunkers to shoot in the direction of the advancing enemy infantry, to keep them at bay.

Yabchanka arrived to a scene of destruction. The explosion had come from a 120 mm mortar bomb that had hit the dugout.

Inside the bunker sat a half-dozen soldiers, including men new to the front lines. Their eyes were wide with shock.

Yabchanka found the body of one soldier, known as Norman, slumped inside the entrance. A second soldier had been blown out of the trench. He, too, was dead.

Sgt. Oleksiy Makhirinskiy, a platoon commander known as Lyokha, grabbed a shovel and started digging near the entrance to give them all a little more cover. Then another round whistled in. Lyokha crumpled to the ground.

"Lyokha, are you OK?" Yabchanka called out. Lyokha gave a thumbs-up.

The gesture calmed the other men in the bunker, Yabchanka said—but the assault was about to escalate.

Buying time

Honor Company arrived in early March to the western outskirts of Bakhmut, a once-prosperous city of some 70,000. It is now mostly in ruins. By the end of February, Russian forces had advanced around Bakhmut's northern and southern edges and were threatening to cut off Ukrainian troops by slicing their two main supply roads.

There is little strategic value to the city. But the Ukrainians decided to stick it out instead of withdrawing and dispatched reinforcements to defend the roads. Their calculation was that by staying and fighting for each block and field they could grind down the Russian forces. By bogging down the battle here, they would also be able



Ukrainian soldiers, above, watch for Russian troops after emerging from their bunker. First Lt. Oleksandr Yabchanka, below left, in Lviv at the grave of a friend and fallen soldier. Honor Company's leader, Second Lt. Serhiy Filimonov, below right.



CLOCKWISE FROM TOP: HONOR COMPANY/ 67TH MECHANIZED BRIGADE; JOSEPH SYWENKIV FOR WSJ (2)

to buy time to prepare for a bigger offensive of their own elsewhere.

Russian forces still haven't managed to cut off Bakhmut, but have seized most of the city with brutal street-to-street fighting that has hemmed Ukrainian soldiers into a few blocks in the west. Wagner, the paramilitary group made up largely of convicted criminals, has led Russian assaults on the city.

Honor Company's leader is 28-year-old Second Lt. Serhiy Filimonov, who founded a Ukrainian nationalist group that protested corruption and once starred as a gangster in an acclaimed Ukrainian film. When Russia invaded, he turned his movement, called Honor, into a fighting unit, which later became part of the 67th Mechanized Brigade.

They spent their first days in the Bakhmut area scouting out Russian positions using aerial drones. They dropped grenades from the drones and hammered the Russians with artillery, including mortars and howitzers. Then a squad of fighters moved up through the trees and flushed the Russians out almost to the top edge of the field by the road.

There, they set up a coordinated defensive system, including sniper and machine-gun positions, that enabled them to hold off the attackers and kill hundreds of Russians, said Lt. Filimonov. The company, with more than 100 soldiers, has suffered painful losses, mostly from artillery strikes. Five have died, with more lost to injuries.

The company fortified positions, including a dugout known as Zhmur, or Stiff, because of the four Russian corpses that lay inside. They had been abandoned by their comrades for Wagner. The Ukrainians didn't risk removing the bodies since any movement was likely to attract artillery fire, so the bodies remained in the bunker, a grim reminder of the war's toll.

At his command post on April 9, Lt. Filimonov, known as Filya, was struggling to get a clear picture of what was happening at Zhmur—the dugout that had just been hit.

Video feeds from drones usually gave him an early warning that enemy forces were approaching, but weeks of bombardments had taken their toll on the battalion's pilots. The more experienced ones were recovering from concussions. Their replacements were struggling to fly because Russian forces had deployed elec-

tronic-warfare systems to interfere with their signals.

After changing the drone's battery and sending it back to Zhmur, Filya saw through the video feed that two groups of Russians were already almost on top of his men.

Filya called to his troops over the radio: "The f—rs have got into our trench."

Two groups comprising about eight Russians soldiers were advancing from the top edge of the trees. One set off down a trench in one field, seeking to flank around the Ukrainian positions. The other group closed in on Zhmur from the second field.

If the Ukrainians had left through the dugout's main entrance, they would have been gunned down. Instead, Yabchanka, who previously headed the company's medical service, and another Ukrainian soldier, a boxer in his mid-20s known as Tykhiy, popped out of a hole they had made in the dugout

roof a few days earlier.

Opening fire

They opened fire on the Russians. One tossed a grenade at them. They ducked. It went over their heads and exploded behind them.

Yabchanka fired at the Russians to keep them pinned down.

Tykhiy, a junior sergeant whose nom de guerre means "Quiet," jumped out of the dugout and moved behind a mound of earth. Now on higher ground, he had the advantage.

As the Russians sought desperately to crawl away, he fired at them.

After Tykhiy saw that the Russians were killed or gravely wounded, he called to his colleagues in the dugout to come out.

The company was firing from several positions now, including from machine guns and snipers.

Ukrainian artillery, meanwhile, began targeting a group of some 30 Russian troops that had gathered to the north of the trees, ready to advance.

Tykhiy ordered his fellow soldiers to take up firing positions, remain calm and conserve ammunition. In the trench running down the edge of the field about 30 yards in front of them, silhouettes of more Russian soldiers came into view.

Tykhiy asked Filya over the radio where the Russians were. Filya replied that a Russian to the left was still moving. The Ukrainians shot at them again. A badly wounded man can still throw a grenade.

The Russians in the trench were now blocked by a small group of Ukrainian soldiers who had entered it from the south. That made them an easy target for the Ukrainians at Zhmur, who fired whenever they spotted movement.

At that moment, the battle for the dugout was won.

In a moment of triumph, Tykhiy yelled, "This is our line of trees, f—rs!"

With artillery thudding all around, Filya ordered the soldiers back into the bunker, apart from Yabchanka, who kept firing into the trench.

Filya told him to stop. The Ukrainian soldiers in the trench were pushing northward to clear it.

Tykhiy commanded the men at Zhmur to take ammunition from the dead Ukrainian soldier in the dugout. They needed to prepare for the next assault.



Utahns Skirmish Over Flag

Continued from Page One ing sorting through thousands of ideas. Many agreed it was important the design continue to feature a beehive, honoring the pioneers who arrived in the Salt Lake Valley on July 24, 1847, a date that is celebrated more than statehood.

"I did lay down the law on the beehive," the governor said. He threatened to veto any design that didn't have one.

The new flag's beehive sits inside a hexagon and has five stylized peaks above it, symbolizing Utah's mountain ranges, plus a swath of red below, a nod to Utah's red-rock canyons to the south. Design-

ers made an amalgam of submissions from 72 people, each of whom was awarded a \$100 gift certificate as a winner.

The governor said he recognized the need for a new flag when he attended the National Finals Rodeo, an event at which flags from many states were paraded. He looked for Utah's but found that it blended in with roughly two dozen others that also featured a state seal.

"We jokingly call those SOB flags—that's a seal on a bedsheet," said Ted Kaye, a vexillologist—flag scholar—and the compiler of a design booklet called "Good Flag, Bad Flag."

The old Utah flag—which was tweaked 12 years ago to fix a mistake that left the year 1847 in the wrong spot—wasn't simple or distinctive and it didn't look good from a distance, said Mr. Kaye. He worked with state officials on the new one.

Critics unfurled a slew of

complaints. Some accused the governor and state legislators of trying to cancel history.

Chad Saunders, a marketing account executive, is unhappy about how the process worked and that the new flag removed the date 1847 and other pioneer symbols marking when Brigham Young led Mormon pioneers into the Salt Lake Valley.

"They don't want to be looked at as old, with our women's hair tied up in buns and wearing gingham," he said.

Brandon Beckham sponsored a resolution at the state Republican convention last month to reject "the erasure of American history that is engulfing our country" and to display the former flag at all party events. Delegates adopted it.

"The original Utah flag has built in it ideals that are true to the founding of the state that are linked to history," said

Mr. Beckham, a member of the Utah Republican party state central committee. He said the new design is "just a logo."

Jeff Shoell, a GOP state delegate, said new-flag proponents "want to have a version a kid can draw....Talk about dumbing down our society."

Said Scott Vandenhazel, a resident of West Valley City: "We don't need the woke design."

New-flag backers call those criticisms half-mast. The lieutenant governor, Deidre Henderson, said, "We're not canceling our old state flag—we're adding to it. This is addition, not subtraction."

State Sen. Daniel McCay used to oppose redesigning the state flag, and voted against doing so in 2018. He said he changed his mind following trips to Texas and the Four Corners, Utah's intersection with Arizona, New Mexico and Colorado. All of those states had more distinctive flags. He

became a leading proponent of creating a new design for Utah.

In September 2019, Mr. McCay pinned down fellow state senators for a presentation, bringing in a designer for the Utah Jazz basketball team and showing them a Ted Talk by radio host Roman Mars on bad flag design.

In Congress, some Utah lawmakers are trying to thread the needle. Republican Rep. John Curtis says he plans to fly both the old flag and the new one outside his office.

An effort earlier this year by foes of the flag change to place flag on the ballot a referendum overturning the new didn't draw enough signatures to qualify.

Now, opponents are trying for the 2024 election. A political-action committee dubbed "Are You Listening To Us Yet?" has until next Feb. 15 to submit 134,298 signatures, equal to 8% of the number of Utah voters, to get on the ballot. They have

to hit the 8% threshold in 26 of the 29 state-senate districts.

"There's no doubt that will happen," Mr. Beckham said. It is difficult to do in Utah, only happening 26 times since 1952, and of those, seven have passed.

A trip to Four Corners encouraged a state representative, Steve Handy, to advocate for a new flag, just as such a trip did for Sen. McCay. Mr. Handy's stance became an issue in his primary contest last year, and he lost. "It didn't help my political career, let's put it that way," he said.

Mr. Schultz, the state legislator who is a big supporter of the new flag, arrived at his position by a roundabout route.

After the 2020 election, "It took me about four months or so to take down the Trump flag because I was in denial," the Republican leader said.

"I ran the Utah flag afterward. And I just thought, 'It looks like crap.'"

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WORK & LIFE
RACHEL FEINTZEIG

Alison Cate was walking on the treadmill while tapping away on her laptop and taking a selfie. Until she wasn't.

Her foot slipped. Her ankle rolled. The desk attachment clipped to the treadmill wobbled as she tried to steady herself.

"I need to do this, I need to do that. And so let me do it all at once," Ms. Cate, a 39-year-old marketing manager in Des Moines, Iowa, says of her mind-set much of the time. "There's gonna come a day when you crash."

Multitasking is a way of life for most of us. We eat lunch while we work, take calls at the gym, reply to messages while logged on to Zoom. (I'll bet that a lot of you reading this right now are doing something else at the same time.)

The tools of our lives, from car dashboard screens to buzzing phones, fracture our attention while promising that we can do it all, all the time. Except we can't.

"You can't multitask," says Earl K. Miller, a neuroscience professor at the Massachusetts Institute of Technology's Picower Institute for Learning and Memory. Our brains are wired to do just one cognitively demanding thing at a time, he says. We tell ourselves we're multitasking, when what we're actually doing is task-switching, rapidly shifting from one thing to the next.

As we toggle, our minds stumble as we try to recall where we were and what we were doing, he says. Juggling tasks makes us less creative and more prone to errors; the quality of our work suffers.

Productivity myths

So many of us continue to equate hopscotching from thing to thing with productivity. Job listings seek multitaskers, as evidenced by 141,069 hits for the phrase "multitask" in a recent search of posts on Indeed.com. Workers tout themselves as multitaskers on their résumés, and even at home I feel guilty about folding laundry without popping in my AirPods and returning a call from my mom.

"How do you stop?" wonders Tim Sloan, a 61-year-old who lives in Ashland City, Tenn. Things moved slower when he got started in the construction industry decades ago, he says.

Now a project manager for a drywall company, he often fields calls from customers while reviewing pricing information on one of his five computer screens and scrolling emails on another.

"Everybody's got to have it right now," Mr. Sloan says. If he doesn't get it done fast, customers will head to a competitor. "Do we really have a choice?"

Thais Cooke of Raleigh, N.C., left, has pared her to-do list to spend more time with her girls. Alison Cate, right, says, 'There's gonna come a day when you crash.'



Lies We Tell Ourselves About Multitasking

Our brains aren't wired to juggle tasks

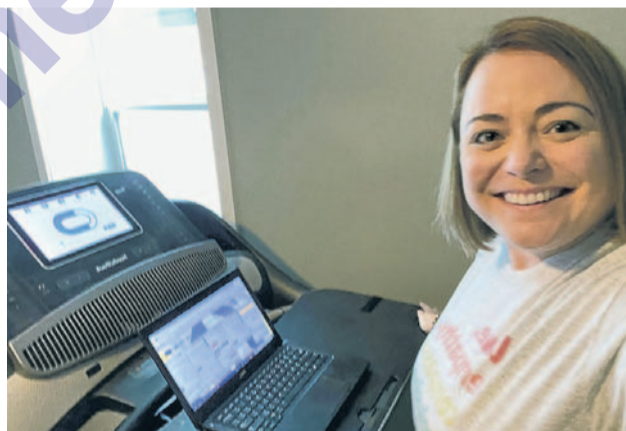
One thing at a time

We need to get back to monotasking—doing one thing at a time. The first step is weaning ourselves from distraction, says David Strayer, a University of Utah professor who has done pioneer-

ing research on how brains handle tasks. Not only do our phones and notifications disturb us, we've grown to crave their interruptions, too.

Set your inbox to batch incoming messages every 10 or 15 min-

utes, Dr. Strayer recommends. Turn off all your notifications. And try a version of the Pomodoro technique, where you focus in small bursts. Set a timer for 15 minutes of deep work on one thing, then take a five minute break.



The Hot New Pants Are a Stretchy Knit



OFF BRAND
RORY SATRAN

The women's work-pants hall of fame has its first postpandemic inductee: High Sport's "Kick" cropped knit pants. The independent New York and Los Angeles brand was launched in 2021, but its luxurious, smoothing, stretchy trousers already have a zealous following. For the fashionable and well-resourced women who whisper brand names to each other in line for desk salads, or at school pickups from Pasadena's Sequoyah to Manhattan's Spence, these cult pants are apparently worth their \$860 price tag.

"Every chic person on social media wears them," said Kristen Fealy, a 55-year-old New York City stay-at-home mom, who began chasing the pants after she first spotted them on the Instagram of designer Liz Lange in 2022. (High Sport says it very rarely gifts influencers.)

"These pants were the answer to all of my fashion woes, but I couldn't get them," said Ms. Fealy, a frequent refrain. Although they are now available at about 25 retailers, including Net-a-Porter, they quickly sell out. In November, Ms. Fealy finally ordered a pair from retailer Moda Operandi, and they arrived in March. "They are

worth waiting for," she said.

How did these unassuming, budget-breaking cotton-Lycra knit stretchy pants become such a *thing* without any of the usual trappings of viral fashion (social-media paid advertising; influencer partnerships; advertising; marketing budgets; celebrity endorsements)?

It might be as simple as the right product at the right time: comfy-yet-polished pants for a return to normal life. They're luxuriously elastic, like an Alaïa piece; they feature a

\$860

Price tag for High Sport's pants— which are hard to keep in stock

crisp seam down the center; they are, improbably, machine washable. An investment in the new you, with a concession to the old you: pants for sipping a hotel-bar martini after the office, but also for cooking Alison Roman's shallot pasta at home.

High Sport wasn't an entirely accidental hit. "I never had any doubt about what I was making," said the brand's founder, Alissa Zachary, when we met at the San Vicente Bungalows club in Los Angeles.

Ms. Zachary, a former merchandiser who worked for nearly 10 years at the Row and consulted for brands including Khaite, spent over four years developing High Sport after she moved from New York to Los Angeles in 2017. Merchandising, which she describes as "taking the art of fashion and translating it to commerce," is at the heart of High Sport.

Ms. Zachary, who inherited the press-shy reticence of her former bosses at the Row, Mary-Kate and Ashley Olsen, likes to keep the focus on the product. She doesn't have public social-media accounts, and she doesn't spotlight herself in the manner of most founder-forward startups. When we were scheduled to meet I had no idea what she looked like, but quickly spotted a beaming, enthusiastic woman laden with tote bags and wearing head-to-toe High Sport.

From conversations with buyers, she knew that pants were a "pain point" for women. So she set about creating pants made in Italy that would be flattering and polished but also easy. "I knew that it would resonate with women because I'm a woman, and it resonated with me," said Ms. Zachary.

For fashionable women who work,



High Sport's 'Kick' pants: a serious upgrade from pandemic sweats

non-denim pants are crucial, but flattering ones are hard to come by.

As for the price, Ms. Zachary would rather not dwell on it, but said, "it is an honest luxury product, in the sense that we're manufactured in Italy. We use, at this point, all European components. And one pair of pants takes six hours to make from start to finish."

Perhaps more to the point,

It can help knowing that a built-in respite is always ahead, Dr. Strayer says. Feel free to do anything you want—watch cat videos, grab a cup of coffee—during the break, as long as it's not the task you're focused on. You'll be refreshed when you dive back in.

Walking, especially in nature, can help revitalize us, too, he says, as long as you are just walking. In one study, Dr. Strayer and colleagues compared two groups of people strolling an arboretum. One group chatted on their phones. The others had their devices taken away.

After the walk, the people who didn't carry their phones were in a much more calm and rested state than the chatters, researchers found.

'Supertaskers' are rare

Dr. Strayer also places participants in driving simulators. When they talk on the phone, their brake reaction time slows. They start hitting other cars. Their phone conversation skills suffer, too.

There are exceptions, whom Dr. Strayer dubs "supertaskers." In their day jobs, they're often high-end chefs, fighter pilots or professional athletes. They're able to absorb multiple streams of information simultaneously, and keep it all straight.

He says about 2.5% of people are supertaskers, although he estimates nearly 20 times as many people think they are.

The rest of us are left with our 12 open browser tabs and five half-written emails, says Maura Thomas, a productivity trainer based in Austin, Texas. One obstacle is that we take any pause—a speaker fumbling with a microphone at a conference, a webpage taking time to load—as a chance to tackle something else, she says.

She prescribes more empty time to let random thoughts flow and new connections form.

"Mind wandering is doing something," she says.

People who do too much

You might be thinking, who's got time for daydreaming? Well, us, if we prioritized better.

Sometimes the urgent things on our to-do lists aren't really the most important.

Instead of rushing into action, think about how to better use your limited time and put your focus there.

In Raleigh, N.C., Thais Cooke's mornings had become a blur of unloading the dishwasher while she cooked eggs, packed her older daughter's lunch and wiped down the counter. And, oh wait, did someone need their shoes tied?

The data analyst and mother of two loved crossing things off her mental to-do list. But it kept getting longer. So she decided to stick to the bare minimum that had to get done daily to ensure everyone got to school and work.

Now, after those few things are completed, or delegated to her husband, she stops and sits down next to her girls.

"The time left," she says, "is for me to enjoy with them."

women are willing to pay for it.

"It's crazy town," said Emily Holt, founder of Marin County boutique Hero Shop, who has stocked High Sport since its first season, selling out continually. In High Sport's first year, it was among the top 10 designers in the store, "unheard of for a new brand," she said. Today, it's in the top five. The black and navy pants often sell out before they hit the floor. One woman, Ms. Holt said, bought six pieces without coming in, sight unseen, and kept them all.

Ramya Giangola, a retail consultant, first bought her High Sport pants at Los Angeles shop Just One Eye, one of its original retailers.

Since then, she has posted several photos of herself in the pants in different colors to her more than 100,000 Instagram followers, each inciting a flurry of comments and questions.

Ms. Giangola, whose first job in fashion was working for the cult pants company Chaiken and Capone in the 1990s, instantly recognized a similar quality in the High Sport pants, calling them an "insider thing." They are only recognized by other women who "know about them and understand them," she said.

PERSONAL JOURNAL.

Millennials Are Reaching A Milestone in Aging

Now in their 40s, the oldest in the cohort begin facing the years that bring gray hair, waning energy, new realities about diet



TURNING POINTS
CLARE ANSBERRY

Millennials are starting to feel old. The first members of the millennial generation, often classified as those born between about 1980 and 1996, begin to turn 43 this year. It's the average age when Americans stop feeling young, according to a study by Worldwide Independent Network of Market Research.

The early 40s—specifically 42—is when the average American starts noticing physical signs of aging, including achy joints and gray hair, according to a September poll conducted on behalf of Found, a weight-management company.

For some, the slide into 40 merely confirms a sense they've had for a while that they are growing older. Others stay in denial about the approach of middle age until they experience a jolt of reality—sometimes a health scare, sometimes comments from younger colleagues.

"They aren't feeling like the young ones anymore," says Jean Twenge, 51, professor of psychology at San Diego State University and author of the recently released "Generations."

The past three years have people of all ages feeling old or older. Stress, loneliness and disease accelerate the aging process, and there was plenty of that in the pandemic, say doctors and mental-health professionals. Not to mention fatigue from juggling hybrid work and school schedules.

Compared to whom?

Context matters when it comes to feeling old, says Szu-chi Huang, who is among the first wave of millennials.

The 42-year-old associate marketing professor at Stanford Graduate School of Business says being around her older parents can make her feel young because she has more energy and is physically stronger compared with them. Being around college students, who dress differently and use unfamiliar slang, can leave her feeling old.

"I have trouble understanding what they mean," she says.

She and a fellow researcher, Jen Park, now assistant professor at the University of British Columbia, recently completed a study of people between the ages of 18 and 60 and found that when people feel older they are more likely to donate and volunteer and "contribute more to the greater good of society."

When exactly people start to feel old can vary widely.

Kent Fleming, 35, started feeling old after his 30th birthday when he realized that his body was changing and that he could no longer function on four hours of sleep or take off running without stretching.

The former college defensive tackle, who never went to see a doctor unless he needed a physical or had an injury, started going to one after having health problems and heart palpitations.

43

Average age at which Americans stop feeling young

"The doctor told me I needed six hours of sleep a night and was stressed," says Mr. Fleming.

The owner of Big Kent's Strength & Fitness gym in Omaha, Neb., stopped eating fatty and spicy foods. He said many of his gym clients are about the same age and going through the same thing.

For Sarah Brody, 32, it's less about feeling old as feeling different. The mother of a 21-month-old took ballet classes, did aerial acro-

batics and went on last-minute weekend getaways when she was in her 20s. Now, a weekend excursion is a 30-minute drive to the zoo with her daughter, Sophie. Ms. Brody hopes the things she did in her 20s aren't forever behind her, but realizes they are out of reach right now.

"There's some sense of loss that comes with it, a loss of things you used to do," says Ms. Brody, who is the founder of a website and nonprofit corporation that helps new and expectant mothers connect, called Mamahood.

While Americans stop feeling young in their early 40s, they start feeling old at 52, on average, according to a survey by the Worldwide Independent Network of Market Research.

Marc Freedman, founder and

co-chief executive of CoGenerate, a nonprofit promoting intergenerational connections, was 52 when his youngest child was born, his first two arriving when he was 48 and 50. Being a parent of young children made him feel young until a train-ticket agent, collecting the family's tickets during a vacation, asked if his children were his grandchildren.

"I think I said yes because I didn't want to get into an explanation," says Mr. Freedman.

Embracing your age

Becca Levy, a Yale professor of epidemiology and psychology, says people can feel old at different times in their lives—even when they are younger.

"It's a fluid concept," she says.

Dr. Levy says she is starting to see a change in how people view getting older, by embracing their age and finding strengths in it. During the pandemic, more women skipped the hair dye and went gray. In her acceptance speech, Michelle Yeoh, who won her first Oscar at 60 for her performance in "Everything Everywhere All At Once," told women not to "let anybody tell you you are ever past your prime." And some people are working later in life and using their age to their advantage when applying for jobs.

Katharine Esty, now 88, recalls feeling old twice in her life.

The first time was when she was about 24, married and having trouble getting pregnant. Fast forward to her 80th year, when she was climbing a mountain in the Adirondacks with her grandchildren. She had climbed the same mountain dozens of times, but this time couldn't make it to the top.

"It was a real coup de grace," says Dr. Esty, a retired psychotherapist. To get out of her funk, she decided to write a book, interviewing 128 octogenarians, many of whom were active, engaged and content. Dr. Esty retired at 86, now blogs and lives with her boyfriend of four years.

Back at Mr. Fleming's gym in Omaha, the former football player believes it's not the actual age that bothers millennials suddenly feeling old. It's having to give up the illusion that they are young.

"I think people are extremely afraid, not so much of age but of the signs of age and not being able to do what they did," Mr. Fleming says.

Get Going Right Now To Renew a Passport

BY ALLISON POHLE

If you haven't yet renewed your passport ahead of international summer travel, prepare to pay plenty to fix the problem.

Standard processing times have risen to 10 to 13 weeks, the State Department says. Expedited processing times are seven to nine weeks. Neither estimate includes mailing times, which can tack on two weeks each way.

These times are up from five to seven weeks for expedited passport renewals and eight to 11 weeks for routine renewals months ago.

Many destinations won't admit travelers if their passports expire within six months, so travelers should renew passports nine months to one year before their expiration dates.

Nearly one-third of American travelers expect to travel internationally this year, according to market-research firm Destination Analysts. Addressing renewals immediately could make a big difference at departure time.

Why the delays?

The State Department receives an average of 500,000 applications a week. At a congressional hearing in March, Secretary of State Antony Blinken said this is 30% to 40% more than last year.

During the pandemic, demand plummeted; the department laid off contractors and reassigned other personnel, Mr. Blinken said, adding that the government has been hiring more employees, authorizing overtime and opening satellite offices.

What does it cost?

If you are 16 or older and applying for the first time, you pay \$130 for the passport book application and \$35 for an acceptance fee.

There's no acceptance fee for renewals. Expedited applications cost \$60 more. Travelers can also pay an additional \$19.53 for expedited delivery after the passport is processed.

Can I speed it up?

Submitting your passport for expedited approval is a good first step. If you haven't, and you applied in-person or by mail, you can call the National Passport Information Center at 1-877-487-2778 to expedite the application.



sentative for assistance, which might help expedite the process.

Courier services?

The State Department urges caution when using a courier service and says it isn't responsible for issues related to courier companies, including lost documents. Passports can be renewed only through the State Department, so any service claiming it can renew a passport online without State Department involvement is a scam.

AAA works with RushMyPassport, a passport courier service registered with the State Department's national hand-carry program for passport applications and completed passports.

That means the service can submit passport applications to approved passport offices on customers' behalf.

The service offers one-week and two-week expedited processing options. The two-week process costs \$599 before government fees; the one-week process costs \$799 before government fees. Discounts are available for AAA members.

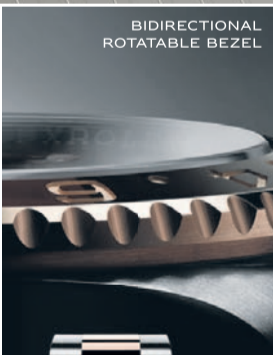
Global Entry

After the passport is squared away, you

might be interested in applying for the Global Entry program, which lets you skip long lines at passport control. The program is open to U.S. citizens and citizens of several other countries.

Processing times vary widely. Travelers pay \$100 and submit applications online. The average enrollment time for Global Entry applicants was 93 days in 2022, according to U.S. Customs and Border Protection.

Successful applications ultimately get conditional approval, and travelers can schedule an interview at a Global Entry Enrollment Center. The government quotes a processing time of four to six months on its website. Global Entry members also get TSA PreCheck.



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.**

#Perpetual



OYSTER PERPETUAL GMT-MASTER II

OFFICIAL ROLEX JEWELER
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F. MARTIN RAMIN/THE WALL STREET JOURNAL

ARTS IN REVIEW



Gallery view of the 'Military' line, left; toile of the 1954 'Longchamps' coat, below left; Lagerfeld's 'Blanche' table, covered in reproductions of his sketches, books and art supplies, below right

was romantic, historicist, decorative, feminine—his French side. The straight line was about modernism, minimalism, structure and masculinity—his German side. Superimpose the lines and you have the symbol of the show: the caduceus.

"Which is Mercury," said Mr. Bolton, "the god of commerce and communication, which is perfect for Karl. He was all about money and talking." (As was Gabrielle Chanel. Add a second straight line through the S curve and you have a dollar sign.)

Viewers are eased into the show's theoretical framework. After the engraving, we see a recreation of Lagerfeld's huge white desk covered with an avalanche of art books—on Constructivism, Goncharova, Beardsley, you name

Lagerfeld found spark and spontaneity in the tension between lines serpentine and straight.

it—as well as pastels, markers and pencils. This was where the design process happened, intellectual absorption transmuted by the hand. Through an opening in the wall behind the desk, we see a sheer white toile of the winning sketch that launched Lagerfeld's career, submitted to the 1954 International Woolmark Prize when he was 21 and remade for this exhibition.

The next room completes the process. It features representative garments from Chloé, Fendi, Chanel and Karl Lagerfeld collections, above which are screened interviews with Lagerfeld's longtime *premieres d'atelier*, the women at each house who decoded the sketches and transformed them into finished pieces. From here the viewer passes through nine galleries, each one titled for a serpentine-straight duality that is continuously present in Lagerfeld's oeuvre. These are "Feminine/Masculine," "Romantic/Military," "Rococo/Classical," "Historical/Futuristic," "Artisanal/Mechanical," "Canonical/Cultural," "Ornamental/Structural," "Floral/Geometric," "Figurative/Abstract." There are seven pieces for each side of the duality; elevated on a plinth is a 15th garment, a bang-up integration of both sides.

You'll find Lagerfeld's versions of the classic tweed Chanel suit, its braided trim taken from husar jackets, in "Military." The ivory goddess gowns of pleated silk jersey for Fendi are "Classical," and various takes on Chanel's lean black dress adorned with costume jewelry, either actual or trompe l'oeil, "Canonical." Dualities aside, one realizes that Lagerfeld did some of his loveliest work for Chloé—less structured, with a lighter touch and a dreamy softness. At Fendi he was free to be mod and a tad wacky, while at Chanel he was at his most performative and postmodern, spinning the plates with panache. The eponymous line asserts itself in two final sections that look directly at Lagerfeld's sense of humor, "Satirical," and sense of himself, "The Puppet."

The show was designed by the modernist architect Tadao Ando, and his contribution cannot be overpraised. He has conceived a marvelous labyrinth, walls the color of sketch paper, that is an elegant flow of curves and enfilades, Romanesque niches for S-line pieces, rectangular niches for straight-line.

Lagerfeld was loquacious, but except for a single block of wall text per room and spare labels for each item, the galleries are wordless. The exhibition's structure tells the story. By the time one reaches the gallery that holds "Figurative" pieces—a velvet dress for Chloé printed with a forest from the symbolist Maurice Denis, gowns and a coat for Fendi hand-painted or pieced with fairy-tale images from Kay Nielsen—it feels as if we're in the corridors of a castle: Lagerfeld's mind.

Karl Lagerfeld: A Line of Beauty
The Met Fifth Avenue, through July 16

Ms. Jacobs writes about fashion for the Journal and is the Arts Intel Report editor for the weekly newsletter Air Mail.

EXHIBITION REVIEW

Karl Lagerfeld's Multiple Styles

The German fashion icon is the focus of the Met Costume Institute's triumphant spring show

By LAURA JACOBS

IF THE FASHION designer Karl Lagerfeld hadn't invented himself, it would have taken the novelist Nancy Mitford to think him up. Lagerfeld, who was born in Hamburg, Germany, in 1933 and died outside Paris in 2019, age 85, had the old soul of Mitford's Lord Merlin, a character based on the deeply cultured English eccentric Lord Berners. Like an all-knowing Tiresias, Lagerfeld could also seem a mixture of Mitford's biographical subjects Madame de Pompadour, the Sun King and Frederick the Great. Dry wit, an aristocratic posture (despite a bourgeois background) and a rapacious eye for energy edging into beauty—Lagerfeld was a snob of the first water, discoursing on past centuries as if he'd been there and on the current moment as if minting it. When it came to his work, however, Lagerfeld's sorcery was silent. He looked to the blank page and sketched.

"When I was at Karl's memorial service in 2019, the moments that really stood out to me were videos of Karl sketching," Andrew Bolton, the Metropolitan Museum of Art's Costume Institute curator in charge, told me during a quick chat. "He was completely lost in his own imagination. He would draw in three dimensions—a technical story combined with an expressionistic fashion illustration. So by the time he finished, it wasn't a means to an end. It was an end in itself."

It is in Lagerfeld's sketching that Mr. Bolton finds an organizing principle for the man's design tsunami, prolific creativity that began at Balmain (1955–58) and Jean Patou (1958–63), won admiration at Chloé (1964–84) and the house of Fendi (1965–2019), achieved global stardom at Chanel (1983–2019) and maintained an eponymous label (1984–2019). Edited to around 200 objects, "Karl Lagerfeld: A Line of Beauty," the Met Costume Institute's spring show, is a triumph of clarity and coherence, pleurably deft.

The exhibition begins with a touchstone: William Hogarth's 1753 etching and engraving "The Analysis of Beauty, Plate 1," a print that Lagerfeld owned. The wall text explains that where Hogarth saw the S-shaped line as life and the straight line as inactivity or death, Lagerfeld, in the act of sketching, found spontaneity, spark, in the tension, the battle even, between lines serpentine and straight.

The S line in Lagerfeld's work



◀ 'Rachmaninoff' dress for Chloé, from spring/summer 1973



▶ Dress for Fendi, from spring/summer 1997



▶ Coat for Fendi, with whom Lagerfeld worked for decades, from fall/winter 2000–2001

SPORTS

String of Deaths Put Damper on Derby

Mage won the Run for the Roses, but recent horse fatalities at Churchill Downs raise concerns about safety

By JIM CHAIRUSMI

Louisville, Ky.

Horse racing's Triple Crown season will move on to the Preakness Stakes in Baltimore later this month after Mage's win in the 149th running of the Kentucky Derby on Saturday. But racing officials here will be faced with sorting out what went wrong during a Derby week in which a string of horse fatalities put a damper on the sport's most prominent event.

Seven horse deaths have been reported at Churchill Downs since April 27, including two on Saturday in the hours before the Kentucky Derby. The run of tragedies again brings safety issues to the fore in racing, a sport in which a maze of state-by-state regulation, in the absence of an empowered national regulator, has made it difficult to impose reforms.

Mage, which went off at 15-1 odds, staged a come-from-behind win in the Derby, but the victory was overshadowed by the week's events. The prerace favorite, Forte, was scratched on Saturday morning due to safety concerns. Churchill Downs had already suspended trainer Saffie Joseph Jr. indefinitely, after two of Joseph's horses collapsed and died following races on April 29 and May 2.

The deaths continued on Saturday in the hours before the Derby. Chloe's Dream, a 3-year-old gelding, injured his right front knee, while Freezing Point, a 3-year-old colt, was pulled up following an injury to his left front leg. Both horses were euthanized.

The deaths plunged racing back into an unwelcome spotlight, similar to one it faced in 2019 when 42 horses died that year at Santa Anita Park in California. Animal welfare groups, including PETA, renewed their criticism of the sport and called for the suspension of racing at Churchill Downs.

"They should play 'Taps' at the Derby instead of 'My Old Kentucky Home,'" PETA senior vice president Kathy Guillermo said in a statement.

Despite the incidents, Churchill



Mage won the 149th Kentucky Derby at Churchill Downs. The Preakness Stakes is set for May 20 at Pimlico Race Course in Baltimore.

Downs reported that wagering from all sources on the 14-race Kentucky Derby program set a new record of \$288.7 million, beating last year's record of \$273.8 million. The Derby Day crowd of 150,335 on site at the track rose 2% from 147,294 last year.

Churchill Downs on Saturday night issued a statement saying that the track is committed to the health and well-being of horses.

"The equine fatalities leading to this year's Kentucky Derby are a sobering reminder of the urgent need to mobilize our industry in order to explore every avenue possible and effectively minimize any avoidable risk in the sport," the

track said. "While we believe the incidents leading to this year's Derby are anomalies, they are unacceptable and we remain steadfast in our commitment to safety and integrity."

A nascent federal body, the Horseracing Integrity and Safety Authority, or HISA, was launched recently to create a uniform set of rules for thoroughbred racing in the country. But legal challenges have slowed its rollout of some initiatives meant to standardize safety enforcement across the industry. HISA is overseen by the Federal Trade Commission.

Joseph's suspension, for instance, is only limited to Churchill

Downs-owned properties. On Saturday, a Joseph-trained 3-year-old filly named Honor D Lady won the \$75,000 Honey Ryder Stakes at Gulfstream Park in Florida.

Joseph told a Louisville TV station he believes Churchill Downs is "using its power" to direct attention toward him and away from other issues. "I'm the scapegoat," Joseph told WDRB.

The HISA safety program, which took effect in July 2022, has introduced regulations, for example, on how many times a jockey can whip a horse. An anti doping initiative, however, has been delayed several times due to legal issues. It is currently set to launch on May 22.

Under the anti doping program, labs would test for the same substances, and at the same limits, as opposed to different states testing at differing levels. The new rules are designed to replace the differing standards in the 38 states that have horse racing.

HISA chief executive Lisa Lazarus recently told the Associated Press that she was surprised at how efforts to create uniform rules for every racing jurisdiction has evolved into a political debate on states' rights versus federal rights.

"What I try to tell people is, let's put all that aside and do what's best for the industry," Lazarus said.

The WSJ Daily Crossword | Edited by Mike Shenk

Crossword puzzle grid with numbers 1-67 indicating starting positions for clues.

- 30 Baldy's hairpiece
33 Express contempt
34 Top card in War
35 One might result in damages
36 Annoyance
37 Desirable quality
39 In a bad way (and also an Italian espresso brand)
40 Negative conjunction
44 Weekend comedy hit, briefly
45 Small valley
46 Interest-free?
47 Shady bower
48 Wet outside
49 Metrical feet
50 Quick burst of light
54 Captain in pursuit of Moby Dick
55 Long ago
57 Midsection muscles, for short
58 Slave rebel Turner
59 Savings plan for srs.
60 Filming location
61 End for Canton or Vietnam

STOCKHOLDERS | By Lynn Lempel

- Across
1 Small and mischievous
6 Street urchins
11 Bit of concealer
14 Trunk
15 Machu Picchu's range
16 Thurman of 'Kill Bill'
17 Lure for baseball buffs
19 Garden section
20 Stockings
21 Strong flavor
22 Tsp. or tbsp., for example
24 Manual for writers
28 Water down
31 Rocker Van Halen
32 Bolivian buddy
33 Astronomer Carl
35 Expert on IRS forms
38 Emperor groups in Antarctica
41 Ballerina's support
42 Ballerina's bends
43 Relocates
44 Egomaniac's fixation
45 Stem (from)
46 Mayberry's deputy on 1960s TV
51 Net-nicking serve, in tennis
52 Like much folklore
53 Assuages
56 Slugging stat
57 Raucous frat film, and a hint to the starts of the other four long Across answers
62 Mighty long time
63 Cutting remarks
64 First zodiac sign
65 Dishwasher cycle
66 Secret hoard
67 Midler nicknamed 'The Divine Miss M'
Down
1 And the like, for short
2 London lavatory
3 PBS investigative series
4 Kids' guessing game
5 Christmas card word
6 'Rome ___ built in a day'
7 Really restless
8 Swearing-in pledge
9 Not many
10 Taxpayer's ID
11 Site of the world's tallest building

Previous Puzzle's Solution
J U J U A P A L W E L C H
O M E N C O C O H O O H A
N A N C Y D R E W O S K A R
L U C K L E S S I R L
A F T E R A S H A C R E
M A H A T M A A B L O O M
E V E R I M P E R I L S
N A Y T R E S B O N T I P
E U R A S I A N D U D E
G R A T I N Y A L E M E N
R A R E D U O O C E A N
A D D P A N C E T T A
M I X E R J A M E S P O L K
M A C R O A L I T O J A I
E L V E S M A T E D O W N

The contest answer is FRED FLINTSTONE. As suggested at 69-Across, one four-letter part of each theme answer can be found by tracing a path through four adjacent computer keys: DREW, LOKI, POLK, DXCV and TRES. FRED can similarly be found, suggesting the contest answer.

Bronny James to Play at USC

By ROBERT O'CONNELL

LeBron James, Jr., the scion of basketball royalty widely known as Bronny, took a significant step in his own journey in the sport on Saturday. James, an 18-year-old guard prospect and recent McDonald's All-American, announced that he will play college basketball at the University of Southern California.

On Saturday, James posted a pair of photos to his more than 7 million followers on Instagram: one of him in his high-school uniform against the backdrop of the USC locker room, another of him in a Trojans jersey. "Fight on," the caption read, with the hashtag "#committed."

No son of Los Angeles Lakers superstar LeBron James—who in February became the NBA's all-time leading scorer—was ever going to have a normal sports childhood of orange slices and off-camera development, and Bronny James has grown up and developed as a player in a cauldron of celebrity.

James played high school basketball at the star-studded Sierra Canyon School in L.A., where he teamed up with Zaire Wade—one of onetime LeBron teammate Dwyane—and performed in front of Drake and Michael B. Jordan. He has lately worked as a pitcher along with his father, appearing in TV spots promoting Beats headphones and a new "Fast and the Furious" film.

Though James's recruitment has mostly been a behind-the-scenes process, LeBron James added to the intrigue last February, telling The Athletic that he intended to team up with Bronny in the NBA.

"My last year will be played with my son," LeBron James said. "Wherever Bronny is at, that's where I'll be."

Bronny James has become an intriguing player in his own right, a viable candidate to lift up the Trojans and, after a stint in school, con-



Bronny James, left, chats with his father LeBron James.

tinued on to the NBA. The recruiting website 247Sports rates James as the 21st-best player in his high-school class, and prognosticators have tabbed him as a potential first-round pick in the 2024 NBA draft.

James, a 6-foot-3 combo guard, plays a different style than his father. He has flashed a clean outside jump shot, something it took LeBron James time in the league to develop, and an aptitude for playing without the ball in his hands, catching passes and making snap decisions to extend his team's advantage. (He inherits a knack for perimeter defense.) In the McDonald's All-American Game in March, James made five 3-pointers.

At USC, James will play alongside Isaiah Collier, a fellow incoming freshman and the country's top-ranked point guard recruit. Though the Trojans have turned out NBA prospects in recent years—most notably Evan Mobley, now a bright young center with the Cleveland Cavaliers, in 2021—the spectacle of James playing college basketball in the same city where his father plays professionally will make this year's USC club the most buzzed-about version in recent memory. It also promises to lift the Trojans out of the perpetual shadow cast by crosstown rival UCLA. After scoring 21 points in

a Lakers playoff win over the Golden State Warriors Saturday night, LeBron James spoke proudly of his son's decision, saying that, "to my knowledge, this is the first one out of the 'James Gang' to go to college." (LeBron James was drafted by the Cavaliers straight out of high school, at a time when NBA rules allowed that.) "I think my mom maybe stepped on campus for a little bit," he added, "maybe a community college or something, but she had my little a—running around so she couldn't spend much time in the classroom."

Bronny James's matriculation will emphasize a recent feeling of generational turnover shooting through college sports. In January, Arch Manning—the quarterback nephew of Peyton and Eli—arrived at the University of Texas, where he will look to rejuvenate the football program. Like James, Manning already has professional scouts eyeing him as a draft prospect.

Peyton and Eli are retired, taking their version of James's ambition off the table. According to Stats Perform, no father-son duo has ever played in the NBA at the same time. LeBron James has a player option in his contract, which would allow him to enter free agency, if he chooses, for the 2024-25 season—the year Bronny would be eligible for the NBA draft.

Solve this puzzle online and discuss it at WSJ.com/Puzzles.

OPINION

Ignore the Hysteria on AI and Jobs



INSIDE VIEW
By Andy Kessler

Will artificial intelligence destroy jobs? As sure as night follows day. Old jobs disappear and new jobs are created all the time. It reminds me of the time I got

jobbed. On a “radio tour” promoting a book a decade or so ago, I was up at 4 a.m. California time calling drive-time radio programs on the East Coast, switching every five minutes and then calling in to stations farther west. I remember two things. Every radio personality sounds the same: “Hey, we’ve got a new book author coming atcha, right after these messages . . .” And the ambush.

I called into a big-city public-radio station, a great catch. We discussed my 12 rules for entrepreneurs and investors including lower costs, waste what’s abundant, scale and get horizontal. But the host wanted to discuss only the title, “Eat People.” OK. I walked through the history of how technology has replaced lower-end jobs—tellers, librarians, travel agents, stock traders—with higher-value, better-paying jobs.

I thought it was going well until the host said, “Well, I’m against it.” I asked, “Against what?” “I’m against technology destroying careers and lives. It has to stop. That’s why we have unions.” Ruh-roh, I thought. I

calmly explained that you can’t be for or against it—it’s part of progress and happens again and again, from buggy-whip manufacturers to elevator operators. And history shows that more and better-paying jobs are always created as some jobs are destroyed. He didn’t want to hear it and babbled on about the evils of big business and the need for unionization. I was ready to move on to St. Louis and Denver.

New and better jobs *are* always created, yet no one believes it. We no longer have “Mad Men”-era typing pools, stenographers, composers or typesetters. A 2022 paper studying automation and job categories, led by economist David Autor, states that “roughly 60% of employment in 2018 is found in job titles that did not exist in 1940.” A Goldman Sachs report from March goes further: “85% of employment growth over the last 80 years is explained by the technology-driven creation of new positions.” Bingo.

Job destruction is still happening. Last July, Southwest Airlines ended expiration dates on flight credits. Generous? Nah. Having real people handling calls is expensive; I bet the airline figured it would be cheaper to have no expiration date so customers would stop calling and use its website instead. And people fight against job destruction: A few weeks ago, dockworkers reached a tentative deal with West Coast ports on automation technology—a decadeslong battle. The

union wants limits on everything from computer-controlled cranes to bar codes—anything that threatens jobs. Yes, bar codes. And now this: Striking Hollywood writers are demanding that AI not be used to write “sloppy first drafts.”

Now touch-screen cash registers are turned around at McDonald’s and lots of other restaurants to face customers.

A study found that 60% of employment in 2018 was in roles that didn’t exist in 1940.

White Castle is using Miso Robotics’s Flippy 2—with computer vision and AI—at its fry stations, replacing workers. Soon robots will be making the chain’s famous greasy sliders.

Yet with all those jobs destroyed, there aren’t long lines at unemployment offices. U.S. nonfarm payrolls are at a record high at 155.7 million and median real wages are near their pre-pandemic and pre-inflation highs. Real jobs in real economic stats!

Yet the whining continues: ChatGPT has been out in the wild for barely six months and pundits and naive public-radio personalities warn of massive job losses. New tools like DALL-E create images based on text prompts, which apparently threatens artists. AI created a new song “Heart on My Sleeve,” with simulated voices

of Drake and The Weeknd. Bye-bye finicky music divas?

Oh, and that same Goldman Sachs report also claims generative AI “could expose the equivalent of 300mn full-time jobs to automation.” Last week Chegg, which makes study tools, saw its stock price drop by almost half as it warned about students using ChatGPT. IBM CEO Arvind Krishna thinks 30% of the firm’s non-consumer facing employees will be gone in five years (that should have happened 20 years ago). Now comes the predictable demand for universal basic income to pay soon-to-be-laid-off workers to sit around and play videogames all day.

Slow your roll. New jobs are always created. Search-engine optimization barely existed two decades ago, and entire industries sprung from it. Imagine the boom in AI-optimization jobs. Plus, augmentation outruns automation—workers use new tools to enhance existing jobs and create higher-paying ones.

Progress will always eat people, which means we need education, training and temporary safety nets to help workers make the transition to better jobs. Are we prepared? The Journal recently reported that school districts in Las Vegas and elsewhere are abandoning homework and deadlines in favor of “equity grading.” In a world of continued job disruption, that doesn’t sound like the right solution.

Write to kessler@wsj.com.

BOOKSHELF | By Julia M. Klein

Who Betrayed Anne Frank?

The Last Secret of the Secret Annex

By Jeroen De Bruyn and Joop van Wijk-Voskuil
(Simon & Schuster, 288 pages, \$29.99)

After two years in hiding in Amsterdam, 15-year-old Anne Frank was arrested in August 1944, along with her sister, mother, father and four other Jews. All but Anne’s father, Otto Frank, perished in Nazi concentration camps, along with three-quarters—more than 100,000—of the Netherlands’ Jewish population. Anne’s adolescent diary, first published in 1947, has since become one of the most celebrated and poignant artifacts of the Holocaust. A flood of literature on the Frank family and the Dutch people who helped them survive has followed. Among the nagging questions that remain: Who betrayed the Franks and the others in hiding with them?

“The Last Secret of the Secret Annex” is both a fascinating attempt to unlock this mystery and a case study in how Holocaust trauma can ripple through the generations. It comes from the Belgian journalist Jeroen De Bruyn, who confesses a lifelong obsession with Anne’s story, and Joop van Wijk-Voskuil, whose mother, Elisabeth “Bep” Voskuil, was, in her early 20s, the youngest of the Franks’ Dutch “helpers.” The authors met when Mr. De Bruyn was just 15, and eventually became partners in the enterprise.

Narrated in Mr. van Wijk-Voskuil’s voice, “The Last Secret of the Secret Annex” updates and expands an earlier book by the duo, published in 2015 in the Netherlands, and self-published in the United States three years later as “Anne Frank: The Untold Story.” The current volume details the courage of the narrator’s mother, who foraged for food for those in hiding, and his maternal grandfather, Johan, who built the revolving bookcase that concealed the “annex” in which the Frank family lived. It also takes withering aim at the multiyear “cold case” investigation chronicled in Rosemary Sullivan’s 2022 book “The Betrayal of Anne Frank.”

Led by former FBI special agent Vince Pankoke, that inquiry—in which the authors cooperated—concluded that the culprit was likely the notary Arnold van den Bergh, a member of Amsterdam’s Jewish Council. Citing an anonymous accusation and other evidence, it posited that he traded addresses of Jews in hiding to the Gestapo in exchange for his family’s survival. Dutch scholars found that scenario far-fetched, and their criticisms led to the Sullivan book’s withdrawal from circulation in the Netherlands.

Messrs. De Bruyn and van Wijk-Voskuil propose a different possible informant: Mr. van Wijk-Voskuil’s maternal aunt, Bep’s younger sister Nelly. During the Occupation, the then-teenage girl was, in the authors’ words, “seduced by everything German.” High-spirited and combative, Nelly had Nazi boyfriends and worked for the German military. Two survivors of that period—another of Bep’s sisters, Diny, and Bep’s wartime fiancé, Bertus Hulsman—attested that Nelly knew her relatives were helping Jews in hiding. Both recalled her angrily saying “Just go to your Jews!”—or words to that effect—to other family members.

Beyond its indictment of Nelly, “The Last Secret of the Secret Annex” is an absorbing chronicle of intersecting family stories. Dubbed “Elli” in Anne’s diary, Mr. van Wijk-Voskuil’s mother spent hours with annex residents, and was especially close to Anne, whose name she would later bestow on her daughter. Bep Voskuil’s “special talent” was “being able to calm Anne down when no one else could,” the authors write.

Cold-case investigators have theorized about who informed the Nazis of the Frank family’s hiding place. Could they have been wrong?

The book’s skillfully woven narrative takes readers outside the annex, revealing the perils and privations of wartime Amsterdam. It also reminds us that those in hiding were fallible. They emerged at night to wander the offices of Otto Frank’s company, Opekta, leaving careless traces of their existence behind. Their daytime fights were often loud enough to be heard downstairs. After the war, numerous neighbors told Otto that they had been aware of the hiding place, making it surprising that the annex residents hadn’t been caught sooner.

The earlier cold-case investigators had ruled Nelly out as a suspect on the basis of postwar statements by Otto and Opekta employee Miep Gies, another of the Dutch helpers and the subject of the current National Geographic series “A Small Light.” The evidence provided for Nelly’s complicity here is vivid if not conclusive. Diny described a shocking scene she said occurred the day after the annex arrests: The staunchly anti-Nazi Johan beat his daughter Nelly brutally in an apparent fit of rage. The timing, if accurate, suggests that he was blaming her. Diny also recalled a later conversation in which Bep expressed her suspicion that Nelly was responsible for betraying the annex. Still, Nelly’s motivations are hard to fathom. She unquestionably had Nazi sympathies, and informing on Jews could bring a bounty. But would she have risked her own family’s arrest, or worse?

Mr. van Wijk-Voskuil knew that his mother “had been traumatized by what she lived through,” but never entirely understood why. After the war, Bep mostly avoided the subject of the secret annex, remaining close to Otto but shying away from publicity. “She craved a kind of erasure,” the book suggests. Just before her death in 1983, she directed another of her sons to burn a cache of letters that might have revealed family secrets. “We will never know with any certainty who betrayed the Secret Annex,” the authors conclude.

Among Mr. van Wijk-Voskuil’s own secrets is his boyhood rescue of his distraught mother from a suicide attempt. More tragedies follow, one wound aggravating the next. Mr. van Wijk-Voskuil, scarred by a kitchen fire, later becomes estranged from his parents as a result of a marriage they condemned. “In the end I let them go,” he says. Attempts on both sides to reconcile fizzle. Mr. van Wijk-Voskuil, uninvited, misses his mother’s funeral. The moral calculus is complicated, the love obscured by resentments. Part biography and part whodunit, “The Last Secret of the Secret Annex” is, above all, a bereaved son’s *cri de coeur*, simultaneously mourning and celebrating the mother he lost even before she died.

Ms. Klein is the *Forward’s* contributing book critic.

A Colombian Hero Dragged Into U.S. Court



AMERICAS
By Mary Anastasia O’Grady

Don’t look now, America, but there’s an effort under way to use U.S. federal courts to re-write the history of one of the most ruthless terrorist organizations

of the 20th century: Colombia’s M-19. Revenge is also on the menu.

The weapon of choice in this judicial warfare is the Torture Victim Protection Act, signed by President George H.W. Bush in 1992. Bush 41 endorsed the spirit of the law but also worried that it might invite “possibly ill-founded or politically motivated suits” in U.S. courts. That day has arrived.

Our story starts on Nov. 6, 1985, when 35 heavily armed M-19 terrorists backed by drug kingpin Pablo Escobar machine-gunned their way into Colombia’s Palace of Justice. At the instruction of the civilian government, the army moved to recover the building. It rescued 263 hostages, including 43 Supreme Court principal and auxiliary magistrates. But the guerrilla assault resulted in the deaths of 11 Supreme Court magistrates, four auxiliary magistrates, 33 other civilians and 11 members of public security. Most of the terrorists died in the fight.

Gustavo Petro, Colombia’s current president, was a member of M-19 at the time—only weeks before the siege he had

been caught with an arsenal of illegal high-powered weapons. M-19’s many crimes remain a matter of record, denying him and his supporters moral authority. They’re looking to draft a new narrative that says that while the terrorists were bad, the military was worse.

Enter the big-gun law firm Wilson Sonsini Goodrich & Rosati and the San Francisco-based Center for Justice and Accountability, or CJA. According to Influence Watch—a project of the Capital Research Center that profiles advocacy organizations and foundations—CJA’s donors are the Benjamin Fund, which is associated with Code Pink, and Firedoll Foundation. Both donors are supporters of extreme-left causes.

Wilson Sonsini and CJA are attorneys for Helena Urán—recently named an adviser in Mr. Petro’s Foreign Ministry—and her two sisters. They’ve filed a civil suit, using the TVPA, in Florida federal court against retired army Col. Luis Alfonso Plasas Vega in the death of their father, auxiliary attorney Carlos Horacio Urán.

Mr. Plasas, now 78 and living in Florida, was the tank commander who led the rescue operation at the palace. Carlos Urán worked there. His daughters allege that their father emerged from the building alive and was taken across the street to an emergency center set up to process survivors. There, they say, he was tortured and killed with his body later returned to the palace.

The claim is absurd, but the strategy isn’t. Plaintiffs don’t have to produce evidence to bring a complaint. Under TVPA they need only allege that a defendant, living in the U.S., engaged in torture or extrajudicial killings on the part of a foreign government.

The allegation directly contradicts the declarations palace survivors made under oath to Colombian judicial authorities. One of those survivors was Colombian Supreme Court

President Petro’s old M-19 allies are trying to rewrite history using judicial warfare.

magistrate Samuel Buitrago Hurtado, who witnessed Carlos Urán and another magistrate gunned down by the terrorists inside the palace. “Someone shouted for the hostages to come out,” Buitrago testified before a criminal court on Nov. 20, 1985. “It was then that Dr. Manuel Gaona Cruz stood and started running in the middle of the crossfire in the direction of the exit door and there he fell down by the bullets, as well as Dr. Carlos Horacio Urán who came out behind him.” Other testimonies at time corroborated Buitrago’s eyewitness account that Carlos Urán died inside the palace.

On April 28 Mr. Plasas filed answers to the allegations in

Florida federal court. But he lacks the resources—possibly upward of \$600,000—to go to trial, where lawyers would be able to address the complaint, point by point. His only option is to allow “default,” in which case liability is established and the only remaining step is to assess damages.

It’s worth noting that Mr. Plasas was detained in Colombia for more than eight years (2007-15) on charges of disappearing 11 justice-palace victims. But Colombian prosecutors never produced a shred of evidence against him, and in 2015 he was exonerated by Colombia’s Supreme Court, though never compensated for his wrongful incarceration. That ruling noted Mr. Plasas had no role in processing the survivors because he was inside the palace waging the battle and because the emergency center wasn’t under his command. Colombia has an open inquiry into Carlos Urán’s death, but the retired colonel isn’t a subject of that investigation.

The motivation for this case can hardly be financial since Mr. Plasas, living on a military pension, doesn’t have much in the way of assets to seize as recompense. Rather he is an ideological target.

A ruling in a U.S. court against the hero of the 1985 defeat of the M-19 is sure to be paraded about in Colombia. Sadly, the public is unlikely to understand that it won’t be a victory for truth, but for deep pockets.

Write to OGrady@wsj.com.

No More Subsidies for Junk Food

By Marco Rubio

The Supplemental Nutrition Assistance Program is a lifeline for tens of millions of low-income Americans who rely on it for food. But like most government programs, SNAP is in dire need of reform.

Though SNAP is meant to supplement nutrition, more than 20% of all program spending goes to unhealthy food and drink. Taxpayers are projected to spend \$240 billion on junk food, with more than \$60 billion going exclusively to soda, over the next decade. Equally important are the health consequences for those relying on the program.

This subsidization of junk food is fueling American health crises. More than 40% of U.S. adults are obese, and roughly half have diabetes or prediabetes. These diseases can be debilitating. They are also extremely expensive, costing hundreds of billions of dollars in medical costs

each year. That SNAP plays a role in their spread is immoral, irresponsible and reprehensible.

Thankfully, this isn’t a partisan issue. In 2013 progressive mayors advocated a federal pilot program to test approaches “limiting SNAP’s subsidization of products, such as sugar-sweetened beverages, that are contributing

My bill would exclude soda and prepared desserts from SNAP.

to obesity.” In 2018 agriculture secretaries from the Clinton, Bush, and Obama administrations warned that “ignoring nutrition is, quite literally, killing a thousand Americans every day.”

“Diet-related disease is the leading cause of death in the United States,” they wrote. “And of course, these diseases come with a hefty price tag, putting tremendous pressure

on an already overburdened health care system.”

The former secretaries’ pleas went unanswered in 2018, but Congress has an opportunity to get it right as we work on the next farm bill. One of the former secretaries who urged action on nutrition, Tom Vilsack, is back for a second tour of duty at the U.S. Department of Agriculture.

I look forward to working with Mr. Vilsack and my colleagues in Congress to align SNAP benefits with the long-accepted standards of America’s other major nutrition programs: the National School Lunch Program and the Special Supplemental Nutrition Program for Women, Infants and Children. My coming bill would explicitly exclude soda and prepared desserts from SNAP, reorienting the program toward healthy food—protein, produce, oatmeal, etc.—and beverages like milk and pure fruit juice.

Such common-sense re-

form would promote healthier diets at no additional cost and, in the long run, reduce medical expenses. It would also begin to address food deserts in low-income neighborhoods. If soft drinks and sweets are no longer SNAP-eligible, corner stores and supermarkets will have more incentive to stock healthier foods.

As with everything in Washington, this proposal has opponents. But there is nothing compassionate or responsible about spending taxpayer dollars on empty calories that contribute to health crises.

If Democrats won’t take my word for it, they should take that of their own administration. “The House and Senate,” Mr. Vilsack wrote in 2018, “should officially make diet quality a core SNAP objective, like fiscal integrity and food insecurity are now.” Well said, Mr. Secretary. Let’s do just that.

Mr. Rubio, a Republican, is a U.S. senator from Florida.

OPINION

REVIEW & OUTLOOK

Bill Barr's Warning on Trump

A common refrain among many Donald Trump supporters is that, while they may dislike his character and what he did on Jan. 6, 2021, they like his policies. Those voters might consider the warning from Mr. Trump's second Attorney General, William Barr.

The former AG says his one-time boss won't deliver on his policies.

"If you believe in his policies, what he's advertising as his policies, he's the last person who could actually execute them and achieve them," Mr. Barr told the City Club of Cleveland on Friday.

Mr. Barr should know, having worked for President Trump for 22 months. "He does not have the discipline. He does not have the ability for strategic thinking and linear thinking, or setting priorities or how to get things done in the system," Mr. Barr continued. "It's a horror show, you know, when he's left to his own devices."

"And so you may want his policies, but Trump will not deliver Trump policies. He will deliver chaos, and if anything lead to a backlash that will set his policies much further back than they otherwise would be."

Most GOP opponents of nominating Mr. Trump for the third straight time for President say he can't win. The Republican election record since 2018, including his loss to President Biden, suggests that's right. But events are unpredictable, including the pace of Mr. Biden's physical and mental decline.

Mr. Barr's point, and it's more powerful than the electability argument, is that Mr. Trump won't be able to govern successfully even if he did somehow win a second term. He wouldn't be able to deliver the conservative policy victories that most Republicans want.

The rebuttal from the Trump establishment will be to cite his first term, but that record supports Mr. Barr's point. We also agree with many of Mr. Trump's policies, and we backed them during his Presidency. But his most important policy victories were conventional GOP priorities delivered by people he now denounces as "RINOs."

The Federalist Society delivered his list of judges that then Majority Leader Mitch McConnell guided to Senate confirmation. Paul Ryan and House Republicans spent years building policy and political capital for tax reform. Vice President Mike Pence supplied some of Mr. Trump's best policy advisers. While Mr. Trump deserves credit for embracing these people and policies, his second term

would be filled by much lesser lights.

The record on Mr. Trump's signature ideas isn't as successful. He failed to build the border wall, and even with a GOP majority in Congress in his first two years he never passed an immigration bill that reformed the "credible fear" standard of persecution for migrants seeking asylum in the U.S. All the dysfunctions of U.S. immigration law were there for Mr. Biden to exploit.

Mr. Trump's trade agenda also achieved little other than higher costs for Americans. China's behavior hasn't improved, while the U.S. is out of the successor deal to the Trans-Pacific Partnership that Mr. Trump walked away from. He failed to negotiate a new bilateral deal with the United Kingdom.

Mr. Trump's enemies were relentless and deceptive, but he also too often gave them a sword. He ignored advice (see our Jan. 13, 2017 editorial) to ask James Comey to resign on taking office because, as Mr. Trump told visitors, he was impressed by the FBI director's height and thought he could control him. True story, and bad decision. After he finally and lawfully fired Mr. Comey in May 2017, Mr. Trump triggered a special counsel probe with comments that contradicted the previous White House explanation.

The worst example of the chaos Mr. Barr cites is Mr. Trump's management of Covid. Mr. Trump conceded to destructive lockdowns recommended by Anthony Fauci, and he never adopted a consistent message. He daily took the bait of White House reporters and engaged in distracting feuds over Covid treatments and so much else.

He never took the time, as Florida Gov. Ron DeSantis did, to study the subject and offer reassuring leadership. This was the main reason for Mr. Trump's defeat in 2020 as Mr. Biden campaigned on ending the chaos.

A fuller account of Mr. Trump's Presidency can wait for other days, but Mr. Barr's warning is one that GOP voters deserve to hear. Democrats and most of the media want Mr. Trump to be the GOP nominee because they believe he is the easiest candidate to defeat.

Republican voters are rightly appalled by the behavior of Democratic prosecutors, and they've rallied to Mr. Trump's defense. But they have to decide if they want to let Democrats make their nominating choice for them, while ignoring Mr. Barr's warning about the policy risks of a second Trump term.

LETTERS TO THE EDITOR

The Only Way Republicans Can Win in 2024?

Gerald Baker suggests that "Trump Could Win if People Vote Their Pocketbooks" (Free Expression, May 2). If people had voted their pocketbooks in 2020, President Trump would have won re-election easily, as polls showed that most American felt they had become better off during Mr. Trump's four years in office. The reason Mr. Trump lost (and lose, he did) is that too many voters, despite their increased material well-being, simply came to loathe the man. The general opinion of Mr. Trump since then, including among many erstwhile Trump supporters, hasn't improved.

If the GOP wants to win in 2024, even against a grossly unworthy President Biden, it will have to ride a different horse into the presidential race.

EDWARD HOCHMAN
New York

In "Will Trump Prove to Be Another Romney?" (op-ed, May 4), Karl Rove echoes the conventional wisdom: Mr. Biden "desperately desires" to run against Mr. Trump because he is "the only man Mr. Biden thinks he can beat." I don't know what is in Mr. Biden's mind or heart, and I certainly

can't foretell the future, but I think there is a very strong case that Mr. Trump is the Republican who actually has the strongest, not the weakest, chance of defeating the president.

It is highly likely that, if Mr. Trump is denied the Republican nomination, he will either mount a third-party campaign or encourage his millions of die-hard supporters not to bother voting in the general election. This will be because he was unfairly denied the nomination or the general election is rigged against Republicans and so forth. In either case, millions of otherwise reliably Republican voters wouldn't be voting for the Republican candidate, thus guaranteeing that candidate's defeat.

It shouldn't be forgotten that, in 2016, Mr. Trump refused to pledge that he would support whoever the Republican Party nominated. The only candidate Mr. Trump would wholeheartedly support in 2024 is Donald J. Trump. If he isn't the candidate, he will fatally damage the person who has "stolen" the nomination from him. That's how he rolls.

DAVID E. WEISBERG
Cary, N.C.

Poland, Indispensable to the West? Not Again

For an American Pole, the rare acknowledgment of Poland's role in Europe ("Poland Is the Indispensable NATO Ally," Review & Outlook, May 4) comes at a price of a certain ominous feeling of déjà vu.

Historically, Poland was called *Antemurale Christianitatis*, the bulwark of Christianity. This isn't merely a sobriquet. It reflects the role Poland played for centuries as a bulwark of Europe, and it isn't a role that Poland has assumed gratuitously. The root of Poland's blight is its geopolitical position between the various peoples migrating from the steppes of Asia and an aggressive neighbor from the West. From the East came the Mongols and other peoples whose names are now exotic to our ears. Then there were the Turks, whom Poland was key

in defeating before the walls of Vienna in 1683. The expansion of Imperial Russia came at the cost of 250 years of lost freedom for Poland. In 1920, without any help from its Western neighbors, Poland stopped the Soviet horde at the Wisla (Vistula) River. When attacked by both Germany and Russia in World War II, Poland's Western neighbors remained in fool's paradise behind the Maginot Line.

I feel somewhat secure in Poland now being part of NATO. But I can't dispense with the memory that treaties don't have to be kept. I am banking not on humanistic democratic sentiments, but rather on realism that a united Europe won't allow an old, tragic story to repeat itself.

JACK KACZOROWSKI
Los Angeles

IRS Does Good Work on 'Listed Transactions'

In "Congress Gave \$80 Billion to a Lawless IRS" (op-ed, April 29), Travis Nix cites court rulings against Internal Revenue Service notices listing syndicated conservation easements as listed transactions. This isn't the reason to be dubious of IRS use of the additional funds. The IRS is protecting the fisc against unscrupulous pro-

motors who entice high-income individuals with tax savings too good to be true.

The process of placing specific transactions on the listed-transactions list has been followed for over 35 years prior to challenge under the Administrative Procedure Act. Context is in order: Charitable deductions were being claimed in amounts multiple times the actual investments, in some cases mere days after the investment transactions. The Tax Court upheld 40% gross-valuation penalties for participants.

As a taxpayer, I'm pleased with the IRS's success. Mr. Nix's concern is procedural and he is right to be concerned. Properly followed, however, the listed-transaction reporting requirements assist the IRS in finding investors who abuse the system. If those investors aren't found and audited, honest taxpayers will ultimately have to make up the difference.

CHRISTOPHER W. HESSE, C.P.A.
Richland, Wash.

Why the Teachers Unions Can Amass So Much Power

William McGurn's critique of the power-hungry head of the American Federation of Teachers, Randi Weingarten, is spot on ("On Randi Weingarten's Waterfront," Main Street, May 2). There is a reason that Ms. Weingarten has been able to accumulate all of the power she possesses. The public school boards of education with which Ms. Weingarten and the union deal are, in fact, public. In negotiation sessions between any public-sector union (teachers, law-enforcement officers, firefighters and so forth) and the political body on the other side, the latter is dealing with the taxpayers' money, not its own.

On the other hand, in the private sector, management is dealing with its own and its shareholders' financial interests. Hence, there is an incentive to hold the line in the face of unreasonable bargaining demands. It's that simple.

HARVEY A. SILVERGLATE
Cambridge, Mass.

Mr. Silverglate is a civil-liberties litigator and co-founder of the Foundation for Individual Rights in Education.

Bring Your Own Pocketknife

In her review of "Tudor Children" by Nicholas Orme (Bookshelf, April 27), Meghan Cox Gurdon says, "They threw knives in a game charmingly called 'mumble-the-peg,'" perhaps suggesting this Tudor-era game has been lost to posterity. But growing up in the 1950s in Syracuse, N.Y., and Philadelphia, we played a game called mumbly peg. Each player would flick his pocketknife into the ground as close to his toe as he could, then stretch that foot to reach the blade while keeping his back foot fixed. It was a game of balance; last man standing was the winner.

Little could we imagine we were playing a game as old or older than Shakespeare. I wonder if this game is still played in America today. I have my doubts.

KHUSHRO GHANDHI
Los Angeles

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Ohio May Start a Free Speech School

Free speech on campus has been making a modest comeback of late, as more schools look for ways to reintroduce classical liberal principles of civic debate and expression. The latest step forward is in Ohio, where the Legislature is planning a new school for free expression and academic inquiry in Columbus.

Lawmakers on Wednesday introduced a bill to create the Salmon P. Chase center for civics, culture and society at Ohio State University. Named for the former Ohio Governor who was also a Chief Justice of the U.S. Supreme Court, the school would be an independent academic unit on campus that would focus on the "historical ideas, traditions and texts that have shaped the American Constitutional order and society."

The school is intended to encourage greater academic diversity. It will "create a community dedicated to an ethic of civil and free inquiry, which respects the intellectual freedom of each member," according to the legislation. Classes will include lessons on the "books and major debates which form the intellectual foundation of free societies." A school with a similar writ will be created at the University of Toledo College of Law.

Ohio State's plan, sponsored by Senate Majority Leader Robert McColley and Sen. Jerry Cirino, follows a similar effort at the University of North Carolina, where the trustees this year announced a new School of Civic Life and Leadership. That plan enraged many in the school's left-leaning faculty who are trying to block the project.

Mr. McColley tells us that Ohio's effort is aimed at "recentering the topics and experience of higher education." College was "once known as a place to explore the viewpoints of others around you," without being subjected to a heckler's veto, he adds.

The best development would be for school presidents to reclaim instruction and debate from campus censors. But too few are willing to risk their careers or endure harassment to do it. The rise of the diversity, equity and inclusion bureaucracy has also institutionalized the use of race and gender as weapons to claim offense and censor speech that upsets progressive sensibilities.

That leaves the school-within-a-school idea as one way to establish a redoubt for open intellectual inquiry. There's always the risk that these schools can also be captured, but give Ohio lawmakers credit for trying.

'My Son Has Done Nothing Wrong'

President Biden says he doesn't interfere with the Justice Department's prosecutorial decisions, but influence can take many forms. One is to send a public signal in an interview that Attorney General Merrick Garland will hear.

That's what Mr. Biden did Friday when asked in a rare interview about the probe into his son Hunter's misadventures. "My son has done nothing wrong," the President said on MSNBC. "I trust him. I have faith in him, and it impacts my Presidency by making me feel proud of him."

That's a highly inappropriate message from a President. He's essentially telling prosecutors that they are wrong to bring an indictment because Hunter is innocent of any criminal behavior. Some might think it's only natural for a father to defend the son he loves, but the Justice Department is part of the executive branch that he runs. Mr. Garland and his prosecutors work for the President.

It's true that other Presidents have crossed this line. Donald Trump made numerous comments about the innocence of his political allies and, worse, the need to indict his enemies. In July 2017, he attacked then Attorney General Jeff Sessions, saying he "has taken a very weak position on Hillary Clinton crimes."

GOP Sen. Lindsey Graham criticized the comments. "Prosecutorial decisions should be based on applying facts to the law without hint of po-

litical motivation," he said. "To do otherwise is to run away from the long-standing American tradition of separating the law from politics regardless of party."

These columns noted at the time that "Mr. Trump's suggestion that his Attorney General prosecute his defeated opponent is the kind of crude political retribution one expects in Erdogan's Turkey or Duterte's Philip-

pines."

Mr. Biden ran for the White House claiming he was better than Mr. Trump on these political norms. Apparently not. Yet Democrats and the media have also been mostly silent about Mr. Biden's remarks about his son. Double standard?

All of this is especially relevant now as the press is reporting that Hunter Biden's lawyers recently met with prosecutors. Hunter has hired a new lawyer, the prominent white-collar defense attorney Abbe Lowell, and Axios reports that Hunter may establish a legal defense fund. This suggests that Hunter may be preparing for a possible indictment related to his business dealings, among other things.

Mr. Biden's claims about his son's innocence complicate the job of federal prosecutors. Such a high-profile probe is always fraught with political implications, and many Americans will assume political influence if there is no indictment. But Mr. Biden shouldn't feed those suspicions with his public statements.

The President sends an inappropriate signal to the Justice Department.

The New School Reading List

The books that Danny Heitman mentions in "I'm Revisiting the Books of My Youth" (op-ed, April 27) bring a painful sense of loss. I compare them with the readings my children are getting now. My fourth- and third-graders complain about the monotony of the assigned readings they get from an online platform adopted by the school: the topics are either Native American, civil rights or climate change, on repeat. Even children are recognizing the "weird" narrowness in the selection. That is, even children have suspected that there are a variety of writers and topics out there that are purposefully hidden from them.

FRANCES LEE
Chicago

Pepper ... And Salt

THE WALL STREET JOURNAL



"I'm a corporate attorney, but you may remember me as the Sun Baby from 'Teletubbies.'"

OPINION

The 'Gilded Age' Myth, Then and Now

By Phil Gramm
And Amity Shlaes

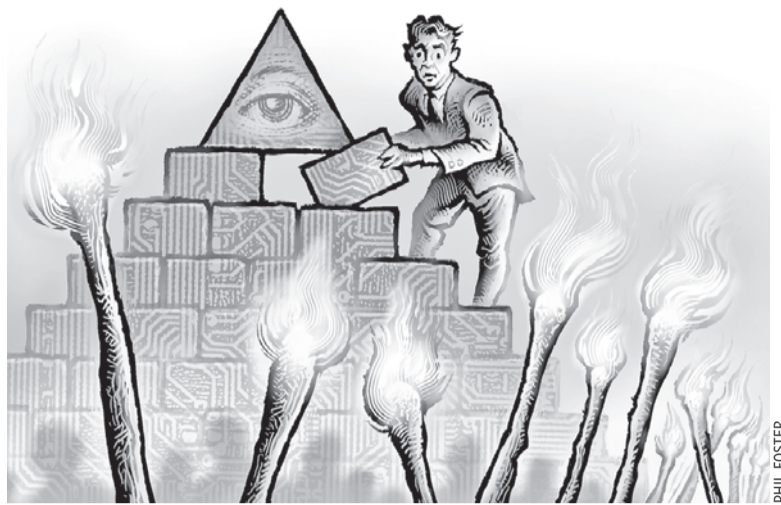
Everything old is new again, and blaming the rich for America's woes is no exception. The rise of progressivism before the turn of the 20th century was fueled by the perception that "robber barons" of industry and finance had earned their fortunes from their monopoly power that allowed them to exploit the poor and middle class. That era has been damned with a pejorative label: the Gilded Age.

That thinking has re-emerged in the Democratic Party today, though this time it has its sights set on our economy's tech giants. In both cases, the underlying economic claims are at variance with the facts. The wealth created by industrialization, modern finance and communication has reduced poverty, elevated material well-being and promoted general prosperity. Economic growth isn't a zero-sum game.

'Robber barons' of the 19th and 21st centuries enrich, not exploit, the poor and middle class.

That hasn't stopped popular culture, economists and public education from claiming otherwise. In Washington's National Portrait Gallery, in a room filled with paintings of the great titans of industry and finance, there is a depiction of the economic journalist Henry George with an accompanying plaque quoting his assessment of the Gilded Age: As the U.S. advances in material and technical progress, he observed, "the rich get richer, the poor grow helpless, the middle class is swept away."

More than a century later French economist Thomas Piketty concluded that the middle class "suffered a setback during the Gilded Age." Likewise, in the teacher's guide to his bestselling American history textbook, Howard Zinn writes that "ordinary people who lived through the Gilded Age . . . experienced tremen-



PHIL FOSTER

dous hardships and losses. . . . While they got poorer, the rich were getting richer." Remarkably, these statements were written about a period that by every available economic measure was the beginning of a golden age of material well-being—especially for American workers.

Between 1870 and 1900, America's inflation-adjusted gross national product expanded by an unprecedented 233%. Though the population nearly doubled, real per capita GNP surged by 90%. Real wages of non-farm employees grew by 53%, and life's staples, such as food, clothing and shelter, became more plentiful and much cheaper. Food prices plummeted by 174% and the cost of textiles, fuel and home furnishings fell by 70%, 65% and 70%, respectively. The illiteracy rate fell by 46% and life expectancy rose 12.5%. Infant mortality declined by 17%.

As American capitalism blossomed, some got rich. In 1892 there were 4,050 millionaires, with less than 20% having inherited their wealth. The rest created it and in the process reduced poverty, expanded general societal prosperity, and made it possible for millions of immigrants looking for opportunity and freedom to find both. That mattered little to progressives, who were so obsessed by the 4,050 millionaires that they turned a blind eye to the 66 million Americans whose economic well-being improved faster than any people who

had ever lived on earth.

Had the Gilded Age suffered from monopolistic exploitation, as critics claim, output would have fallen and prices would have risen in the monopolized industries. In a 1985 study, economist Thomas DiLorenzo tested that hypothesis for steel, petroleum, railroads and other industries accused of being monopolistic during the debate on the Sherman Antitrust Act of 1890. He found that output in those industries actually increased by an average of 175% from 1880-90—seven times the growth rate of real GNP. On average, prices in the ostensibly monopolized industries fell three times as fast as the consumer price index.

This myth of the Gilded Age in turn produced Progressive Era regulations that proved to be an impediment to competition, as regulation became an "instrument of cartelization," producing higher prices, poorer services and less innovation. By the 1970s the negative effect of these regulations was so obvious that Sen. Ted Kennedy and President Jimmy Carter led the deregulation of airlines, trucking, railroads, energy and communications. The benefits of overturning Progressive Era regulations included more competition, greater efficiency, more innovation and stronger growth, setting the foundations of contemporary American competitiveness and prosperity.

Proving that no bad idea ever dies, progressivism has been reborn

with outcries against billionaires and the tech industry as the new monopolistic "trust" that must be "busted" and regulated. Robert Reich, who served as President Clinton's labor secretary, has opined that "like the robber barons of the first Gilded Age, those of the second"—the tech giants—"have amassed fortunes because of their monopolies."

Yet on both claims, with growing inequality and monopoly as its cause, the case for 21st-century progressivism is even weaker than it was in the Gilded Age. Spewing envy at the Fortune 400 billionaires—whose combined after-tax incomes wouldn't have funded federal, state and local government in 2020 for a week—progressives denounce such people as Bill Gates, who has created hundreds of thousands of jobs and enriched the lives of billions. Today our retirement funds own far more of Microsoft than he does.

Tech production and prices show no signs of the modern tech industry being monopolized. In fact many of their products are free, and the cost of search and text advertising that underwrites much of their revenues has fallen by more than 50% in the last decade. Progressive regulation for 80 years stifled competition, lowered efficiency and drove up prices. Is this an experiment we want to repeat?

Today's progressive rant that income inequality is an existential threat is unpersuasive and untrue. If we counted all transfer payments such as food stamps and refundable tax credits as income to their recipients and taxes paid as income lost to taxpayers—something the U.S. Census Bureau doesn't do—we'd find that income inequality is lower today than it was in 1947.

At its root, progressivism is based on a myth and fueled by envy—the same caustic force that has destroyed prosperity and endangered freedom from the time of the ancient Greeks.

Mr. Gramm is a former chairman of the Senate Banking Committee and a nonresident senior fellow at the American Enterprise Institute. Ms. Shlaes is author of "Great Society" and "The Forgotten Man."

It's Long Past Morning In Biden's America

By Kenneth L. Khachigian

Ronald Reagan did something 40 years ago that now seems impossible: He romped to reelection with victories in 49 states. Along the way he buried the age issue, rode a growing economy with declining inflation, and promoted a country with renewed faith and spirit. President Biden and his team are working hard to reprise that historic win.

Mr. Biden's ad team is so enamored of Reagan's "Morning in America" commercial they produced a copycat. The video announcing the Biden re-election bid is replete with images of smiling children and folks flying the American flag in small towns. But while the 1984 commercial—crafted by Reagan's "Tuesday Team" of admen—was simple and affecting, Mr. Biden's video is an amateurish pastiche of quick cut-aways and amped-up music. All the frenetic energy is apparently meant to distract Americans from the aging president's obvious lack of vitality. Without the closed captioning, viewers may not have been able to understand the rapid-fire word mangles spilling from Mr. Biden's mouth.

The president tries to mimic Reagan's re-election campaign but produces something old and dark.

In his video, Mr. Biden calls for "freedom," but voters will naturally wonder if that means freedom from his manufactured inflation, uncontrolled borders, culture wars, educational failures and nonstop efforts to divide America. Given Mr. Biden's reneging on his inauguration pledge of "much to repair, much to restore, much to heal," with his crude attacks on half his fellow citizens, his script-writers looked for redemption by stealing a message from Reagan. *Hey boss, it worked for Reagan; it might work for you.*

I was in the Oval Office in January 1984 when Reagan looked into the Tuesday Team's camera and declared, "Our work is not finished; we have more to do." In perhaps his boldest bit of borrowing, Mr. Biden's line is: "Let's finish the job."

The Biden commercial is already running in battleground states. But two things are missing. One is Hal Riney's smooth-as-velvet narration with calm reassurances that things are better. The other is something Mr. Biden could never match, and that is Reagan's gift of communicating optimism. Mr. Biden's ad is replete with dissonance and anger—images of riots and warnings of dangers to democracy and cuts to Social Security. The 46th president hopes to ride a wave of fear to a second term.

Watching his opening announcement, and his appearance at the White House Correspondents' Association Dinner, I see how deep are the concerns for the Biden team as they struggle to maintain the vibrancy of his persona. Reagan pulled off jokes about his age, 73 in 1984, because he was a veteran of 30 years on the speaking circuit telling stories and teeing up one-liners. From the correspondents' awkward reactions, it's also clear that Reagan had better gag writers than Mr. Biden does. One more thing: If Dutch couldn't remember the last country he visited, he would have had the whole room laughing with a story about John Wayne or Bob Hope. Mr. Biden not only couldn't remember his recent visit to Ireland, he struggled to hold the attention of an Irish 10-year-old and needed help from his adult son to work the rope line.

In 1984 our pollster was obsessed about the "age issue," but we had easy solutions. In the first place, Reagan had a winning record on which to run. When challenged, he stepped up to the plate. He campaigned vigorously with the gifts of a veteran on the stump, always at ease with an audience. The electorate knew—and if they didn't, the White House staff told them—that our guy spent his weekends and vacations riding horses, cutting brush and building fences on his California ranch.

If the Biden team is going to try to mimic Ronald Reagan's 1984 campaign, they have their work cut out. My guess is that the best they can do is fly him to Delaware, hand him a pair of Ray-Bans, and film him sitting in his Corvette.

Mr. Khachigian was chief speechwriter for Ronald Reagan and helped produce the "Morning in America" commercials.

The Lockdowns Are Over, but the Damage Goes On



LIFE SCIENCE
By Allysia Finley

ately. How about addressing more pressing public-health problems that have festered as they've obsessed about the virus? Don't hold your breath.

Developing countries are seeing a resurgence of deadlier infectious diseases such as cholera, tuberculosis, measles and polio. In the U.S., young people are experiencing persistent problems that were aggravated by lockdowns including increased deaths, mental illness, drug overdoses and a detachment from the workforce. Call the phenomenon "long Covid lockdowns."

Officials are trying to absolve themselves of responsibility for the post-Covid malaise by disclaiming the lockdowns. "Show me a school that I shut down and show me a factory that I shut down," Anthony Fauci told the New York Times Magazine's David Wallace-Wells last month. "Never. I never did."

Dr. Fauci added: "Did we say that the elderly were much more vulnerable? Yes. Did we say it over and over and over again? Yes, yes, yes. But somehow or other, the general public didn't get that feeling that the vulnerable are really, really heavily weighted toward the elderly."

Is memory loss a long Covid symptom? Dr. Fauci told the American Society for Microbiology in August 2020: "We'd better be careful when we say, 'Young people who don't wind up in the hospital are fine, let them get infected, it's OK.'"

No, it's not OK." He added that young people "do get sick and symptomatic enough to be in bed for a week or two or three and then get better, they clear the virus—they have residual symptoms for weeks and sometimes months." He repeated this ad nauseam to justify shutdowns even though he knew young people were at low risk of severe illness.

Workforce dropouts and drug overdoses became more common as the world obsessed over the virus.

Dr. Fauci's attempt to rewrite pandemic history recalls the classic "Seinfeld" episode in which George Costanza overreacts to a kitchen grease fire at a birthday party and mows down guests as he rushes to escape. "I was trying to lead the way. We needed a leader!" George cries in self-defense. "I was not leaving anyone behind!" The rush by Dr. Fauci and other public-health officials to shut down the economy has left hundreds of thousands of young Americans behind.

The Centers for Disease Control and Prevention on Friday reported that deaths from unintentional injuries—largely drug overdoses—last year exceeded those from Covid. But while the vast majority of Covid deaths have been among older people, drug overdoses even at the peak of the pandemic were the leading cause of death among young adults.

Politicians blame fentanyl pouring over the border, which no doubt has contributed. But notably, drug deaths were flat in the two years preceding the pandemic. They spiked only as government lockdowns took hold, plateauing early last year as life finally returned to normal after the

Omicron surge and shutdowns.

In any case, fentanyl isn't the only culprit. Between 2019 and 2021, methamphetamine-overdose deaths more than doubled and cocaine deaths rose 54%. These figures don't account for the increase in drug-related deaths that aren't a result of overdoses. Politicians treat weed as harmless, but it's been linked to a significantly higher risk of stroke and heart attacks.

So has abuse of prescription stimulants such as Adderall, to which young people increasingly turned during the pandemic. A Trilliant Health analysis of insurance claims found Adderall prescriptions increased 58% between 2018 and 2022 among adults 22 to 44. There's now a shortage of the drug because manufacturers haven't been able to keep up with demand.

The Trilliant analysis also found an increase in healthcare visits for anxiety disorders (48%), alcohol and substance use (27%) and depression (24%) between the first three months of 2019 and the same period in 2022. None of this is surprising, but it goes

a long way in explaining why deaths among young people remain elevated even as Covid deaths have plunged.

During the first eight weeks of this year, deaths among adults 25 to 44 were running about 25% higher than in 2019, though Covid could account for at most 10% of these "excess deaths." A Society of Actuaries Research Institute report last November documented similar levels of excess death among young people.

Premature deaths and drug use no doubt are among the reasons for the persistent worker shortage. The White House boasts that labor-force participation among 25- to 54-year-olds has finally returned to pre-pandemic levels. But as it even somewhat concedes, the main reason is a surge in immigration, much of it illegal.

The number of native-born Americans in the workforce has risen a mere 2.8% since January 2021, versus 12.2% for immigrants. Employers are no doubt happy that the immigration crush is making it easier to hire, but what will happen to all of the young Americans who drop out of life?

The Covid Slush Fund

By Joel Zinberg

The House has passed the Limit, Save, Grow Act, which would raise the debt limit for a year in exchange for deficit-relief measures. One of those measures—recovering billions of dollars of approved but unspent Covid-19 relief funds—shouldn't be controversial. The official public-health emergency ends Thursday. The actual emergency has been over for a long time. But some lawmakers want to use the money as a slush fund.

Congress appropriated \$4.6 trillion for pandemic response and recovery in six Covid-19 relief laws enacted between March 2020 and March 2021. More than two years later, \$444 billion of the total remains unspent. More than \$114 billion hasn't even been "obligated," or committed to pay for goods and services ordered or received. Of this amount, \$90.5 billion remains available for obligation and \$23.7 billion has expired, meaning that it can't be used to incur new obligations.

Section 201 of the House bill calls for the rescission—permanent cancellation—of these unobligated balances. Rep. Rosa DeLauro (D., Conn.), ranking member of the House Appropriations Committee, objects and has produced an eight-page list of projects she says wouldn't be funded if the unobligated balances are rescinded.

Undoubtedly, some of these projects are worthwhile, but Ms. DeLauro's catalog raises a big question: Why, more than two years after the money was appropriated, hasn't it been spent on these presumably valuable projects?

Clawing back money that hasn't been spent would return power to Congress.

Bureaucratic agencies never return unused funds. They always spend them regardless of the merits. If these unobligated funds, which agencies haven't found worthwhile uses for in more than two years, stay with the agencies, they will be obligated and spent.

The funds should be returned to the Treasury. That would reduce the deficit and restore decision-making authority to Congress. If future projects are truly valuable, lawmakers should fund them.

Cutting the deficit will require hard choices. Recovering unspent Covid funds well after the emergency has ended is an easy choice.

Dr. Zinberg is a senior fellow at the Competitive Enterprise Institute and director of the Paragon Health Institute's Public Health and American Well-Being Initiative.

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WORLD NEWS

China Limits Data After Reports Emerge

Beijing officials were alarmed by U.S. think tanks' studies based on public information

By LINGLING WEI

A recent campaign to restrict overseas access to China-based data sources was partly triggered by a drumbeat of U.S. think-tank reports on sensitive Chinese practices that alarmed Beijing, people with direct knowledge of the matter said.

Increasingly worried about perceived Western threats, Beijing in recent weeks expanded an anti-espionage law and stepped up pressure on foreign companies specializing in collecting information, such as auditors, management consultants and law firms. In addition, access to Chinese databases including Shanghai-based **Wind Information** has tightened for foreign think tanks, research firms and other nonfinancial entities.

The wider scope of the campaign is intended to ensure the party-state's control over narratives about China. The part of it focused on restricting overseas access to databases began in earnest after some reports based on publicly available information set off alarms among senior Chinese officials, the people with knowledge of the matter said.

The reports, these people said, included analyses written by the Center for Security and Emerging Technology at Georgetown University and the Center for a New American Security, co-founded by Kurt Campbell, the White House's coordinator for the Indo-Pacific.

Using open-source data, several of the reports focused on areas that Beijing consid-



Chinese officials have become more concerned about data security as a result of Western online sleuthing. Above, pedestrians in Beijing

ers sensitive, such as what it calls civil-military fusion—the interplay between China's civilian research and commercial sectors and its defense sector to advance the country's military capabilities.

Because of opaque policymaking and a lack of direct access to Chinese businesses and authorities, many Western think tanks and research firms have resorted to looking for information on procurement, corporate ownership and policy in documents that can be found on the Chinese internet.

The online sleuthing is making Beijing increasingly concerned about the security of Chinese data as competition with the U.S. intensifies. Some Chinese officials say

several Washington-based think tanks have mined the country's open-source data to help validate a hard-line U.S. policy toward China, such as heightened restrictions on the sale of high-tech products to Chinese companies.

One of the U.S. think-tank reports that got Chinese authorities' attention, the people said, is a policy brief published by the Center for Security and Emerging Technology in June, titled "Silicon Twist." It focuses on Chinese military access to advanced chips designed by American companies and manufactured in Taiwan and South Korea.

"By analyzing thousands of purchasing records, this policy brief offers a detailed look at how China's military comes

to access these devices," according to a blurb of the article on the center's website. The report didn't identify the sources for the procurement data it analyzed.

Also on Beijing's radar, the people who have consulted with Chinese authorities said, is a catalog compiled by the center for Chinese initiatives aimed at recruiting scholars and students in support of China's strategic goals, called "The Chinese Talent Program Tracker."

The information in the catalog, according to an introduction on the center's website, resulted from analysis of sources publicly available on Chinese government websites, state media and Chinese university websites.

The Cyberspace Administration of China, an agency set up by Chinese leader Xi Jinping to police the internet, in March notified various Chinese data providers to restrict overseas access to information involving corporate-registration information, patents, procurement documents, academic journals and official statistical yearbooks, said the people who have consulted with Chinese authorities.

As a result, the academic database China National Knowledge Infrastructure, or CNKI, informed foreign universities and other research institutions that their access to its digital records would be limited, effective April 1.

"Like many other organizations and university libraries

across the country, we were notified about changes to our CNKI access in March," said Lynne Weil, spokeswoman for the Center for Security and Emerging Technology, founded in 2019. "This disruption is dismaying and a loss for the research community, particularly those who study China. But it will not discourage us from doing our work."

China's cybersecurity regulator didn't respond to a request for comment.

In an email, a spokesman at the Chinese Embassy in Washington said, "I don't have specific information on the situation you mentioned. But in principle, China actively promotes international research cooperation." He added, "We actively support foreign experts to play a part, sometimes a leading part, in some of our research programs."

Some publications by the Center for a New American Security, the people said, have rattled China's leadership, including 2019 testimony made by a senior fellow at the center to the U.S.-China Economic and Security Review Commission, a group Congress has charged with providing policy recommendations based on its evaluation of national security and trading risks associated with China.

That testimony indicated that China's military was actively exploring ways to use artificial intelligence to enhance its combat power. The Center for a New American Security, co-founded by Mr. Campbell in 2007, is considered one of Washington's go-to policy institutes for defense matters. The center and the National Security Council, where Mr. Campbell works, didn't respond to questions.

◆ Chinese firms advance AI without latest chips..... B1

Japan, South Korea Leaders Discuss Security

By DASL YOON

SEOUL—The leaders of South Korea and Japan met Sunday, as the two U.S. allies continue rekindling cooperation to counter China's regional aggression and North Korea's nuclear threat.

Japanese Prime Minister Fumio Kishida arrived in Seoul for a two-day trip, the first visit to South Korea by a Japanese leader since 2018. South Korean President Yoon Suk Yeol traveled to Tokyo in March for the first formal summit between the two countries in more than a decade.

Mr. Kishida visited the Seoul National Cemetery and paid respects to Korean War veterans and independence activists. The two leaders discussed the threat posed by

North Korea's nuclear and missile development and vowed to strengthen security cooperation with the U.S. by continuing discussions around sharing North Korea missile data in real-time.

"We must leave behind the perception that the two countries cannot move forward and cooperate unless past issues are fully resolved," Mr. Yoon said on Sunday. "Japan and South Korea are facing a grave security situation in Northeast Asia."

Mr. Kishida said bilateral relations had produced tangible results in the past two months. "The situation of the international community surrounding us is making Japan-South Korea cooperation ever more essential," he said.

Relations between the two

American allies had soured in recent years. One major obstacle to improving ties was a 2018 ruling by South Korea's Supreme Court that Japanese companies should compensate Koreans who were subjected to forced labor when Korea was a

Relations between the two American allies had soured in recent years.

Japanese colony. The two countries downgraded each other's trade status and South Korea threatened to terminate a military-sharing agreement, while Japan imposed export

restrictions on materials needed for semiconductors.

But Mr. Yoon, a conservative who took office a year ago, has made improving relations with Japan a priority. He proposed that victims of forced labor be compensated through a South Korean fund, which led to a normalizing of the military-sharing agreement and a lifting of Japan's export restrictions.

A tighter Tokyo-Seoul alliance enables more integrated, real-time missile defense with Washington that enhances the allies' ability to monitor military movements by North Korea and China.

"Both Korea and Japan have national interests in deepening cooperation, but they also need to do it for Washington, who will most likely lead any

response to threats in the region," said Tongfi Kim, a professor at the Brussels School of Governance.

Mr. Yoon has paid a political cost for his detente with Tokyo. At the end of March, following the summit with Mr. Kishida in Tokyo, his approval rating dropped to 30%, the lowest level in four months, though it has risen slightly since then.

Nearly 60% of South Koreans responding to a recent Gallup Korea poll said they oppose Mr. Yoon's plan to compensate victims of forced labor without involving Japanese companies. Of 15 plaintiffs who had won lawsuits against Japanese companies on the forced-labor issue, 10 have agreed to be compensated by the South Korean fund, Mr. Yoon said on Sunday.

Syria Set To Return To Arab League

By SUMMER SAID AND BENOIT FAUCON

Arab leaders agreed to bring Syria back into the Arab League after more than a decade of isolation, complicating American efforts to isolate President Bashar al-Assad and signaling a waning of U.S. influence in the Middle East.

In an emergency meeting in Cairo, the group voted to immediately readmit Syria to the group of 22 Arab nations that coordinate on regional matters. While many Arab officials remain disdainful of Mr. Assad, they say international policies isolating Syria have proven to be counterproductive, strengthening the influence of Iran, which backs Syria.

"All the stages of the Syrian crisis have proven that there is no military solution to it and there are no winners and losers," Egyptian Foreign Minister Sameh Shokri said. Sunday's decision would mark the start of a revived political process in the country, he said.

Syria granted some small concessions ahead of the meeting. As a precondition for admission, Damascus agreed last week in a meeting in Amman, Jordan, that 1,000 Syrian refugees currently living in Jordan will be allowed to safely return home and that the government will cooperate with neighbors in cracking down on illegal drug smuggling out of Syria, according to Syrian government advisers and Arab officials. There are no mechanisms to ensure that the agreement is implemented, Arab officials said.

Arab League ministers expressed their "keenness to launch a leading Arab role in efforts to resolve" the Syria crisis. They agreed to form a committee to maintain a "direct dialogue with the Syrian government in order to reach a comprehensive solution."

The decision to readmit Syria to the Arab League represents a rejection of U.S. interests in the region and shows that Middle Eastern countries are forging policies independent of Western concerns.

WORLD WATCH

IRAQ

Policeman Convicted In Death of Analyst

An Iraqi police officer was convicted and sentenced to death on Sunday in the killing of a prominent security analyst and frequent critic of powerful militias. The ruling came nearly three years after the analyst was gunned down outside his Baghdad home following militia threats.

The family of the victim, Hisham al-Hashimi, said it supported the verdict, but expressed concern it could be overturned on appeal. A relative alleged that those who ordered the killing remain at large.

The defendant, Ahmed Hamdawi al-Kinani, was convicted on a terrorism charge and sentenced to death by a criminal court, according to Iraq's Supreme Judicial Council. The case was referred to an appeals court. A video of his purported confession was released after his arrest two years ago.

Mr. Al-Hashimi, 47, was gunned down in July 2020 in front of his home in Baghdad by two attackers on a motorcycle after receiving threats from Iran-backed militias. His killing was captured on a surveillance camera. The images stoked a climate of fear among activists who have accused the government of failing to rein in the powerful armed groups.

—Associated Press



HANG 10, CANINE: A dog rolls through a skateboarding contest at Pet Expo Thailand in Bangkok.

PAKISTAN

Mob Kills Man Over Alleged Blasphemy

Rallygoers for a political party in Pakistan beat to death a participant for allegedly making a blasphemous speech, police said on Sunday.

Local police officer Iqbal Khan said Maulana Nigar Alam, 40, was killed Saturday night by demonstrators in Sawalder village of Mardan district north-east of Peshawar in Khyber Pakhtunkhwa province.

The rallygoers, who were expressing support for the judi-

ciary, accused Mr. Alam of blasphemy when he made a concluding prayer at the end of the event.

Witnesses said the police deputy on duty at the rally attempted to save the man by locking him up in a nearby shop, but the mob broke through the door and attacked him.

Videos circulating on social media showed people pushing the man to the ground, kicking him and beating him with bangles. The man died at the scene.

Police took the body into custody and said an investigation was underway.

—Associated Press

INDONESIA

Trafficking Victims Freed in Myanmar

Indonesian officials on Sunday said they freed 20 of their nationals who were trafficked to Myanmar as part of a cyber scam, amid an increase in human-trafficking cases in Southeast Asia.

Indonesia's foreign-affairs ministry said its embassy in Yangon with help from local networks had freed the victims from Myawaddy township and brought them to the Thai border on Saturday.

The Indonesian Embassy in

Bangkok will work closely with Thai authorities to repatriate the victims to Indonesia, it said.

Fake recruiters had offered the Indonesians high-paying jobs in Thailand but instead trafficked them to Myawaddy, about 350 miles south of Naypyidaw, the capital, to perform cyber scams for crypto websites or apps, said Judha Nugraha, an official in the foreign-affairs ministry.

—Associated Press

ISRAEL

Jordanian Lawmaker Released After Arrest

Israeli authorities released a Jordanian lawmaker to his home country on Sunday, Israel's domestic security agency said, after he allegedly tried smuggling dozens of rifles and handguns through an Israeli-controlled border crossing.

Imad Al-Adwan's arrest threatened to further strain ties between Israel and neighboring Jordan, which have had tense relations recently despite a nearly three-decade-old peace treaty.

Mr. Al-Adwan was arrested on Apr. 22 with bags holding more than 200 guns, the Shin Bet agency said. It said its investigation revealed that he carried out 12 smuggling attempts since early 2022.

Jordan's foreign ministry, as well as a brother of Mr. Al-Adwan, couldn't be reached for comment.

—Associated Press

BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

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Last Week: S&P 4136.25 ▼0.80% S&P FIN ▼2.65% S&P IT ▲0.60% DJTRANS ▲0.72% WSJ\$IDX ▼0.62% 2-YR. TREAS. yield 3.920% NIKKEI 29157.95 ▲1.04% See more at WSJ.com/Markets

VW to Replace Top Software Executives

Delays caused by venture Cariad lead to CEO Blume's anticipated move

By WILLIAM BOSTON

BERLIN—Volkswagen Chief Executive Officer Oliver Blume, in his first major restructuring move since becoming chief last year, is expected to replace the management of the company's struggling software unit after it caused delays to new-model launches, according to people familiar with the matter.

The decision to remove Dirk Hilgenberg, head of the unit called Cariad, finance chief

Thomas Sedran, and Lynn Longo, a Michigan native who serves as Cariad's chief technology officer, could be announced as early as this week, possibly before VW's planned shareholder meeting on Wednesday, the people said.

Messrs. Hilgenberg and Sedran and Ms. Longo couldn't be reached for comment. The changes at Cariad were earlier reported by the German-language Business Insider news site on Saturday.

While Mr. Blume is set to remove the executives from their current roles, one of the people familiar with the matter said they could be offered other jobs within the VW group in Europe or North America.

The expected decision to replace existing management comes after an intense analysis of Cariad conducted by VW that came to the conclusion that current management lacked strong tech experience and leadership skills in a restructuring situation, this person said.

VW executives have said publicly that VW remains committed to Cariad as a business unit. But the person said that the unit needed a new structure focused on fast, incremental software development in sync with the schedules of product launches at the brands.

Mr. Blume hasn't settled on candidates for new management at Cariad, the person

added.

Cariad was created by Mr. Blume's predecessor, Herbert Diess, to produce advanced software, including self-driving capabilities for the VW group's brands by the middle of the decade.

The move to shun big tech software providers such as Google and Apple in favor of inhouse development was risky. VW spent billions and had to recruit an army of software developers and coordinate efforts across its diverse brands.

Despite the effort, Cariad got mired in the complexities of building advanced software, leading to a string of delays to model launches.

Instead of paving VW's path



Volkswagen's Oliver Blume

toward overtaking electric-car market leader Tesla, Cariad held the company's brands back from moving faster.

The launch of VW's first all-electric model built on inhouse EV technology in 2019

was marred by glitchy software. Instead of delaying the launch again, VW decided to release the vehicle with an incomplete software package.

Mr. Diess hired Mr. Hilgenberg from BMW in 2020 to fix the group's software organization. Although Mr. Hilgenberg made some progress, Cariad continued to stumble, causing the planned launches of breakthrough all-electric models—the Audi's Q6 e-tron and a battery-electric version of Porsche's popular Macan SUV—to be delayed.

The troubles at Cariad added to pressure on Mr. Diess, who was ousted last year. Mr. Blume serves in a dual role as CEO of VW and Porsche.

Investors Seek Safety but Want Piece of a Rally

By ERIC WALLERSTEIN

Investors are trying to play offense and defense at the same time.

Money managers are shying away from risk, turning to defensive stocks and Treasuries in their hunt for safe places to invest their cash. Yet they appear equally worried about missing out on a potential stock-market rally. Institutional investors' allocations to equities remain above the long-term trend, and their cash holdings aren't out of line with historical averages either, State Street data show.

Investors are betting that Wednesday's quarter-point interest-rate increase from the Federal Reserve was its last—and that the central bank will pivot to cutting rates before the year is over.

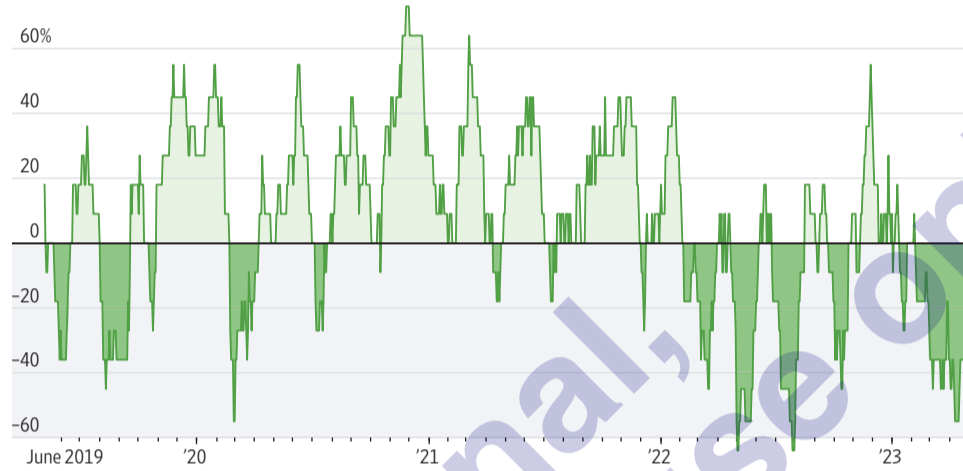
Although lower interest rates would likely be a boon for stocks, there is a growing conviction on Wall Street that a recession is looming. The panic in the regional banking sector threatens to take down additional banks and slow the economy as well.

"We're going into a market environment without much precedent," said Eric Crittenden, chief investment officer of Standpoint. "No one has a script or analog to rely on."

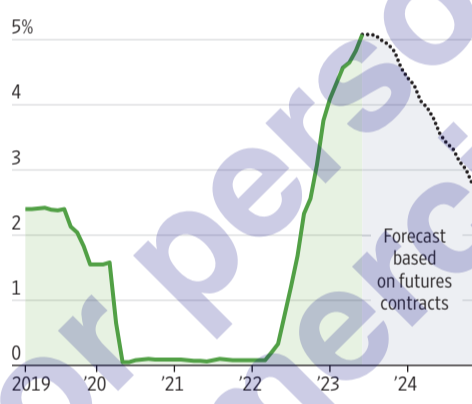
A State Street indicator for asset managers' risk appetite hasn't registered a positive reading for the past three months, its longest stretch of caution since 2015. Positive readings signify investors are adding risk, whereas negative ones indicate they are pulling back.

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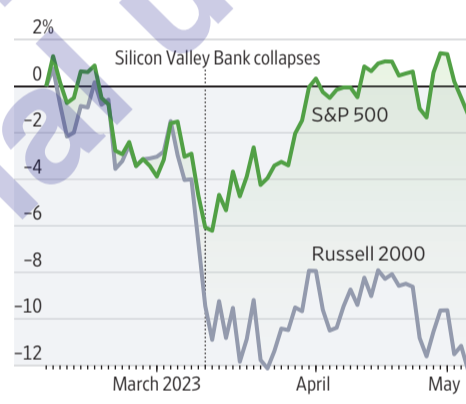
State Street Institutional Investor Risk Appetite Indicator



Federal-funds rate, monthly



Index performance, past three months



Sources: State Street (indicator), Federal Reserve (historical), FactSet (forecast), FactSet (performance)

Ford v. Tesla Is EV Grudge Match

By NORA ECKERT AND REBECCA ELLIOTT

Jim Farley of Ford Motor has been taking public shots at Tesla. Elon Musk is unfazed.

"There's no doubt about it. The demand for Tesla is changing, and in some sense is deteriorating," the Ford CEO said at a Wall Street Journal event Wednesday when asked about Mr. Musk, who leads Tesla.

That followed comments from two weeks earlier, when Mr. Farley said that Tesla's vehicle lineup has become stale and that the company risks commoditizing its cars by cutting prices.

Mr. Musk complimented Ford hours after Mr. Farley's remarks last week. "I think Ford's overall strategy with EVs is smart," he tweeted in reply to someone who pointed derisively at Ford's losses on electric vehicles.

For chief executive officers of rival, high-profile companies, such direct and public banter is unusual. For Messrs. Farley and Musk, it is a colorful continuation of years of public exchanges that have veered between playful barbs and mutual admiration.

The remarks come as Mr. Farley tries to position Ford as a competitor to Tesla. While Tesla is still the dominant electric-vehicle player—it outsold Ford's EVs more than 8 to 1 in the U.S. last year—the companies increasingly compete head to head.

The Ford Mustang Mach-E— Please turn to page B5

China AI Makers Work Around U.S. Sanctions

U.S. sanctions are spurring Chinese tech companies to accelerate research to develop

By Karen Hao in Hong Kong and Raffaele Huang in Singapore

cutting-edge artificial intelligence without relying on the latest American chips.

A Wall Street Journal review of research papers and interviews with employees found that Chinese companies are studying techniques that could allow them to achieve state-of-the-art AI performance with

fewer or less-powerful semiconductors. They also are researching how to combine different types of chips to avoid relying on any one type of hardware.

Chinese telecommunications provider Huawei Technologies, search firm Baidu and e-commerce giant Alibaba Group are among those seeking ways to milk more utility out of existing computer chips.

Using these workarounds to catch up with American AI leaders remains a significant challenge, researchers and analysts said.

Some experiments have shown promise, however, and if advanced successfully, the research could allow Chinese tech firms to both weather American sanctions and make them more resilient to future restrictions, they said.

Huawei and Baidu declined to comment. Alibaba didn't respond to a request for comment.

As the race heats up to commercialize ChatGPT-like models, companies globally are in need of more-powerful chips and seeking ways to squeeze more out of them to drive

down the exploding costs of AI development.

For Chinese companies, the issue is more critical: U.S. sanctions have cut them off from the most advanced chips made by the likes of Nvidia and they have rapidly consumed existing American chip stocks to create their own ChatGPT equivalents, say employees, AI researchers and industry analysts.

"You can just tell, reading between the lines, that they're trying to find any compute under the sun to compensate for the lack of top-tier hardware," said Susan Zhang, an AI re-

searcher at Meta Platforms who specializes in AI infrastructure and large language models. In the AI industry, compute refers to the amount of computing power available in a set of chips.

Beijing's highest decision-making body said last month that China should encourage innovation in the development of artificial general intelligence.

After the Commerce Department imposed sweeping restrictions on supplying chips to China last October, the Biden administration has indicated it

Please turn to page B2

INSIDE

Virgin Galactic Strains to Make Space Tourism a Reality

By MICAH MAIDENBERG

In July 2021, to much fanfare, Virgin Galactic Holdings flew founder Richard Branson and three other crew members to the edge of space. The company's next flight—a test operation—occurred last month, nearly two years later.

Over that time, challenges have mounted for the company.

Its stock lost more than 90% of its value since just before Mr. Branson's flight, and analysts expect more than \$575 million in losses this year. Mr. Branson and Virgin Galactic are defending against a shareholder lawsuit. The entrepreneur sold nearly 75% of his stake in the company in recent years, according to regulatory filings. Mr. Branson couldn't be reached for comment.

In 2019, the Tustin, Calif., company said it expected this year to conduct roughly 23 journeys a month. It now aims to fly once a month upon launching commercial service by the end of June. The company said data from its recent



Richard Branson floats in zero gravity on board Virgin Galactic's VSS Unit, during a July 2021 flight.

mission, on April 26, moved it closer to carrying customers.

Small-satellite launcher Virgin Orbit, the other space company Mr. Branson has backed, filed for bankruptcy last month after struggling with a failed mission and intensifying competition. A spokeswoman for Virgin

Group, his investment company, didn't respond to questions.

Virgin Galactic is nearly two decades old and has yet to show it can regularly fly customers. It struggled over the years with technical challenges and an accident that slowed its work.

Between 2018 and last year, it generated a total of \$12.5 million in revenue while reporting about \$1.5 billion in operating losses, according to financial statements. Virgin Galactic is scheduled to report quarterly results on Tuesday.

CEO Michael Colglazier told investors in February that Vir-

gin Galactic took steps to boost revenue and profit over time. Last year, the company signed deals to acquire more aircraft and assemble spacecrafts designed to fly weekly.

"We plan to deliver regular and repeated flights with our current fleet and demonstrate the experiential power of our product," Mr. Colglazier said then. The company declined to make him available for comment.

Virgin Galactic had the equivalent of \$980 million in cash at the end of 2022 and has said it expected a cash outflow of at least \$135 million during the first three months of this year. Executives said they could slow investments, including those in new vehicle development, if needed.

The company uses a custom plane to ferry a spaceship up, usually to about 50,000 feet, before the ship disconnects and blasts passengers to sub-orbital space.

Delays and technical challenges are common in the space industry. Jeff Bezos's Please turn to page B6



BOX OFFICE

'Guardians of the Galaxy Vol. 3' turns in \$100 million-plus opening weekend. B2



ENERGY

Continued flow of natural gas should ease electricity costs for consumers. B3

BUSINESS & FINANCE

‘Guardians of the Galaxy Vol. 3’ Delivers \$100 Million-Plus Debut

BY ROBBIE WHELAN

“Guardians of the Galaxy Vol. 3” tallied \$114 million in domestic ticket sales this weekend, in the third installment of **Walt Disney’s** Marvel Studios aging franchise’s release.

Director James Gunn’s zany, classic rock-driven trilogy about a gun-toting raccoon, a talking tree and a band of misfits opened this weekend, starting a busy summer movie season. The latest movie did better in its debut weekend than the first “Guardians” in 2014 but not as well as the second movie in 2017.

Marvel has been in something of a slump for the past two years, with recent titles like “Eternals,” “Thor: Love and Thunder” and “Ant-Man and the Wasp: Quantumania”—all of them costly, special-effects-laden epics—failing to put up the heroic numbers at the box office that Walt Disney is accustomed to.

Still, “Guardians of the Galaxy Vol. 3” is the 32nd consecutive Marvel release to debut No. 1 at the domestic box office, and the films have ac-

Estimated Box-Office Figures, Through Sunday

Film	Distributor	Sales, In Millions		
		Weekend*	Cumulative	% Change
1. Guardians of the Galaxy Vol. 3	Disney	\$114.0	\$114.0	—
2. The Super Mario Bros. Movie	Universal	\$18.6	\$518.1	-55%
3. Evil Dead Rise	Warner Bros.	\$5.7	\$54.1	-53
4. Are You There God? It’s Me, Margaret.	Lionsgate	\$3.4	\$12.6	-50
5. Love Again	Sony	\$2.4	\$2.4	—

*Friday, Saturday and Sunday in North American theaters Source: Comscore

counted for six of the 12 movies that have opened above \$100 million since the start of the pandemic era, Disney said.

“The bar is set so high for Marvel that at \$114 million, it might reflect some superhero market fatigue,” especially with sequels, said Paul Dergarabedian, an analyst with box-office tracker Comscore. However, any \$100 million debut is impressive, he said, and a good start for the summer movie season.

The new “Guardians of the Galaxy” movie represents what many fans assume is a last hurrah for some of Mar-

vel’s biggest and longest-tenured stars, including Chris Pratt, who has played the superhero team’s leader, Star Lord, in six different movies and two streaming series.

Mr. Pratt has said he would be willing to recapitulate the role, but Disney hasn’t announced concrete plans for any more “Guardians” titles. Mr. Gunn, who recently went on a promotional tour for the movie, this year accepted a position to be co-chief of **Warner Bros. Discovery’s** DC Studios, Marvel’s biggest competitor and home of “Batman” and “Superman.”

At least two other big-name actors in “Guardians of the Galaxy,” Zoe Saldana and Dave Bautista, have said they are done with the franchise.

Disney has said it is pivoting to a new phase of what is known as the Marvel Cinematic Universe with new casts, new comic-book story lines and new villains.

“Ant-Man” was both a critical and commercial flop that generated \$474 million in global ticket sales after interest declined sharply following its opening weekend. Shortly after the movie opened, Disney Chief Executive Robert Iger warned that Marvel might be overmilking certain characters and publicly questioned the wisdom of making multiple sequels based on the same superhero story line.

“Sequels typically work well for us, but do you need a third or a fourth, for instance?” Mr. Iger asked at a March investor conference. “Or is it time to turn to other characters? There’s nothing in any way inherently off in terms of the Marvel brand. I think we just have to look at what characters and stories we are mining.”

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Chinese companies are cut off from Nvidia’s A100 chips, the most popular for AI development.

China AI Developers Improvise

Continued from page B1
could implement further sanctions.

Chinese companies are cut off from Nvidia’s A100 chips, the most popular within the industry for AI development, and the next-generation version, the H100 released in March, which offers more computational power.

Nvidia created downgraded versions of its chips for the Chinese market, called the A800 and H800, respectively, to meet sanction requirements. Both modified chips reduce the capacity of a chip to communicate with others.

The products provide an effective alternative for developing small-scale AI models, such as those used in the recommendation algorithm driving **ByteDance’s** short-video app TikTok. But the handicap throttles the development of larger AI models, which require the coordination of hundreds or thousands of chips.

OpenAI released ChatGPT a month after the chip sanctions were announced. The launch triggered a global frenzy to develop generative AI, software that can produce text and images and requires an unprecedented amount of computational power to develop. UBS analysts estimate that it takes between 5,000 and 10,000 A100 chips to train these kinds of large AI models. OpenAI didn’t respond to a request for comment.

A survey by a Chinese-government-linked semiconductor industry association released at a recent closed-door industry conference showed that there were around 40,000 to 50,000 A100s in China available for training large-scale AI models, according to a person who attended the meeting. The association didn’t respond to a request for comment.

Chinese companies such as Alibaba and Baidu, which stockpiled A100s before the sanc-

tions, have heavily restricted the use of foreign advanced chips internally, reserving them for the most computationally intensive tasks, according to people familiar with the matter.

Baidu suspended use of its A100s across teams, including its self-driving unit, to pool them for the development of its ChatGPT equivalent, Ernie Bot, before its launch date, the Journal previously reported.

Baidu has sought in recent years to incorporate domestic chips into its AI development, including **Hygon Information Technology’s** DCU and Huawei’s AI training chip Ascend, as well as its own called Kunlun, according to open-source research papers and people familiar with the matter. Many of

Chinese AI makers are studying ways to use fewer or less-powerful chips.

the domestic chips remain unreliable for training large-scale models, however, because they are prone to crashing, some of the people said.

Many Chinese firms are now trying to combine three or four less-advanced chips, including the A800 and H800, to simulate the performance of one of Nvidia’s most powerful processors, according to Yang You, a professor at the National University of Singapore who runs an AI infrastructure company, HPC-AI Tech.

In April, Tencent unveiled a new computing cluster—a set of connected chips for large-scale AI model training using Nvidia’s H800s.

This approach can be costly: If a U.S. firm needs 1,000 H100s to train a large language model, a Chinese firm could need 3,000 or more H800s to achieve the same results, Mr. You said.

That is driving some firms to accelerate the development of techniques to train large-scale AI models across different types of chips, Mr. You said, an area of research that was already common among Chinese firms with limited hardware resources that were keen on cut-

ting costs. Alibaba, Baidu and Huawei have sought to use various combinations of A100s, older generation Nvidia chips known as V100s and P100s as well as Huawei Ascends, papers show.

By contrast, using multiple types of chips is rarely seen among U.S. companies because of the technical challenges of getting them to work reliably, AI experts said. “This is a last-ditch resort,” Meta’s Ms. Zhang said.

In parallel, Chinese firms have sought to use various software techniques to reduce the computational intensity of training large-scale AI models, an approach that has accelerated globally, including among U.S. companies. Unlike U.S. companies, however, Chinese companies have been more aggressive in combining multiple software techniques together, papers show.

While many of these methods are still being ironed out in the global research community and difficult to implement, Chinese researchers have seen some success.

In a paper in March, Huawei researchers demonstrated how they could use such techniques to train its latest-generation large language model using only the company’s Ascend chips and without Nvidia chips. Despite some shortcomings, the model reached state-of-the-art performance on a few Chinese-language tasks, including reading comprehension and grammar challenges, the researchers wrote in the paper.

Dylan Patel, chief analyst at semiconductor research and consulting firm SemiAnalysis, said Chinese researchers’ pain points will only exacerbate without access to the new Nvidia H100, which includes an extra performance-boosting feature especially helpful for training ChatGPT-like models.

But a paper last year from Baidu and Peng Cheng Laboratory, a Shenzhen-based research institute, showed researchers were training large language models in a way that would make the feature unnecessary. Mr. Patel said it looked promising even though the research was in its early stages.

“If it works well, they can effectively circumvent the sanctions,” he said.

— ADVISORS —

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BUSINESS NEWS

Natural-Gas Producers Keep Drilling

Continued flow of commodity should ease power costs but is risky for companies

By BENOIT MORENNE

When natural-gas prices plummeted this past winter, the conventional wisdom held that producers would dial back on drilling to help tighten supplies. But they kept right on drilling.

That trend is a potential boon for consumers, who could benefit from lower electricity bills heading into the hot summer months, but a risky gambit for gas companies.

Previous price crashes saw operators swiftly shut in wells, shelve rigs and lay off workers. This time, companies are betting that the lull is only short term and that resilient demand for gas, combined with new liquefied-natural-gas export terminals coming online, will boost prices starting next year, executives and analysts said.

As of the week that ended May 5, the number of rigs drilling for gas was 157, according to Baker Hughes—11 more compared with the same time last year, when U.S. gas prices were nearly four times higher.

Operators find themselves in a Catch-22 situation. Without a significant pullback in activity, the market will likely remain oversupplied and prices subdued, but dialing back too abruptly could leave companies scrambling to catch up with demand later.

“We don’t tend to overcorrect the steering of the car all that much,” Dennis Degner,

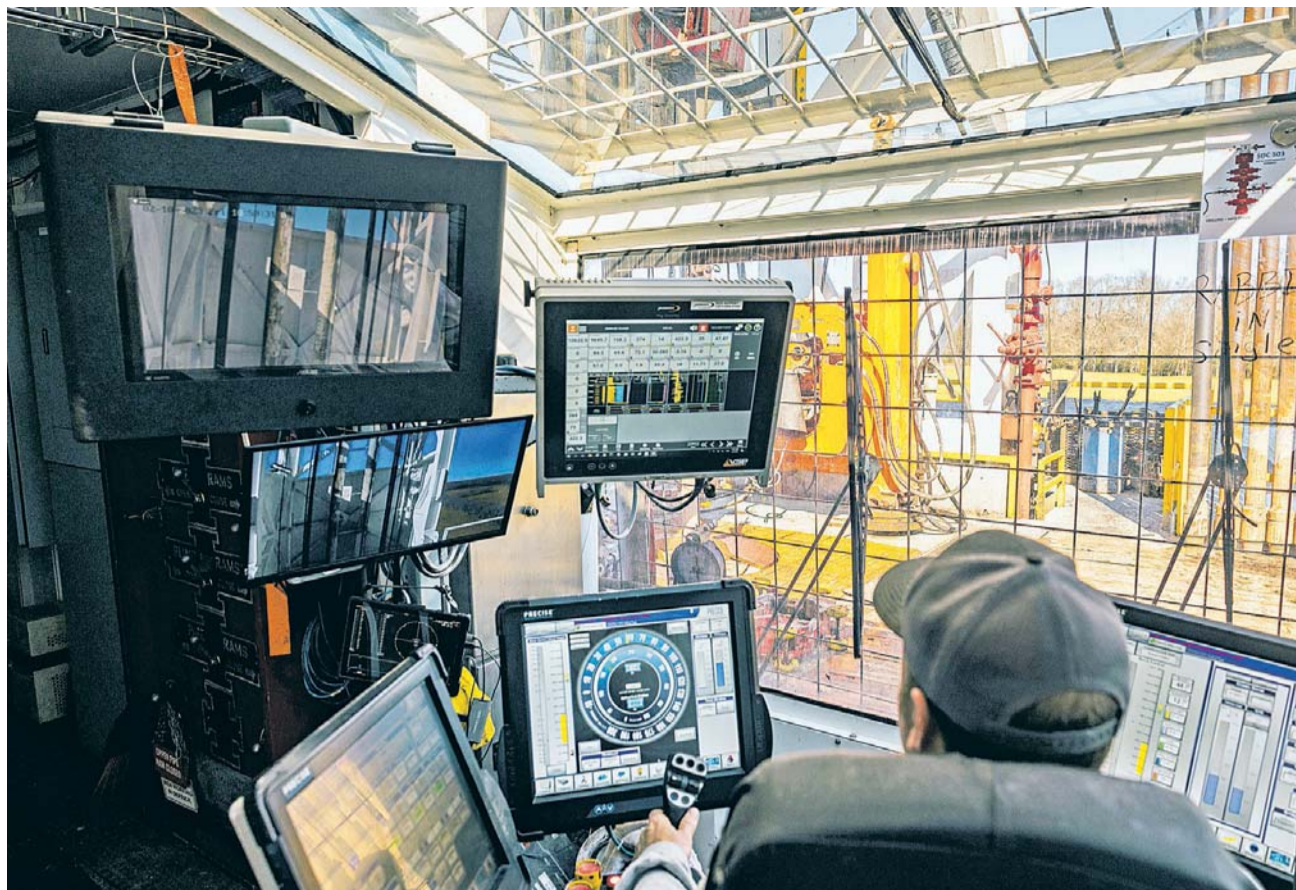
chief operating officer at **Range Resources**, told analysts in a recent earnings call.

Other producers, including **EQT** and **Antero Resources**, also said they would keep extracting gas at the same pace, even as the companies reported sharply lower profits for the first quarter. Some companies have talked about pulling back slightly in the coming quarter.

A mild winter in Europe and the U.S., combined with a prolonged outage at a major LNG export terminal that freed up supply for the domestic market, brought prices down to an average of \$2.65 per million British thermal units in the first quarter of the year. That compares with an average of \$6.45 per million BTUs for the whole of 2022, according to the Energy Information Administration.

Analysts had expected producers to react by curtailing output, mostly in the Haynesville basin of east Texas and northwest Louisiana, where drilling costs are high. But production in that region set a record in March, averaging 14.5 billion cubic feet a day, or 14% of all U.S. dry gas production, according to the EIA. Sustained activity there contributed to pushing the national output higher in the first quarter, according to the agency.

The EIA said it expected U.S. natural-gas production to average 100.9 billion cubic feet a day this year, 3% higher than in 2022. An abundance of gas likely means lower electricity prices for consumers as they head into the summer months, when they turn on the air conditioning. Residential gas users last year bore the brunt of price volatility in the form of



Producers are betting the natural-gas price lull is only short term and resilient demand will help lift prices starting in 2024.

onerous electricity and heating bills.

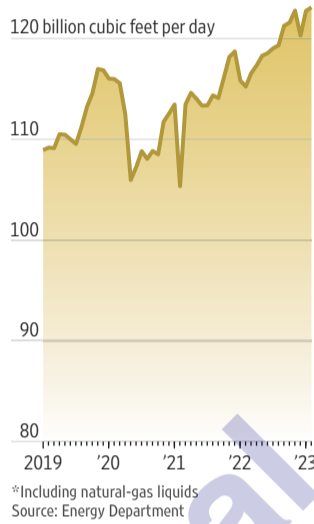
Chesapeake Energy said recently that its production would decline by about 5% in the second quarter of the year. The company said its profit fell to \$1.4 billion, from \$3.5 billion in the previous quarter. The fourth-quarter figure included a large tax-related one-time gain.

Southwestern Energy has said it expects to run on average between 10 and 11 rigs this year, down from 13 in 2022. It said last week that it would delay fracking between 10 and 15 wells, which it said would cause a small impact on production in the second half of the year.

Southwestern reported \$1.9 billion in profit, down by more than \$1 billion from the previous quarter.

Gas executives point to a raft of coming LNG facilities as the backbone of their plans. According to S&P Global Commodity Insights, additional plants on the Gulf Coast are expected to about double U.S.

U.S. natural-gas production*



export capacity to 24.6 billion cubic feet a day by 2030, requiring many more new gas wells. Southwestern said new terminals in Louisiana and Texas could tap producers for gas sooner than expected.

Yanking too many rigs now, only to contract them back later as demand picks up,

would cause drillers to lose momentum, executives and analysts said.

“Further activity reductions at this point really are going to have an impact on 2024,” Chesapeake Chief Executive Officer Domenic Dell’Osso told analysts recently. The company has said it would cut three rigs this year.

Some have expressed skepticism about the companies’ strategy.

“Public companies feel a bit too optimistic for investors on a recovery in price in 2024,” analysts at investment bank Tudor, Pickering & Holt said in a note on Friday. The five largest gas producers on average saw their stock prices drop about 30% in the past six months.

Oil-and-gas executives said they were starting to see activity weaken in gas basins. Marshall Adkins, a managing director at investment bank Raymond James, said operators are still tied in months-long contracts with equipment providers, and that he ex-

pected the number of rigs in the Haynesville to shrink 10% to 20% this year.

Companies have delayed fracking some wells, saving them for times of higher prices. In the Haynesville, the inventory of drilled but uncompleted wells stood at 719 in March, up from 607 in December, according to the EIA.

Still, any drop in gas activity will likely be modest, said Mr. Adkins. “Is it a complete fall-off, like it would have been like five, 10 years ago? No,” he said.

Bolstering operators’ gambit to largely stay the course are their improved balance sheets, which help insulate them from lower prices, analysts said.

For instance, Chesapeake reduced its total debt from \$9.5 billion at the end of 2019 to \$3.2 billion at the end of 2022 after undergoing bankruptcy, according to FactSet. Over the same period, according to FactSet, Antero cut its total debt by \$2 billion, down to \$4.6 billion.

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Top AI Researchers Debate Next Steps

Conference in Africa covers technology's promise and peril for poorer nations

By Karen Hao

KIGALI, Rwanda—Amid growing talk of the promise and peril of artificial intelligence, more than 2,000 researchers and engineers from around the world gathered in Rwanda last week to debate contrasting visions for the technology's future.

One vision is to build ever-more-powerful systems such as ChatGPT that aim to exceed human intelligence to boost worker productivity and economic growth. The other is to create more-targeted, small-scale AI solutions to local and global challenges, including tackling climate change, improving healthcare and preserving biodiversity.

The competition of ideas was in part a design feature of this year's convening of a major AI research conference in Africa for the first time. The organizers wanted researchers, predominantly from the U.S. and China and wealthy corporations, to reckon with the realities of societal problems present on the continent, while giving African researchers a voice in the discussion.

"It's become obvious that in order to bring the potential benefits of AI to everyone, we need everyone to be part of it," said Yoshua Bengio, nicknamed one of the godfathers



The competition of ideas was a design feature of this year's convening of a major AI research conference in Africa for the first time.

of AI, who sits on the conference organizers' board and was among those who pushed to locate it in Africa.

The arrival of ChatGPT months before the gathering has added urgency to discussions on the trajectory of AI and its near- and long-term impacts. Its release kicked off a global frenzy among the biggest tech companies from Alphabet's Google to Baidu to develop their own so-called generative AI technologies, software that produces text and images that is stirring

worries about job replacement and the rapid proliferation of misinformation.

Largely absent in Kigali yet present on everyone's lips was ChatGPT developer OpenAI, which has polarized the global AI community over whether to embrace or resist the company's trajectory.

On Monday, Geoffrey Hinton, another "godfather of AI" who wasn't in Rwanda, said he was leaving Google to speak more freely about the risks of AI development. Mr. Hinton has said in media interviews

that he is concerned about the long-term existential threats of the technology to humanity.

At the conference, many researchers from Africa and other developing and minority populations said they were instead concerned about the immediate challenges that AI poses to their societies.

The current trend toward generative AI models threatens to exacerbate the dominance of the U.S. and China in AI development, leaving Africa behind or having to deal with the problems it creates, the

researchers said. Such consequences include facing greater disinformation in African elections and the disappearance of their languages in digital technologies, they said.

Many researchers also were concerned about the lagging development of beneficial AI solutions that could help improve the basic quality of life for people around the world.

Girmaw Abebe Tadesse, an Ethiopian researcher in Microsoft's Nairobi, Kenya, office, highlighted the critical data issues—such as error-filled medical forms—that hold back AI development for improving maternal care and eliminating child mortality in developing countries.

He also presented success stories including one that combined high-quality data with statistical analyses to discover that the southern region of Nigeria had a lower child mortality rate than the country's average. It enabled researchers to engage in more-focused investigations as to why and devise solutions for elsewhere.

Mr. Bengio said he hoped this year's conference setting would provoke researchers to move away from profit-driven AI advancements toward AI for social good applications.

"There have been a lot of discussions about the risks of AI, and I've been part of those discussions," he said. "But there are not enough discussions about what we need to do to put AI to really good use."

There were 261 attendees from Africa, up from only 16 in 2019, the last time the annual International Conference on Learning Representations, was held in person before the pandemic, the organizers said.

Over the years, the largest and most prestigious annual AI research conferences have typically been held in the U.S. or Canada, close to Silicon Valley, which remains an outside force in AI research. African researchers were often unable to attend as they

had trouble getting visas, drawing criticism over an absence of their perspectives in developing one of the most powerful and transformative technologies.

Prominent researchers, including AI ethicist Timnit Gebru, have pointed to the concentration of research into a few dominant players in Silicon Valley and the lack of inclusion of non-Western researchers or those from marginalized groups. In 2017, Ms. Gebru, who grew up in Ethiopia before arriving in the U.S. as a refugee, founded an affinity group called Black in AI to bring more diversity into the community.

Rwanda typically gives visas to researchers, regardless of company or country. The country, marred by brutal genocide in 1994, is now a budding hub of African AI research through new research centers and government programs aimed at attracting international talent.

The resulting mix was a study in contrasts: Huawei employees chatted with Google counterparts despite U.S.-China tech tensions, resource-strapped academics lamented to friends at wealthy companies and African researchers challenged Western peers to look beyond the perspectives of coastal elites in developed countries.

On Friday, Ms. Gebru hosted a panel on the limitations of large language models—the technology that underpins ChatGPT—in handling African languages, which have

The arrival of ChatGPT has added urgency to talks on AI's trajectory.

been increasingly excluded from the digital world because of a lack of data needed for current AI technologies. Ms. Gebru gained public prominence when she said she was fired by Google after she co-wrote a paper criticizing the exploding resource demands and environmental impacts of such models, which also underpin Google's search engine. Internally, Google characterized her departure as a resignation.

During a separate panel, Vukosi Marivate, the data science chair at the University of Pretoria in South Africa and program chair of the conference, said African researchers were fighting the threat of losing their native languages. "We're racing against the clock" before English takes over and African languages cease to exist, he said after the event.

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Meta to Divest Startup It Bought for \$1 Billion

By Marc Vartabedian and Jeff Horwitz

When Meta Platforms closed a deal last year to acquire business-software provider Kustomer for \$1 billion, the tech giant had high hopes for how it could integrate the services of the startup.

Meta said the acquisition would enable companies to use its messaging apps for customer service, helping fulfill its longstanding ambition to turn its platforms into e-commerce giants.

But a little over a year later, Meta is parting ways with Kustomer in a rare transaction in which Meta is trading its ownership of Kustomer for a passive minority stake in the company with no guaranteed payment in return, according to people familiar with the matter.

The terms of the deal represent a significant downgrade from how Meta previously viewed the unit.

Meta is giving Redpoint Ventures, Battery Ventures and Boldstart Ventures stakes in the newly independent company in exchange for funding

its continued operations, the people familiar with the matter said.

Those three firms will jointly put \$60 million of capital into Kustomer to cover its operating costs, according to the people. Meta will remain the single largest stakeholder in the new company but won't have a seat on its board.

The deal values Kustomer at \$250 million. The deal is slated to close May 15, according to internal communications reviewed by The Wall Street Journal.

The venture firms, each of which had previously invested in Kustomer before its initial sale, will potentially have the opportunity to cash out shares in the same company twice, an anomaly in the venture world.

A person familiar with the company's divestiture efforts said Meta had chosen to maintain a stake in a Kustomer spinout rather than outright sell the company to other suitors.

The Journal reported in March that Meta was planning to divest itself of Kustomer as the tech giant looks to refocus on its core business.

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On May 1, 2023 (the "Closing Date"), the California Department of Financial Protection and Innovation closed FIRST REPUBLIC BANK, San Francisco, CA (the "Failed Institution") and appointed the Federal Deposit Insurance Corporation (the "FDIC") as Receiver (the "Receiver") to handle all matters relating to the Failed Institution.

TO THE CREDITORS OF THE FAILED INSTITUTION

All creditors having claims against the Failed Institution must submit their claims in writing, together with proof of the claims, to the Receiver on or before September 5, 2023 (the "Claims Bar Date"). You may submit your proof of claim form via our interactive FDIC Claims Portal at <https://resolutions.fdic.gov/claimsportal/s/>, or by calling 972-761-8677.

Claims may be submitted through the FDIC Claims Portal, or mailed to the following address:

FDIC as Receiver of
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600 Pearl Street, Suite 700, Dallas, TX 75201
Attention: Claim Agent 10543

Under federal law 12 U.S.C. Section 1821(d)(5)(C), failure to file a claim on or before the Claims Bar Date will result in the Receiver disallowing the claim. The disallowance is final.

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TO THE DEPOSITORS OF FIRST REPUBLIC BANK

The FDIC, which insures your deposits in its corporate capacity (the "FDIC"), arranged for the transfer of all deposits ("Deposits") - including the uninsured amounts - at the Failed Institution to another insured depository institution, JPMorgan Chase Bank N.A., Columbus, OH 43240 (the "New Institution"). This arrangement should minimize any inconvenience from the closing of the Failed Institution. You may leave your Deposits in the New Institution, but you must take action to claim ownership of your Deposits.

Federal law, 12 U.S.C. Section 1822(e), requires you to claim ownership of ("claim") your Deposits at the New Institution by taking any of the following actions within eighteen (18) months from the Closing Date, which is November 1, 2024. Official Items issued by the Failed Institution; such as cashier's checks, dividend checks, interest checks, expense checks, and money orders are considered Deposits and must also be claimed within 18 months from the Closing Date. You may claim your deposits at JPMorgan Chase Bank, Columbus, OH by taking any one of the following actions. If you have more than one account, your action in claiming your Deposit in one account will automatically claim your Deposits in all of your accounts.

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2. Execute a new signature card on your account(s), enter into a new deposit agreement with the New Institution, change the ownership on your account(s), or renegotiate the terms of your certificate of deposit account(s) (if any);
3. Provide the New Institution with a completed change of address form; or
4. Write to the New Institution and notify it that you wish to keep your account(s) active with the New Institution. Please be sure to include the name of the account(s), the account number(s), the signature of an authorized signer on the account(s) and a name and address.

If you do not claim ownership of your Deposits at the New Institution by November 1, 2024, federal law requires the New Institution to return your Deposits to the FDIC, which will be required to deliver them as unclaimed property to the State indicated in your address on the Failed Institution's records. If your address is outside of the United States, the FDIC will be required to deliver the Deposits to the State in which the Failed Institution had its main office. According to the Unclaimed Deposits Amendments Act of 1993 (12 U.S.C. Section 1822(e)), you will have ten years to claim your deposits from the State's Unclaimed Property Division according to the state's unclaimed property laws. If you do not claim your deposits from the State within the ten-year period, federal law prohibits you from claiming your deposits.

If the State does not take custody of your Deposits after the 18-month period, you may claim your Deposits from the FDIC until the receivership of the Failed Institution is terminated. A receivership may be terminated at any time. Once the receivership terminates, you will not be able to claim your Deposits.

If you have a loan with the Failed Institution, and you would like to discuss offsetting your insured and/or uninsured deposit(s) against the loan, you must contact the FDIC immediately.

In the event you disagree with the FDIC's determination of your insurance coverage as represented by the account(s) made available at the New Institution, you may seek a review of the FDIC's determination in the United States District Court for the federal judicial district where the principal place of business of the Failed Institution was located. You must file your request for this review no later than 60 days after the date on which your deposit(s) became available to you at the New Institution. Filing a request for review will not prevent you from using the funds in your new account.

NOTICE OF SALE

SUPREME COURT - COUNTY OF NEW YORK
MICHAEL ANGELO GIK FLATIRON LLC, NEW TRIPLE CROWN LLC, FLATIRON NEWMARK PARTNERS LLC and FLATIRON ACQUISITION LLC, Plaintiffs - against - NRS FLATIRON ACQUISITION LLC, Defendant. Pursuant to an Interlocutory Judgment entered herein and dated January 6, 2023, the undersigned Referee will sell at public auction to be held at the portico located at the top of the front steps of the New York County Courthouse located at 60 Centre Street, New York, New York or such other place in said Courthouse as the Court may designate on May 23, 2023 at 2:30 p.m. the real property located at 175 Fifth Avenue, New York, New York, being the building known as the Flatiron Building and described as follows: Block 851, Lot 1 on the tax map of the Borough of Manhattan, and more particularly described as follows:

ALL that certain lot, piece or parcel of land, lying and being in the Borough of Manhattan, County City and State of New York, and being more particularly bounded and described as follows:
BEGINNING at the corner formed by the intersection of the northerly side of East 22nd Street and easterly side of Fifth Avenue;
THENCE easterly along the northerly side of East 22nd Street, 65 feet 8 inches to the westerly side of Broadway;
THENCE northerly along the westerly side of Broadway, 214 feet 6 inches to the southerly side of Madison Square South;
THENCE westerly along the southerly side of Madison Square South, 2 feet to the easterly side of Fifth Avenue;
THENCE southerly along the easterly side of Fifth Avenue, 197 feet 6 inches to the point or place of BEGINNING.

The Premises will be sold subject to the provisions of the said Interlocutory Judgment and Terms of Sale, which may be reviewed on the New York County Supreme Court's electronic docket under Index Number 65-4176/2021. Each bidder must satisfy the referee that, if it is the high bidder at the auction, it has a bank check or money order in the amount of \$100,000 that it can tender as a deposit to the referee immediately after the conclusion of the auction, and that it will have the financial capability of closing the purchase of the property within the time frame set by the Interlocutory Judgment and Terms of Sale. The purchaser shall pay the charge for recording the deed to be given by the Referee, any charge or tax (excluding any applicable real property transfer taxes) upon the delivery or recording of said deed, and the reasonable charge of the Referee for drawing the deed. The reasonable costs of the Referee's actions are expenses of the sale and shall be paid by the Referee from the proceeds of the sale. At the conclusion of the auction sale, the successful bidder will be required to (i) tender a deposit of \$100,000 in the form of a bank check or money order made payable to PETER A. AXELROD, ESQ., Referee; (ii) satisfy the referee that it has the financial capability to close the purchase of the property within the time frame set by the Interlocutory Judgment and Terms of Sale; and (iii) agree to be bound by the terms of the Interlocutory Judgment and Terms of Sale, including but not limited to the terms specifying the successful bidder's liability for damages in the event of a default; and to pay a down payment of ten percent (10%) of the amount of the successful bid as detailed in the Interlocutory Judgment and Terms of Sale. Please consult the Interlocutory Judgment and Terms of Sale for other conditions applicable to this auction.
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BUSINESS NEWS

Musk Pushes His Own Metric for Twitter

'Unregretted user-minutes' are boss's preferred measure of platform's success

By TIM HIGGINS

When it comes to judging the new Twitter, Elon Musk has created his own measurement of success: unregretted user-minutes.

What are unregretted user-minutes? Since taking control of the social-media platform six months ago, Mr. Musk said several times that this is the metric he has in mind as he works to reinvent the company—even if he has yet to define it to the world or explain how it can be measured.

With Twitter, he is spelling out to advertisers what he wants the user experience to be—"fun and interesting and informative"—as he makes the case that they, too, will want their brands placed alongside his streams of content.

Elon Musk has yet to define this metric to the world or say how it can be measured.

To a certain extent, he is articulating a question familiar to many users of social media: Was that scrolling a good use of my time?

"The optimization for Twitter is: Maximize the unregretted user time," he said last month at a conference where he was wooing advertisers. "It's not like 'total number of users' or anything. It is just total user minutes, unregretted."

Perhaps more important than the math behind his new metric is whether he is able to reframe the conversation around the newest company in his business empire as he faces criticism for the drama around his management of the platform and his outspoken tweets.

Since advertisers pulled back with his acquisition of Twitter last year, Mr. Musk has been trying to assure them the platform isn't turning into the "free-for-all hellscape" that he months ago pledged it would

never become.

A day after Mr. Musk spoke to advertisers last month, a Twitter analytics manager suggested that the metric is still in its infancy, asking users for suggestions on how to craft it.

"This is a difficult metric to measure and means different things to different people," Dan Knob, the manager, said on Twitter. "If the metric had a numerator and denominator where the numerator was unregretted minutes and the denominator was total minutes, which would you be more interested in controlling?"

Mr. Knob didn't respond to a request for comment.

Soon after taking over Twitter, Mr. Musk began mentioning his metric goal as he tried to position what his Twitter 2.0 would be like, amid a backdrop of concern from users, politicians and advertisers over how social media in general uses secret algorithms to attract and keep attention.

"I've heard like a lot of people say, 'Hey, I spent two hours on TikTok but I regret those two hours,'" Mr. Musk told users in December. "The thing we'd want to optimize for is unregretted true human user minutes."

Mr. Musk has latched onto this undefined metric after taking great issue with one Twitter had in place at the time of its takeover: monetizable daily active users.

That metric—and how it was created—was at the heart of Mr. Musk's effort to get out of buying Twitter last summer, a legal fight he ended when he went through with the \$44 billion deal in late October.

Previously, he claimed the so-called mDAUs included fake accounts. Twitter executives at the time called his attacks misleading, saying his objections were simply a ploy to exit a deal he regretted making.

The mDAU metric was a unique Twitter creation to begin with. The metric eschewed the typical daily active user figures that **Meta Platforms'** Facebook and others have long used in Silicon Valley, making it harder for apples-to-apples comparisons with its rivals.

In the short history of the social-media industry, these metrics have been important for advertisers and investors to understand the rate of engagement by users. In theory, the

more engagement, the better for business. But there has been concern among technologists about how these kinds of metrics influence algorithms and skew outcomes.

Mr. Musk has had success before picking metrics that play to his vision.

At **Tesla**, where he is also chief executive, the auto maker has long highlighted total cost of ownership when marketing vehicles that years ago were selling well above the average price of rival gasoline-powered cars.

Instead of sticker-price comparisons, Tesla focused on the potential savings to electric-vehicle owners over the vehicle's lifetime, including tax credits applied to purchases and not having to pay for gas or oil changes.

At the time, the suggestion was a rarity in selling a car. Now it is becoming more com-



Elon Musk said his goal is to 'maximize the unregretted user time.'

monplace as rivals chase their own electric-vehicle customers

In his pursuit of unregretted user-minutes, Mr. Musk has said he wants Twitter to be more transparent in how its al-

gorithms surface content, pointing to his release of some of the company's source code in March as part of that effort. The move, he said, allows for outsiders to dissect how the

platform recommends posts and treats certain users.

"If you want to trust something, you've got to know how it works," Mr. Musk said last month. "Basically you should be able to re-create the probability of a tweet being recommended, based on what we've opened source. If you can't re-create it, then we haven't shown you everything."

Ultimately, Mr. Musk's stated goal is to use Twitter to jump-start ambitions for a bigger business that combines social media with messaging, shopping and finance.

Meanwhile, he needs to safeguard the company's biggest strength, which he touted earlier this year, as a platform attracting roughly 130 million hours of "the smartest, most influential people on earth, every single day."

He doesn't want them to regret that time.

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Ford CEO Rails at Tesla Chief

Continued from page B1
 a Tesla Model Y rival—became the No. 3 U.S. EV last year, chipping away at Tesla's market share, and the companies are now engaged in what analysts have called a price war. Meanwhile, Tesla has said it is close to releasing its Cybertruck to compete in the lucrative pickup-truck market, where Ford's F-150 is the top seller.

The back-and-forths point to an underlying tension between legacy automakers—many of which belittled Mr. Musk's efforts for years—and Tesla, which holds a lead in EVs the traditional car companies have been trying to close.

"It's entertaining. I try to read into it," said Brian Johnson, a former Barclays automotive analyst who covered both companies for years. For Ford, "It can't hurt to be seen in the same category as the market leader," he said.

Mr. Farley is the latest auto executive to court a friendly, and public, rivalry with the Tesla CEO as they jockey for position in the burgeoning EV market.

Two years ago Herbert Diess, who was then Volkswagen's CEO, called out Mr. Musk in his debut Twitter post, saying he was there in part "to get some of your market shares, @elonmusk—after all, our ID.3 and e-tron have won the first markets in Europe."

General Motors Chief Executive Mary Barra has gone quiet on Twitter since Mr. Musk bought the platform last year. Carlos Tavares, who leads Jeep maker Stellantis, doesn't have a Twitter account.

Mr. Farley is often asked about Mr. Musk, and his remarks about Tesla and its chief partly reflect his competitive and blunt personality as well as his desire to be a trailblazer in the field, former colleagues said.

At an event in August, while referring to the ramp-up in production of Ford's F-150 Lightning truck, Mr. Farley directly addressed his competitor: "Take that Elon Musk," he quipped. Mr. Musk responded on Twitter: "Thanks, but I already have one," he said in a nod to Tesla's Cybertruck.

It has been three years since Tesla released a new passenger vehicle, a long time by auto-industry standards. As for demand, wait times for new Teslas have dropped, and the company has cut vehicle prices this year as it tries to maintain its rapid pace of growth. Ford responded with its own price cuts for the Mustang Mach-E.



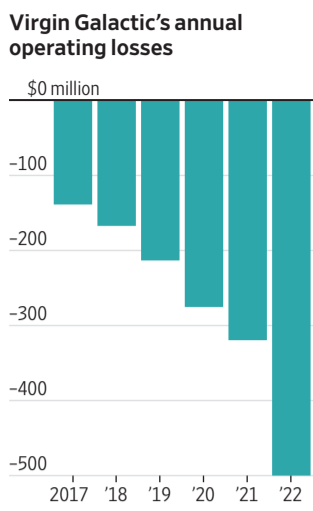
Justin J. Wee for The Wall Street Journal
 Jim Farley's Ford trails Tesla in the electric-vehicle market.

BUSINESS NEWS

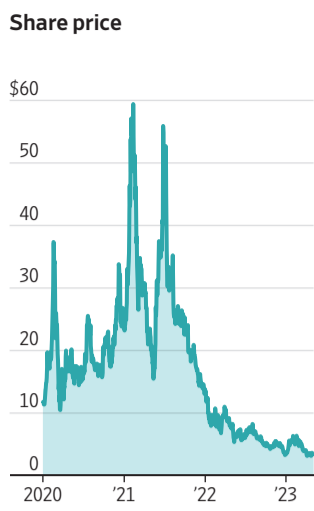
Virgin Galactic Struggles

Continued from page B1
Blue Origin hasn't flown anyone to the edge of space since part of an engine failed during an uncrewed mission in September, the company said. It expects to restart flights soon, according to a spokeswoman.

Mr. Branson's Virgin Group founded Virgin Galactic in 2004, aiming to democratize human space flight. The company ran into problems as it developed its vehicles. An engine test resulted in an explosion in 2013. The following year, during a test flight conducted by an outside company, a spaceship broke apart and crashed after its co-pilot made what officials said was an error, killing him. Virgin Galactic said after the tragedy that it was cooperating with an investigation into what happened. It said in 2015 that it modified a system on its spaceship that allows it to glide down for landings, and



Sources: the company (losses); FactSet (share price)



conducted its own safety reviews.

VSS Unity, Virgin Galactic's current spacecraft, didn't make it to space on a test flight until 2018. The company secured a full commercial launch license in June 2021.

The following month, Messrs. Branson and Bezos made heavily promoted trips operated by Virgin Galactic and Blue Origin, respectively. The flights aimed to herald the dawn of a new business, selling private citizens tickets to space.

Mr. Branson's flight didn't stick to its planned route as it descended, and in August 2021 the Federal Aviation Administration began to oversee an investigation. The company said windy conditions affected the vehicle's trajectory, its pilots responded appropriately and crew or passengers never were in danger. The probe was completed at the end of September 2021. Virgin Galactic said it would designate more protected airspace for future flights, and better communicate with the FAA during missions.

Though Virgin Galactic was cleared to fly again, the company in October 2021 pushed off flying until it upgraded its plane and spaceship, work that it recently completed.

After Mr. Branson's flight, many investors turned away from the company. Shares reached \$52.69 three days before he visited the edge of space. They fell since then, trading at around \$3.50 in early May. Mr. Branson whittled down his exposure to the company. An entity he controls lowered its stake to about 12% as of the end of 2021, down from 59% roughly two years earlier, according to securities filings.

Virgin Galactic faces legal challenges from some shareholders, who allege Mr. Branson and the company made false statements about its vehicles and other matters and sold shares at inflated prices.

Lawyers for Mr. Branson and the company in February filed a motion to dismiss the suit, which seeks class-action status and damages.

They said the plaintiffs haven't shown that Mr. Branson had access to nonpublic information that contradicted his statements or made his stock sales unusual.

Ares Sets Sights On \$10 Billion for Direct-Loan Fund

By Rod James

Ares Management is raising its third fund dedicated to extending loans to midsize U.S. businesses, seeking 25% more capital than it raised for a predecessor over two years ago, as banks step back from financing leveraged buyouts.

The alternative asset manager best known for its \$214.2 billion in private-credit strategies aims to collect \$10 billion for its Ares Senior Direct Lending Fund III, according to documents prepared for the \$24.52 billion Teachers' Retirement System of Louisiana.

Credit strategies have become more popular recently with growing numbers of buyout firms looking to direct lenders to finance acquisitions as a major traditional source of funding, bank loans, dries up.

Capital raised by private credit funds more than tripled from 2012 to reach a record \$249.7 billion in 2021, and last year's \$200.4 billion total represents the second-largest annual haul to date, according to research provider PitchBook Data.

Ares's previous senior direct lending, or SDL, fund closed in late 2021 with commitments of \$8 billion. The firm said that including leverage on specific deals, SDL Fund II brought it \$14 billion in fresh investment capacity. Institutional investors in that vehicle included the \$454.26 billion California Public Employees' Retirement System, which pledged \$500 million, according to the WSJ Pro Private Equity LP Commitments database.

On a call last week with analysts regarding first-quarter earnings, Ares Chief Executive Michael Arougheti said the firm expected to hold a "sizeable first closing" on the new fund within several months.

An Ares representative declined to comment on the status of fundraising for the vehicle.

The firm's third SDL fund will extend senior secured loans to companies with earnings before interest, taxes, depreciation and amortization of \$10 million to more than \$150 million, according to the Louisiana documents. The pension system's trustees approved a commitment of as much as \$200 million to SD Fund III, a spokeswoman said.

Holders of senior debt rank higher in line for repayment than those with junior debt or equity investors in the event of default, making the Ares strategy a relatively lower-

It is Ares's third fund extending loans to midsize U.S. businesses.

risk, lower-return approach. The firm's first SDL fund, which closed in 2018 with investment capacity of \$5.4 billion including leverage, has generated an 11.1% internal rate of return including leverage and 6.2% without, the Louisiana documents show.

Ares is still investing from the second pool in its senior direct lending strategy, a process that began early last year, so meaningful return data for SDL Fund II isn't available, according to the documents.

The firm has made more than \$117 billion of direct-lending investments through its credit strategy since inception 18 years ago, according to the documents.

An overwhelming majority, 89%, of its investments have been in private equity-backed companies.

Investors Stay Alert For Rally

Continued from page B1

The index measures purchases and sales of risky assets compared with safer trades. That includes flows into cyclical stocks such as those in the energy and financial sectors versus defensive shares in the utilities and healthcare groups. It also measures interest in investment-grade corporate bonds versus their higher-yielding counterparts, along with flights to safety in the dollar.

Despite their preference for conservative plays, investors don't appear to be ready to give up on stocks.

The S&P 500 is hanging on to a 7.7% gain this year, boosted by better-than-feared company earnings and resilient consumer spending. Meanwhile, the Cboe Volatility Index, also known as the VIX or Wall Street's fear gauge, recently ebbed to its lowest level since 2021, a lull that has encouraged some investors to jump into the market.

In the coming days, investors will be looking to April's inflation figures to gauge where the Fed might take policy. The consumer-price index is slated for Wednesday, with producer inflation on tap for Thursday.

Derivatives traders continue to wager that the Fed will cut rates by at least a half percentage point by December, even though Chair Jerome Powell has said interest rates will remain restrictive. Friday's stronger-than-expected jobs report suggested the la-

bor market has yet to crack, and government-bond yields rose in response.

Regional-bank stocks were on a roller coaster last week despite assurances from the Fed that the banking system is on solid footing. PacWest Bancorp, Western Alliance and other banks fell sharply before rebounding Friday.

One factor that doesn't bode well for stocks? They still look expensive historically, and valuations typically get crushed in a recession.

Companies in the S&P 500 are trading at about 17.8 times their projected earnings over the next 12 months, according to FactSet, above the 10-year average of 17.3. Although economists generally agree that any recession this year will be short and shallow, the benchmark stock index has declined a median of 24% in recessions going back to 1946, according to research from Deutsche

Bank. Ann Miletta, head of active equity at Allspring Global Investments, still said there are opportunities emerging in the market.

The weakness in regional bank stocks—and worries over the businesses they lend to—have led shares of smaller companies to underperform their larger peers since the collapse of Silicon Valley Bank. The Russell 2000 index of small-cap stocks is down 6.4% since March 8, while the S&P 500 has gained 3.6% over the same time frame.

"Small-caps tend to outperform when inflation is falling," she said. "I'm cautious in the near term, because I don't think the banking fiasco is quite over; but I wouldn't wait too long to get there."

Ms. Miletta said she is just as focused on positioning for "what could go right" as what could go wrong for markets.

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

Source: Lipper

Friday, May 5, 2023

Table with columns: Fund (SYM), NAV, Close/Disc, 52 wk Prem, 52 wk Ttl, 52 wk Ret. Includes General Equity Funds, U.S. Mortgage Bond Funds, Investment Grade Bond Funds, Loan Participation Funds, High Yield Bond Funds, and Single State Muni Bond.

Table with columns: Fund (SYM), NAV, Close/Disc, 52 wk Prem, 52 wk Ttl, 52 wk Ret. Includes U.S. Mortgage Bond Funds, Investment Grade Bond Funds, Loan Participation Funds, High Yield Bond Funds, and Single State Muni Bond.

Table with columns: Fund (SYM), NAV, Close/Disc, 52 wk Prem, 52 wk Ttl, 52 wk Ret. Includes Other Domestic Taxable Bond Funds, International Bond Funds, and Real Estate Funds.

Table with columns: Fund (SYM), NAV, Close/Disc, 52 wk Prem, 52 wk Ttl, 52 wk Ret. Includes General Equity Funds, Specialized Equity Funds, and Other Domestic Taxable Bond Funds.

Table with columns: Fund (SYM), NAV, Close/Disc, 52 wk Prem, 52 wk Ttl, 52 wk Ret. Includes General Equity Funds, Specialized Equity Funds, and Other Domestic Taxable Bond Funds.

Table with columns: Fund (SYM), NAV, Close/Disc, 52 wk Prem, 52 wk Ttl, 52 wk Ret. Includes General Equity Funds, Specialized Equity Funds, and Other Domestic Taxable Bond Funds.

A Week in the Life of the DJIA

A look at how the Dow Jones Industrial Average component stocks did in the past week and how much each moved the index. The DJIA lost 423.79 points, or 1.24%, on the week. A \$1 change in the price of any DJIA stock = 6.59-point change in the average. To date, a \$1,000 investment on Dec. 31 in each current DJIA stock component would have returned \$31,206, or a gain of 4.02%, on the \$30,000 investment, including reinvested dividends.

Table showing stock performance for the week of May 5, 2023. Columns include Pct change, Stock price, Point chg, and Company. Lists major companies like Apple, Microsoft, Amazon, and Walmart.

Insider-Trading Spotlight

Trading by 'insiders' of a corporation, such as a company's CEO, vice president or director, potentially conveys new information about the prospects of a company. Insiders are required to report large trades to the SEC within two business days. Here's a look at the biggest individual trades by insiders, based on data received by Refinitiv on May 5, and year-to-date stock performance of the company.

Table of insider trading activity. Columns: Date(s), Company, Symbol, Insider, Title, No. of shrs in trans (000s), Price range (\$), \$ Value (000s), Close (\$), Ytd (%).

Buyers

Table of stock buyers. Columns: Date(s), Company, Symbol, Insider, Title, No. of shrs in trans (000s), Price range (\$), \$ Value (000s), Close (\$), Ytd (%).

Sellers

Table of stock sellers. Columns: Date(s), Company, Symbol, Insider, Title, No. of shrs in trans (000s), Price range (\$), \$ Value (000s), Close (\$), Ytd (%).

* Half the transactions were indirect ** Two day transaction p - Pink Sheets

Buying and selling by sector

Based on actual transaction dates in reports received this past week

Table showing buying and selling by sector. Columns: Sector, Buying, Selling.

Sources: Refinitiv; Dow Jones Market Data

Borrowing Benchmarks

wsj.com/market-data/bonds/benchmarks

Table of borrowing benchmarks including U.S. consumer price index, international rates, prime rates, policy rates, and secondary market rates.

Money Rates

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Table of money rates including inflation, U.S. government rates, discount, federal funds, prime rates, treasury bill auction, and fannie mae.

Other short-term rates

Table of other short-term rates including call money, commercial paper, and secured overnight financing rate.

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Money Rates

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

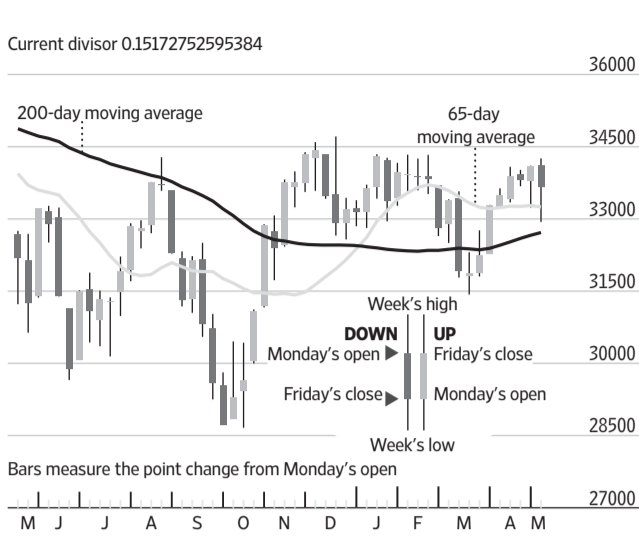
Table of money rates including inflation, U.S. government rates, discount, federal funds, prime rates, treasury bill auction, and fannie mae.

Synchrony Bank advertisement for a High Yield Savings account. Features a 4.15% APY rate and includes the Synchrony logo and 'Get extra funds? Synchrony Bank helps you save more so you can DO MORE' slogan.

MARKETS DIGEST

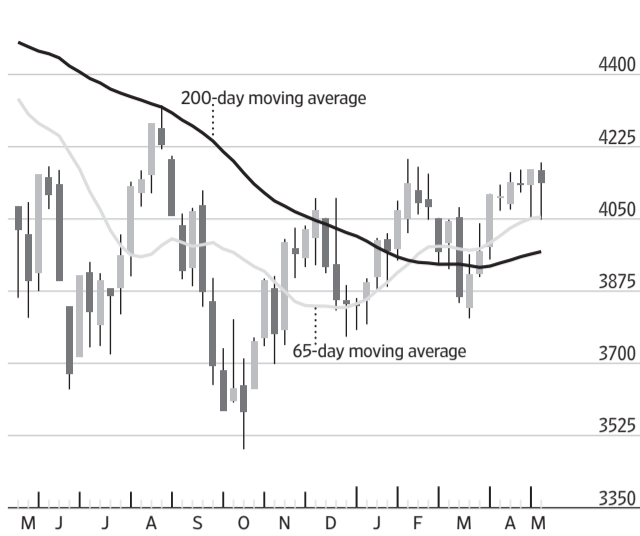
Dow Jones Industrial Average

33674.38 ▼423.78, or 1.24% last week Trailing P/E ratio 22.45 18.70



S&P 500 Index

4136.25 ▼33.23, or 0.80% last week Trailing P/E ratio 18.37 22.58



New to the Market

Public Offerings of Stock

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

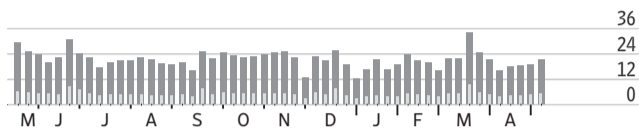
Table with columns: Expected pricing date, Issued/business, Symbol/exchange, Shares (mil), Pricing Range(\$), Bookrunner(s)

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.

Table with columns: Lockup expiration, Issue date, Symbol, Offer price(\$), Offer amt (\$ mil), Through Friday (%), Lockup provision

NYSE weekly volume, in billions of shares



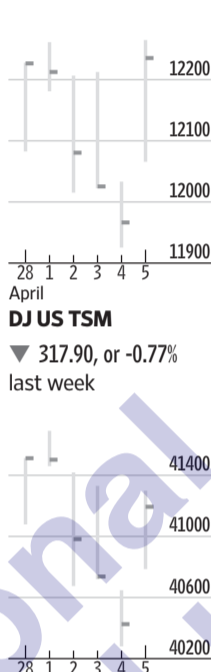
QR code and text: Scan this code Get real-time U.S. stock quotes and track most-active stocks, new highs/lows, mutual funds and ETFs. Available free at WSJMarkets.com

Major U.S. Stock-Market Indexes

Table of Major U.S. Stock-Market Indexes including Dow Jones, Nasdaq Composite, S&P 500, and Russell 2000 with high, low, close, and change data.

Nasdaq Composite

▲ 8.83, or 0.07% last week



IPO Scorecard

Performance of IPOs, most-recent listed first

Table of IPO Scorecard showing company names, symbols, IPO dates, and performance metrics like % Chg From Offer and 1st-day % Chg.

Public and Private Borrowing

Treasuries

Table of Treasury auctions including Monday, May 8 and Tuesday, May 9 with details on auction dates and terms.

International Stock Indexes

Table of International Stock Indexes by region (Americas, EMEA, Asia-Pacific) and index name, with close, change, and high/low data.

Commodities and Currencies

Table of Commodities and Currencies including DJ Commodity, Refinitiv/CC CRB Index, Crude oil, Natural gas, Gold, U.S. Dollar Index, etc.

Cash Prices | Friday, May 05, 2023

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

Table of Cash Prices for Energy, Metals, Grains and Feeds, Silver, Battery/EV metals, Other metals, Fibers and Textiles, and Food.

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Selected rates

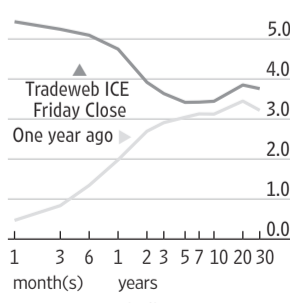
Table of Selected Rates for five-year ARM, Rate, Bankrate.com avg, Florence Savings Bank, etc.

Table of Interest rates for Federal-funds rate target, Prime rate, 3-month LIBOR, Money market, etc.

Benchmark Yields and Rates

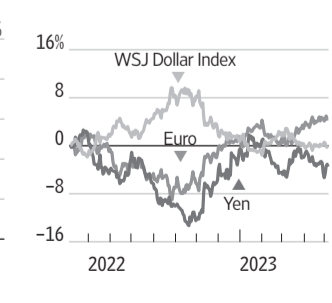
Treasury yield curve

Yield to maturity of current bills, notes and bonds



Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Corporate Borrowing Rates and Yields

Table of Corporate Borrowing Rates and Yields for U.S. Treasury, Aggregate, Fixed-Rate MBS, etc.

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Table of Currencies showing U.S.-dollar foreign-exchange rates for various countries like Argentina, Brazil, Canada, etc.

MARKETS

Buffett Retains His Optimism

By Akane Otani

OMAHA, Neb.—It has been a tumultuous year since Warren Buffett last took the stage to talk to his company's shareholders.

Markets swooned. Tensions between the U.S. and China rose to new heights. And three U.S. banks toppled in quick succession, raising fears about the potential for wider fallout in the financial system. Through it all, Mr. Buffett retained his sense of optimism.

Sure, society has changed significantly since he bought his first stock at age 11 in 1942. But the basic rules of investing have stayed the same, he said.

"What gives you opportunities is other people doing dumb things," he said at Berkshire Hathaway's annual shareholder meeting Saturday. "In the 58 years we've been running Berkshire, I'd say there has been a great increase in the number of people doing dumb things."

Mr. Buffett, chairman and chief executive of Berkshire, addressed a crowd of thousands who gathered in an arena to hear him and his lieutenants speak. The famed investor has used his company's annual meeting as an opportunity to muse on everything from share buybacks to activist investors to corporate taxes, as well as more philosophical topics, like the meaning of a good life.

This year, he addressed Berkshire's big bet on oil stocks, which have made it the biggest shareholder of Occidental Petroleum and Chevron and stoked speculation that it might try to acquire Occidental. "We're not going to buy control," he said. "We've got the right management running it, and we wouldn't know what to do with it."

Mr. Buffett praised Apple, Berkshire's biggest stock investment. As in previous years, the iPhone maker's CEO, Tim Cook, was attending the meeting.

"It just happens to be a better business than any we



At the meeting was a mascot for Geico, an insurer that is one of Berkshire's subsidiaries.

own," Mr. Buffett said, adding he believed consumers would sooner give up a second car than let go of their iPhone.

Mr. Buffett expressed his faith in the U.S., a common theme of his letters to shareholders over the past few decades. The country isn't perfect, he said. It faces huge challenges, including a government that appears to have become tribalistic, he said. Problems in the banking sector have illustrated that there is a serious lack of understanding among Congress and the public about lenders, he added.

Charlie Munger, Mr. Buffett's right-hand man, went one step further. The industry needs to reckon with its morality, he said. "Bankers should be more like engineers...avoiding trouble instead of trying to get rich," Mr. Munger said.

Mr. Buffett maintained that if he had the chance to start life all over and pick when and where he would be born, he would without a doubt pick the U.S. today.

"The world is overwhelmingly short-term focused," Mr. Buffett said. "I'd love to be born today and go out with not too much money and hopefully turn it into a lot of money."

Audience members also asked the men what they thought of the rise of artificial intelligence. Artificial intelligence will no doubt disrupt many industries in the years to come, Berkshire Vice Chairman Mr. Munger said. But he expressed skepticism of what he called the hype surrounding the field. "I think old-fashioned intelligence works pretty well," he said.

At ages 92 and 99, respectively, Messrs. Buffett and Munger remain sharp as ever, said Chris Bloomstran, president of Semper Augustus Investments Group, at a conference on value investing held by Gabelli Funds on Friday. "We just take each of these years that we still get as a victory, because it's been one of the greatest pleasures" in life to get to come to Omaha every year and hear them speak, he added.

The tone was less celebratory outside the convention center Saturday, where pilots for Berkshire-owned NetJets held up signs in protest of company executives, who they say have failed to meaningfully address conditions leading to a shortage of workers.

Berkshire kicked off Saturday's proceedings by releasing its first-quarter results. The

company reported net income of \$35.5 billion, or \$24,377 a class A share equivalent. That was up from \$5.58 billion, or \$3,784 a class A share equivalent, a year earlier.

Operating earnings, which exclude some investment results, rose to \$8.07 billion from \$7.04 billion last year, boosted by big gains in Berkshire's insurance underwriting business. Mr. Buffett cautioned that the majority of Berkshire businesses would likely report lower earnings this year, due to an "incredible period" for the economy coming to an end.

Mr. Buffett has long told shareholders to ignore net income and focus instead on operating earnings, which he feels are a better reflection of how Berkshire is doing.

Berkshire ended the quarter with \$130.6 billion in cash and cash equivalents, up slightly from around \$128.6 billion at the end of 2022.

Berkshire tapped into that cash pile to go on a buying spree in the first half of 2022, but it has slowed down its pace of stock purchases since then. For the second straight quarter, the company was a net seller of stock, unloading \$13.3 billion in shares while buying \$2.9 billion.

Berkshire Leaders Take On Banks, AI

By Chip Cutter

The question was a philosophical one: How should you avoid major mistakes in business and life?

Warren Buffett, the 92-year-old chairman and chief executive of Berkshire Hathaway, paused briefly. "You should write your obituary and then try to figure out how to live up to it," he said. "It's not that complicated."

At Berkshire's annual shareholder meeting Saturday, an event that draws thousands to Omaha, Neb., each spring, Mr. Buffett and his longtime business partner, Charlie Munger, spent hours weighing in on topics as varied as the recent banking turmoil to artificial intelligence and the future of the U.S. As is typical at such gatherings, the executives also doled out advice on management practices, career choices and how to enjoy a good life.

In prior years, Mr. Munger has heaped scorn on consultants, compensation specialists and what he described as make-work activities inside U.S. companies. This weekend, he directed his ire at wealth managers.

"Having a huge proportion of the young and brilliant people all going into wealth management is a crazy development in terms of its natural consequences for American civilization," Mr. Munger said. "We don't need as many wealth managers as we have."

He added: "I don't think a bunch of bankers, all of whom are trying to get rich, leads to good things."

Mr. Buffett, for his part, said he wanted to see greater accountability inside banks, saying that the recent crisis in the industry illustrated why executives and board members should face consequences if a business encounters problems.

"If the CEO gets the bank in trouble, both the CEO and the directors should suffer," Mr. Buffett said. "You've got to

have the penalties hit the people that cause the problems, and if they took risks that they shouldn't have, it needs to fall on them if you're going to change how people are going to behave in the future."

Over hours of questions from investors and others, the two billionaires often peppered their answers with recommendations on how to navigate business. Mr. Buffett advised that people pay attention to how others might try to manipulate them.

He also encouraged those in attendance to resist the temptation to criticize or vilify others. "I've never known anybody that was basically kind that

Messrs. Buffett and Munger also doled out advice on how to enjoy a good life.

died without friends," Mr. Buffett said. "And I've known plenty of people with money that have died without friends."

Mr. Munger said success comes from steering clear of toxic people. "The great lesson of life is get them the hell out of your life—and do it fast," Mr. Munger said.

When hiring some of his top leaders over the years, Mr. Buffett said he has tried to suss out someone's talents and not focus on whether they attended a prestigious institution.

On artificial intelligence, Mr. Buffett said he had been impressed at generative AI's abilities to summarize legal opinions and potentially take on other tasks, though he said he worried about its potential consequences. "It can do all kinds of things, and when something can do all kinds of things, I get a little bit worried because I know we won't be able to uninvent it," Mr. Buffett said.

Youngest Shareholders Vie for Question Time

By Akane Otani

OMAHA, Neb.—Every year, tens of thousands of Berkshire Hathaway shareholders make the pilgrimage to Omaha to hear the legendary investors Warren Buffett and Charlie Munger speak.

Most are middle-aged. Some are college students.

Then there are the youngest of all: children, including Annie and Mary Handly Templeton-Phillips. Although the girls, ages 10 and 14, respectively, are too young to vote, drive or drink, they have strong opinions about portfolio management, and questions lined up for Messrs. Buffett and Munger, should they ever get a chance to speak to them. "I'd ask how they got into investing and how old they were when they started to save money," Mary Handly said.

Ordinarily, children would be a somewhat unusual sight at a shareholder meeting. Even at Berkshire's gathering, they stand out. But Berkshire's annual meeting feels more like a friendly gathering of value-

investing geeks than a suited-up corporate affair. The convention center that hosts the event includes booths stocked with items from Berkshire companies, including See's Candies treats and Squishmallows plush toys in the likenesses of Messrs. Buffett and Munger.

Sometimes, children have grilled the investors at the gathering.

Most years at least one child is among the audience members whom Berkshire selects to ask Messrs. Buffett and Munger a question.

Sometimes the young shareholders look for general wisdom. In 2004, 14-year-old Justin Fong asked the two men what advice they would give young people.

At other times, children grilled the investors. In 2018,

8-year-old Daphne Kalir-Starr stepped up to a microphone and asked why Berkshire appeared to depart from its "old capital-efficient philosophy" by investing in BNSF Railway. The crowd broke into thunderous applause.

Annie and Mary Handly's mother, Lauren Templeton, founder and chief executive officer of Tennessee-based Templeton & Phillips Capital Management, wants her daughters to grow up understanding the importance of saving and starting to invest early in life—part of the reason she and her husband decided to purchase Berkshire shares in their names.

At the same time, she knows they are still young. It is difficult to sit through six or so hours of serious discussion about investing.

Annie said, besides listening to Messrs. Buffett and Munger, she is most looking forward to munching her way through boxes of See's Candies chocolates and exploring the inside of Clayton Homes' mobile-home exhibits.

JPMorgan Chase Bank, N.A. has assumed the deposits of First Republic Bank

On May 1, 2023, the California Department of Financial Protection and Innovation closed First Republic Bank and appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. JPMorgan Chase Bank, N.A. then entered into an agreement with the FDIC to acquire the substantial majority of assets and assume the deposits and certain other liabilities of First Republic Bank from the FDIC.

Deposits formerly held at First Republic Bank have been transferred to JPMorgan Chase Bank, N.A. Transferred deposits remain protected by FDIC deposit insurance going forward up to applicable insurance coverage limits. First Republic Bank clients should continue banking at First Republic preferred banking offices and ATMs, online at FirstRepublic.com and on the mobile banking app. Clients can also continue using their same checks, debit and ATM cards. For questions, clients should contact their First Republic team or call (888) 408-0288.

About JPMorgan Chase Bank, N.A.

JPMorgan Chase Bank, N.A. operates branches in 48 U.S. states and Washington, D.C., and is a wholly owned subsidiary of JPMorgan Chase & Co., a leader in financial services for more than 200 years. JPMorgan Chase & Co. had \$3.7 trillion in assets as of December 31, 2022.

JPMORGAN CHASE & Co.

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THE TICKER | MARKET EVENTS COMING THIS WEEK

Monday		Tuesday		Wednesday		Thursday		Friday	
Wholesale inventories		Consumer price index		Earnings expected		EIA report: natural gas		Import price index	
Feb., previous	up 0.1%	All items, March	up 5.0%	Estimate/Year Ago		Previous change in stocks in billions of cubic feet		March, previous	down 0.6%
March, expected	up 0.1%	April, expected	up 5.0%	Amdocs	1.47/1.54	up 54	April, expected	up 0.3%	
Earnings expected		Core, March	up 5.6%	First Citizens		U.Mich. consumer index		April, final	63.5
Estimate/Year Ago		April, expected	up 5.5%	BancShares	22.04/18.95	May, prelim	63.0		
Devon Energy	1.38/1.88	EIA status report		Roblox	(0.35)/(0.27)				
Intl Flavors & Fragrances	0.89/1.69	Previous change in stocks in millions of barrels		Trade Desk	0.13/0.21				
KKR	0.74/1.10	Crude-oil	down 1.3	Walt Disney	0.95/1.08				
McKesson	7.18/5.83	Gasoline	up 1.7						
PayPal Holdings	1.10/0.88	Distillates	down 1.2						
Ventas	(0.10)/0.10	Mort. bankers indexes							
Tuesday		Purch., previous							
Short-selling reports		Refinan., prev.	up 1.0%						
Ratio, days of trading volume of current position, at Apr 14									
NYSE	4.3								
Nasdaq	2.8								
Earnings expected									
Estimate/Year Ago									
Air Products & Chemicals	2.65/2.38								

* 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

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

U.K. Monarchy's Source of Funding Is Evolving

The Crown Estate is in the middle of an awkward transition from property firm to renewable-energy champion

The funding of the British monarchy, never clean, is getting messier.

The transfer of ceremonial power from the late Queen Elizabeth II to her son, King Charles III, reached a climax with Saturday's coronation in London. Behind the scenes, the company that finances the public activities of Britain's royal family is also undergoing a radical generational change.

The Crown Estate charts its origins back to 1066. Almost a millennium later, its holdings have shrunk to London property last valued at £7.7 billion, equivalent to \$9.7 billion; some shopping malls and land outside of the U.K. capital; and—the part most in keeping with the company's genesis—most of the seabed around the island.

These days, the assets belong to King Charles only in his public capacity as monarch. In practice, this

means the Crown Estate gives its profit to the U.K. Treasury, which in turn hands over a semifixed cut to the royal family to carry out public duties and pay for five palaces, including Buckingham Palace and Windsor Castle. For the year through March 2022, this cut, called the Sovereign Grant, was £86.3 million based on a five-year deal agreed upon in 2016.

Another settlement between the monarch and the Treasury is overdue. It should have taken place last year, but at the time the Crown Estate was completing a big round of offshore wind-farm licensing deals with European energy companies including **BP**, **TotalEnergies** and **RWE**, so the negotiations were delayed.

The wind-farm agreements were signed in January, bringing the Crown Estate a bonanza of monthly "option fees." The new revenue

stream of roughly £1 billion annually should last years.

This will be transformational for a company that made just £491 million of revenue in the year through March 2022. A decade ago, the Crown Estate looked and was run like a property company: Rents from offices, shops and other urban real estate contributed about two-thirds of its revenue. The business exploiting the seabed has been growing for some years, but the wind-farm deals will make it the financial core of the company.

This is awkward for King Charles, for two reasons. First, under the current arrangement it would put the monarchy in line for a huge revenue increase. It could do with a raise, having spent £102.4 million in the year through March 2022, a chunk more than the Sovereign Grant, due to the timing of refurbishment projects at Buckingham

Palace. But the new king felt obliged to turn it down. When the Crown Estate announced its licensing deals, he asked for the "windfall" to be "directed for wider public good" through an adjustment in the Sovereign Grant.

The second problem is harder for the monarch to address. The coastal seabed is a monopoly asset that in most countries, including the U.S., belongs to the state. It is in a very different category to the buildings the Crown Estate owns around London's Regent Street, which sit alongside others owned by institutional investors or by British aristocrats like the Duke of Westminster. It positions the company squarely as a public asset with a strategic role to play in the U.K. government's climate ambitions, in addition to its historic revenue-raising function.

In some ways this corporate

transition seems fitting as Charles, a longtime champion of green causes, takes the crown. Yet it will make the U.K. royal family's sometimes controversial dependence on government funding more explicit. The Sovereign Grant may even start to be associated with household energy bills, which will have to pay for the Crown Estate's lucrative licensing fees.

King Charles famously wants a "slimmed-down" monarchy. The first test of that will be the new Sovereign Grant, which is under negotiation and might be announced around the time the Crown Estate and Buckingham Palace publish annual accounts next month. But it isn't just how much the venerable institution costs that will matter for its legitimacy under the newly crowned King. It is also where the money comes from.

—Stephen Wilmut

Mining Firms Get Ready for the Green Revolution



Cost of new mines is rising as interest in green projects grows.

A decade of underinvestment and a thicket of permits are challenges that the world's top miners need to tackle head on. That is, if they want to ride a probable surge in copper prices as the world finally gets its act together to tackle climate change—a task that will require vast quantities of the red metal.

Over the past six months mining firms have begun jostling to acquire copper assets. One major reason: The U.S. Inflation Reduction Act, essentially a massive green-industry policy bill that passed last August. Copper supply now looks likely to fall far short of demand over the next decade—unless big new green-field projects are brought online.

The biggest copper mining firms include **Freeport-McMoRan**, Australia's **BHP** and **Glencore**. Rio Tinto,

which this year kicked off operations at its Oyu Tolgoi project in Mongolia, could move into the top tier.

Those in the low-cost bracket include Canada's **Teck**—currently fending off Glencore's advances—BHP's newly acquired **OZ Minerals**, Southern Copper and Glencore, according to brokerage Jefferies.

Strong balance sheets will help. Most big mining firms paid down debt during the past several years. BHP and Rio Tinto's ratio of net debt to earnings before interest, tax, depreciation and amortization are among the lowest in the industry: 0.15 in 2022, according to FactSet. From a valuation perspective, Glencore and Teck look attractive: They trade around eight times next 12 month's expected earnings. BHP is a bit pricier at around 10, while South-

ern Copper fetches about 18 times.

But success will come down to more nebulous factors: the ability to negotiate capricious regulatory regimes in far-flung places like Mongolia, reassure shareholders focused on environmental and social concerns and luck.

A major problem is that heightened scrutiny of new projects on environmental and social grounds is significantly raising the costs of the new mines necessary to fuel a low-carbon global economy. That, along with high capital costs, has made the task of building new copper mines "herculean" says Dalton Baretto, analyst at Canaccord Genuity.

Deutsche Bank data shows the average time needed to take a copper project through various permitting stages increased from less than two

years before 2010 to around five years currently. The bank reckons projects that begin permitting today will take around 10 years to reach first production. With numbers like that, it is no wonder that big miners focused on buying up existing mines.

Cyclical headwinds from the U.S. and China are weighing on current copper prices, making big new investments harder to sell. Liam Fitzpatrick, analyst at Deutsche Bank, says copper producers are generating virtually no free cash flow from their investments at current prices.

Nonetheless, the big miners will need to plunge in anyway. The copper demand wave is coming. Those who don't invest soon will almost certainly be forced to do so later—probably at much higher prices.

—Megha Mandavia



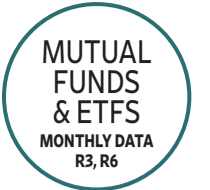
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THE WALL STREET JOURNAL.

Monday, May 8, 2023 | R1



What Investors Should Know About Money-Market Funds and CDs

Investors are turning to these cash-equivalent investments, some of which are yielding 5% or more. But it pays to have a strategy beyond fear.

BY LORI IOANNOU

INVESTORS ARE rushing into cash, fearful of a recession later in the year.

In addition to having emergency cash on hand, individual investors are pouring billions of dollars into cash-equivalent investments such as money-market funds and certificates of deposit that are yielding 5% or more—far more than a traditional low-yielding bank savings account.

Some analysts say concerns about stability in the banking sector after the collapse of Silicon

Valley Bank and Signature Bank, and most recently First Republic Bank, could help propel the trend in the weeks to come.

“Investing in these vehicles is a short-term hedge. It’s a way for investors to capture some low-risk returns without having to worry about the wild swings in the stock and bond markets,” says Bryan Cannon, CEO and chief portfolio strategist at Cannon Advisors in Charlotte, N.C.

For investors, however, the key question is *Please turn to page R4*

Air Ball: Online Sports Bettors Lose More as Parlays Gain Popularity

The average bettors win less, which means the gambling companies are winning more

BY RANDALL SMITH

ONLINE SPORTS betting has soared in popularity in the five years since a 2018 Supreme Court decision cleared the way for its legalization in the U.S. So far, more than two dozen states and the District of Columbia have

embraced online sports betting and others are considering it.

But there is a key question—familiar to investors in financial markets—that potential online bettors might want to consider: What are the average overall returns?

The answer, according to reports by gambling companies to their investors and state regulators, as well as in-

terviews with industry experts, is that average overall returns for recreational gamblers are negative and getting worse. Simply put, the average Joe is winning less, while gambling companies are winning more.

Chalk it up to a change in the mix of online bets that gaming companies are promoting. At the core of the change are so-called parlay bets in which a gambler bets not just on the result of one game, but on several different

Please turn to page R6

Inside

RETIREMENT ROOKIES

When two spouses retire, they often realize they have the luxury of time. But what to do with it? **R5**



SCOREBOARD

April 2023 fund performance, total return by fund type. More on R2

U.S. stocks*	Intl. stocks*	Bonds (intmd.)
▲ 0.03%	▲ 2.0%	▲ 0.6%

*Diversified funds only, excluding sector and regional/country funds Source: Refinitiv Lipper

Faced

A study finds that for male stock analysts, having a face that is perceived as strong can be a competitive advantage; it’s the opposite for women. **R5**



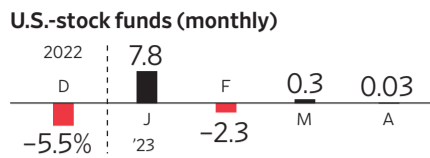
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JOURNAL REPORT | INVESTING MONTHLY

A Journal Report special look at the numbers and news about this month's investing

JR



When Investors Do the Most Harm With Market Timing

Does market timing hurt portfolios most during up years or down years? What about when things are volatile? We ran the numbers.

BY DEREK HORSTMAYER

LAST YEAR was a disaster in the markets across all asset classes. Unfortunately, the average mutual-fund investor fared even worse than market indexes would have predicted. This phenomenon is known as the “return gap” or “investor gap.” This gap captures the difference between the average return for a mutual fund and what an average investor in that fund actually earns.

across all asset classes. To study this issue, my research assistants (Christopher Lindholm and Dongxuan Hou) and I pulled data on all dollar-denominated mutual funds (active and passive) back to 2012. We then separated them by asset class and calculated the return gap—the difference between the fund’s average return and its asset-weighted return. Next, we calculated the mean return gap in each asset class across down years and up years, as well as during high-volatility years and low-volatility years.

Feeling down

The first interesting finding is that in general, the return gap for an investor is worse in down years than up years. For small-cap equities the average return gap in down years is 1.19 percentage points and the average return gap in up years is 0.76 percentage point. This means that the average investor does 0.43 percentage point more damage to a small-cap portfolio in down years due to poor market timing.

Why might these two numbers not match up? Blame investor behavior. A mutual fund’s stated return will reflect the average return of its stock or bond holdings over a period, assuming an investor puts in a lump sum of money and leaves it alone. But because investors on average tend to move in and out of investments and often at the wrong time—such as selling when the market has already hit a bottom and buying back in when the market is at the top—they often don’t experience this stated return in full. Thus, what investors on average are actually experiencing in the fund is better captured by its asset-weighted return—which gives more weight to returns when there is more money in the fund, and less weight when there is less money in it.

The test

With this measure in mind, we set out to determine when the greatest return gaps occur—that is, when investors actually do the most harm to their portfolios by trying to time the market. As it turns out, the return gap is bigger in down years than up years and is biggest in years when markets are volatile. During volatile years, investors lose more than an extra percentage point in return on average compared with a fund’s benchmark index,

The three exceptions to this finding, according to our research, were: fixed income, emerging markets and value equity. As it turns out, for these asset classes, up years actually have higher return gaps than down years.

As for market volatility, high-volatility years have higher return gaps than low-volatility years across all asset classes. Volatility seems to induce poor decisions in investors. What should investors take away from this research? Market timing is almost always a loser. But it’s especially a loser in high-volatility years. In the end, trading in turbulent times will cost you an average of over 1 percentage point in lost returns in that year alone.

Dr. Horstmeyer is a professor at George Mason University’s business school. He can be reached at reports@wsj.com.



4/28/23 First Republic Bank headquarters in San Francisco, on a day when its stock fell 43%.

-28% The year-to-date change in the KBW Nasdaq Regional Banking Index, despite assurances from the Fed about the banking sector.

-14% The three-month average performance of mutual funds and ETFs that invest in stocks of financial-services companies, the worst of Refinitiv Lipper’s fund categories.

Out On the Street

Regional banks are under assault from investors after the failure of First Republic Bank—the latest banking domino to fall. First there was the collapse of Silicon Valley Bank, which had been a bank of choice for startup companies, followed by the seizure of Signature Bank. As May began, the bulk of First Republic was sold to JPMorgan.

Monthly Monitor • William Power

Stock Funds Rise, but Outlook Is Iffy



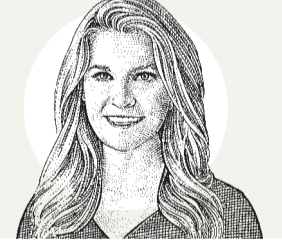
It’s not much, but investors will take it. Despite bank-sector turmoil, the stock market notched another positive month in April, thanks in part to strong earnings from several large companies. The average U.S.-stock fund rose a bare 0.03% in April, according to Refinitiv Lipper data, to leave the year-to-date gain at 5.6%. Funds focusing on large-cap stocks did better than most, with gains of more than 1% in the month. Investors remain wary. The month of May began with stock declines and yet another interest-rate increase from the Federal Reserve—and unless the Fed is successful in its inflation battle, many investors aren’t counting on continued good news about corporate earnings. In fact, the stock market’s outlook has had some analysts reciting the Wall Street cliché of “sell in May and go away.” That refers to adage that stock

investors should generally pull back from the market at this point in the year to avoid an inevitable summer slump. But others say, for different reasons, that it’s time to adjust that market-pattern cliché. “We should also keep in mind, as we head into this seasonally weak period, that the S&P 500 has closed higher during the month of May nine out of the past 10 years,” says a report by strategists Jeffrey Buchbinder and Adam Turnquist at LPL Financial in Charlotte, N.C. “So maybe the pattern should be ‘Sell in June.’” Matt Dmytryszyn, chief investment officer at Telemus Capital in Southfield, Mich., says trading could be muted for the next month or two as investors await clarity on interest rates, the economy and the debt ceiling. “This is not a ‘sell in May and go away’ type of year,” he says. “The summer months will be volatile as these key overhangs resolve themselves and investors react and reposition portfolios accordingly.” Bond funds rose in April. Funds focused on investment-grade debt were up 0.6%, to push the year-to-date gain to 3.6%.

Mr. Power is a Wall Street Journal features editor in South Brunswick, N.J. Email him at william.power@wsj.com.

‘Investors have mostly whistled past [the recent bank failures]. There’s no doubt the implications this is going to have on small and regional banks. At the margin, this is going to curtail credit growth. That’s going to be painful.’

Katie Nixon
Chief investment officer, Northern Trust Wealth Management



Financial Flashback

A look back at Wall Street Journal headlines from this month

90 YEARS AGO ▶ In May 1933, President Franklin D. Roosevelt signed into law the Truth in Securities Act, also known as the Rayburn-Fletcher Securities Bill. Most Wall Street professionals know it now as the Securities Act of 1933. The act, passed during the Great Depression, remains one of the key federal laws policing Wall Street. FDR said that “the merchandising of securities is social traffic in the economic and social welfare of our people. Such traffic demands the utmost good faith and fair dealing on the part of those engaged in it.” The new laws superseded a patchwork quilt of state-administered blue-sky laws. Those rules were flawed, says Robert E. Wright, a senior fac-

ROOSEVELT APPROVES SECURITIES MEASURE

Signing It, the President States That It Should Restore Old-Fashioned Rectitude

From THE WALL STREET JOURNAL. President Roosevelt issued the following statement when he signed the Truth in Securities Act on Saturday: “It gives me much satisfaction to sign the Rayburn-Fletcher Securities Bill, and I know I express national feeling in congratulating Congress on its passage. For this measure at last translates some elementary standards of right and wrong into law. Events have made it abundantly clear that the merchandising of securities is really traffic in the economic and social welfare of our people. Such traffic demands the utmost good faith and fair dealing on the part of those engaged in it.”

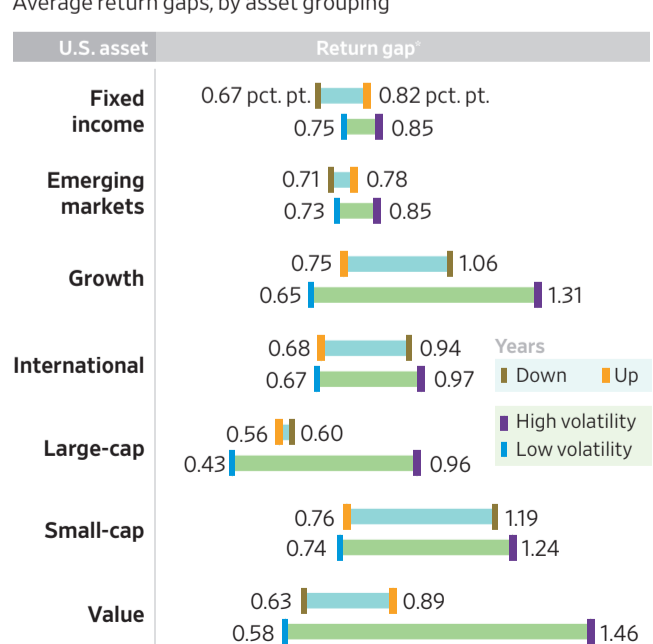
Wall Street Journal, May 29, 1933

says. Sometimes local banks would complain when a company tried to do an IPO as the bankers saw that as competition, he says. While the law helped investors with uniform disclosure and eased the path to IPOs, it had a drawback for issuers. Offerings were better priced in the 1920s. “The issuer’s interest is to get as much money as possible so they shouldn’t want a big first-day pop,” Mr. Wright says. In the 1920s the average first-day return was 8.2%, but was 18.6% from 2001 through 2020, he says. “They’re now hurt by a near-20% undervaluation,” he says. —Simon Constable

50 YEARS AGO ▼ **Buying High: Wall Street Analysts Give Lots of Bad Advice Along With the Good**

30 YEARS AGO ▼ **Interest Rates Unnerve Investors**

Mind the Gap



*Return Gap is the difference between the average return for a fund and what the average investor actually experiences in returns within that fund (asset weighted returns in the fund). Note: Down years are years in which the S&P 500 fell in value (2015, 2018, 2022) and up years are those in which the S&P 500 went up in value. High volatility years represent those where the realized volatility of the S&P 500 was 15% or higher over the year, and low volatility years represents all other years. Source: Derek Horstmeyer, George Mason University

JOURNAL REPORT | INVESTING MONTHLY

As India Surpasses China In Population, Will Its Stock Market, Too?

The key for investors, say some economists, is to look at the ratio of those who are middle age to those who are older

BY MARK HULBERT

INDIA'S STOCK market a better long-term bet than China's?

Some economists think so, now that India is on track to become the world's most populous nation. Demography, they believe, is destiny.

While China's population has long been the largest in the world, the two countries are now neck and neck, at roughly 1.4 billion people each, according to the United Nations. India will be No. 1 sometime this year, if it isn't there already. And by the year 2100, India's population is projected to be 1.5 billion, while China's is projected to be 800 million.

A larger population doesn't automatically translate into a stronger economy or a better-performing stock market, says Alejandra Grindal, chief economist at Ned Davis Research. The more important variable when projecting economic growth is the size of the working-age population. When it comes to the stock market's long-term prospects, furthermore, it is the size of "the maturing age population that is important," she says.

The MO ratio

The indicator that perhaps best captures the relative size of these two groups is the so-called MO ratio, says John Geanakoplos, an economics professor at Yale University. The numerator of this ratio—"M," for middle-aged—is the number of those ages 40 to 49, while the denominator—"O," for old—contains those from ages 60 to 69. Prof.

Geanakoplos is the co-author of an academic paper, published in 2002, documenting that demographic variables such as the MO ratio historically have been significantly correlated with the stock market.

Prof. Geanakoplos says the correlation stems from the fact that the MO ratio is a good proxy for how many people in a country are saving and investing for retirement relative to how many are withdrawing money from the stock market to pay for their retirement. When the ratio is high, there are more savers and investors relative to spend-

ers, which means that capital will be relatively plentiful and interest rates will be lower than they would otherwise be. That in turn means that the discounted value of companies' future earnings and dividends will be higher. When the ratio is low, in contrast, interest rates will tend to be higher and the present value of future earnings and dividends will be lower.

Prof. Geanakoplos adds that the absolute level of the MO ratio is less important for the stock market's prospects than its trend. That poses a special challenge to China's stock market over the longer term, since the country's MO ratio is projected to decline precipitously over the next several decades—from its current 1.32 to 0.73 in 2050, according to data from Ned Davis Research. This means there will be nearly a doubling in the number of retirees in China pulling money out of the economy and the stock market between now and 2050, relative to the number who are saving and investing.

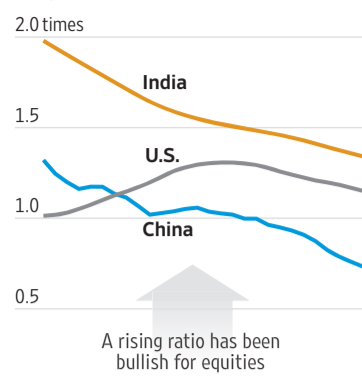
"Insofar as demography is destiny" Prof. Geanakoplos says, "the long-term prospects for the Chinese stock market are relatively poor."

India's MO ratio, in contrast, is projected to decline at a more moderate pace over the next three decades compared with China's, from its current 1.98 to 1.34. That means that, though demographic factors will be headwinds to both countries' stock markets in coming decades, not tailwinds, those headwinds will be stronger in China than in India.

Other factors

Ms. Grindal says that while the impact of pop-

Projected MO ratios*



*Ratio of middle-aged cohort (40-49) to the old-aged cohort (60-69) Sources: U.S. Census Bureau; Ned Davis Research

ulation trends shouldn't be minimized, there are many other factors—both political and economic—that will influence the two countries' economics and stock markets in coming decades.

To put into perspective the demographic headwinds that China and India will be facing, consider the U.S.'s MO ratio. According to Ned Davis Research data, the ratio is projected to rise from its current 1.01 to 1.31 by the end of the 2030s, before declining to 1.15 by 2050. This increase will come as a surprise to many, given recent media attention to Social Security's financing shortfall. But, Ms. Grindal points out, the millennial generation "is about the same size, if not slightly larger, than the baby boom population," and is about to enter the 40-49 age cohort. That's largely what will cause the U.S. MO ratio to rise. Relative to China and India, in other words, the U.S. MO appears quite favorable.

Mr. Hulbert is a columnist whose Hulbert Ratings tracks investment newsletters that pay a flat fee to be audited. He can be reached at reports@wsj.com.



Shoppers crowd a market in New Delhi, India, in November 2022.

Category Kings in 10 Realms

Top-performing funds in each category, ranked by year-to-date total returns (changes in net asset values with reinvested distributions) as of April 28; assets are as of March 31. All data are final.

Large-Cap Core

Table with 6 columns: Fund Name, Assets (\$ millions), Total return (%) Apr, YTD, 1-yr, 5-yr. Funds include Roundhill MEME, HCM Defender 100 Idx ETF, Amer Cent:Sustainable Gr, etc.

Small-Cap Value

Table with 6 columns: Fund Name, Assets (\$ millions), Total return (%) Apr, YTD, 1-yr, 5-yr. Funds include RBB:WPG Sel Sm Cp V;Inst, Aegis Value, Brandes Inv:SC Val, etc.

Large-Cap Value

Table with 6 columns: Fund Name, Assets (\$ millions), Total return (%) Apr, YTD, 1-yr, 5-yr. Funds include Fidelity Mega Cap Stock, Union St Prtn Val;Adv, Matrix Adv Value Fund, etc.

Small-Cap Growth

Table with 6 columns: Fund Name, Assets (\$ millions), Total return (%) Apr, YTD, 1-yr, 5-yr. Funds include Delaware Sm Cap Gro;Inst, Morg Stan I;Incl, BBH:Prtnr Fd Sm Cp Eq, etc.

Large-Cap Growth

Table with 6 columns: Fund Name, Assets (\$ millions), Total return (%) Apr, YTD, 1-yr, 5-yr. Funds include Dunham:Focused LC Gro;N, WisdomTree:US Qual Gro, Loomis Sayles:Gro;Y, etc.

Multicap Core

Table with 6 columns: Fund Name, Assets (\$ millions), Total return (%) Apr, YTD, 1-yr, 5-yr. Funds include Simplify:US Eqty + GBTC, AMG Veritas Glo Foc, VanEck:Morningstar WM;Z, etc.

Midcap Core

Table with 6 columns: Fund Name, Assets (\$ millions), Total return (%) Apr, YTD, 1-yr, 5-yr. Funds include Tarkio, Touchstone:Mid Cap;Y, Federated Hs US SMID;IS, etc.

Multicap Growth

Table with 6 columns: Fund Name, Assets (\$ millions), Total return (%) Apr, YTD, 1-yr, 5-yr. Funds include Virtus:Zeven Inn GrSt;I, Zevenbergen Growth;Inst, Zevenbergen Genea;Inv, etc.

Midcap Value

Table with 6 columns: Fund Name, Assets (\$ millions), Total return (%) Apr, YTD, 1-yr, 5-yr. Funds include Longleaf Partners, Frank Value;Inst, Vident US Equity Strat, etc.

Small-Cap Core

Table with 6 columns: Fund Name, Assets (\$ millions), Total return (%) Apr, YTD, 1-yr, 5-yr. Funds include GMO:Sm Cap Quality;VI, WCM SMID Qual Value;Inst, Davenport Sm Cp Focus, etc.

Leaders and Laggards

Performance numbers are total returns (changes in net asset values with reinvested distributions) as of April 28; assets are as of March 31. All data are final.

Best-Performing Stock Funds

Table with 6 columns: Fund Name, Ticker, Assets (\$ millions), April, YTD, 1-year, Annualized 3-year, 5-year. Funds include GrnShs:1.5x Lg META Dly, ProShs II:UIS Blm Nat Gs, GrnShs:1.5x Lg NVDA Dly, etc.

Best-Performing Bond Funds

Table with 6 columns: Fund Name, Ticker, Assets (\$ millions), April, YTD, 1-year, Annualized 3-year, 5-year. Funds include Gbl X Bkckchn & Btc Str, Hashdex Bitcoin Futures, ProShares:Bitcoin Strat, etc.

Worst-Performing Stock Funds

Table with 6 columns: Fund Name, Ticker, Assets (\$ millions), April, YTD, 1-year, Annualized 3-year, 5-year. Funds include VelShs 3x Long Nat Gas, ProShs II:Ult Blm Nat Gs, Direxion:Reg Bnk Bull 3X, etc.

Worst-Performing Bond Funds

Table with 6 columns: Fund Name, Ticker, Assets (\$ millions), April, YTD, 1-year, Annualized 3-year, 5-year. Funds include ProFunds:Sh Btcn Str;Inv, ProShares:Sh Bitcoin Str, ProShares:UPSH 20+ Trs, etc.

N.A.: Not applicable; fund is too new * Annualized Note: For funds with multiple share classes, only the largest is shown.

Source: Refinitiv Lipper

Note: For funds with multiple share classes, only the largest is shown. N.A.: Not applicable; fund is too new or data not available

Source: Refinitiv Lipper

JOURNAL REPORT | INVESTING MONTHLY



ALEX NABAUM

The Great Rush Into Cash

Continued from page R1

whether they have a cash strategy beyond fear. How much one should allocate to cash or cash equivalents, for instance, depends on an individual's financial goals, risk tolerance and anticipated expenses, financial advisers say.

"It's important not to be seduced by the higher rates these products have to offer," says Andy Smith, executive director of financial planning at Edelman Financial Engines. Instead, he says, investors should make sure their portfolios are invested in a broad cross-section of stocks, bonds, real estate, commodities and other alternative asset classes to balance risk during these turbulent economic times.

"Cash or cash equivalents should represent just a small percentage of your asset allocation, often ranging from 5% to 10%, depending on your goals and risk tolerance," says Mr. Smith. "There is a cost of being out of the market. It could be a headwind that prevents you from reaching your long-term retirement goal."

If history is a guide, putting too much of one's portfolio in cash is a strategy that can backfire and be a drag on portfolio performance. According to Angelo Kourkafas, senior investment strategist at Edward Jones, "Cash has outperformed both stocks and bonds only 12 times over the course of a year since 1929. Last year was one of those times."

There is another market variable that investors must consider as well: the Federal Reserve's actions on interest rates in the months ahead. The Fed on May 3 approved another quarter-percentage-point interest-rate rise, bringing its benchmark federal-funds rate to a target range between 5% and 5.25%, a 16-year high.

"If the Fed decides to cut interest rates instead of raising them, yields on CDs and other cash-equivalent instruments may decline, while equities rebound. No one can predict the future or time the market, so know the trade-offs," Mr. Kourkafas says.

Here is a look at the pluses and minuses of money-market funds and certificates of deposit, the typical havens for cash.

Money-Market Funds

About \$488 billion has poured into money-market mutual funds this year through April 27, according to Crane Data. These funds now hold a record \$5.687 trillion in assets, up from \$4.941 trillion a year ago.

"Investors have been lured by the attractive rates they offer," says Peter Crane, president of Crane Data. The Crane 100 Index of the largest taxable money-market funds has an average yield of 4.65%, up from 0.02% on Jan. 1, 2022. "Money-market funds haven't looked this good in their 50-year history except in 1979 when they were yielding double digits," he says. "Recent inflows are among the strongest they have ever been."

These funds—which are different than money-market savings accounts offered by banks—invest in short-term debt instruments such as U.S. Treasury bills and are considered "cash equivalents," offering investors liquidity with extremely low levels of risk. They work like a typical mutual fund and issue redeemable units or shares to investors. But a key difference is that these funds aim to maintain a net asset value of \$1 a share, and earnings generated through interest on portfolio holdings are distributed to investors in the form of dividends.

Money-market funds come in several varieties. Treasury money-market funds invest in short-term U.S. Treasury-issued securities such as Treasury bills. Other types may invest in federal agency notes, repurchase agreements, certificates of deposit or commercial paper.

According to Mr. Crane, "These funds have become increasingly popular with mom-and-pop investors, and there has been a surge in inflows into these funds since the blowup with Silicon Valley Bank in mid-March."

He says the retail funds that have seen the biggest net inflows year-to-date through April 27 are the \$240.7 billion **Vanguard Federal Money Market Fund** (VMFXX), with inflows of \$25.1 billion, and the \$117.2 billion **Schwab Value Advantage Money Fund-Investor Shares** (SWVXX), with inflows of \$24.2 billion.

When assessing these funds, advisers suggest looking at the seven-day SEC yield, which is annualized and net of fees and is the standard measure of performance for money funds.

Also check if the fund is taxable or tax-exempt. That will depend on the type of securities the fund invests in, says Mr. Crane. Then decide if you want the extra safety of a government fund, or if you'll take the extra yield in a "prime" fund that invests in corporate commercial paper, repurchase agreements, certificates of deposit and other bank debt securities, he says.

Pros: Money-market funds are highly liquid, more so than CDs and other similar investments. They offer higher yields than traditional savings accounts, and are considered safe and stable.

Cons: These funds typically aren't insured by the FDIC like bank deposits and CDs. They are

sensitive to interest-rate fluctuations, and some have high minimum-investment requirements.

Certificates of Deposit

Balances in CDs skyrocketed to about \$577 billion in March from \$36.6 billion in April 2022, according to the Federal Reserve. The accounts, insured by the FDIC up to \$250,000, have a fixed interest rate and require savers to commit to saving money for a set period, typically six months or a year.

While the average yield on a 12-month CD is around 1.66%, according to Bankrate, many banks are offering CDs with yields of 5% or more. "Yields are the best they have been in 15 years, and now investors are taking action," says Greg McBride, chief financial analyst at Bankrate.

"When shopping for any CD, check the minimum deposit required and be sure you can live without the money for the full term," says Mr. McBride. "Shop around to find the best rates and terms."

Among the possibilities: a six-month CD yielding 5% offered by Synchrony Bank that has no minimum deposit requirement, and a one-year CD offered by BMO Harris Bank yielding 5.10% that has a \$1,000 minimum deposit requirement.

Many financial advisers suggest using a ladder approach when investing in CDs. This is a savings strategy that involves buying CDs with staggered maturities to take advantage of higher rates, while keeping some funds accessible in the short term.

"What's great is that a CD ladder works in environments when interest rates are going up, and when they are going down," says Jan Holman, director of adviser education at Thornburg Investment Management.

The mechanics of setting one up is simple. Let's say you wanted to build a one-year ladder with four rungs. If you have \$20,000 to invest, then you might divide the funds equally in four CDs with maturity dates of three, six, nine and 12 months. As each CD matures you can cash out if interest rates are falling, or you can continue to build your ladder by reinvesting in new CDs with higher yields when interest rates are rising.

One type of CD that is getting attention these days is the brokered CD. These instruments are issued by banks but sold through a broker or brokerage firm.

Many offer higher yields and longer terms than traditional bank CDs. There also is a secondary market for them, meaning investors can sell them before the term is up.

Buying brokered CDs may require opening a brokerage account. Investors can purchase CDs from more than one bank via the broker and hold them in a single brokerage account. Since federal insurance covers \$250,000 for each bank, someone who buys CDs from different banks and keeps them in a brokerage account will have separate insurance for each CD.

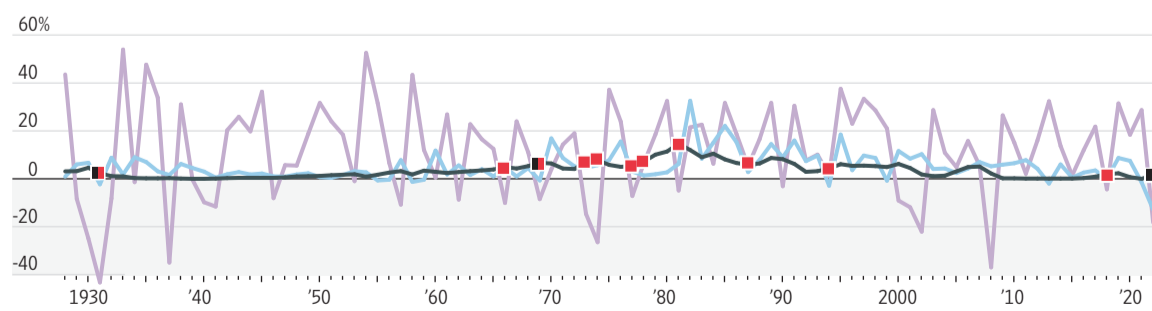
"Interest in brokered CDs has been growing since late last year as investors look for new ways to deploy their cash," says Alvin Carlos, a certified financial planner and CEO of District Capital Management in Washington, D.C. Still, these vehicles have some downsides. Some brokered CDs can be called back by the issuing bank before their maturity date, meaning investors will lose out on the full earnings potential they were expecting. This is most likely to happen when interest rates drop. Advisers say investors can check the offering materials to see if a brokered CD has a call option.

Pros: CDs are currently offering higher rates of interest on deposits than many traditional bank-savings accounts. They have guaranteed returns. CDs are covered by FDIC insurance.

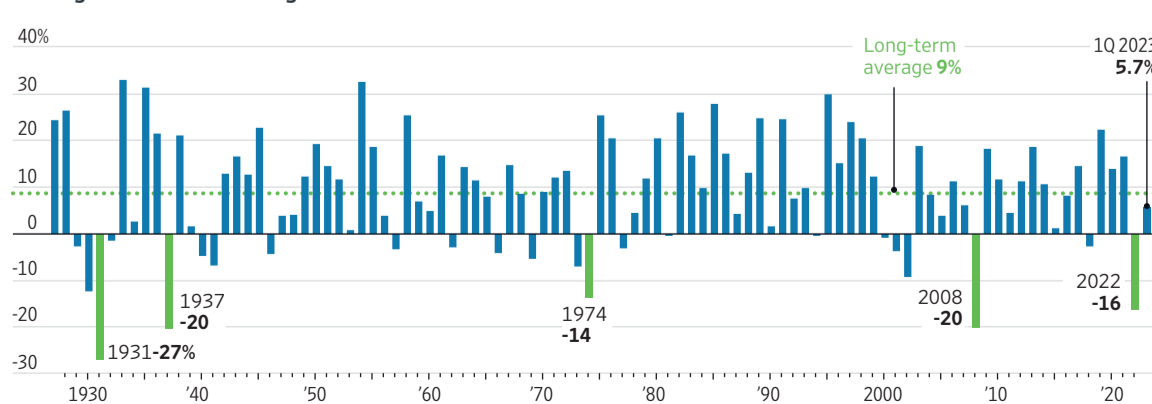
Cons: Your money typically is locked up until the CD matures. Some come with early withdrawal penalties, which can be a flat fee or percentage of interest earned. They carry interest-rate risk. Some brokered CDs have call options.

Stocks and Bonds and Cash, 'Oh My!'

Since 1928 cash has outperformed both stocks and bonds over the course of a calendar year 12 times (just 13% of all instances). The only three times that cash was positive while both stocks and bonds were negative was in 1931, 1969 and 2022.



The highs and lows of stronger returns often follow declines of 10% or more

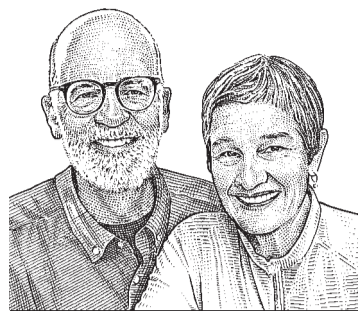


Note: Stocks represented by the S&P 500 TR USD Index and by the IA SBBI US Large Stock TR USD Index prior to 1988. Bonds represented by the Bloomberg US Agg Bond TR Index and by the IA SBBI US IT Govt TR Index prior to 1976. Cash represented by the BBgBarc US Trsy Bellwethers 3Mon TR Index. Sources: Morningstar Direct; Edward Jones

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JOURNAL REPORT | INVESTING MONTHLY

Retirement Rookies • Stephen Kreider Yoder and Karen Kreider Yoder



We Have More Time Than Ever. The Trick Is Using It Wisely.

We have longed for this moment for decades. Now we must learn to savor it.

The first year in retirement is often the most difficult. But it also can be the most crucial, setting the stage for how you'll fill the years ahead—both financially and psychologically. Stephen Kreider Yoder, 65, a longtime Wall Street Journal editor, joined his wife, Karen Kreider Yoder, 66, in retirement in September. In this monthly Retirement Rookies column, they are chronicling some of the issues they are dealing with in their first year, offering their different perspectives on what can be a confusing transition.

• **STEVE:** For the first time in many years, time isn't money. That was never more clear one afternoon earlier this year when we were gazing down at the Mediterranean Sea while sipping coffee in a cafe in the town plaza in Bejaia, Algeria. We had no fixed plans for the day or the next week—just as planned.

We suddenly have time in abundance, now that we're both retired, and we're learning how to spend this currency that for decades has been so scarce. We can now linger where we want to be and dally over what we want to do.

Algeria was an ideal place to test this new reality. We had visited in 2019, but could afford only two weeks, what with full-time jobs—far too short for a country roughly 3.5 times the size of Texas. "We need more time there," I said as we flew home.

This year, we could take nearly twice as long to immerse ourselves in what the country offered: a green coastal region that gives way to the golden Sahara; a mosaic of Arab, Berber, French and other cultures; Roman Empire ruins; good food and wine; some of the most hospitable people we've met.

We've been fantasizing about this time in life since we got married. For decades, time was a rare commodity, and we had to spend



a lot of money to acquire it. We paid an absurd price for a house in San Francisco, partly to limit our commutes. We often hired others to do tasks I enjoyed, like fixing our cars or restoring the trim on our Victorian.

"We need more time" was our constant lament, at no time more than during travel. We would shoehorn several countries into two-week tours. We liked to travel abroad on a low budget—it got us closer to the reality of wherever we were—but that took time, and we often didn't have the luxury.

We have it now. Earlier this year, we rode the Amtrak California Zephyr to Iowa, rather than flying, to see my parents. It was about 48 hours each way, but what was the hurry? We got beds, three meals a day and a roll-

ing display of Western America. We extended our stay with Mom and Dad to a full week.

Back home, I fired up the metal lathe to fine-tune a bearing-cup press I had made earlier—a bike tool that worked fine but which I had great fun fussing with for hours to refine it. I'll soon solicit bids for scaffolding, so I can start restoring trim.

It's beginning to occur to us: By saving money assiduously during our 44 years of marriage, we weren't putting away only funds. We were also accumulating time to spend in retirement.

Money, at long last, is time.

• **KAREN:** I've never been more aware of the finite nature of time. We're rich with it now, but there's no guarantee how long those

riches will last. At best, thanks to the longevity that runs in our families, we may have 30 good years of life left. That feels like a long time—and no time at all.

So I've been thinking: Maybe we should be budgeting our time like we budget money.

Should I, for instance, spend some of my newfound wealth of time on things I've loved to do all my life but had to cut back on while I was working? During the busy years of my career, I continued to make quilts, but had to leave many undone. I baked my own granola and whipped up many meals for friends, but found myself ordering out or picking up prepared foods from the grocery store to save time.

Yet now that I have the luxury of time, the opportunities to fill it

have also grown. And that means I still find myself weighing how to spend it—and when to keep spending money instead. I still love to create things, for instance, but would I rather sew an original outfit from scratch or shop for a less-original affair and bank the time? We have time to do housecleaning now; does that mean we should stop paying someone else to do it once a month?

These aren't easy questions. As a result, we're talking about looking at all the large time expenditures on our list—travel, house work, volunteering, organizing photos—and laying them out on an annual budget. That will help us use our time more wisely.

As we talked about in our last column, we also need to do a better job savoring—as opposed to just running through—the time we have. That hit home on our trip to the Algerian Sahara this year. We had blocked off a week to explore the desert, far longer than we would have during preretirement travel. We could finally take a leisurely pace, we told ourselves.

Yet we couldn't shake the old urge to make each hour pay off. My question when we arrived the first night: "When should we be ready for breakfast in the morning?"

Our Tuareg guide, Habib, laughed. "You get up when you want," he said. "In the desert, slowly, slowly."

That became our mantra for the next days as we camped each night in a different swath of the wilderness. We sat around a low table for our morning coffee and baguette with fig jam. "Slowly, slowly," Habib would say, and we would repeat it after him.

"Slowly, slowly," he cautioned as we set off scrambling over rocks toward ancient pictographs. After lunch under a cool tree, we would chat and read and nap. "Slowly, slowly," we would chant, and again in the evening as Habib stoked a small fire to heat tea, pouring it back and forth between two pots until it foamed into a thick, sweet brew. We brought that mantra home from Algeria. We've got time now, and if we budget it carefully, we can afford to spend it slowly, slowly.

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Male Stock Analysts With 'Dominant' Faces Get More Information—and Have Better Forecasts

Women analysts with perceived dominant faces, however, appear to be at a competitive disadvantage, a study suggests

BY DAISY MAXEY

FOR MALE FINANCIAL analysts, having a face that is perceived as strong can be a competitive advantage, a study suggests.

But for women analysts, it can be a disadvantage, according to the study.

Industry experts and analyst peers are more willing to share information with male analysts whose faces are perceived as dominant, says Siew Hong Teoh, a professor of accounting at the University of California, Los Angeles, and co-author of the research. That openness to those analysts, she says, tends to mean the analysts have more-accurate earnings forecasts than analysts with facial features less associated with dominance. The research also suggests that experts and peers are less willing to share information with female analysts who are perceived as dominant-looking, compared with those who have less-dominant faces, she says.

Facial features that reflect trustworthiness also result in greater accuracy, Prof. Teoh says, though according to her data this quality was much more important in the years before Regulation Fair Disclosure, which the Securities and Exchange Commission introduced in October 2000 to curb

analysts' selective access to firm insiders, she adds.

Stock-market investors, especially institutional investors, also react more strongly to earnings forecast revisions issued by more-trustworthy-looking analysts, Prof. Teoh says. "Our research suggests that face impressions influence analysts' access to information and the perceived credibility of their reports," Prof. Teoh and her fellow researchers write.

An open book

Whether or not a face can be read accurately, many people do place great weight on facial characteristics.

"People form impressions after extremely brief exposure to faces—within a hundred milliseconds," says Alexander Todorov, a behavioral-science professor at the University of Chicago Booth School of Business. "They take actions based on those impressions," he says. Under most circumstances, such quick impressions aren't accurate and shouldn't be trusted, he says.

Prof. Teoh and her fellow re-

searchers analyzed the facial traits of nearly 800 U.S. sell-side stock financial analysts working between January 1990 and December 2017 who also had a LinkedIn profile photo as of 2018. They pulled their sample of analysts from Thomson Reuters and the firms they covered from the merged Center for Research in Security Prices and Compustat, a database of financial, statistical and market information.

The researchers used facial-recognition software to map out specific points on a person's face, then applied machine-learning algorithms to the facial points to obtain empirical measures for three key face impressions—trustworthiness, dominance and attractiveness.

They examined the association of these impressions with the accuracy of analysts' quarterly forecasts, drawn from the Institutional Brokers Estimate System.

Analyst accuracy was determined by comparing each analyst's prediction error—the difference between the prediction and the actual earnings—with that of all analysts for that same company and quarter. For an average stock valued at \$100, Prof. Teoh says, analysts ranked as looking most trustworthy were 25 cents more accurate in earnings-per-share forecasts than the analysts who were ranked as looking least trustworthy. Similarly, most-dominant-looking analysts were 52 cents more accurate in their EPS forecast than least-dominant-looking analysts.

The relation between having a face perceived as trustworthy

and having more-accurate forecasts was highly significant before the SEC's fair disclosure rule was enacted, and much weaker after, the study says. This suggests that before the rule was introduced, company executives were more willing to share information with analysts they perceived as trustworthy-looking, the researchers say.

The same effect—the relation between having a face perceived as trustworthy and having more-accurate forecasts—isn't as great now, but "that is not saying it isn't still there," Prof. Teoh says. She surmises that, since the rule, more-trustworthy-looking analysts are still more likely to have better access to information, but it isn't coming from company executives, who now are supposed to share information equally; it is coming from sources such as industry experts and analyst peers.

The relation between a dominant face and accuracy, meanwhile, was significant before and after the regulation was enacted, the analysts say. This suggests that dominant-looking male analysts are always able to obtain information, Prof. Teoh says.

Gender differences

The researchers found stark gender differences. While forecasts of female analysts regardless of facial characteristics were on average more accurate than those of their male counterparts, the forecasts of women who were seen as more-dominant-looking were significantly less accurate than their male counterparts.

Says Prof. Todorov: "Women who look dominant are more likely to be viewed negatively because it goes against the cultural stereotype."

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