

What's News

Business & Finance

The SEC sued Binance, the world's largest cryptocurrency exchange, alleging the overseas company operated an illegal trading platform in the U.S. and misused customers' funds. A1
◆ U.S. regulators are preparing to force large banks to shore up their financial footing, moves they said will help boost the resilience of the system after a spate of mid-size bank failures this year. A1
◆ U.S. stocks fell, with the S&P 500, Dow and Nasdaq retreating 0.2%, 0.6% and 0.1%, respectively. B11
◆ Screen Actors Guild members voted to empower the union to call for a strike if contract negotiations with studios break down. B3
◆ Twitter failed to prevent known images of child sexual abuse from being posted on its platform in recent months, according to Stanford University researchers. B1
◆ CNN chief Licht apologized to staff on an editorial call, saying news about his management of the network was overshadowing its journalistic achievements. B1
◆ A former executive at TikTok's parent company alleges in a legal filing that a committee of China's Communist Party members accessed the data of the app's users in Hong Kong in 2018, a contention the company denies. B4
◆ Bed Bath & Beyond is in talks to keep its Buybuy Baby chain open through a possible sale to the owner of children's apparel retailer Janie and Jack, according to people familiar with the matter. B3

Brain Like a Chimp, With a Touch of Humanity



FAMILY TREE: Scientists say that Homo naledi, an early relative of humans shown in this artist's reconstruction, had brains the size of an orange, similar to a chimp, but buried their dead and carved symbols, behavior previously associated with big-brained modern humans. A16

Russia Says Ukraine Began Largest Attack in Months

Ukrainian mechanized forces launched their broadest assault in months on Russian positions, Moscow said on Monday, as Kyiv's preparations for a major counteroffensive to retake occupied territory gained momentum.
Ukraine has said it won't announce the start of its new campaign, which defense analysts expect to take the form of a major armored thrust that aims to break through dug-in Russian positions in the east

and south of Ukraine.
President Volodymyr Zelensky told The Wall Street Journal last week that Ukrainian forces were ready. Hanna Maliar, Ukraine's deputy defense minister, said Monday that Kyiv was "shifting to offensive operations in some areas."
But Maliar said combat in the south—where Russia said the Ukrainian attack took place—was of "local importance," implying that it isn't the main drive of a counteroffensive.
Ukraine's effort to turn the tide in the 15-month conflict is a pivotal moment for Zelensky

and his government. The outcome will shape the contours of Western military support and diplomatic jockeying over Ukraine's future.
Ukraine's backers have provided billions of dollars worth of military equipment and financial aid to boost Kyiv's war effort, and calls for Zelensky to seek a peace deal could grow if the counteroffensive fails to
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Cancer Doctors Rethink Aggressive Treatments

Doctors are coalescing around the ironic idea that for some cancer treatment, less can be better.
Some patients with cervical and pancreatic cancer can do as well with less invasive surgery, according to research presented at the American Society of Clinical Oncology conference in Chicago over the weekend. Other studies at the annual meeting showed some patients with rectal cancer or Hodgkin lymphoma can safely get less radiation.
The findings expand a body of evidence doctors are using to design treatment plans that aim to reduce side effects and costs. They call the strategy de-escalation: cutting back on some therapies to improve a patient's quality of life without hurting the person's odds of survival.
Newer treatments and tests are extending patients' lives and moving cancer care away from a blunt, one-size-fits-all approach. On the strength of studies like those presented in Chicago, doctors are getting better at determining who needs the most aggressive care and who can get away with less treatment and less collateral damage.
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Prices Waver On Saudi Cut

Oil rose Monday but gave up most of the gains despite Riyadh's plans to cut output. B1

Brent crude-oil futures price



American Airlines Aims To Reinvent Business Travel

A shift in work travel leads the company to rethink its strategy

American Airlines is betting against the traditional business of business travel.
Gone are the days when bankers and consultants spent Monday through Thursday on the road, dutifully booking trips through clunky company portals. More than three years after the pandemic began, business travelers are taking some meetings at home and mixing work and leisure travel in new ways.
Once some of airlines' most profitable customers, the typical road warrior "just went away," said Vasu Raja, American's chief commercial officer.
That's left American rethinking the con-

SEC Lawsuit Claims Binance Misused Funds

Agency seeks a freeze of crypto exchange's assets as regulators step up enforcement

WASHINGTON—The Securities and Exchange Commission on Monday sued Binance, the world's largest cryptocurrency exchange, alleging the overseas

By Dave Michaels, Caitlin Ostroff and Patricia Kowsmann

company operated an illegal trading platform in the U.S. and misused customers' funds.
The SEC lawsuit also named Changpeng Zhao, Binance's founder and controlling shareholder, as a defendant. The SEC said that Binance and Zhao misused customers' funds and diverted them to a trading entity that Zhao controlled. That trading firm, Sigma Chain, engaged in manipulative trading that made

Binance's volume appear larger than it actually was, the SEC said.
Binance also concealed that it commingled billions of dollars in customer assets and sent them to a third-party, Merit Peak, which was owned by Zhao, the SEC alleged. The Wall Street Journal reported last year that the SEC was examining the relationship between Binance.US—the U.S. arm created in 2019—and Sigma Chain and Merit Peak.
"This will be a landmark case," said Kurt Gottschall, a partner at Haynes and Boone LLP and former head of the SEC's Denver office. "The SEC appears to be very concerned about the commingling of customer funds."
Binance in a statement denied allegations that user assets on the Binance.US platform were at risk. It had recently been negotiating a settlement with the SEC, but the regulator instead chose to
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Big Banks Face Boost In Capital Safety Net

By Andrew Ackerman

WASHINGTON—U.S. regulators are preparing to force large banks to shore up their financial footing, moves they said will help boost the resilience of the system after a spate of midsize bank failures this year.

The changes, which regulators are on track to propose as early as this month, could raise overall capital requirements by about 20% at larger banks on average, people familiar with the plans said. The precise amount will depend on a firm's business activities, with the biggest increases expected to be reserved for U.S. megabanks with big trading businesses.
Banks that are heavily dependent on fee income—such as that from investment bank-

ing or wealth management—could also face large capital increases. Capital is the buffer banks are required to hold to absorb potential losses.
The plan to ratchet up capital is expected to be the first of several steps to beef up rules for Wall Street, a shift from the lighter regulatory approach taken during the Trump administration.
The industry says more stringent requirements aren't needed, could force more banks to merge to stay competitive and could make it harder for people to get loans from banks.
Tougher rules were already on the way for the biggest lenders before the March failures of Silicon Valley Bank and another bank sent tremors through the industry.
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World-Wide

◆ Ukrainian mechanized forces launched their broadest assault in months on Russian positions, Moscow said, as Kyiv's preparations for a major counteroffensive to retake occupied territory gained momentum. A1
◆ A dispute about missing grain assets has pitted U.S. investors against a Ukrainian firm and comes amid longstanding questions about Kyiv's commitment to battling corruption. A7
◆ Doctors are coalescing around the idea that for some cancer treatments, less can be better, aiming to tailor patient treatment plans to reduce side effects and costs. A1
◆ Lawyers for Trump met with Justice Department officials, according to people familiar with the matter, to argue against any indictment of the former president over his handling of classified documents at his Mar-a-Lago resort. A3
◆ An Oklahoma school board approved the first religious charter school in the nation, a move likely to spark legal challenges and debate over whether public funds should be used for religious education. A3
◆ New Hampshire Gov. Chris Sununu said he wouldn't run for president in 2024, pointing to Trump's strength in early polls and the already large size of the GOP primary field. A4
◆ Died: Robert Hanssen, 79, former FBI agent who spied for Moscow. A2

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Customer Ratings Have Become Meaningless. Everyone Is 'Perfect.'

Guilt-ridden Americans give '5 stars like it's candy,' scoring Uber and Airbnb

By Preetika Rana

Mike Johnson has endured some awkward Uber rides. He once held his nose throughout a trip because the driver was carrying chopped-up Durian—the world's smelliest fruit. Another time, he was stuck in the back seat while a driver bickered with her boyfriend. Yet another driver tried to sell him a

Ponzi scheme.
He rated each one 5 out of 5 stars.
"I mean, they all seemed like nice people. I didn't want them to be kicked off the app over my bad rating," the 33-year-old New Yorker said. "Isn't 5 stars, like, the norm?"
Apps introduced ratings to reward high performers and
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INSIDE



SPORTS Carlos Alcaraz, the French Open's heir apparent, won't slow down. A12



BUSINESS Apple unveils the Vision Pro headset, its first major new product in a decade. B1

U.S. NEWS

Tech Layoffs Chill West Coast Economies

Region's workers and small businesses feel the effects, pinching regional state budgets

By GABRIEL T. RUBIN AND CHRISTINE MAI-DUC

The West Coast tech downturn is sending a chill through the region's economies, hitting workers and businesses in a variety of other industries.

Janitors and teachers, and restaurants and dry cleaners in California, Oregon, and Washington are feeling the cooling effects of tens of thousands of tech layoffs and other cost-cutting measures since the middle of last year. The results include higher unemployment, falling wages, pinched state budgets and slower job growth.

California had the nation's second-highest state unemployment rate in April at 4.5%, Washington tied for third at 4.3%, and Oregon was close behind at 4%, according to the Labor Department. Those are low by historical standards while higher than the national rate of 3.4% in April. The U.S. rate rose to 3.7% in May.

The rise in West Coast unemployment follows layoffs by Microsoft, Facebook parent Meta Platforms and other large employers reversing their pandemic hiring spree, and by other businesses that had thrived on the companies' related spending.

"Technology is what has driven a lot of the weakness recently, but it's beyond that," said Scott Anderson, chief economist for Bank of the West in San Francisco. He noted downturns in construction and housing. He said tech jobs might not rebound in the region to previous highs, which has ripple effects through the West Coast.

Factors beyond technology cuts have hampered the labor market. The Federal Reserve's



at a smaller company. The economic downturn is hammering California's budget. Gov. Gavin Newsom's office in May estimated the state's budget deficit at \$32 billion, \$10 billion wider than estimated in January—and a sharp reversal after a historic \$102 billion surplus in the past two fiscal years. Among the reasons: lower earnings among the wealthy. An estimated 1% of filers pay nearly half of the state's total income tax.

Newsom has proposed government spending delays and cuts, citing economic uncertainty.

Oregon faces a similar crunch from tech company trouble. Intel, among the state's largest employers, canceled a planned \$700 million expansion and announced layoffs and pay cuts. The chipmaker's campuses near Portland anchor a hub referred to as the "Silicon Forest."

Intel's pay cuts would reduce statewide wages by between \$150 million and \$200 million this year, ding tax revenue, a state economist estimated. An Intel spokesman said the company is "exploring more cost-effective real-estate options to continue our data center R&D work in Oregon."

Teresa Rodriguez, who owns a shoe-repair shop in downtown San Francisco, commutes more than an hour from Castro Valley. Her family struggles with the cost of public transportation and housing, and keeps her slumping business open only because the landlord reduced the rent.

In more flush times, dozens of customers would arrive early to drop off their heels and boots, seeking same-day service. Now, she says, she's lucky to get six or seven, and there is no rush.

"I can see that it's not the same," Rodriguez said before pausing to ring up a client for a pair of boots she had dropped off two weeks before.

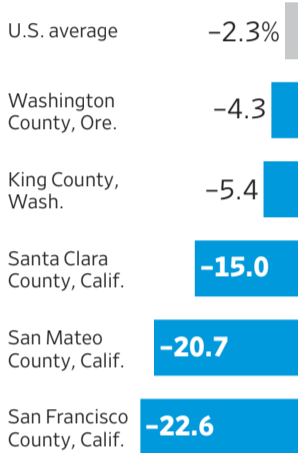
interest-rate increases to fight inflation have cooled demand for big-ticket purchases, such as homes, industrial machinery and household appliances. As a result, payrolls in finance, manufacturing and retail have stagnated.

However, while the U.S. unemployment rate fell this year to the lowest level since 1969, West Coast states' rates were all up from last year's lows.

Average wages have plummeted in areas where high-paying tech jobs are concentrated. San Francisco County had the largest drop in weekly wages, 22.6%, of any large county in the country last year, the Labor Department said. Seattle's King County saw a 5.4% decline, ranking 339th in wage growth out of the 356 largest U.S. counties. Washington County, Ore., home to the state's tech cluster, ranked 319th, with a 4.3% decline.

Fewer white-collar workers in San Francisco's financial dis-

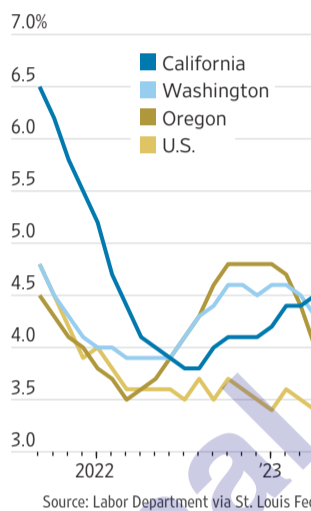
Average 2022 weekly wages, change from a year earlier, select counties



*Seasonally adjusted

trict means Carina Nuñez is earning less money as a janitorial worker. In addition to layoffs, many office workers continue to work remotely several days a week.

Unemployment rates* for U.S. and selected states



Nuñez's hours have been cut, and as a result her weekly pay of about \$600 is roughly 50% lower than a few years ago. She said that is barely enough to keep her and her husband, who

Teresa Rodriguez, who owns a shoe-repair shop in San Francisco, says business has slumped. Her family struggles with the cost of transportation and keeps the business open only because the landlord reduced the rent.

also works, afloat. "Everything we have goes to rent," Nuñez said, adding she is considering moving. "We don't have anything in the bank."

While low-wage workers may struggle in a cooling economy, some former tech workers are managing well on savings or other income. Robert Hatch was laid off from a firmware engineer position at Intel this year. He said he is taking time to find a new job, buoyed by local real-estate investments and severance pay.

"I don't have to be worried financially for quite some time," Hatch said. He wants to stay in tech and the Portland, Ore., area, working remotely or

U.S. WATCH



SALUTE: World War II veteran Richard Rossi at the Pegasus Bridge memorial in Bénouville, Normandy, France, Monday. Dozens of veterans have traveled to Normandy this week to mark the 79th anniversary of D-Day that led to the liberation of France and Western Europe from Nazi control.

NEW YORK
Santos Asks to Shield Bond Signers in Case

Rep. George Santos asked a New York federal judge Monday to keep sealed the names of individuals who helped secure his release on bond in his fraud case, saying he would rather go to jail than endanger them by disclosing their identities.

The New York Republican, who is accused of fabricating much of his life story to win office in 2022, was required to obtain three cosigners on a \$500,000 bond after his May 10 arraignment on charges of embezzling contributions, fraudulently obtaining unemployment benefits and filing false federal disclosure forms.

A judge previously granted Santos's request to keep the names of the cosigners under seal, but several media outlets have since filed motions to make them public. The House Ethics Committee is also seeking information about the cosigners to determine whether he may have solicited or received an improper gift in connection with securing the bond requirements.

In a filing Monday, a Santos lawyer said the cosigners are fearful that if their names become public they could lose their jobs.

—James Fanelli

COLORADO
Ex-FBI Agent Who Spied for Russia Dies

Robert Hanssen, the former FBI agent who spied for Moscow for more than a decade, was found dead Monday in his prison cell, the Federal Bureau of Prisons said. He was 79 years old.

Hanssen was sentenced to life in prison without parole in 2002 after pleading guilty to 15 counts of espionage on behalf of the former Soviet Union and Russia. His case was known as one of the most damaging in the Federal Bureau of Investigation's history.

The Federal Bureau of Prisons said staff found Hanssen early Monday in his cell at the high-security prison in Florence, Colo. A spokesperson for the prisons bureau said the cause of death hasn't been determined.

Hanssen, who held various senior counterintelligence roles within the FBI, gave Russians classified national security information in exchange for more than \$14 million, according to the agency.

His work with Moscow began in 1985, according to the FBI. The espionage went undiscovered until FBI and Central Intelligence Agency officials began to trace the suspected information sharing to him in 2000, as Hanssen was getting ready to retire.

—Jennifer Calfas

SUPREME COURT
Justices to Hear Case On Anti-Trump Slogan

The Supreme Court on Monday agreed to consider whether it is legal to trademark the term "Trump too small," the latest in a string of cases the justices have considered involving former President Donald Trump.

California attorney Steve Elster sought to register that phrase in 2018 for use on T-shirts and other garments. It is taken, he says, from a 2016 candidate debate exchange between Trump and a Republican primary opponent, Sen. Marco Rubio of Florida. Patent officials rejected the application because federal trademark law, doesn't allow registering a living person's name without that individual's consent, something Elster didn't have.

A federal appeals court, however, found last year that "Trump too small" was entitled to a trademark under First Amendment protections for political commentary. The phrase, Elster says, reflects his view of "the smallness of Donald Trump's overall approach to governing as president of the United States."

In its appeal to the Supreme Court, the Biden administration argues that the living-person rule applies equally across the board.

—Jess Bravin

Banks Face Increase in Loss Buffer

Continued from Page One
Since then, regulators have said they plan to apply new rules to a wider range of banks.

Institutions with at least \$100 billion in assets might have to comply, effectively lowering an existing \$250 billion threshold for which regulators have reserved their toughest rules.

Three agencies—the Federal Reserve, Federal Deposit Insurance Corp. and the Office of the Comptroller of the Currency—are expected to propose and seek comment on the capital rules. They would have to vote again to complete the changes and would likely implement them over the coming years.

Critics in the banking industry said a relatively large increase in bank-capital requirements could raise costs for consumers and lead banks to stop offering certain services.

"Higher capital requirements are unwarranted," said Kevin Fromer, the chief executive of the Financial Services Forum, which represents the largest U.S. banks. "Additional requirements would mainly serve to burden businesses and borrowers, hampering the economy at the wrong time."

They also said the proposal could punish banks for relatively benign services that revolve around fee income. The new rules are expected to

treat fee-based activities as an operational risk, a category that includes the potential to lose money from flawed internal processes, people and systems or from external threats such as cyberattacks.

The framework for calculating operational risk charges "would disproportionately and inappropriately" increase capital requirements for firms focused on fee-generating activities, said Katie Collard, senior vice president and associate general counsel at industry group Bank Policy Institute.

That could include banks around the world to boost their capital cushions in hopes of making them better prepared to weather downturns without taxpayer bailouts.

Banks must have loss-absorbing buffers to account for the risks tied to their activities, but regulators believe the way some firms currently measure these risks varies too widely.

The last step of the global overhaul is aimed at making measures of riskiness more transparent and comparable around the world.

The new framework was completed in 2017, but efforts to implement it in the U.S. were delayed by the pandemic.

Regulators are also expected to propose ending a regulatory reprieve that had allowed some midsize banks to effectively mask losses on securities they hold, a contributing factor in the collapse of SVB.

Supporters of the change said it would have forced SVB to address the issue earlier as interest rates began rising and the value of its holdings declined.

THE WALL STREET JOURNAL
(USPS 664-880) (Eastern Edition ISSN 0099-9660)
(Central Edition ISSN 1092-0935) (Western Edition ISSN 0193-2241)
Editorial and publication headquarters: 1211 Avenue of the Americas, New York, N.Y. 10036
Published daily except Sundays and general legal holidays.
Periodicals postage paid at New York, N.Y., and other mailing offices.
Postmaster: Send address changes to The Wall Street Journal, 200 Burnett Rd., Chicopee, MA 01020.
All Advertising published in The Wall Street Journal is subject to the applicable rate card, copies of which are available from the Advertising Services Department, Dow Jones & Co. Inc., 1211 Avenue of the Americas, New York, N.Y. 10036. The Journal reserves the right not to accept an advertiser's order. Only publication of an advertisement shall constitute final acceptance of the advertiser's order.
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U.S. NEWS

Trump Lawyers Press DOJ, Ask Not To Indict

WASHINGTON—Lawyers for Donald Trump met with Justice Department officials Monday, according to people familiar with the matter, to argue against any indictment of the former president over his handling of classified documents at his Mar-a-Lago resort.

By Sadie Gurman, Aruna Viswanatha and C. Ryan Barber

The meeting is the latest indication that special counsel Jack Smith, who was in attendance, has all but wrapped up his investigation into whether Trump mishandled the documents. In recent months, Smith's team has homed in on several key pieces of evidence, including an audio recording in which Trump acknowledged he kept a classified Pentagon document about a potential attack on Iran, and extensive notes from one of his lawyers about the investigation, people familiar with the matter said.

In recent days, Smith's prosecutors have also sought testimony related to the documents probe before a grand jury in southern Florida, in what some people familiar with the process said appeared to be an effort to tie up several loose ends.

Trump lawyers John Rowley, James Trusty and Lindsey Halligan were seen arriving at the Justice Department around 10 a.m. Monday, CBS News reported. They left less than two hours later without speaking to reporters. Trump's lawyers had previously requested a meeting with Attorney General Merrick Garland to "discuss the ongoing injustice that is being perpetrated by your Special Counsel and his prosecutors." Neither Garland nor Deputy Attorney General Lisa Monaco attended the Monday meeting.

Meanwhile, questioning in Smith's other prong of inquiry—into potential White House involvement in the Jan. 6, 2021, attack on the Capitol—is broadening, people familiar with that probe say, heightening the prospect that Trump's legal uncertainty will persist up to and beyond the 2024 election.

In a Truth Social post on Monday, Trump said: "HOW CAN DOJ POSSIBLY CHARGE ME, WHO DID NOTHING WRONG, WHEN NO OTHER

Prosecutors appear to have evidence to bring charges in the Mar-a-Lago probe.

PRESIDENT'S WERE CHARGED."

After losing two other lawyers advising him on Smith's document inquiry, Trump added former federal prosecutor Todd Blanche to his legal team in recent weeks, according to two people familiar with his involvement. Blanche is already defending the former president against criminal charges brought by the Manhattan district attorney.

Blanche's role expanded following the resignation of lawyer Timothy Parlatore from the legal team working on Trump's response to Smith's investigation into the handling of documents at Mar-a-Lago and efforts to overturn the 2020 election results. Another member of Trump's legal team, Evan Corcoran, recused himself from the Mar-a-Lago investigation after testifying in March before the federal grand jury in that probe. He is continuing to represent Trump in Smith's separate inquiry into efforts to overturn the 2020 election.

The changes on Trump's legal team come as prosecutors appear to have gathered the evidence they need to bring charges in the Mar-a-Lago investigation. The recording in which Trump discussed the Iran document in particular appears to help prosecutors show he understood classification requirements and was apparently willing to share the information, people familiar with it said.

Thrills, Peril Await Rafterers in West

By JIM CARLTON

LOTUS, Calif.—Steve Hadaway looked nervously at the South Fork of the American River thundering nearby, and tugged a little tighter onto his life jacket as he trudged toward an inflatable raft.

"I'm confident, but cautious," the 58-year-old visitor from Michigan said one day last week as he prepared to run the river with professional guides. "I'm putting a lot of trust in these guys."

Commercial outdoor guiding companies are gearing up for one of the most rip-roaring white-water seasons in years across the West, as the melting of record snow has swollen some tributaries to as much as 10 times their normal volume. With a longer season and renewed interest in white-water sports, that promises to boost river tourism in areas that have been hard hit by drought in recent years, while also presenting a greater danger to visitors.

"In general, good water makes for good outfitting," said Aaron Bannon, executive director of America Outdoors Association, a trade group that represents outdoor guiding companies.

All-Outdoors California Whitewater Rafting projects a 30% increase in revenue over 2022 as it adds staff to run rivers like the Merced through August that normally become too slow for commercial rafting by June, said owner Scott Armstrong. He said the company, which also runs the South Fork of the American, will be running trips into October.

River spending will boost the local economy, with a projected 10% to 20% increase in rafters and people who use flotation devices, said Howard Penn, president of a local business council. "People know because we had a wetter year, there is going to be more water for the entire summer and fall," Mr. Penn said.



California State Park sector superintendent Mike Howard, inset below, said water temperatures in the low 50s and a higher than normal flow rate in the American River can quickly overcome even strong swimmers. Above, in a safety drill, rafters pull someone out of the water.

At the same time, first responders are bracing for an expected surge in deaths and rescues as people venture into waters that are running unusually fast and dangerous. Already, drowning deaths have been reported from the Colo-

Some tributaries swelled as much as 10 times normal from snow melt.

rado Rockies to California's Sierra Nevada of victims attempting to raft, swim or just step into the water.

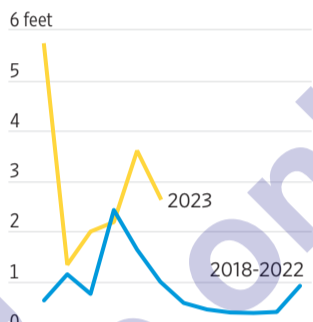
The main danger, they say: rivers swollen with snowmelt water so cold it can paralyze someone who goes in, and the

water running so fast that a victim can be swept hundreds of yards downstream in minutes.

One Sunday in April, 52-year-old Vincent Lee Cochran drowned in the snow-swollen Mojave River near his hometown of Hesperia, Calif., after rescuing an 11-year-old son who had fallen in trying to retrieve a basketball, said his other son, Tanner Cochran, 28. "All I can say to people is don't go into the river if the water is moving too fast," Cochran said.

Accident statistics haven't been compiled yet, but a measure of the heightened risk comes from emergency officials in Placer County, Calif., who report at least two presumed drowning deaths on the North and Middle forks of the American River near Sacramento so far this year compared with one all of last year

River levels of California's North Fork of the American River



Note: Data are from first day of each month. Data since October 2022 are provisional. Source: U.S. Geological Survey

there. They also report 23 rescues year to date.

"We normally don't have any water rescues until Memorial Day," said Sgt. Kevin Griffiths, leader of the local sher-

iff's swift water dive team.

Standing atop a bluff overlooking the confluence of the two forks one day last week, Mike Howard, sector superintendent of the surrounding Auburn State Recreation Area, said a flow rate of more than 7,000 cubic feet per second versus a normal rate of between 1,000 and 2,000 combined with water temperatures in the low 50s—10 degrees below normal—could quickly overcome even the strongest swimmer.

In fact, conditions were so treacherous when state and local first responders held a May 24 news conference there to promote safety awareness that rescue divers weren't allowed to enter the water even for demonstration purposes, Howard said.

"Everyone needs to stay out of the river except professional outfitters," said Howard, whose park is trying to add two more river lifeguards to the four now deployed.

The outfitters are taking special precautions, too. Here in Lotus, near where gold was first discovered in California in 1848, All-Outdoors is running rafts closer to one another on the same rapids of the South Fork of the American River rather than more spaced apart when water is lower, Armstrong said. The other boats can assist in a water rescue, he said.

"At this fast pace, the concern is if someone falls out you have to worry about speed more," he said.

Cold water is such a concern that everyone has to wear a wetsuit, and the guests are asked to jump in the water before the rafts set out. "When you get in really cold water, it can shock the body," guide Claudia Wiese told the four occupants of her raft one day last week. "So we just want to prevent that by getting in the water ahead of time."



Second Flight Sends Migrants to California

By ALICIA A. CALDWELL AND CHRISTINE MAI-DUC

A second flight of migrants flown from New Mexico arrived in Sacramento, days after state officials said they were investigating the earlier arrival of more than a dozen people who were left at a church with no prior notification.

Twenty migrants, most from Venezuela, were flown from a small airport in Deming, N.M., about 100 miles west of El Paso, Texas, on Monday, according to California state officials. They arrived at Sacra-

mento Executive Airport around 11 a.m. and were greeted by members of the California Department of Justice.

Attorney General Rob Bonta, a Democrat, said the migrants were all carrying documentation similar to the papers carried by the 16 who arrived in Sacramento on Friday. Those documents, he said, mentioned the state of Florida, Vertol Systems and the state's migrant-relocation program.

"It was all right there in a document in black and white and that was given to them by the recruiters who contacted

them," Bonta said.

Vertol Systems is a Florida state contractor that also organized last year's Florida-funded migrant flights from Texas, through Florida and on to the Massachusetts island of Martha's Vineyard. The company didn't respond to requests for comment Monday afternoon. Florida officials didn't respond to requests for comment.

The migrants who arrived on Monday's flight haven't yet been fully interviewed, Bonta said. The migrants his office spoke to last week, Bonta said, suggested representatives

from Vertol had promised they would help the asylum seekers find jobs. "That appears to be an outright lie," Bonta said.

Bonta said his office believes two men, employees of Vertol, accompanied the migrants during both Friday and Monday's flights. After dropping them off at the Roman Catholic diocese in Sacramento on Friday, Bonta said, the contractors allegedly told the migrants they would be right back but left and never returned.

Florida Gov. Ron DeSantis, a Republican presidential candidate who has long criticized

the Biden administration's border policies, last year announced plans to move migrants from his state to so-called sanctuary cities.

In September, about 50 migrants were flown from San Antonio to Martha's Vineyard. A pair of jets chartered for that effort each made a brief stop in the Florida Panhandle before continuing on to Massachusetts, according to publicly available flight data. DeSantis has repeatedly taken credit for the Martha's Vineyard flights. He hasn't commented on the Sacramento flights.

First Religious Charter School Approved in Oklahoma

By SARA RANDAZZO

An Oklahoma school board on Monday approved the first religious charter school in the nation, a move likely to spark legal challenges and debate over whether public funds should be used for religious education.

The 3-2 vote by the Oklahoma Statewide Virtual Charter School Board clears the way for St. Isidore of Seville Catholic

Virtual School to open in fall 2024, with plans to weave religious curriculum into online classes offered from kindergarten to 12th grade.

Americans United for Separation of Church and State said Monday it will work with other organizations to challenge the approval in court, calling it a "sea change for American democracy" that threatens a bedrock principle of the U.S. Constitution. "Pub-

lic schools must never be allowed to become Sunday schools," Rachel Laser, the organization's president and chief executive, said.

Oklahoma's top elected officials have disagreed on the legality of creating a religious charter school. Oklahoma Attorney General Gentner Drummond in February revoked a prior attorney general's legal opinion in favor of the school, calling it a "slippery slope"

that would violate state law and clear the way for schools aligned to any kind of religion, even ones viewed by some as reprehensible.

Oklahoma Gov. J. Kevin Stitt has supported the school. On Monday, the Republican governor called the approval vote courageous and said it would give parents more options for their child's education.

Charter schools are publicly funded but typically operate

independently from traditional school districts.

The national charter-school group denounced the vote. "Public schools cannot teach religion, require attendance at religious services, or condition enrollment or hiring based on religious beliefs," the group said.

A legal challenge could reach the U.S. Supreme Court, which currently has a conservative majority.

U.S. NEWS

AI's Growth Imperils 2024 Campaigns

Millions of people are now able to create deceptive political videos and images

By SABRINA SIDDIQUI AND RYAN TRACY

China invades Taiwan and migrants surge across the U.S.-Mexico border in a video depicting the aftermath of President Biden's re-election. In a series of images, former President Donald Trump is pursued on foot and apprehended by uniformed police officers. Another photo shows the Pentagon engulfed in flames following an explosion. The common denominator among these scenes? They are all fake. Rapidly evolving artificial intelligence is making it easier to generate sophisticated videos and images that can deceive viewers and spread misinformation, posing

a major threat to political campaigns as 2024 contests get under way.

Phony imagery isn't new to campaigns. During the 2020 presidential race, Trump shared a fake animation of Biden repeatedly sticking his tongue out with the caption "Sloppy Joe." A slowed-down video that falsely made then-House Speaker Nancy Pelosi appear impaired racked up millions of views in 2019.

What has changed is that synthetic media has become far easier to create with the rollout of so-called generative AI systems that can quickly transform simple inputs into sophisticated-looking videos, photos, music and text. That has left campaign officials bracing for 2024 to usher in a level of digital creation and proliferation unlike any previous election season now that millions of users have access to such tools.

"It's not going to create

brand-new realms or types of disinformation that we've never before imagined, but it's going to make it easier and faster and cheaper to produce," said Teddy Goff, digital director for former President Barack Obama's re-election campaign. "And the conse-

The speed at which AI can generate content is seen as a game changer.

quences of that are going to be pretty profound."

The Republican National Committee was behind the video portraying a dystopian America should Biden secure a second term. Trump posted a manipulated video of CNN anchor Anderson Cooper reacting to the former president's

appearance at a town hall hosted by the network.

Trump also shared a parody of Florida Gov. Ron DeSantis's glitch-filled presidential-campaign launch on Twitter Spaces. The fake video posted by Trump features DeSantis, Twitter Chief Executive Elon Musk, Democratic donor George Soros, former Vice President Dick Cheney, Adolf Hitler and the devil and appears to use AI-generated voice clones, including of Trump.

Spokespeople for the Trump campaign and the RNC didn't return requests for comment.

The speed at which AI can generate content is seen as a game changer. Rather than having to rely on consultants and digital experts, AI is a far cheaper means through which campaigns can respond to events in real time.

Democratic and Republican consultants say they are also testing AI and the viral chatbot

ChatGPT as digital organizing tools that can help draft speeches, fundraising emails and texts and build voter files. Although campaigns will still need to review and edit AI-generated content, the technology could help significantly reduce the amount of time spent on day-to-day voter contact.

Online watchdogs are warning that the technology could be used for more nefarious purposes, including to spread false information about polling hours and locations, voter-registration deadlines or how people can cast their ballots.

On the eve of the initial round of Chicago's mayoral election in February, staff for candidate Paul Vallas noticed a video circulating on Twitter. It showed his photo and played a voice that sounded like his, appearing to condone police brutality, said Brian Towne, Vallas's campaign manager.

The video didn't circulate widely and likely didn't affect

the vote, Towne said. Vallas finished first in the February runoff but lost a runoff.

Social-media platforms often have policies that state they will take down misleading, manipulated content. Enforcement of those policies can be inconsistent or slow, and platforms sometimes make exceptions for false posts by candidates in the name of allowing free political debate.

The rise of generative AI systems has prompted tech leaders to call for a new labeling system. Google and Microsoft, a backer of ChatGPT creator OpenAI, have both said they are launching tools that will mark AI-generated content with data about its origin.

Robert Weissman, president of Public Citizen, said political parties and media outlets should declare the use of fraudulent media as "out of bounds." He added, "We are not actually prepared for the challenge."

Kansas City Celebrates Its Super Bowl Win at the White House



HAIL TO THE CHIEFS: President Biden hosted the team on Monday to honor their February victory over the Philadelphia Eagles. Biden led the crowd in a moment of silence to mark the death Sunday of Norma Hunt, wife of the late team founder Lamar Hunt, at age 85.

GOP Lawmaker Presses FBI Over Biden Document

By C. RYAN BARBER AND SADIE GURMAN

WASHINGTON—A top House Republican said he would work to hold FBI Director Christopher Wray in contempt for not handing over a document GOP leaders view as central to a congressional probe into financial dealings of President Biden and his family, even after bureau officials provided lawmakers with access to the record in a closed-door briefing.

Following the more-than-hourlong session in a secured facility at the Capitol, Rep. James Comer of Kentucky said Monday he would initiate contempt proceedings Thursday because the Federal Bureau of Investigation had "again refused to hand over the unclassified record to the custody of the House Oversight Committee."

Republican lawmakers have said the internal FBI record contains allegations that Biden engaged in a bribery scheme with a foreign national during his vice presidency. The FBI has said the mere recording of information in an investigative report, like the one subpoenaed by the House panel, doesn't establish its credibility.

Speaking to reporters, Comer, the committee's chairman, and Rep. Jamie Raskin, its top Democrat, delivered dueling takeaways from the FBI briefing.

Comer said FBI officials confirmed that the information in the document was being used in a continuing criminal probe. He said he assumed the investigation "is in Delaware," an ap-

parent reference to the Justice Department inquiry into the president's son, Hunter Biden, which has come to focus on his taxes and whether he made false statements in connection with the purchase of a gun in 2018. He added that the information in the document came from a "trusted, highly credible" confidential human source.

Raskin said the form records what a confidential human source told the FBI about conversations he had with individuals in Ukraine. In 2020, he said, the Justice Department interviewed that same source as part of a review then-Attorney General William Barr ordered into allegations that former Trump lawyer Rudy Giuliani made about President Biden and Hunter Biden being involved in a Ukrainian corruption scheme.

The Justice Department determined later in 2020, during the Trump administration, that there were no grounds for pursuing the probe, Raskin said, adding that Comer is recycling "conspiracy theories long peddled by Rudy Giuliani" as part of a smear campaign to hurt President Biden and buoy Trump's presidential bid.

Barr declined to comment. The FBI said: "The escalation to a contempt vote under these circumstances is unwarranted."

House Republicans haven't identified any payments directly to President Biden, who has long denied playing any role in his family members' business dealings.

Sununu Passes on GOP Presidential Primary

By AARON ZITNER

New Hampshire Gov. Chris Sununu said he wouldn't run for president in 2024, pointing to the strength of former President Donald Trump in early polls and the already large size of the GOP primary field.

After six months of study, "I've made the decision not to run for president on the Republican ticket for 2024," he said Monday in a CNN interview. "It's been quite an adventure, but not the end of the adventure by any means," he said.

Sununu is a centrist on social issues and a sharp critic of Trump, and he indicated he would work to build support for Trump opponents in the party while at the same time encouraging low-performing candidates to drop out of the race.

In explaining his decision, Sununu said on CNN, "You obviously have a very large field. The former president, Trump, is doing much better in the polls than folks thought." He said he still planned to play a role in the primary process, arguing that "the math doesn't

add up" for Trump winning the general election, and voting for Trump in the GOP primary is "effectively a vote for Joe Biden," the Democratic incumbent president.

Sununu's decision comes just as Trump and Gov. Ron DeSantis of Florida have intensified their rivalry for support from the most ideologically driven and conservative voters. The field also is expanding to include candidates with higher national name recognition than Sununu, including former Vice President Mike Pence and former

New Jersey Gov. Chris Christie.

Christie is jumping into the race Tuesday. Pence filed official paperwork to run Monday and is expected to hold a launch event Wednesday in Iowa.

North Dakota Gov. Doug Burgum is also expected to enter the race Wednesday.

While bypassing the race, Sununu is set to be involved as the most prominent Republican in the state that holds his party's first presidential primary.

SEC Sues Big Crypto Exchange

Continued from Page One

The SEC filed the case in federal court in the District of Columbia. Binance engaged in "blatant disregard of the federal securities laws and the investor and market protections these laws provide," the agency wrote in its court complaint.

The SEC quoted Binance's chief compliance officer as saying in 2018, "we are operating as a fking unlicensed securities exchange in the USA bro."

The SEC's court complaint asks a federal judge to freeze Binance's assets and appoint a receiver, typically an outside lawyer or other professional who is given control of the company. The receiver is given the authority to track and preserve users' assets.

The SEC typically seeks receivers in cases that involve fraud, such as Ponzi schemes, or in which regulators don't trust management to run a company in compliance with the law.

The bar for a court ordering an asset freeze and receiver is high, said Marc Fagel, a former director of the SEC's San Fran-

cisco office. Regulators must show a court they are likely to succeed in the case and require emergency action to prevent imminent harm to investors. "It would definitely be a challenge for them to get this," Mr. Fagel said.

Binance hasn't had any major outflows of user funds, Patrick Hillmann, Binance's strategy chief, told the Journal.

"Our team is all standing by, ensuring systems are stable, including withdrawals, and deposits," Zhao said, referring to the possibility of customers pulling funds.

The company in its statement said: "All user assets on Binance and Binance affiliate platforms, including Binance.US, are safe and secure, and we will vigorously defend against any allegations to the contrary."

Binance.US also said it would defend itself against the litigation.

U.S. regulators have been circling Binance for years, with the SEC and the Justice Department sending subpoenas to its U.S. arm in late 2020, according to documents viewed by the Journal. Officials have ramped up enforcement efforts over the past year, after the collapse of numerous crypto companies including one of Binance's biggest rivals, FTX.

The lawsuit adds to Binance's challenges with U.S. regulators and law enforcement. The Commodity Futures Trading Commission alleged in March that Binance and Zhao

evaded that agency's rules, which cover platforms that offer derivatives to American traders. Binance also faces a Justice Department investigation over its program to detect money laundering, according to people familiar with the matter.

The SEC also alleged that Binance sold cryptocurrencies, including BNB and BUSD, that should have complied with investor-protection rules. The value of BNB fell more than 10% from the prior 24 hours as of 5:20 p.m. EDT Monday, according to CoinDesk data. Before the announcement, it was down 2.5%.

Bitcoin, the largest cryptocurrency, fell 6.2% over the same period to trade near \$25,500 apiece. It is seen as a bellwether for digital assets.

Executives for two major market makers, which facilitate buying and selling between crypto firms, said they were looking for ways to reduce exposure to Binance after the lawsuit. Both said such a task was difficult because of Binance's hold over so much crypto trading.

Founded in 2017, Binance quickly grew to be a behemoth in the world of cryptocurrency. As of last month, more than 40% of all crypto trading took place through the exchange, according to data provider CCData. In the past, it has at times controlled more than two-thirds of crypto trading.

Zhao is the majority owner of Binance and Binance.US.



The SEC lawsuit also named Changpeng Zhao, Binance's founder and controlling shareholder, as a defendant.

While Zhao and executives portrayed Binance.US as fully independent, both exchanges were deeply intertwined mixing staff and finances and sharing an affiliated entity that bought and sold cryptocurrencies, the Journal has reported.

"Until at least the end of 2022, Binance, at Zhao's direction, maintained custody and control of the crypto assets deposited, held, traded, and/or accrued by customers on the Binance.US platform," the SEC said.

Almost all of the employees working on clearing and trade settlement on the Binance.US exchange were based outside the U.S., primarily in Shanghai, the SEC said. The Journal previously reported former Binance.US executives raised concerns about the setup.

As of this month, Bi-

2021, it was still possible for users on Binance.US to engage in wash trading, in which a user enters both buy and sell orders and trades with himself or herself, according to the SEC. U.S. law bans wash trading because it can be used to artificially boost volume and manipulate prices.

In 2019, a Binance co-founder wrote in an internal message that wash trading "is mainly a compliance or regulation issue," according to the SEC's lawsuit. "If some US compliance or regulation says we must prevent this, we will. Otherwise we will not."

Sigma Chain conducted a lot of the wash trading on Binance.US, the SEC said.

The lawsuit presents new insight into how Binance has operated and its profitability—parts of the exchange's business that it has been reluctant to share, citing its status as a private company. Between June 2018 and July 2021, Binance earned at least \$11.6 billion in revenue, mostly from transaction fees, the complaint said.

For the SEC, the lawsuit is another significant bet that U.S. courts will agree it has jurisdiction over the crypto industry, which often disputes that digital assets are securities. The SEC has also sued crypto exchange Bittrex and has told Coinbase, the largest U.S. crypto exchange, that it plans to take enforcement action against it.

—Paul Kiernan contributed to this article.

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WORLD NEWS

Ukraine Takes Aim at Russian Trenches

Moscow's forces have created physical defenses to impede Kyiv's coming offensive

By DANIEL MICHAELS AND IAN LOVETT

While Ukrainian soldiers have spent months training to use new Western tanks and equipment for an expected offensive, Russian forces have been building defenses to stop them.

Satellite images show that the Russians have constructed an elaborate network of obstacles—including antitank trenches, concrete barriers known as dragon's teeth and layers of advanced minefields—in southern Ukraine, where Kyiv is expected to attack.

For Ukraine's long-awaited offensive to be successful, its troops will have to find a way through those lines. "The jury's still out," said North Atlantic Treaty Organization Secretary-General Jens Stoltenberg recently, warning against underestimating Russia in the fight.



Ukrainian soldiers on Monday fired at Russians near Bakhmut in Ukraine's eastern Donetsk region.

"The Russians have been able to dig in deep defensive lines." The fortifications Russia has established are primarily in the southern Zaporizhzhia and Kherson regions, which analysts believe Ukraine is most likely to target in its attacks. U.S. officials

said they believe Ukrainian troops can push far enough south to cut the land bridge between Russia and Crimea, which Moscow has occupied since 2014 and used as a staging ground for its 2022 invasion. Still, U.S. officials called

Russia's defenses "significant and challenging." But physical impediments are only as good as the troops manning them, military strategists say. Without resolute, re-active forces, all those trenches, blockades and minefields will

slow but not stop trained, well-equipped attackers.

Russia has mobilized hundreds of thousands of men. Many are poorly motivated and have only rudimentary preparation, but Moscow is hoping their numbers could prove decisive. And while Russia's infantry may lack extensive training, its engineering forces don't.

The barriers Russia has created include several lines of trenches, many cut in zigzag forms, from which defenders can fire on attackers at several angles. They also are designed with backup defenses nearby, to which troops can be trained to fall back and keep fighting.

Gun positions are established in advance with targets sighted, so shooters don't need to calculate firing range, as troops on the move do. "These allow a less-competent force to do better than it might otherwise and make it harder to break through," said Billy Fabian, a former Pentagon strategist and U.S. Army infantry officer.

Retired Lt. Gen. Ben Hodges, a former commander of the U.S.

Army in Europe, said Ukraine wouldn't need to penetrate the Russian defenses across a broad front. "They need to achieve deep penetration in two or three areas to isolate Crimea," he said. "I anticipate they'll mass overwhelming combat power in a certain area."

Ukraine likely will aim to launch attacks that either kill or frighten away infantry defending trenches. If they can do that, they will use specialized engineering equipment such as armored bulldozers and bridge-layers to cross the gaps. Bulldozers or sappers can push aside or demolish dragon's teeth. Minefields are slow to clear, but Ukraine has been given specialized vehicles to address that delicate task.

Defenses such as those Russia has built don't need heavy staffing everywhere.

Watch a Video

Scan this code for a video on what satellite images reveal in Russia's defense.

Moscow: Kyiv Attack Launched

Continued from Page One deliver significant gains.

White House National Security Council spokesman John Kirby declined to say Monday whether Ukraine's counteroffensive had begun. "That's for them to speak to," Kirby said. "What I can speak to is how hard we worked to prepare them to be ready."

For weeks, as Ukraine has laid the groundwork for its push, it has been striking Russian supply lines and Ukrainian-backed forces have staged cross-border incursions into Russian territory. Kyiv has

released videos of troops readying to fight.

Those efforts likely are part of Kyiv's push to confuse and destabilize Russian commanders before the offensive, forcing Moscow to reallocate forces. The more Russia needs to protect its own territory and equipment, the less manpower and equipment it will have to repel Ukrainian attackers.

Russia's Defense Ministry said it repelled a push by six Ukrainian mechanized battalions and two tank battalions that began Sunday in the southern part of the Donetsk region. The ministry said Gen. Valery Gerasimov, Russia's top general, was present at a forward command post during the attack.

"The enemy's goal was to break through Russia's defenses in what it considered to be the most vulnerable area of the front," the Russian De-

fense Ministry said.

Military bloggers close to the Kremlin said that Ukraine was also attacking in the southern Zaporizhzhia region.

On Sunday, several Ukrainian officials posted a video to social media that showed soldiers putting their fingers to their lips.

Yevgeny Prigozhin, leader of the Wagner paramilitary group, said Ukrainian forces had retaken part of the settlement of Berkivka, north of Bakhmut. Wagner, which spearheaded Russia's capture of Bakhmut, has recently handed its positions there to regular Russian troops.

"Troops are slowly running away. It is a disgrace!" said Prigozhin, who has often accused the Russian military leadership of incompetence, of the regular Russian forces.

Denis Pushilin, the acting proxy leader for Russian-held

territory in the eastern Donetsk region, quoted by Russian state newswire Ria Novosti, said that the situation on Bakhmut flanks was very difficult and that the city is under constant shelling.

Gen. Oleksandr Syrskiy, Ukraine's commander of ground forces, posted a video to Telegram on Monday that purported to show an assault on Russian positions in a tree line, along with a message that his troops were moving forward in the Bakhmut area.

The alleged Ukrainian attacks would be the latest in a series of assaults Kyiv has made on Russian-held territory in recent weeks. Beginning late last month, a group of Russian nationals fighting for Ukraine has also made repeated forays into the Russian border region of Belgorod, pressuring Moscow to move resources out of Ukraine to

defend its borders.

The assaults follow months in which Kyiv was largely on the defensive. Through the winter and spring, Moscow hammered Bakhmut, while Ukraine tried to hang on to the eastern city for as long as possible. The Ukrainians finally withdrew from the city last month.

Military analysts have said that Ukraine's primary goal would be to cut the land bridge that connects Russia to Crimea, the southern Ukrainian peninsula that Moscow seized in 2014. To do that, Kyiv would have to cut through Russian-held territory in the Zaporizhzhia region.

Rybar, a pro-war Telegram channel linked to the Kremlin, also said that Ukrainian forces had begun an attack in the Zaporizhzhia region, near Mala Tokmachka.

In apparent response to the Russian claims about the se-

ries of assaults, Kyiv's armed forces posted a warning Monday on Telegram that Russian channels would be spreading "unreliable information about the combat operations of the Armed Forces of Ukraine."

In another indication of escalating tension between Wagner and the Russian military establishment, Prigozhin's press service posted Sunday on Telegram that Wagner had captured a Russian officer it accused of firing at the group's positions. A video posted by Prigozhin's press service showed a man who introduced himself as Lt. Col. Roman Venevitin, commander of the 72nd Motorized Infantry Brigade, and said that he drunkenly fired on a Wagner truck and that he and his troops disarmed a Wagner group.

—Nancy Youssef contributed to this article.

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WORLD NEWS

Corruption Concerns Arise in Grain Dispute

By IAN TALLEY

A dispute about missing grain assets has pitted U.S. investors against a Ukrainian firm and comes amid longstanding questions about Kyiv's commitment to battling corruption.

U.S. firms representing some of Ukraine's largest private foreign creditors say their efforts to recover \$130 million in assets have been hampered by parts of the Kyiv government. The Ukrainian company involved in the fight in turn alleges the U.S. firms are using the war as pretext for taking over their grain-trading business and its subsidiaries.

The dispute, though still working its way through courts in Ukraine, the U.K. and Switzerland, highlights the challenges facing a government dependent on Western support, including private investment, but long plagued by allegations of corruption. Ukrainian President Volod-

myr Zelensky has won praise for his efforts to stamp out government graft but continues to face questions about his efforts.

The current dispute centers around \$95 million that U.S. investors **Argentem Creek Partners** and **Innovatus** lent to GNT Group, a Ukrainian trading firm. The debt was secured by the Ukrainian company's equity, including one of the country's largest grain terminals located in Odesa. GNT failed to make payments to the U.S. companies last year, however, and then liquidated \$130 million of its assets, according to court records that included details of a pretrial investigation by Ukraine's national police.

Some parts of the Ukrainian legal system have supported the investors' efforts to recoup the funds, according to court rulings. But the U.S. companies allege that efforts to get rulings enforced have been blocked by various parts of the Ukrainian bureaucracy, includ-



A carrier is loaded with wheat at a Black Sea port near Odesa.

ing officials in the ministries of infrastructure and justice.

"We've seen parts of the Ukrainian system act superbly in this case, but others continue to play by old rules," said Daniel Chapman, chief executive of New York-based Argentem Creek Partners. State Department officials

said they have discussed the case with Ukrainian authorities, but declined to elaborate, citing the continuing litigation. Zelensky's office, as well as the ministries of infrastructure, justice and interior, didn't respond to a request for comment.

The dispute dates to last year, when the U.S. investors

said they had been in talks to restructure GNT's debt and were open to granting waivers in consideration of the war. But they said they grew concerned after the company's shareholders and chief financial officer, Dusan Denic, failed to disclose last year heavy balance-sheet losses caused by an unexplained liquidation of grain and sunflower seed inventory.

The owners of GNT—Sergiy Groza and Volodymyr Naumenko—and Denic have since provided conflicting explanations for the liquidation, refused to provide documentation to block the investors' access to offices, terminals and other assets, the U.S. investors said.

Groza, in a statement provided to The Wall Street Journal by Denic, said the company got rid of inventory that spoiled when the war temporarily shut terminal operations. "GNT denied and continues to deny the misappropriation of grain."

Under the terms of GNT's loans, the U.S. firms said, a contract breach such as default gave the creditors authority to establish operational control of the Ukrainian business. After filing criminal complaints with Ukraine's national police, the U.S. firms in January secured a ruling in the U.K., where the parties agreed to settle contractual disagreements, freezing GNT's assets, court records show.

GNT's owners said they are prepared to discuss restructuring the debt with their lenders.

"Argentem has been spreading false allegations about GNT and/or providing misleading information to the media prior to any conclusive adjudication of any of the matters in dispute," Denic wrote in response to questions from the Journal, speaking on behalf of Groza and Naumenko. He said GNT has offered to provide audited details of the inventory, but the creditors have refused to engage—a claim the creditors deny.

FROM PAGE ONE

Rethinking Cancer Treatments

Continued from Page One

"It's time to look at less toxic approaches," said Dr. Julie Gralow, chief medical officer and executive vice president of the American Society of Clinical Oncology.

In early-stage pancreatic cancer, patients who had laparoscopic or robot-assisted surgery had similar outcomes to patients who underwent more invasive open surgery, one study presented Monday at the conference showed. Another found a simpler hysterectomy that removed just the uterus and cervix can be safe for some low-risk cervical cancer patients, instead of more

complex and expensive radical hysterectomy.

Women who got the simpler surgery had fewer bladder problems and reported better body image, pain levels and more sexual activity. Cancer patients have started demanding more emphasis on quality of life, as some cancers have become more curable and people live longer after treatment, said Dr. Marie Plante, a gynecologic oncologist at CHU de Quebec in Canada and the cervical-cancer trial's lead investigator.

"How can I provide top of the line treatment while reducing side effects without jeopardizing the outcome?" Plante said. "It's that fine line."

In another study presented at the conference of some 1,200 patients with rectal cancer that had spread to nearby tissue or lymph nodes, about half got standard chemotherapy and radiation before surgery. The others got more aggressive chemotherapy but no

radiation, unless their tumors failed to shrink by at least 20%. About 10% of those patients needed the radiation, according to the study, which was published in the New England Journal of Medicine and the Journal of Clinical Oncology.

At five years, results from the protocols were similar, suggesting that many rectal cancer patients can safely skip radiation that increases risks of pelvic fractures, bowel and sexual dysfunction and infertility, researchers said.

"We can spare select patients," said Dr. Pamela Kunz, director of the Center for Gastrointestinal Cancers at Yale Cancer Center. "This trial is really less is more."

The patients who avoided radiation by undergoing more aggressive chemotherapy experienced more, different shorter-term side effects including appetite loss, fatigue and nervous-system damage. Some patients might still opt to get

the radiation, researchers said.

"It's a nuanced, complicated decision, but it allows tailoring the treatment choice to the patients' preference," said Dr. Harvey Mamon, chief of gastrointestinal radiation oncology at the Dana-Farber Cancer Institute in Boston and senior au-

Cancer care is moving away from a one-size-fits-all approach.

thor on the rectal cancer trial.

A smaller study presented in Chicago on Monday explored de-escalating treatment for HPV-related head and neck cancers. Some 45 patients got the typical amount of chemotherapy and, if they responded well, got less chemotherapy and fewer radiation treatments in

the next phase compared with the standard course. The trial met its goals for safety and tumor control, said Dr. Marshall Posner, director of head and neck cancer medical oncology at the Mount Sinai Tisch Cancer Center, who led the study.

Robert Ihle, a 69-year-old New York native and a patient of Posner's, received the full course of therapies. "Those last seven treatments were hell on earth," he said.

He had mouth blisters and couldn't swallow or talk. A decade later, he still has mouth dryness and neck pain from the radiation and numbness or tingling in his feet from the chemotherapy, he said. He later developed a second tumor in the back of his throat.

Radiation is less toxic and more focused than it used to be, radiation oncologists said, but it still confers a range of side effects depending on the area of the body getting treated. Another trial that explored

whether B-cell lymphoma patients can safely skip radiation if they have a strong initial response to immunochemotherapy is set to be presented at the conference on Tuesday.

"The fact that these studies exist speak to the fact that we've all become increasingly aware of some of the burdens we place on patients," said Dr. Eric Winer, president of the American Society of Clinical Oncology and director of the Yale Cancer Center.

The Food and Drug Administration released draft guidance this year to cancer-drug developers on how to determine the best dose for new therapies. Doses were traditionally set at the highest tolerable amount.

"Companies need to show the best balance between efficacy and safety," said Dr. Tara Frenkl, Bayer's senior vice president and head of oncology development. "That's a relatively new concept for oncology."

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FROM PAGE ONE

A Shift in Business Travel

Continued from Page One

travel agencies, according to people familiar with the matter. It's offering fewer corporate contracts and shrinking the size of discounts it offers to some companies, corporate travel agencies say.

The airline is betting it can leverage its vast network—with more flights than any other U.S. airline—and its loyalty program to keep travelers coming. If the pivot works, the moves could save American millions of dollars in travel agent commissions and corporate discounts, industry observers say. Its rivals are watching to see if they can move in on alienated corporate customers—or if they should follow suit.

Much of the pivot is happening behind the scenes, but business travelers themselves might see some changes. American is changing some of the decades-old technology that underlies sales in ways that it said will simplify the ticket-buying process, so that booking a work trip is more like buying a ticket directly on an airline website. If adopted, the new tools should make it easier for business travelers to pick their own seats and change flight plans without calling an agent.

Royal treatment

Raja said American had a realization: The customers it treats like royalty when they catch a 5 a.m. flight for a work meeting and the customers trying to redeem their miles for a family trip to Hawaii are often the same people. It shouldn't matter so much why they are flying, he said—their experiences should be similar.

"We're just realizing there can be more ways to go and try to win your business than just through a corporate contract," Raja said.

Some in-house travel managers are looking at doing more business with other airlines, or say that they might naturally drift away from American because its fares are no longer competitive. Some are trying to dissuade travelers from booking on American.

Company travel buyers and corporate travel agents said they feel they're being squeezed out. Some learned abruptly through formulaic emails that longtime account managers had been let go, leaving them unsure whom to contact at the airline. One likened it to a divorce.

"It's kind of like they're taking a scorched-earth mentality when it comes to corporate travel," said Jay Ellenby, president of Safe Harbors Business Travel, an agency that works with small and midsize companies.

Delta Chief Executive Ed



Above, American Airlines planes at Ronald Reagan Washington National Airport in Arlington, Va. Below, Robert Isom, American's CEO, after he testified in October in an antitrust lawsuit seeking to unwind a partnership between American and JetBlue.

Bastian said he expects to pick up some business as a result. "American makes their own decisions but at Delta, our goal is to make sure we're doing the very, very best job for corporate agencies as well as our corporate partners," he said.

Airlines have long prized business travelers, who often book premium seats and pricey last-minute tickets. Before the pandemic, the U.S. airline industry generated about half its profits from the approximately 12% of passengers flying on work trips, McKinsey & Co. has estimated. American had been working to win more corporate deals to close a gap with its competitors. In 2016 the airline hired a former hotel executive to head up global sales and distribution and started expanding its sales force and signing up thousands of new company accounts, including many small and midsize businesses.

Business travel's recovery now looks to have plateaued at about 20% to 30% below pre-pandemic levels, according to figures from Airlines Reporting Corp., which processes tickets sold through travel agencies.

The 'bleisure' factor

American said the share of its revenue that comes from pure business trips was 30% at the start of this year, down from 40% in early 2019. People traveling for pleasure, or combining business and leisure, known in the industry as "bleisure," are in some cases spending as much as or more than the prepandemic corporate road warriors.

With demand for bookings overall still strong, American's corporate customers might not have much choice but to keep flying the airline. An industrywide shortage of pilots and delays in deliveries of new planes are keeping carriers from adding more flights. That

leaves fewer alternatives for customers looking to switch business flights to a competing airline.

American's dominance in fast-growing cities like Dallas and Charlotte has made some companies effectively hostages to its hubs. They have few alternatives and rosters of senior executives who are already loyal American fliers, often with elite status and the perks it entails, corporate travel buyers say.

Cory Garner, a consultant who oversaw sales and distribution strategy at American until 2020, said corporate travelers are no longer the sacrosanct customers they once were. Now everyone is paying higher fares, he said, including leisure travelers.

"All that adds up to American being in a mood to experiment with corporate travel and take some chances to not spend quite as much on those relationships," he said.

American's strategy is a gamble, said Raymond James analyst Savanthy Syth. "You wonder if it's shortsighted and they're kind of assuming what you're seeing today or right after the pandemic is what will be forever," she said.

American also faced a setback last month when a judge ruled that it will have to abandon a partnership with Jet-Blue in business-heavy markets in the northeast—an arrangement that included selling seats on one another's flights along certain routes and coordinating schedules. American said it plans to appeal the ruling. If it stands, JPMorgan analyst Jamie Baker recently wrote, it would weaken American's offerings in New York and Boston at a time when its sales strategy could already be costing it corporate customers.

The top travelers who generated the bulk of American's



business travel revenue before the pandemic are spending more money with the airline, Raja said. But they've shifted a chunk of their flying from pure business travel—once over 50% of their trips—to a hybrid of work and pleasure. Those blended excursions typically come in through the airline's own website or app, making them potentially more profitable for American than bookings through travel agencies and corporate booking tools. Raja said yields—the measure of average fare paid per mile, per passenger—from these blended trips are coming in 8% to 10% above the traditional business trips they've replaced.

American has cut flights in once business-heavy markets where travelers aren't taking as many single-day trips on

routes like New York to Chicago and Boston to Washington, D.C.

That has freed up planes for American to add flights in smaller cities, including new nonstop flights between New York and Grand Rapids, Mich., Birmingham, Ala., Knoxville, Tenn., and Greenville, S.C. Raja said American has seen more demand from such cities for both business and blended business and leisure travel, in part because smaller companies there got back on the road more quickly than big ones.

"The passengers that used to be doing those day trips between Washington and New York aren't there. And so we've gone and sought out the passengers who want to go from Grand Rapids to New York," said Brian Znotins, American's vice president of network and schedule planning. "Business travel still happens. It's just different."

American began to realize during the pandemic that high-end demand was coming back, even though businesses themselves were not, Raja said.

In 2021, with international markets largely still restricted, the airline started flying more of its largest Boeing 777 jets, typically used for long-haul international flights, between Miami and Los Angeles. Those flights had an option for more comfortable lie-flat seats, which buyers snapped up for \$500 to \$700 more—an unusual trend for leisure travelers, whom American had previously thought to be more bargain-minded.

The shift in travel emboldened American to speed up a long-sought update to the back-end plumbing that transmits data from the airline through a patchwork of intermediaries for many corporate

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bookings.

The current setup limits airlines' ability to sell extras and upgrades. In the channels many corporate customers use, electronic data still flows much as it did in the 1980s—a setup that doesn't allow airlines to recognize returning customers or create personalized offers.

"We're still beholden to this crazy service model," said Surosh Waghmar, founder of Spotnana, a travel technology startup that seeks to replace some of the older infrastructure. Business travelers often need to call an agent to make any changes on a ticket, for example. "You're waiting for six hours for someone to respond back."

American pulled 40% of its offerings from the antiquated channels in April, reserving some of the cheapest fares for its own website and for retailers that use a more modern interface. Other airlines, including United, are also looking for ways to encourage customers toward more modern channels. Delta said its technological shift will be "an evolution, not a revolution."

New technology

AmTrav, a travel agency that uses the newer connections, said that corporate customers booking American flights through the old technology are likely paying more on over a third of bookings. When there's a difference, fares are about \$115 lower on average in the new channels.

Travel management firms that work with big companies said the new technology wasn't ready and that they've struggled to provide services like changing tickets. SAP Concur, which has a widely used booking tool for corporate travel, said some companies were holding off on using the new channels, and some were blocking American's fares from appearing in their systems. Others have added messages encouraging travelers to book another carrier, industry officials said.

Raja said he's been encouraged by the level of bookings coming in directly to the airline's website and its app. He said agencies that use the new system are gaining ground. Last week American said its outlook for second quarter unit revenues and profits had improved from earlier in the spring.

Suzanne Boyan, who manages travel and meetings at ZS, a consulting firm, said she's fine with travelers booking directly on airline websites to get a better deal or the benefits of their status, as long as the company can keep track of where they are and what they're spending. The company already works that way with United.

American's changes, while abrupt, could help take some of the bugs out of business bookings, she said.

"We've put up with a subpar experience with online booking tools that haven't evolved," she said. "Somebody had to push the industry along."

Ratings Padding Is Rampant

Continued from Page One

help users make better choices. Instead, ratings have become almost meaningless on some of them.

Confusion over what constitutes 5-star behavior for certain services, combined with the guilt of potentially hurting someone's livelihood, has people defaulting to perfect scores. Ratings padding is particularly rampant for services involving personal interactions.

Just like the children in the fictional Lake Wobegon, everyone is "above average" on some apps—way, way above. Ride-share ratings are so high that Lyft drivers whose scores dip below 4.8 out of 5 stars are asked to work on boosting their performance. Drivers under 4.6 risk getting deactivated, the company said.

Customers say some U.S. apps are designed to encourage 5-star ratings. Lyft, for instance, asks passengers what went wrong if they rate drivers 4 stars.

"They create all this head-

ache when all you want to do is order your next ride," said Viral Gandhi, a healthtech investor in San Francisco. Gandhi's been in dirty cars, but rated those rides 5 stars to avoid the hassle of answering prompts.

"You still got to your destination, so what are you even supposed to base this on? Half the time you don't even talk to each other," he said.

One time a driver raced to get him to the airport on time while blasting Billy Joel, which they both enjoyed. Gandhi threw in a generous tip, but felt that he had no option other than to rate him the same as disappointing drivers.

"You give five stars for great experiences with your driver and rider, like excellent service, a squeaky-clean car, or just some good old-fashioned manners," Lyft said in its community guidelines.

"You're probably not going to feel bad leaving a bad review for Comcast, but your Airbnb host or Uber driver—there's a greater sense of the potentially negative impact on the person," said Michael Luca, an associate professor at Harvard Business Schools who researches ratings. It makes it seem like "every Airbnb is perfect and every Uber ride is exceptional" because people feel uncomfortable deducting stars, he said.

Drivers are similarly gener-



Ride-share driver Roxie Benesch says she goes the extra mile for her high marks from riders.

ous. The average Uber passenger in the U.S. is a 4.9 out of 5, Uber said. Uber riders in New York have the lowest average across the country—4.8—while passengers in Virginia's Hampton Roads have the highest average of 4.97.

"Everyone is a 5, everyone needs a 20% tip or more for doing the bare minimum—that's just become the culture these days. People don't have to earn it anymore," said Alex

Romanovsky, a 39-year-old San Franciscan who brags about his 4.94 Uber rider rating and says he's earned it.

He doesn't make drivers wait and greets them by their first names. When someone rated him a 4 recently, it sent him into a frenzy. "I want to know what ride didn't give me a 5 because I'm a superstar passenger," he said.

For passengers interested in a 5-star rating, don't slam

the door on your way out. "Drivers have consistently cited door slams as a reason why they deduct stars," Uber says as part of its guidelines. "Don't leave a mess behind," the guidelines add.

Uber Chief Executive Dara Khosrowshahi, who has been driving and delivering on Uber, said he's a 5-star driver. Lyft's new CEO David Risher is a 5-star passenger, according to the company. He recently began driving on Lyft.

Romanovsky, who works for the Golden State Warriors, likens 5-star ratings to the idea of participation trophies in youth sports, when children are rewarded for showing up.

People overseas are slightly stricter about rating. The average Airbnb rating in the U.S. last year was 4.7 out of 5, according to market-research firm AirDNA. Properties overseas averaged 4.63. Uber drivers and riders in some Asian countries are less apt to give perfect scores.

Uber and Lyft say ratings matter to drivers; their ability to remain on the app depends on them. High marks also help drivers move up in the apps' rewards programs, which typically offer discounts at grocery stores and cash back on gas. Some drivers say they go the extra mile to earn stars.

Driver Roxie Benesch, a 60-year-old who has worked in Austin, San Antonio and Nash-

ville, has a refrigerator with energy drinks, flavored electrolytes and bottled water. She also has a karaoke mic.

She wears green on St. Patrick's Day, hands out candies on Valentine's Day and adorns her Tesla Model 3 rental in rainbow colors during June's Pride Month. She has paper bags handy in case people have to throw up after a night out and offers to hold their hair back if they need assistance.

"I haven't done anything to deserve less than a 5," said Benesch, whose current rating is indeed a top-notch 5. Sometimes, she gets worried about picking up passengers rated less than 4.8.

"Like a 4.79 is really low. I wonder, 'Do I have to fear for my life with this person?'"

Some drivers carry breath mints and offer phone chargers, and post stickers asking for a 5-star rating. "I think it's really tacky," driver Donnie Freeman says about his peers begging for ratings. Freeman, based in Biloxi, Miss., doesn't offer any of those perks but says he acts like an ambassador for his city, known for its casinos. He gives tourists suggestions on where to go and what to eat.

Good manners earned him his 5 stars, he asserts, though it doesn't take much.

"People hand out 5 stars like it's candy," he said.

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THE WALL STREET JOURNAL.

Tuesday, June 6, 2023 | A9



TURNING POINTS
CLARE ANSBERRY

Parents who expect that their own mom or dad can easily jump in to babysit are facing a new reality.

Some working parents, confronting limited and expensive child care, are discovering that grandparents aren't as available to help with child care as they had hoped. Lots of grandparents still have paying jobs, busy personal lives well into their later years, or live far away. Even when schedules align, tensions can arise over child-rearing. It helps when grandparents can leave the parenting to the parents.

"In our minds, our grandparents were around for us, so we expected our [parents] would be around for our kids," says Libby Ward, 34 years old, a mom and maternal-wellness advocate in Hamilton, Ontario.

Ward runs Diary of an Honest Mom, a social-media platform geared mainly toward young moms. More than a third of her Instagram followers polled in May said they don't get the help they expected from their parents, Ward says.

About 35% of the 67 million grandparents in the U.S. are still working, says Krista Westrick-Payne, assistant director of the National Center for Family and Marriage Research at Bowling Green State University. Retirees are often occupied with travel, exercise and volunteer work.

"Some feel more is expected than they can give," says Donna Butts, executive director of Generations United, a nonprofit promoting intergenerational programs.

Donne Davis, an involved grandmother of three from Menlo Park, Calif., and founder of GaGa Sisterhood, a social network for grandmothers, has had to say no at times when her daughter asked her to babysit for the weekend and Davis had meetings. "I felt guilty that I had other plans," says Davis, who lives two hours away from her daughter.

Even when grandparents are available, clashing parenting styles can lead to friction.

Clear communications can ward



CLOCKWISE FROM TOP: ILLUSTRATION BY PETE RYAN; ANGELA WILLIAMS; ARAN JANE

A Grand Illusion on Child Care

Some working parents are finding mom and dad aren't as available as they had hoped they'd be

off tensions. Discussing what rules are nonnegotiable—naptime, for instance—and which aren't—after-school cookies—helps, as does expressing gratitude.

Elisha Vukovic and her husband bought their house in Redwood City, Calif., to be close to both sets of parents. Although she has a nanny for her 2-year-old son, Luka, she relies on her mom, Pamela McGraw, in the evenings, weekends and if the nanny gets sick.

"My mom comes in to save the day," says Vukovic, 33.

McGraw, who worked long

hours and had a nanny for her own children, researched new parenting styles when her daughter was pregnant. "It was clear to me I needed to let go of my old, 'This is how I used to do things,'" she says. That mind-set has helped, along with clear and open commu-

nications—her daughter makes detailed notes about Luka's routines and preferences. McGraw also often keeps quiet, rather than voicing opinions, and doesn't step in unless she is asked to help.

The relationship can work well when grandparents help provide care but leave the child-raising to the parents.

Frank Williams, 70, and his wife help get their 6-year-old grandson on and off the school bus, while their daughter, a single mom and math teacher, works. In the evenings, Williams plays hide-and-seek with his grandson and they chase each other around their home in White Plains, N.Y.

"I'm definitely not the rule-setter or disciplinarian," says Williams, who started a Grandpas United mentoring program. He says he leaves discipline up to his daughter so he can play with his grandson, encourage him and be a positive and supportive male figure.

Dana Malstaff, 42, moved from the Midwest to be closer to her parents in Carlsbad, Calif. Malstaff, a mother of two and founder of Boss Mom, a company that helps

moms nurture online businesses, works from home.

She asks her recently retired mom, Sheri Roque, 66, to pick up the kids at school or daycare when needed. Her dad offered to take her son to baseball practices. The couple have their grandkids on weekend sleepovers, all of which makes Malstaff grateful.

They've had differences. Malstaff tries to accommodate her kids' food preferences, even if it means making different meals for her 7- and 9-year-olds. When her parents babysit, her mom makes one meal and offers a peanut-butter sandwich if they don't like it. Or she will tell her daughter what is planned in case Malstaff wants to stop and bring Chick-fil-A.

"We've annoyed each other," says Malstaff, adding that they have resolved small differences over the years and their bond is tight.

Roque loves being with her grandkids, doing craft projects and exploring nature, and feels they have learned from her. She's also come to appreciate her daughter's parenting style, and the way Malstaff encourages her children to be a part of the conversation.

"They discuss everything. I came from a time where you told your kids what they had to do and they did it," Roque says. "I guess it's a new way and it's good. Her kids are really thoughtful and empathetic."



Frank Williams, above, wants to be a positive male figure to his grandson, John, 6. Sheri Roque, left, and her two grandchildren explore in Oceanside, Calif.



Tip Screens Get Us To Give Much More

By Imani Moise

Business owners—helped by more-versatile software—are resetting our social norms and habits around tipping.

Tip screens have turned gratuities into a multiple-choice test. In addition to letting business owners choose which tip suggestions to present to customers, point-of-sale devices offer businesses many options. By tinkering with the default options and settings in point-of-sale screens, businesses can nudge their customers to give bigger tips, software designers and behavioral economists say.

The range of options has also short-circuited the normal decision-making process. Not leaving a tip used to be a passive decision. Now prompts on screens have turned it into an active choice.

"It's very different than just having a tipping jar where people come up with whatever they find in their purse," said Anja Schanbacher, a marketing professor at Drury University who studies financial decision making.

So far, it seems to be a successful strategy for business owners. A 2017 Cornell University study found that larger suggested tip sizes increased how much customers tipped while having little impact on customer satisfaction, spending or

retention. Setting suggestions meaningfully above the social norm, or higher than 25%, caused fewer people to tip, but increased overall tip revenue since customers who decided to tip gave more.

Hardware has also helped in the process as tablets slowly began to replace cash registers over the past decade. From there, software offered by fintech companies such as Toast, Clover and Square became more popular with small-business owners. Adoption of the sleek check-out devices accelerated during the pandemic to streamline payments.

The point-of-sale companies market their tip features as a way to boost tips and keep employees

In a tipping prompt with three choices, users are least likely to choose the lowest amount.

happy, but researchers and business owners say the technology risks rubbing customers the wrong way.

Fieldtrip, a fast casual restaurant in Manhattan, gave customers the option to tap to tip when it opened in 2019. Last year, Chef JJ Johnson began to get monthly emails and in-



Businesses can adjust tip options and settings on point-of-sale screens.

stagram messages from customers complaining about tips. Customers were tapping through the process so quickly they said they didn't realize they were tipping, he said.

In response, he swapped out the machines that swivel back and forth between the customer and cashier for a system with dual screens, so customers could see their totals add up in real time. He has seen fewer complaints since making the switch.

Tweaking settings to lead people to make decisions they wouldn't have made otherwise is an example of what developers call "dark design," architecture that exploits human nature for the designers' benefit, said Olivier St-Cyr an associate professor of information at the University of Toronto who studies

user-experience design. People have a strong tendency to stick to default options both because it is easier and because they assume the default is the social norm.

The screens also trigger our desire to be perceived as generous, especially when asked to make a choice in front of the person receiving the tip and other customers standing in line. For example, in a tipping prompt with three choices, users are least likely to choose the lowest amount regardless of the number on the screen to avoid looking cheap, St-Cyr said.

A study by Ofer Azar, a business professor at Israel's Ben-Gurion University of Negev who has researched the economics of tipping in the U.S. for 20 years, suggests the

standard tip at restaurants gradually moved from 10% to 20% over the past century because people's desire to appear generous gradually led to a shift in the social norms.

The new technology can accelerate that process, said Julie Jensen, a UX design consultant who has worked for companies such as Amazon and Capital One. Even though she knows how the systems work, she can't help getting nudged to tip more than she would normally intend.

"It irritates me...but I'm also a good tipper," she said.

Toast, one of the software providers, gives businesses the option to decide whether to calculate a tip before or after tax. By default, the calculations exclude discounts, according to its online user manual.

The policy ensures that staff is tipped for the value of the service, the manual says.

Some people are starting to get fed up with digital prompts to leave tips as high as 30%. In public comments on a Federal Trade Commission proposal to regulate "junk fees," many people called for the consumer watchdog to intervene on tipping.

Tipping more generously was a good practice during the pandemic to support businesses that struggled during lockdowns, but now it is time to return to normal, said Elaine Swann, an etiquette coach. She advises that anyone feeling frustrated or financially stretched by tipping pressure should set their own standard and get comfortable with awkward interactions.

"Know that etiquette dictates that you do not have to leave a tip" just because you are asked to, she said.

PERSONAL JOURNAL.



YOUR HEALTH
SUMATHI REDDY

The approach of summer means warmer days, more time outside—and nagging worries about ticks. What to do if you find one on yourself?

Get it off, pronto. To infect you with Lyme disease, a tick must bite and attach to your skin, typically for at least 24 hours. Take care as you remove it. In some cases, you should call your doctor after you take it off.

Lyme disease is especially common in the Northeast and Midwest, transmitted by blacklegged ticks. They can transmit other pathogens that cause different diseases, too. And other types of ticks can transmit other diseases.

This year, parts of the Northeast should expect a particularly bad season for tick-borne diseases, says Richard S. Ostfeld, a senior scientist at the Cary Institute of Ecosystem Studies in Millbrook, N.Y., who has been monitoring local tick populations and their hosts for 30 years.

Shorter, warmer winters have lengthened the time ticks can be active, and many parts of the Northeast had a mild winter. In addition, Ostfeld says he expects to see many Lyme-infected nymph-stage ticks this summer following a surge in the forest rodent population last summer, because mice are largely responsible for infecting ticks with the bacteria that causes Lyme disease.

A state-owned research facility in Connecticut, which encourages people to send in removed ticks, has received more than 2,200 ticks from residents this year, an increase of about 20% compared with the same time last year, says Goudarz Molaei, a chief research scientist at the Center for Vector Biology and Zoonotic Diseases, part of the Connecticut Agricultural Experiment Station.

Typically, up to 40% of the blacklegged ticks they receive test positive for Lyme disease bacteria, Molaei says.

Removing the tick

When removing a tick, try not to twist it, as this may cause its mouth parts to break off and re-



Blacklegged ticks transmit Lyme disease and other pathogens that also cause different diseases.

area, Marx says, and it can be more difficult to spot on dark skin.

Left untreated, Lyme disease can result in more-serious symptoms. Some people develop Lyme arthritis or neurological disease weeks to months later, Auwaerter says.

Auwaerter says 85% to 90% of people get better after taking antibiotics. About 10% to 15% develop what is known as Post-Treatment Lyme Disease Syndrome, a poorly understood condition in which people have lingering symptoms, such as joint pain, fatigue and difficulty thinking.

Ticks can transmit diseases other than Lyme, so if you get sick after a tick bite, ask a doctor to run blood tests to help determine what you might be infected with, Marx says.

If you have a rash or have symptoms of Lyme disease and test positive, doctors will typically treat you with doxycycline or another antibiotic for 10 days to a month, according to doctors and the CDC.

Warding off ticks

During tick season—which can be year-round but typically is concentrated in the warmer months—be careful in wooded areas or places with tall grass, doctors say. Walk in the center of trails. Wear long sleeves and tuck pant cuffs into socks or shoes.

Use insect repellents registered with the U.S. Environmental Protection Agency that contain ingredients such as DEET or picaridin. Treat clothes and gear with products containing 0.5% permethrin, which can last several washings. You can also buy permethrin-treated clothing and gear.

Once you are back inside, do a thorough full-body tick check using a mirror. Remember difficult-to-see places, such as under your arms, in and around your ears, back of the knees, in your hair, between your legs, and inside your belly button.

Clothes can be dried on high heat for 10 minutes to kill ticks.

Showering within two hours of coming inside reduces the risk of getting Lyme disease, doctors say, because it can wash away unattached ticks.

How to Defuse a Ticking Time Bomb This Summer

Expect a rough season for Lyme and related diseases in the Northeast

main in the skin, the Centers for Disease Control and Prevention says. If that happens, try removing the mouth parts with tweezers. If you can't, don't worry, says Grace Marx, an infectious-disease physician at the CDC division of vector-borne diseases. Germs are typically not present in the mouth parts.

Once you are done, clean the bite area with rubbing alcohol or soap and water, and wash your hands.

Don't crush the tick with your fingers. Flush it down the toilet, put it in alcohol, or put it in a sealed bag or container, the CDC advises.

If the tick crawls on your body or clothes but isn't yet attached to your skin, you should remove it, but you don't need to worry about Lyme disease if it hasn't attached itself, doctors say.

One tick can indicate there are

others on you elsewhere, so look closely across your body, says Paul Auwaerter, clinical director of infectious diseases at the Johns Hopkins University School of Medicine and a tick-borne disease researcher.

Anyone who has gotten bitten by a tick should watch for symptoms for up to a month.

If the tick was on you for a day or more—or if you don't know how long it was on you—you can consult the CDC's tick-bite bot, an interactive tool that helps determine whether you need to seek healthcare.

When to see a doctor

If you have been bitten and live in an area where Lyme disease is common, such as New England or the Midwest, contact a healthcare provider as soon as possible to get a preventive dose of an antibiotic, Marx says.

"It needs to be taken within 72 hours after the tick is removed," Marx says.

Anyone who has gotten bitten by a tick should watch for symptoms for up to a month. See a healthcare provider if you develop a fever, rash, headache, fatigue, muscle pain, or joint swelling and pain. One telltale sign of Lyme disease is a bull's-eye rash. Rashes can appear three to 30 days after a tick bite, Auwaerter says.

Not everyone gets a rash or notices it, especially if it is on your scalp, back or other hard-to-see

Television Finally Gets 'Beta Husband' Right

BY ELLEN GAMERMAN

It used to be that TV husbands who stayed home while their wives worked were buffoons who couldn't find their way around a diaper. More recently, they've improved at child-rearing, but paid the price with self-doubt and general emasculation. "The Diplomat" introduces a different kind of spouse: the power househusband.

The Netflix series, a political drama with a salting of screwball comedy, features Rufus Sewell as Hal Wyler, a foreign-service veteran suddenly overshadowed by his younger wife, Kate Wyler, the newly installed ambassador to the U.K. played by Keri Russell.

In the show, Hal doesn't bristle at his new role so much as over-embrace it. "Hal Wyler, nice to meet you," he says by way of introduction. "I'm the ambassador's wife."

Plenty of diplomats have weighed in on what the show gets right—the lingo—and what it doesn't—the players, too good-looking. But even with its flights of fancy, the series touches on something real: the complicated dynamic between high-powered women at the top of their games and the husbands pressed into roles that support them.

In recent years, that dynamic has drawn notice. Bill Clinton was scrutinized for signs of influence over Hillary Clinton's political career (and vice versa). Doug Emhoff, husband of U.S. Vice President Kamala Harris, traded working as an entertainment lawyer for "second gentleman" duties whose tasks include fielding questions about whether he picked out the vice-presidential china (the couple would handle such ceremonial duties together, he has said).

Republican presidential candidate and former South Carolina governor Nikki Haley's husband Michael Haley, who is about to be deployed to Africa with the South Car-

olina Army National Guard, posts his wife's media hits on his Twitter feed and wildlife shots on his Instagram. Kevin Reynolds, the husband of Iowa Gov. Kim Reynolds and the state's first-ever "first gentleman," is enough of a curiosity that a doll version of him joined a collection of Iowa first-lady figurines in the state capitol.

Television usually takes a skeptical view of marriages involving powerful women, often turning their husbands into wimpy second fiddles.

board they don't necessarily know how to actualize that, because it's not something they've done before—there's not much of a model," Cahn says.

In "The Diplomat," Hal is a brash former ambassador with a wealth of experience and a deep bench of highly placed contacts. While pacing the residence, he pesters Kate for updates on her day. The first call Kate picks up in her new office is from Hal, who doesn't seem to mind getting hung up on when she runs out of patience for him.

Kate both invites his help and dreads his interference. "I need to get out," he insists. "I need to let people know you're here."



Actor Rufus Sewell portrays Hal Wyler, a foreign-service veteran and househusband, in 'The Diplomat.'

After working on politically charged series including "The West Wing" and "Homeland," "Diplomat" creator Debora Cahn became interested in "tandem couples," a foreign-service term for spouses who both work in diplomacy. She noticed this type of relationship in other professions, too. Up-and-coming young women would marry older stars in their field, bonding over a shared passion for their work. Then 10 years into the marriage, the woman is reaching a career high—just as her spouse is slowing down.

"Across the board, the men are incredibly supportive in really wanting this for their wives. And across the

"No, no you don't!" she bites back.

Soon Hal is engineering an unsanctioned meeting between Kate and the British prime minister, breaking all kinds of protocols and forcing her to fit into his blustery style of diplomacy. She bends his meddling to her style and works it to her advantage.

Viewer reactions to Hal have been mixed.

"There are some men I have spoken to who just feel that Hal is right all the time and they can't quite figure out what Kate's problem is," Cahn says. "And there are a lot of people I talk to, male and female, who say, 'Oh, my God, he's horrible. Why is she with him?!'"



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ARTS IN REVIEW

MUSIC REVIEW | MARK RICHARDSON

Feeling Good With a Delicate Touch

Those who don't follow music closely might know Janelle Monáe as an actor with a string of well-received performances in films including 2016's "Moonlight," 2019's Harriet Tubman biopic "Harriet" and 2022's "Glass Onion: A Knives Out Mystery." And those who follow music just a little might know of her through her televised appearances, including awards shows—the singer has been nominated for eight Grammys—where she shows a distinctive and boundary-pushing sense of style. But the 37-year-old, born and raised in Kansas City, Kan., first made her name while living in Atlanta by making forward-thinking R&B records soaked in hip-hop. And she's steadily built a devoted audience over the past 15 years, starting with her 2007 EP, "Metropolis: Suite I (The Chase)."

Janelle Monáe's record celebrates the pursuit of sensory delights in a variety of musical styles.

While Ms. Monáe is a budding movie star and a recording artist deeply admired by both critics and her peers, her music has never quite broken through commercially. She's made Billboard's Hot 100 chart only twice as a solo performer, both times in the lower reaches, though pop-rock band .fun's "We Are Young," on which she appeared as a guest vocalist, topped the chart in 2011. And none of her first three albums has gone gold. In some respects, her relatively modest musical profile has been by design. She's always

seemed to value crafted artistic statements over pop hits: Her debut EP has a narrative partly inspired by Fritz Lang's 1927 film "Metropolis," and her first three LPs were all, to varying degrees, concept albums with science fiction narratives involving technology, race and identity.

Compared to these heady predecessors, Ms. Monáe's fourth LP, "The Age of Pleasure" (Wondaland/Bad Boy/Atlantic), out Friday, is an earthbound affair. True to its title, it's filled with sensual music that's about feeling good above all else. The singer has described it as a kind of love letter to the African diaspora, with contributors from around the world and sounds that move easily among R&B, hip-hop, reggae, West African pop and more. It's clearly a record for gatherings, with tracks that flow one into the next like a DJ set, but one delivered with intent: In Ms. Monáe's world, where constant struggles against prejudice are exhausting, enjoying yourself fully while surrounded by your people is a political act.

"The Age of Pleasure" begins with "Float," a song whose title captures the album's sonics while its guest artist establishes one of its themes. "I don't dance I just float," Ms. Monáe sings, over a beat that wafes by like a warm breeze. Playing on the track, and on several others on the album, is saxophonist Seun Kuti, the youngest son of Nigerian Afrobeat legend Fela Kuti, along with members of his band Egypt 80. Despite Mr. Kuti's featured status, the horns don't draw particular attention to themselves: The album's production, mostly overseen by Ms. Monáe's longtime collaborator Nate Wonder, is exceptionally light and airy, with open-ended arrangements that allow it to move seamlessly between genres.



Janelle Monáe's new album is 'The Age of Pleasure.'

MASON ROSE

That production's delicate touch lends an unusual intimacy to the record. Despite being "party music" through and through, "The Age of Pleasure" never sounds big or grand. It's not for rocking a stadium. It's gentle in its way, seemingly designed more for a small gathering of familiar faces. Yet it's also steeped in sex. Ms. Monáe has described herself as pansexual, meaning she's attracted to people outside of conventional notions of gender, and the record is filled with a wide range of erotic expression. On songs like advance single "Lipstick Lover," a bubbly reggae tune with a repeating chorus hook that brings to mind the R&B songwriter The-Dream, bodily sensations are described in intimate detail, setting aside other forms of human connection for another day.

Ms. Monáe's free-floating lustiness often brings to mind the music of Prince, one of her greatest influences (they collaborated on material that wound up on her 2018 album, "Dirty Computer"). The album's fourth track, "Phenomenal," is particularly indebted to the late pop legend, with its pitch-shifted vocals and stripped-down and funky arrangement. Another of her artistic heroes is name-checked on the slightly dull "Haute," one of the more conventional R&B numbers here. "They say I look better than David Bowie in a moon-age dream," she sings, tweaking the title of a 2022 documentary on the British singer, adding "I'm feeling so sexy" amid the horn stabs. It's easy to get caught up in the vibe and mood of "The Age of Pleasure," and its brevity—just over 30 minutes; several of its 14

tracks are brief interludes and codas rather than songs proper—makes it easy to digest. But there's little tension on the record, which makes it hard to connect to in a deeper way. It gives up its secrets a little too easily and thus loses some of its force after repeated plays. Several tracks on the record's second half, such as "The Rush" and "Know Better," are fine but insubstantial, keeping the mood going without developing it in any appreciable way. Then again, after three dense albums filled with labyrinthine storytelling, perhaps the singer has earned the right to make such a record, one that can be enjoyed a few times in the moment and then put away until next summer.

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

ARTS CALENDAR

HAPPENINGS FOR THE WEEK OF JUNE 6

By WSJ Arts in Review Staff

The Wall Street Journal's Arts Calendar is a regular series of listings highlighting some of the most important and engaging cultural events each week, curated by the editors of the Arts in Review section.

Film

"Scarlet" (June 9)
 Italian director Pietro Marcello follows the critical success of his 2019 "Martin Eden" with a loose adaptation of Alexander Grin's novel "Scarlet Sails," telling the story of a young woman in rural France who becomes enchanted with a pilot.

ous crime due to multiple personality disorder—follows the interrogation of a man in 1979 following a shooting in New York. Tom Holland plays the suspect, while Amanda Seyfried is his interlocutor.

Theater

76th Annual Tony Awards (CBS/Paramount+, June 11)
 The biggest names in theater take a bow at this annual show, hosted again by Ariana DeBose.

Music

Ojai Music Festival (California, June 8-11)
 Rhiannon Giddens helms the storied festival as this year's music director and has

death, regret, nostalgia and beyond.

Art

"Edvard Munch: Trembling Earth" (The Clark Art Institute, Williamstown, Mass., June 10-Oct. 15)
 Munch painted more than "The Scream." The first American exhibition to focus on the ways the Norwegian artist used nature in his work, this show examines his landscapes (and other paintings featuring landscapes) and features over 75 objects (including, yes, a lithograph of "The Scream").

22nd Serpentine Pavilion (London, June 9-Oct. 29)

The annual architectural pop-up, located adjacent to the Serpentine Gallery in Kensington Gardens, was designed by French-Lebanese architect Lina Ghotmeh. The project, titled "A table," turns to that piece of furniture for inspiration and considers the way the simple table—a place for meals, but also negotiations—is central to bringing people together.

Other

"Diablo IV" (PlayStation 4, PlayStation 5, Windows, Xbox One, Xbox Series X/S)

When it comes to fighting bad guys, they don't get much badder than the forces of the devil. Or in this case Lilith, spawn of the demon Mephisto. The main elements of this hit RPG series are back—the usual classes, plenty of customization, tons of items—with new additions like an open world thrown into the mix.

Last Call

"The Thanksgiving Play" (Hayes Theater, New York, closes June 11)

Tryhard liberals make a mess of things when planning a play for elementary-school children in Larissa FastHorse's rambunctiously funny work.

For additional Arts Calendar listings visit wsj.com. Write to brian.kelly@wsj.com.



Lilith and her forces terrorize players in 'Diablo IV'

"Transformers: Rise of the Beasts" (June 9)

The seventh (yes, seventh!) film in the cars-to-robots series sees Optimus Prime caught in a struggle involving the Maximals, Predacons and Terrorcons as he tries to avert the arrival of the evil Unicron to Earth.

Jason Isbell and the 400 Unit, "Weathervanes" (June 9)

The genre-bending Americana-Southern rock-country singer/songwriter returns with his band on a record "of grown-up songs," in the words of the album liners, that explore relationships,

The WSJ Daily Crossword | Edited by Mike Shenk

1	2	3	4	5	6	7	8	9	10	11	12	13
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- 22 Like many signers
- 27 Termite, e.g.
- 28 Tag number
- 29 Change for the better
- 32 Irish author Binky
- 33 Lured into crime
- 34 Country of 17,500 islands
- 35 Refusal from Rob Roy
- 36 Play portions
- 37 Adm.'s underling
- 41 Jared of "Dallas Buyers Club"
- 42 Take to another level
- 43 Nights before big days
- 44 Class with beakers and Bunsen burners
- 50 Spacek with six Oscar nominations (and one win)
- 51 Parts of hearts
- 52 Wild party
- 53 In the neighborhood
- 55 Activist Parks
- 56 They "don't lie," according to Shakira
- 57 Rank above viscount
- 58 Six-pack components
- 59 Sign two after Gemini

SOUND MIXING | By Ruth Bloomfield Margolin

Across	25 Water temperature tester	51 Story's progression	4 Lively, on a score: Abbr.
1 Tent dweller, maybe	26 "Today" ailer	54 What the pirate hopes to do by biting the doubloon?	5 Kind of fishing or diving
6 Two-masted sailboat	29 Sushi option	58 Fido food	6 Butler of TNT's "Witchblade"
10 Budget alternative	30 Friend friend	60 Clearance sale condition	7 Molecule member
14 Adler who outwitted Sherlock Holmes	31 Excessively	61 Dignified tempo	8 "There's no saving us now!"
15 Fit to	32 Prize awarded to the best party planner?	62 Honey bunch?	9 Bat first
16 One of 34-Down's 17,500 islands	37 "Please, Mom? Please? Please?"	63 Good things that come to those who wait	10 Second son
17 Madame's first name	38 "Stillmatic" rapper	64 Sign two before Gemini	11 One-named Italian couturier
18 Writer/director Ephron	39 Popular tech review site	65 Concession stand buy	12 Sort
19 Fraternal organization since 1868	40 Test of fortitude?	66 Effortless	13 Bro's sib
20 What the Greek gods tended to do in the lives of mortals?	45 Show-shifting device	67 Trumpet sound	21 " never fly"
23 Monogram on some handbags	46 "Evil Woman" group	Down	
24 Place for a pig	47 Format that preceded 45-Across	1 Co-star of Shatner and Nichols	
	48 Stephen of "V for Vendetta"	2 Face-to-face exams	
	49 Jack's value in blackjack	3 Sophie's portrayal in "Sophie's Choice"	
	50 Take in		

Previous Puzzle's Solution

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B	O	O	P	I	T	T	A	E	T	N	A
A	R	I	A	N	A	A	L	T	O	I	D
K	I	L	L	E	R	W	H	A	L	E	P
L	O	R	E	S	H	I	N	D	A	S	E
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► Solve this puzzle online and discuss it at WSJ.com/Puzzles.

SPORTS

JASON GAY

The Sports Season That Never Ends

The summer finish line is approaching. But what if they keep winning playoff games?

This column is dedicated to all of the exhausted spring sports parents out there. You know you are. I've been there. I am there, ready to faceplant and take a nap.

The season is winding down. The lucky spring sports parents are done and drinking a rum punch in a hammock. The rest of us are easy to recognize, circles under our eyes, a slight, tired limp from a foot injury we haven't had time to take to the doctor...because we've been too busy going to spring sports with our children.

We're wandering local supermarkets grabbing what's left of the mini-Gatorades, oranges and the cheesy puff snack packs. Always with the cheesy puff snacks—the preferred performance-enhancing substance of youth sports.

We're not supposed to say it, it's socially frowned upon, and never tell the children, but: nearly every one of us is counting down the days, hours and minutes until the spring sports played by our sons and daughters finally, mercifully, end.

The finish line is close. And simultaneously 100 million miles away.

It's OK to acknowledge this. You're among friends. All of us want what's best for our children. We all want our children to have the spring sports seasons of their dreams, even if it means playing 73 more playoff games plus—possibly—another round-robin tournament just a short 14-hour drive away.

The kids are what matters here. Their experience. Their fun. There is nothing better than seeing their joy. We all know this.

At the same time, if their experience and joy entailed maybe not 73 more playoff games, but like four or five—or, perhaps, even losing the next one, and ending the season, would it really be so terrible?

No parent would openly root for a loss. That's unacceptable. I can't believe anyone would even suggest that. Come on. Don't be ridiculous.

But summer is coming. Spring is all but done. It's getting time to put



We all want our children to have the sports seasons of their dreams, even if it means playing a lot more playoff games.

away those gloves and sticks and focus on what's important to Moms and Dads all over this country:

A weekend without driving to spring sports.

It's been so long, we've forgotten what it feels like.

Before youth sports, parents used to accomplish stuff on their weekends. We gardened. We painted. We talked to neighbors. We played our own sports, like golf and doing the laundry. Laundry was slightly less miserable than golf.

Again, none of this is meant to diminish the spring sports experience. We love our leagues, our coaches and of course we love our children, but we're ready to surrender. Take us out to literally anything but a ballgame.

We were all so eager in March, when the spring sports teams first gathered.

Winter sports were still under way, fall sports were long in the rear view, the temperature was freezing, and nobody knew anybody else's names. The coach

seemed fabulous. This was going to be a great season.

Now it feels like we've been living together for 800 years. Pre-season practice, regular practice, games, tournaments, more practice...I spend more time with these teams than I do with my wife. I know every player's habits and lives away from the team. So do you. You know that Sebastian eats Nerds and drinks blue Gatorade and Gretchen is also on a swim team. Katie is a violinist. Tommy has a frog.

The French Open's Heir Apparent Won't Slow Down

By JOSHUA ROBINSON

Lorenzo Musetti thought his afternoon was off to a decent start on Sunday in his French Open match against Carlos Alcaraz. He was on the biggest court at Roland-Garros, facing the No. 1 player in the world, and up a break of serve in a matter of minutes.

That positive feeling didn't take long to dissipate. Moments later, Alcaraz unleashed his best match of the tournament, full of energy and fireworks. And within two hours, the 20-year-old Spaniard with the tennis world at his feet was back in the quarterfinals of the French Open.

"I played at such a great level," Alcaraz said on court with his usual aw-shucks grin.

That level has helped him round into the second week of the tournament as a clear favorite to win his second major title, despite a brutally challenging path ahead. World No. 5 Stefanos Tsitsipas now awaits in the quarterfinals on Tuesday and a potential matchup against 22-time major winner Novak Djokovic looms in the semis. But if anyone in tennis has the engine to cope with two potential marathons, it's Alcaraz. Even his rivals know that by now.

"Carlos is someone that keeps the intensity high at all times," Tsitsipas said. "He's someone that is not going to give you gaps where his attention is not there. He's very hyper. He's very energetic, and you can see that on the court."

The clay stains all over Al-

caraz's socks and legs were testament to that on Sunday as he threw himself around the court to chase Musetti's drop shots and slices. Where others might conserve energy for a game or two, Alcaraz doesn't take a single point off. It's no coincidence that no player on the men's tour has won a higher percentage of his return games this season. Combine that hustle with his strong serve, lightning speed, and world-class shot-making on his favorite surface, and

Carlos Alcaraz aims to stun, working at maximum output all the time.

a first run to the French Open semifinals seems right within his grasp.

"I would say I'm a complete player," Alcaraz said. "You know, I would say the strongest thing that I have on court is that I push to the limit, I push the opponent to the limit every time. He has to do great things, great stuff...to overcome me."

Yet most of Alcaraz's opponents do the opposite. Facing this tornado of energy actually seems to make them worse. Musetti committed 34 forced errors on Sunday, 70% more than his average in the first three rounds of the tournament.

In that respect, early-career Alcaraz has something of late-career Djokovic. They are both phenome-

nal defensive players who can create danger from the back foot and make opponents suffer over a best-of-five slog. Djokovic has proven repeatedly over the years that he can be just as dangerous from two sets down as when the match is tied. Just ask Tsitsipas who took a 2-0 lead in the 2021 final, only for Djokovic to rise from the dead and win a four-hour epic.

Where the two men are different is that the more experienced Djokovic is a master of controlling the pace of a match, constantly calibrating his effort. He is a boa constrictor who suffocates opponents slowly. Alcaraz aims to stun, working at maximum output all the time. (This is where it helps to be 20 years old instead of 36.)

One reason the experience of facing Alcaraz can be so disorienting is that he rarely plays it safe. By his own admission, it isn't enough for him to stay in points. He needs to dazzle too. More than once on Sunday, Alcaraz ran into the backstop chasing lobs or charged the net like a bull after a short ball, only to finish with the deftest, cross-court flick of the wrist.

"I try to enjoy, I try to smile all the time," Alcaraz said. "This is the key to everything for me: To smile, to enjoy, trying to make impossible shots."

When he pulls them off, Alcaraz admits that he often likes to glance up at the big screen on Philippe Chatrier Court to bask in the replay along with everyone else in the stadium. And should the guy across the court pull off something equally magical, Alcaraz says it only motivates to find an even crazier shot.

"I think today he showed that he probably can win this tournament," Musetti said.

French Open fans are already thinking beyond that. Watching another Spaniard with booming groundstrokes lift the trophy here 14 times has taught them to think in dynasties. But while Rafael Nadal recovers from arthroscopic surgery for the next, Alcaraz has confidently stepped into the role of heir apparent to the kingdom of clay.

"I don't know if Rafa's fans will switch over to me," Alcaraz said in Spanish. "I like to think so."



Rose Zhang won the Mizuho Americas Open at Liberty National on Sunday.

Rose Zhang Turned Pro—Then Won Her LPGA Debut

By RACHEL BACHMAN

ROSE ZHANG capped her sterling Stanford golf career last month with a second consecutive NCAA individual title. A few days later she turned 20 years old. Then she turned professional.

Then on Sunday, she won the first pro event she played in.

Zhang became the first player since 1951 to win an LPGA Tour event in her debut, edging out Jennifer Kupcho in a playoff Sunday in the Mizuho Americas Open at Liberty National in Jersey City, N.J.

She received \$412,500, one of the larger non-major purses on tour, and her win seemed to stun even her.

"The expectation for me winning did not even cross my mind," Zhang said. "I was just playing my game. I was having a good time out there. This is the game that I love, and I'm so thankful to be a professional doing it now."

Zhang entered Sunday with a two-shot lead after shooting 70-69-66 over the first three days, but fell into a tie with Kupcho after shooting a 2-over 74 in the final round after battling afternoon winds and the pressure of the moment.

On the final playoff hole on 18, both players hit the fairway with their drives and Zhang hit a long approach to within 8 feet for a chance at a birdie. Kupcho's approach shot barely reached the green, then she sent her birdie putt past the hole. Zhang two-putted for the win.

Friends gave her a bouquet of roses after she finished. Throughout the tournament, a group of male fans calling itself the Rose Buds cheered her on.

"Throughout the week I told my

I've witnessed another side of the phenomenon this spring, while serving as an assistant coach on a Little League team. It's a great bunch of kids, with, thank goodness, a veteran head coach who knows what he's doing.

The parents are lovely, every single one. It's hard being a Little League parent. The games never end. You show up for the first inning, and might still be sitting there a week from Thursday. You might have to hear the scariest three words in sports: *double elimination tournament*. Or worse: *extra innings*.

The kids, of course, would play until 2028. They're ready to sign up for 200 more games. Children have boundless energy and optimism. As for all the driving, what do they care? They don't know how to drive.

I feel guilty for being tired. After all, the children are the ones running around, making plays, scoring, doing the hard work. Even coaching Little League, all I have to do is stand there, and, three or so times a game, remind a player to put on a helmet when walking to the plate.

I know I'm going to miss it. I know these are the memories of a lifetime, something every parent should treasure and hang onto as long as they possibly can. Ask any parent with adult children. Ask a grandparent.

They'll tell you they don't remember the wins and losses—but they do remember the time they got to spend with their children, especially on those long drives. This is the parenting good stuff, a true blessing.

I agree. I still could use a short break.

For 48 hours. Then it's time for summer sports. Maybe we should load up the car.



Carlos Alcaraz, the No. 1 seed in the men's draw, is seeking to win his first French Open.

ISTOCK

ADAM HUNGER/ASSOCIATED PRESS

OPINION

Hunter's Laptop All Over Again



MAIN STREET
By William McGurn

House Oversight Committee Chairman James Comer subpoenaed a Federal Bureau of Investigation form he says outlines details of a \$5 million bribe allegedly paid to Joe Biden while he was vice president.

Until last week, the FBI wouldn't even concede the document existed.

Nevertheless this Monday morning an FBI team dispatched by Director Christopher Wray made its way up to Capitol Hill in hopes that Rep. Comer would be satisfied with a look-see. He wasn't. After the meeting, he said the FBI told him there is a continuing investigation but reiterated that he still plans to hold Mr. Wray in contempt unless he turns over the document.

The response is telling. Mr. Comer, a Kentucky Republican, has been painted as a partisan rube chasing conspiracies. Nobody seems to care that a sitting vice president was accused by a trusted FBI source of taking a bribe. For those who lived through the Hunter Biden laptop saga, it is, as Yogi Berra would say, déjà vu all over again.

But after Mr. Comer and Sen. Chuck Grassley told Mr. Wray in a phone call last Wednesday that they'd already seen the document, pretending it doesn't exist was no longer an option. Now that the

FBI says there's an investigation, there is a campaign to discredit the charges before the public can see them.

The first salvo came from CNN last Wednesday. Quoting "people briefed on the matter," the network said the document had its "origins in a tranche of documents that Rudy Giuliani provided to the Justice Department in 2020." This is what Rep. Jamie Raskin, the ranking Democrat on the Oversight Committee, is relying on to say the charges have been looked into and there's nothing there.

Remember when the New York Post on Oct. 14, 2020, first published some of the incriminating emails from Hunter Biden's laptop? The paper's reporting was not only ignored but also suppressed—with the active assistance of the FBI. In its original story, the Post reported that "Hunter Biden's lawyer refused to comment on the specifics but instead attacked Giuliani." Some things never change.

The laptop deniers had another key assist from 51 former intelligence officials who, days after the Post story appeared, released a letter claiming that the appearance of the Hunter Biden emails "has all the classic earmarks of a Russian information operation." But the disinformation turned out to be the letter, not the laptop.

The document at issue now is a Form FD-1023, which the FBI uses to record information from a confidential human

source. Critics are right that any allegations are just that—allegations.

But given the seriousness of the charge, such an allegation would go up the chain to the FBI director himself, and then to the attorney general. If this one didn't, the question is: Why not? Whatever happened, various FBI or Justice officials were making decisions along the way, and they could also be called to testify under oath before too long.

The effort to discredit an FBI document alleging Joe Biden took a bribe begins.

After Monday's meeting with the FBI, Mr. Raskin emerged to say that Trump-appointed officials including Attorney General William Barr and U.S. Attorney Scott Brady assessed the allegations against Mr. Biden and agreed not to take the investigation any further. But he didn't say precisely which allegations were assessed—and especially if they were based on the specific information on that FD-1023 from that trusted source. Mr. Comer said the FBI told him the information in the FD-1023 is being used in an ongoing investigation and hasn't been disproved.

That's why Messrs. Comer and Grassley don't only want the document. They want to know who did what and why—

and to let the public know. If the FBI did its job, it would help itself by clearing up the confusion now.

The question now is whether the FBI's resistance is about protecting sources from exposure, as it claims, or about protecting itself from accountability. Also, whether we have two standards of justice: one for people named Biden or Clinton and one for everyone else.

Special counsel John Durham's report suggests there certainly were two standards at the FBI under Mr. Wray's predecessor, James Comey. Mr. Wray has said the abuses were all "the actions of a few who are no longer part of the organization."

That is a tough sell. For one thing, Americans still wake up to headlines about the FBI labeling Latin Mass Catholics as possible terrorists and others about the bureau working with Twitter and Facebook to censor speech. Mr. Wray's cavalier treatment of Congress's legitimate oversight responsibilities is doing nothing to restore trust.

Sen. Grassley has been doing oversight a long time, and isn't known for going out on a limb. Rep. Comer heads a House committee with subpoena power. They aren't happy with the FBI. Judging by the contradictory information coming out of Monday's meeting on Capitol Hill, the FBI hasn't helped itself with a briefing that raised more questions than it answered.

Write to mcgurn@wsj.com.

BOOKSHELF | By Moira Hodgson

The Scientific Smell of Success

Elixir

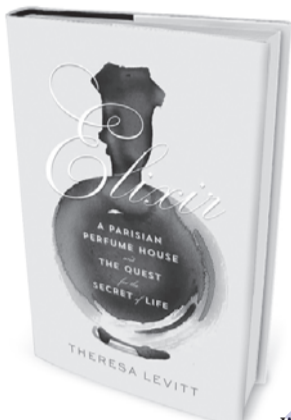
By Theresa Levitt
(Harvard, 314 pages, \$32.95)

In the mid-1830s two ambitious Parisian chemists, Édouard Laugier and Auguste Laurent, set out to answer a question that had perplexed scientists for centuries. By day they worked at a perfume house, Laugier Père et Fils, distilling cakes of bitter almonds, crushed bergamot peel and bitter oranges for tonics and fragrances. But by night, the men conducted radical experiments hoping to discover the chemical difference between organic and inorganic material—and in so doing, find the secret of life itself.

"Elixir" by Theresa Levitt, a history professor at the University of Mississippi and author of "A Short Bright Flash: Augustin Fresnel and the Birth of the Modern Light-house" (2013), vividly evokes cultural life in Bohemian Paris, the turbulence of the French Revolution and its aftermath, and the feuds that plagued rival scientists. At times

it would help to have a degree in organic chemistry to get easily through some of the denser scientific passages in this book. But Ms. Levitt's social history, especially of perfume, is fascinating.

For centuries perfume was seen as a protection from disease, which was thought to be transmitted through miasmas of infected air. As Ms. Levitt writes: "The only indication of these invisible infections was smell, and thus the best way to preserve health and extend life was to purge one's environment



of these bad smells." Bathing, particularly in hot water, was considered a dangerous invitation to sickness.

During Louis XIV's long reign, Versailles reeked of perfume. At the court of his successor, Louis XV, even the fountains ran with the stuff. It was the single greatest expense of the household of his favorite mistress, Madame de Pompadour. Ms. Levitt states that "the vast resources poured into supplying the court with perfumes can be seen as an effort to hoard the essence of life itself." In 1791, two years after the Revolution had broken out, Marie Antoinette planned to take her stores of perfume bottles when she escaped from the palace. A servant, noticing that the queen's supply was packed and ready to go, alerted the mayor of Paris.

Napoleon went through 60 bottles of perfume a month. "He doused himself in it," Ms. Levitt writes, "bathed in it, carried a handkerchief scented with it, and even splashed some on the face of a man having a fit in front of him. He drank it, diluted with water or wine, and kept a bottle beside him on the eve of every battle. It was, he insisted, a necessary source of health and vitality." Now that hot water was no longer thought to be a danger, he became addicted to baths, and like Winston Churchill many years later, held meetings as he relaxed in the tub. Often an unfortunate aide was obliged to read him his letters in the bathroom, squinting through the steam.

In the 1820s, less than a decade after Napoleon's final defeat and exile, a young chemist named Édouard Laugier lived above the family's perfume house in the center of Paris. One of his main tasks was distilling the essence of bitter almonds—poisonous to eat—from pressed cakes. Greeks, Romans and Arabs had used a paste of bitter almonds to rejuvenate the skin and over 3,000 years later it was keeping faces youthful at the court of Versailles.

Popular elixirs sold by Laugier Père et Fils, prized for their therapeutic value, included Eau de Mélisse, made with lemon balm and lavender, and Queen of Hungary water, scented with rosemary. The house signature was the plant-based Eau Régénératrice. It could be imbibed or applied to the skin and claimed to be an effective treatment for just about anything from memory loss and gout to pimples.

In 19th-century Paris, two talented chemists made perfumes and botanicals by day and scientific breakthroughs in the lab at night.

Laugier befriended Auguste Laurent, the son of wine merchants, who was a talented artist and musician although he had trained as a mineralogist and hoped to become an academic chemist. Soon he and Laugier began experimenting in a lab in the back of the perfume shop. One of Laugier's accomplishments was the invention of a distiller called a "dephlegmator," which in Ms. Levitt's description sounds like a Rube Goldberg machine. "A tall vertical column divided into a number of different levels by a series of 'trays' . . . a kind of helical purgatory, where at each stage the soul of the distillate was weighed and judged."

The two men had a tough time gaining acceptance from the scientific community. It was tightly controlled by those who still revered the work of Antoine Lavoisier, a rich tax collector who had introduced precise formulas into chemistry in 1787, replacing its antiquated language. (He subsequently lost his head in the Revolution.) Among hundreds of changes: oil of vitriol became sulfuric acid, spirit of Venus was renamed acetic acid, and crystals of the moon became the less heavenly silver nitrate.

Since the ancient Greeks, scientists had believed that living matter had a spirit. By the 19th century, however, the prevailing consensus was that the building blocks of both living and non-living matter were the same. Laurent and Laugier were not convinced. For their ideas they were treated as outcasts, ignored or ridiculed. Laurent in particular is a tragic figure, a brilliant man publicly humiliated (he made a sketch of himself plunging head first into the Seine). He died penniless of tuberculosis at the age of 45.

One person who believed in Laurent and Laugier was a young lab assistant, Louis Pasteur. They had demonstrated that even when molecules were chemically identical, there were structural differences between those that were occurring naturally and those that were synthetic. Later, Pasteur was to show that their thesis was correct. Biochemists are still searching for the key to this anomaly.

Among the many pleasures of "Elixir" are Ms. Levitt's serendipitous stories, from the critical soap "famine" in 1793, to the invention of a new "delightful beverage," bottled soda. Her quirkiest account concerns the 1834 Exhibition of Industry in Paris where Laugier Père et Fils were placed in a gallery of "sensory arts," next to the carpet section. The biggest draw was a rug made from the skins of hundreds of cats stitched together. A steal at 10,000 francs.

Ms. Hodgson is the author of "It Seemed Like a Good Idea at the Time: My Adventures in Life and Food."



GLOBAL VIEW
By Walter Russell Mead

Nobody this side of paradise knows how Vladimir Putin's war will end, but Zbigniew Brzezinski identified the stakes in 1994. "Without Ukraine," he wrote in Foreign Affairs, "Russia ceases to be an empire."

Mr. Putin couldn't agree more, and for him and the Russian nationalists clinging to his coattails, Russia is an empire or it is nothing at all.

A Ukrainian victory—which we can describe as an end to the conflict that leaves Ukraine with all or most of its original territory, independent of Moscow and aligned with the West—would be a geopolitical earthquake. The Russia that Europe has known and feared since the 18th century, an immense and looming presence relentlessly bent on expanding westward, will be gone. The consequences would reshape the politics of Europe and the Middle East and define a new era in U.S.-China competition.

Many in the West hoped that the fall of the Soviet Union would have ended the threat of Russian imperialism, but Mr. Putin's regime was bent on defying the odds. After all, czarist Russia collapsed in World War I and the Communists had to sign the punitive treaty of Brest-Litovsk with imperial Germany, giving up swathes of land and

acknowledging the independence of former imperial territories, including Ukraine. Taking advantage of Western divisions and weakness, Lenin reassembled almost the entire empire of Nicholas II, and Stalin seized still more territory to make Moscow a global superpower.

Mr. Putin wants to follow in those footsteps, but he doesn't covet only Ukrainian territory. He wants Ukraine's DNA. Russia faces one of the greatest demographic challenges of any country in the world. After peaking in 1992, the population of the Russian Federation declined by roughly five million through 2021. Worse, from Mr. Putin's viewpoint, despite substantial immigration by ethnic Russians from newly independent ex-Soviet republics in Central Asia, the ethnically Russian population is in free fall, diminishing by 5.4 million between 2010 and 2021. During those years the percentage of the federation's population that was ethnically Russian fell to 72% from 78%.

Meanwhile, Russia's Islamic minority populations continue to grow. In Russia's current population, 10% of people belong to originally Muslim ethnic groups (many Russian citizens of all ethnicities aren't religious believers). By 2034 these groups are projected to account for 30% of the federation's population.

Mr. Putin needs Ukraine's people to reinforce the hegemony of Orthodox Slavs in the Russian Federation. With-

out them, faced with rising populations in Central Asian countries like Uzbekistan (up 63% since the fall of the Soviet Union to an estimated 35 million in 2023), Russian nationalists foresee only doom and decline.

These considerations underline how committed hardcore Russian nationalists are to victory in Ukraine and how globally consequential a Russian defeat would be. A Ukrainian victory would leave a

Victory for Ukraine would recast Europe's politics as well as the U.S.-China rivalry.

weakened and discredited Kremlin squeezed by a powerful China and a rising Central Asia in the east, a reinvigorated security alliance in the west, and restive ethnic minorities at home.

A Ukrainian victory would also present Moscow with a dangerous political challenge. It is by no means certain that Ukraine will emerge from the war as a genuinely democratic and modern state. Many former Soviet republics and ex-Yugoslav republics and even some former Warsaw Pact nations have had a hard time establishing stable democracy, and Ukraine is likely to have more governance struggles. Even so, if Ukraine is seen as the victor in Mr. Putin's war, it will have demonstrated that his style of

governance isn't the only model that can work among Orthodox Slavs, and many Russians will want to learn from the winners.

A Russian defeat would basically strengthen America's hand globally, but there would be complications. On the plus side, with Russian expansionism firmly checked, the task of maintaining the status quo in Europe would require less U.S. investment. American and Western prestige would be significantly enhanced by victory and would be gravely impaired if Russia wins. As I noted last week, a victorious Ukraine would join Poland, the Baltic states and the Scandinavian countries in a pro-defense bloc of European countries who understand the value of the American alliance.

But not all news would be good. Recep Tayyip Erdogan's Turkey would only grow friskier if its fear of Russia fades. An enfeebled, embittered Kremlin could throw itself into China's waiting embrace. Russian instability could pose huge security challenges. Nuclear and biological weapons could fall into even more-dangerous hands. Nuclear scientists could scatter to the winds, taking their skills with them. Criminal syndicates and cyber hackers could operate with impunity across an unstable Russia.

Even so, given the cruelties and atrocities that mark Russian imperial history, few will shed tears if Ukraine wins its war and proves Brzezinski right.

Twitter Is Less Exclusive Than a Fan Club

By Bob Greene

LeBron James had a bit of news to share with his Twitter followers one Wednesday morning not long ago: He had awakened for the day. And just like that, all over the world, some 53 million people received the update.

Social media has enabled celebrities to connect to fans instantly with the tap of a finger.

It's efficient, yet when I see the staggering numbers of digital followers that major celebrities accrue, I recall how stars reached their devotees before anyone had heard of the internet or smartphones: fan clubs that operated through the mail.

They were everywhere. The concept was simple. If you were interested in the life of a celebrity, a fan club would be glad to add you to its membership. Sometimes a club was administered by a

movie studio or a record label, but often it was operated by a fan or group of fans, with the blessing of the star. You would mail a quarter to the fan club, and within a week or two you would receive a membership card with your name on it and perhaps a 5-by-7 glossy photo of the celebrity.

LeBron James has 53 million followers. In 1957, I carried an Everly Brothers card.

Tucking that membership card into your wallet—a plastic or cardboard one if you were too young for a real leather one—provided the illusion of a personal connection that is all but impossible when you see on a screen that you are one of 52 million. Every month or so a

mimeographed newsletter would arrive in the mail telling you what your star was up to. The movie star or singer would wish you well and thank you for being a fan.

I was a member of only one club. On a morning in 1957 my clock radio snapped to life before elementary school, and an electrifying new song by two young men whose family was from Kentucky coal country absolutely jolted me—it, and they, was just so good. "Bye Bye Love" by the Everly Brothers sounded like nothing I had ever heard.

Soon enough I was carrying an Everly Brothers fan club card around with me. I had no idea if there were millions of other members, or two dozen. That's not what mattered. Those newsletters with my name on the envelope would show up in our family's mailbox alongside Reader's Digest and my parents' utility bills, and I would devour every word. It was as

if I somehow knew Don and Phil Everly and they knew me; as if the mailman was bringing me personal notes from them.

Life will surprise you, and many decades later I found myself traveling with Don and Phil on occasion during tours, sometimes sharing backstage meals or car rides with them. I would never fail to let them know about the depth of my admiration for their talent, but I didn't tell them about the card that, as a boy, I had carried in my wallet. Its place in my life still felt private.

Phil Everly died in 2014; Don died in 2021. The fan club card is long gone, and mimeographed newsletters no longer arrive in the mail. But that's all right. All I have to do is dream.

Mr. Greene's books include "When We Get to Surf City: A Journey Through America in Pursuit of Rock and Roll, Friendship, and Dreams."

OPINION

REVIEW & OUTLOOK

Congress's Global-Tax Revolt

Treasury Secretary Janet Yellen has spent more than two years promising foreign leaders that the U.S. is committed to a new global deal to raise taxes on large companies. Now Republicans in Congress have a warning for the rest of the world: Don't believe her.

GOP lawmakers warn the world they're not on board with Yellen's plan.

All 25 Republicans on the House Ways and Means Committee recently co-sponsored a bill that would impose retaliatory taxes on any country that implements the tax rules to which Ms. Yellen has agreed. It targets tech taxes aimed at U.S. firms and the proposed global minimum corporate tax that would be set at 15%. Those are the two pillars of the tax agreement negotiated at the Organization for Economic Cooperation and Development, which Ms. Yellen endorsed in June 2021.

The first pillar lets other countries impose special taxes on multinational tech companies. The second pillar allows a country such as France or Germany to impose a "top-up" tax on an American company if the U.S. firm's effective global tax rate falls below 15%. We've warned from the start that Ms. Yellen's participation in this tax circus is bad policy, bad law and bad diplomacy—and now here we are.

The policy ploy was that the Biden Administration could use a global tax increase to blunt the competitive deadweight of its proposed corporate tax increases on U.S. companies. But the OECD resisted setting the minimum tax rate anywhere near the level the Administration sought for the U.S.

European and other negotiators also outfoxed Ms. Yellen by securing favorable treatment for tax credits preferred in Europe while punishing the sort of credits and deductions that Congress traditionally offers U.S. companies. The result is a global tax regime that, if implemented, would make the U.S. even less competitive rather than more so.

Speaking of Congress, Ms. Yellen's enthusiasm for the OECD deal is an attempt to usurp Congress's constitutional tax-setting power by outsourcing complex tax-policy negotiations to a diplomatic process. The pillar-one tech tax would require the Senate to approve changes to a raft of existing tax treaties with other governments. Here too the Yellen Treasury tried floating statutory workarounds since it was clear almost from the start that the Senate would not go along.

The Republican bill aims to short-circuit all of this by discouraging other countries from pressing ahead with the OECD plan. The enforcement mechanism would be a retaliatory surtax, starting at 5% and rising to 20%, on corporate and capital income earned in the U.S. by companies and wealthy individuals from countries that impose versions of the pillar-one and pillar-two taxes on U.S. firms.

A tax war could be as bad as the problem it's trying to solve, but the bill won't become law given a Democratic Senate and President Biden's veto pen—and it doesn't need to pass to work. The point is to warn other governments that Ms. Yellen wasn't speaking on behalf of America's tax writers when she approved the OECD deal. Capitol Hill's opposition has stretched across two Congresses (with new Ways and Means Chairman Jason Smith picking up the baton from predecessor Kevin Brady) and will extend into a Republican Administration if one arrives in 2025.

That's good news for U.S. companies, and a major diplomatic embarrassment for Ms. Yellen as Congress warns other governments to treat her tax promises skeptically. A Treasury Secretary is supposed to promote policies that boost the U.S. economy instead of searching for gimmicks that punish American firms in the name of raising more tax revenue from overseas.

Chris Sununu's Bad-Good Advice

Chris Sununu announced Monday that he won't run for the GOP Presidential nomination, and his explanation shows he made the right decision. The four-term New Hampshire Governor took to the pages of the Washington Post to lecture Republican voters about what they shouldn't care about.

The New Hampshire Governor won't run for the GOP nomination.

"We must abandon the issues that are solely made for social media headlines, such as banning books or issuing curriculum fiats to local school districts hundreds of miles away from state capitals," Mr. Sununu wrote. "We need to expand beyond the culture wars that alienate independents, young voters and suburban moms."

We'd agree with that if there was really a movement to ban books. That is the Democratic-media spin on the efforts of parents to resist the cultural imperialism that is too often imposed on their children by the progressive left.

Some conservatives go too far in their response, but abandoning the debate over what is taught in school and the attempt by the left to rewrite U.S. history amounts to political surrender. Gobs. Glenn Youngkin and Ron DeSantis have prospered by understanding this.

The GOP must be a broad-based party to

succeed nationally, and that means appealing to conservative and moderate voters with a variety of concerns. These include inflation and the economy, national defense and the culture and social issues. Mr. Sununu is right that banning abortion is an electoral loser in much of the country, but Republicans also can't duck the subject or abandon pro-life voters. They need a centrist abortion message that reflects the moral seriousness of the issue.

Mr. Sununu did have some good advice for the GOP and its candidates as the primary campaign revs up. "No one can stop candidates from entering this race, but candidates with no path to victory must have the discipline to get out. Anyone polling in the low single digits by this winter needs to have the courage to hang it up and head home," he wrote.

That's a useful warning that the GOP candidates shouldn't repeat the 2016 experience of staying in the race long enough to let Donald Trump win the nomination with a plurality of the votes. Too many candidates stayed in that race until it was too late. Republican candidates who don't show momentum by November ought to bow out, so Mr. Trump gets a serious primary challenge.

Chris Christie's 2024 Mission

The Republican presidential contest is about to get more crowded, and this week's first new entrant is Chris Christie, the former two-term Governor of New Jersey. Mr. Christie is expected to launch his 2024 bid Tuesday during a town hall in New Hampshire. One adviser is telling the press Mr. Christie plans to campaign by "mixing it up in the news cycle," while "engaging" Donald Trump.

Is it knocking out Donald Trump? Or does he think he can win?

That could be a public service. Mr. Christie became nationally known as Governor for his public smackdowns of political opponents, which circulated on the internet. During the 2016 presidential debates, Mr. Christie memorably exposed Florida Sen. Marco Rubio as a robotic repeater of canned talking points. Seven years later, Mr. Christie's pitch is that he can put his prosecutor's experience to use in telling hard truths about Mr. Trump, among other things.

One foretaste was his reaction to Mr. Trump's recent CNN town hall, in which the former President refused to take sides on Ukraine's effort to repel Russia's brutal invasion by Vladimir Putin. "I think he's a coward and I think he's a puppet of Putin," Mr. Christie told a radio show. "He wouldn't say last night that Ukraine should win the war. I mean, I was stunned. It was, to me, it was the most stunning moment of the debate."

Most of the GOP's other 2024 contenders, by contrast, continue to treat Mr. Trump as if they're handling unexploded ordnance.

Is Mr. Christie joining the presidential fracas because he wants to knock out Mr. Trump? Or does he think he can win?

"I'm not a paid assassin," he recently insisted. "When you're waking up for your 45th morning at the Hilton Garden Inn in Manchester, you better think you can win." But if Mr.

Christie isn't a guided missile aimed at Mr. Trump, is he an unguided one, liable to blow up, say, Florida Gov. Ron DeSantis?

In retrospect, Mr. Christie's best shot at the White House might have been 2012. After he passed, GOP voters that year tried out all the flavors of the month—Rick Perry, Herman Cain, Newt Gingrich, Rick Santorum—before settling on an overmatched Mitt Romney.

Mr. Christie gave it a go in 2016, but the public mood had shifted, and the Bridgegate drama had intervened. He denied knowing that traffic by his New Jersey constituents across the George Washington Bridge had been throttled as political retribution. But whatever the truth, he never made it out of single digits in the Real Clear Politics average.

Mr. Christie's biggest appeal has always been his intelligence and tough-talking persona. He won the governorship twice in blue New Jersey, and he signed useful legislation reforming pensions and capping property-tax increases to 2% a year. Although he didn't succeed in permanently shifting New Jersey's politics to the right, there are worse things than an eight-year holiday from tax-and-spend liberalism. GOP Governors Larry Hogan and Charlie Baker also didn't exactly paint Maryland or Massachusetts red, respectively. But Mr. Christie has proven he can win in suburban precincts.

Mr. Christie's job No. 1 is to get a hearing. The first GOP debate is scheduled for August, and the Republican National Committee says candidates who want to participate must have at least 1% support, plus 40,000 individual donors. Assuming he pulls that off, Mr. Christie might need to goad Mr. Trump into showing up. If the former President is still leading the polls by 30 points, he might try to skip. We doubt Mr. Christie will let him get away with it.

LETTERS TO THE EDITOR

Debating Race and Rights in College Admissions

In "Racial Preferences Won't Go Easily" (op-ed, June 1), Brian Fitzpatrick claims that the Supreme Court has "already said the Equal Protection Clause protects all races equally." In fact, in the *Grutter v. Bollinger* (2003) precedent, Justice Sandra Day O'Connor insisted that the 14th Amendment "protect[s] persons, not groups."

She was wrong to uphold affirmative action at the University of Michigan's law school despite her claim that the admissions officials applied "individualized consideration" in selecting students. The Roberts Court should make clear that the 14th Amendment permits no state to "deny to any person within its jurisdiction the equal protection of the laws," thereby teaching all Americans that race shouldn't be the measure of any person's constitutional rights.

PROF. LUCAS E. MOREL
Washington and Lee University
Staunton, Va.

Mr. Fitzpatrick claims that his proposal will lead to "institutions made up of our best and brightest, no matter the racial compositions." This argument ignores the many ways in which racial discrimination, past and present, creates structural barriers that disadvantage students of color on almost every measure of educational quality, from class size to access to quality teachers.

As President Lyndon Johnson put it in 1965, "You do not take a person who, for years, has been hobbled by chains and liberate him, bring him up to the starting line of a race and then say, 'You are free to compete with all the others,' and still justly believe that you have been completely fair." Johnson's admonition is, alas, still relevant today.

DAVID WIPPMAN
President, Hamilton College
Clinton, N.Y.
PROF. GLENN ALTSCHULER
Cornell University
Ithaca, N.Y.

The Supreme Court is likely to prohibit colleges from using race-conscious admission policies. But Mr. Fitzpatrick would go much further, also prohibiting the use of race-neutral measures to achieve diversity, even those that aren't clearly proxies for race. For decades, the Supreme Court has maintained that colleges should exhaust race-neutral options before considering race directly. It would be ironic, to say the least, if the court suddenly prohibited the use of race-neutral options now.

U.S. university admissions have discriminated against Jews, blacks and Catholics, and now there are efforts to restrict the numbers of Asian students. How will it end? Years ago, my son summed it up. When his mother argued with him about grades, pointing to the excellence of Asian students, he said simply, "Aw, mom, give them a couple of generations and they will be lazy like the rest of us."

BEN SHWACHMAN
Dana Point, Calif.

Good Government, National Debt and Dignity

It is heartening to this former congressional staffer that Speaker Kevin McCarthy's debt-limit measure ("Wasteful Government Doesn't Have to Keep Growing," op-ed, May 30), includes a commitment to "regular order." Back in the day, we found that the best control of excessive spending was timely completion of all 12 appropriations bills, containing nothing that wasn't first authorized. There were few, if any, midnight surprises; there weren't any thousand-page omnibus bills members were asked to pass so they could know the contents. The House's renewed commitment to regular order signals a welcome return to long-lost spending discipline.

WILLIAM BIRKHOFFER
Keswick, Va.

Mr. McCarthy seems to imply that if we only had a Republican president, things would be great. He must forget that while former President Donald Trump boasted that he would pay down the national debt, it rose by almost \$7.8 trillion during his time in office.

MARGE SCHWEGEL
Warminster, Pa.

Stephen Moore cogently defends work requirements for welfare ("Work Requirements Still Work," op-ed, May 30) while pointing out the left's hypocrisy. There is also hypocrisy on human dignity—the idea that meaningful work is limited to the rich.

PETER JAMES
Rock Hill, Mo.

Who Is in Charge—Parents or Government?

Many years ago, I was fortunate to take a course from a professor who was an early supporter of school vouchers in Illinois. He asked the class this question: Is it parents or the state that has the fundamental right and corresponding responsibility for the education of children?

Your editorial "The Illinois Scholarship Scandal" (May 27) reminds me of this question and, unfortunately, that Illinois lawmakers think that the

state has the primary right. Illinois politicians, in league with teachers unions, continue to deny parents access to educational tax dollars, which prevents poorer parents from exercising their fundamental right to educate their children in better schools.

These same politicians often live in areas with good public schools or choose to send their own children to private schools. That is, they freely exercise their parental educational rights and responsibilities while denying other parents the opportunity to do the best for their children.

PROF. JAMES E. CIECKA
DePaul University
Chicago

MAGA, Gaga and a Better Way Forward for America

Democrats from President Biden on down talk reflexively about "MAGA Republicans" ("Biden, Trump and MAGA" by Daniel Henninger, *Wonder Land*, May 25). Every time I hear that, I think Republicans need to talk more about "Gaga Democrats"—the ones who want to cancel student debt for rich college kids with our tax dollars, let able-bodied adults with no dependents sit around getting food stamps and Medicaid while millions of jobs go unfilled, shut down fossil-fuel power plants with no reliable replacements in sight and on and on.

Neither one is Sen. Tim Scott's message. He wants to unite us around the idea that while we continue to have many problems and disparities which need our attention, we still are the greatest nation in the history of mankind, the shining city on a hill. I'm going with Tim.

BOB LUTON
Jackson, Mich.

Lansing Belongs on the List

"It isn't easy keeping up with the progressive follies in Albany and Sacramento," you write in "New York's Boost for Chinese Creditors" (*Review & Outlook*, June 1). Please add Lansing to the list. Michigan Democrats are cramming in every left-wing policy they can. They won control not because of these policies, but because of the abortion litmus test. Voters elevated that issue above all others.

STEVE DOMENICO
Oxford, Mich.

Development Means Growth

Multilateral development banks have lost sight of their core mission: the alleviation of poverty. Too often, they finance politically driven investments instead of projects that foster economic growth. Overcoming poverty, currency depreciation, debt distress and shrinking reserves can be achieved only through sound growth strategies. David Malpass is to be applauded for steering the World Bank Group's focus toward growth ("The World Economy Needs to Get Its Growth Back," op-ed, May 25). He has set an example that other institutions should follow to lift more people out of poverty.

STEVEN DOWD
Winter Park, Fla.

Mr. Dowd was U.S. director of the African Development Bank and the European Bank for Reconstruction and Development.

Pepper ... And Salt

THE WALL STREET JOURNAL



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The Censorship Machine Is Running in 2024

By Jed Rubenfeld

Meta slapped 180-day suspensions last week on the Instagram accounts of people working for Democrat Robert F. Kennedy Jr.'s presidential campaign—before a single message had been posted from those accounts. This came shortly after LinkedIn shut down Republican candidate Vivek Ramaswamy's account, apparently for expressing disfavored opinions on China and climate change.

This censorship should worry anyone who cares about democracy in America. It isn't only anti-democratic; it's a thumb on the scale that could easily tip a tightly contested election.

LinkedIn and Instagram have already started suppressing disfavored presidential candidates.

After Mr. Ramaswamy tweeted about his ban, LinkedIn claimed it was a mistake and lifted it. And on Sunday, Meta lifted its ban against Mr. Kennedy's personal Instagram account, which had been in place since 2021, and said it had removed restrictions on his campaign as well.

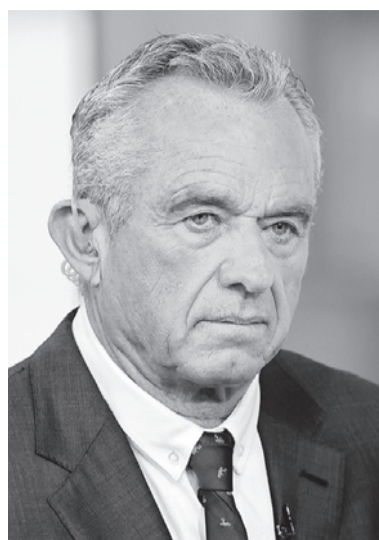
But what happens if these platforms impose similar restrictions in future—perhaps at a moment critical to the election? Under current law there is little recourse. The Federal Election Commission's process

is arcane, slow and generally feckless. In October 2020, weeks before the election, Twitter and other platforms famously censored stories about Hunter Biden's laptop by the New York Post and others and locked the account of Donald Trump's press secretary after she linked to that story. These acts of censorship might have affected the election's outcome.

Yet in August 2021, the FEC ruled in Twitter's favor. The commission claimed there was no proof that the company was trying to influence the election, and a Twitter official swore the company hadn't "received any communications from or had any communications with representatives" of the Biden campaign. That seems to have been false. A Twitter email obtained by journalist Matt Taibbi revealed later that the Biden team and Twitter were in close contact in October 2020 and were working together to censor specific posts—some concerning Hunter Biden. But the practical point is that the FEC didn't issue its ruling until nine months after the 2020 election—far too late to make a difference.

In any case, the only issue the FEC had authority to decide was whether Twitter's censorship of the Hunter Biden story counted as a campaign contribution. The true legal stakes are much higher. The real question is one for the courts, not the FEC: What rights do social-media platforms have under the First Amendment? Are they more like television networks or telephone networks?

Television networks are First Amendment speakers, equivalent to newspapers. They can choose to create a political brand and explicitly



Candidates Robert F. Kennedy Jr. and Vivek Ramaswamy.



favor or disfavor any candidate they want. Telephone networks don't have such a right. They also are private companies, but the law treats them as common carriers, which are forbidden to discriminate on the basis of political opinion. AT&T can't cut off a political campaign's access to telephone services; Verizon can't block antiabortion calls as contrary to community standards. In exchange, telephone networks receive a huge legal prize: No one can sue them for what people say using their networks. That is an immunity of which Fox News and its competitors can only dream. Because of its First Amendment right as a speaker, a television network can be sued for defamation, invasion of privacy and other torts.

Bizarrely and uniquely, internet

platforms get the best of both worlds. When accused of censorship, they claim to be First Amendment speakers, constitutionally entitled to discriminate against viewpoints they dislike. And the courts have almost invariably agreed. But companies such as Meta and Google don't pay the price for that privilege. When it comes to who is responsible for what is said on their platforms, they insist they are like telephone networks—immune from lawsuits. Congress awarded them that immunity through Section 230 of the 1996 Communications Decency Act.

The mistake lies not in this immunity, but in giving the behemoth social-media platforms the protections accorded to First Amendment speakers. A social-media post is far more public than a telephone call, but no one thinks Meta is speaking through

Instagram stories. No one thinks Microsoft—LinkedIn's owner—is speaking when users network with one another on that platform. These networks carry millions of people's communications, which is why they should be protected from defamation suits, like telephone networks. But it is a mistake to view them as First Amendment speakers, entitled to censor with impunity. As Justice Clarence Thomas recognized in an important solo concurrence in *Biden v. Knight First Amendment Institute* (2021), the big internet platforms "are at bottom communications networks," and hence the right solution is to treat them like telephone companies and enact "laws that restrict [their] right to exclude." Congress should amend Section 230, but not to make the platforms liable for what users say. The amended Section 230 should make the platforms liable if they censor a political campaign or any speech based on its political viewpoint.

Florida and Texas have already passed such laws, but courts have put those laws on hold, and it isn't clear states have the power to regulate nationwide social-media platforms. That is why Congress needs to act. A new federal law should not only offer damages to those censored; it should offer expedited injunctive relief, so candidates can fight off censorship when it counts.

Mr. Rubenfeld is a professor at Yale Law School and a First Amendment lawyer. He has given legal advice to Mr. Ramaswamy and Mr. Kennedy in non-campaign-related matters.

AI Is the Technocratic Elite's New Excuse for a Power Grab



FREE EXPRESSION
By Gerard Baker

What's the bigger threat to humanity: artificial intelligence or experts demanding that something be done about it?

As warnings about the menace to human existence get louder, and calls for action on a global scale more urgent, it seems increasingly likely that whatever else it may be, the AI menace, like every other supposed extinction-level threat man has faced in the past century or so, will prove a wonderful opportunity for the big-bureaucracy, global-government, all-knowing-regulator crowd to demand more authority over our freedoms, to transfer more sovereignty from individuals and nations to supranational experts and technocrats.

If I were cynical I'd speculate that these threats are, if not manufactured, at least hyped precisely so that the world can be made to fit with the technocratic mindset of those who believe they should rule over us, lest the ignorant whims of people acting without supervision destroy the planet.

Nuclear weapons, climate change, pandemics, and now AI—the remedies are always, strikingly, the same: more government; more control over free markets and private decisions, more borderless bureaucracy.

Last week hundreds of scientists, technology entrepreneurs, lawmakers, Davos luminaries and others issued a 23-word statement under the auspices of the Center for AI Safety, demanding unspecified action: "Mitigating the risk of extinction from AI should be a global priority alongside other societal-scale risks such as pandemics and nuclear war."

It was arrestingly concise, but in its brevity—and its provenance—it offers hints of where this is coming from and where they want it to go. "Risk of extinction" leaps straight to the usual defcon 1 hysteria that demands immediate action. "Global priority" establishes the proper regulatory geography. Bracketing AI with the familiar nightmares of "pandemics and nuclear war" points to the sorts of authority required.

Many of the signatories also represent something of a giveaway: Oodles of Google execs, Bill Gates, a Democratic politician or two, many of the same people who have breathed the rarefied West Coast air of progressive

technocratic orthodoxy for decades.

To be fair, I am sure many of the signatories, and many of those who share their sentiments, are genuinely concerned about the risks of AI and are simply trying to raise a red flag about a matter of real concern—though we should probably note that techno-hysteria through history has rarely proved to be justified. But we also know that the thrust of these alarms always pushes in the same ideological direction.

Funny how the 'existential' threats always justify the same solutions: more control and bureaucracy.

No less than Albert Einstein famously believed that the only way to prevent a humanity-extinguishing nuclear war was through the creation of a "world government" that would be "able to solve conflicts between nations by a judicial decision." Einstein was perhaps the greatest scientist of the last century, but I respectfully submit that this was and remains intellectual hooey.

Since he spoke those words almost

80 years ago, the number of nuclear powers in the world has grown significantly. Those powers have been engaged in kinetic military conflicts on every continent from Asia to Latin America. One of those powers is in an all-out war in Europe after invading one of its neighbors. Yet nuclear annihilation has failed to materialize.

I suspect attempts to impose a world government would have been much more likely to result in an extinction-level nuclear war than the exercise by nations of their right to self-determination to resolve conflicts through the usual combination of diplomacy and force.

Climate change is the ne plus ultra of justifications for global regulation. It probably isn't a coincidence that climate extremism and the demands for mandatory global controls exploded at exactly the moment old-fashioned Marxism was discredited for good in the 1990s. Having failed to impose effective authority over free markets through collectivist dogma, the left suddenly found a climate threat it could use as a golden opportunity to regulate economic activity on a scale larger than anything Karl Marx could have imagined.

As for pandemics, our public-health masters showed by their actions over the past three years that

they would like to encase us in a rigid panoply of rules to remediate a supposed extinction-level threat.

None of this is to diminish the challenges posed by AI. Thorough investigation into it, and healthy debate about how to maximize its opportunities and minimize its risks, are essential. We should listen to the concerns of those most intimately familiar with its capabilities. Neither do I dispute that international cooperation has proved a valuable way to mitigate the risks of nuclear war, climate change and pandemics and will surely be necessary as the frontiers of AI advance.

But as we hear the usual demands to regulate "misinformation" and "disinformation," and the warnings about the nefarious ways in which unscrupulous populists will use AI, it seems this latest panic is inducing primarily a familiar, Pavlovian response from those with a predilection for worldwide rule over our private endeavors.

When confronted with yet another spectacle of self-anointed experts and technocrats demanding global action to create massive new bureaucratic opportunities for themselves and their like-minded friends, here's my advice: Beware geeks bearing gifts.

How America Can Bring the Japanese Economic Miracle Stateside

By Daisuke J. Nakajima
And Jeffrey D. Korzenik

Japan's post-World War II prosperity was so remarkable that historians refer to it as an "economic miracle." By 1990, through a combination of corporate initiative, industrialization, trade liberalization and technological innovation, the country had become the world's second-largest economy, behind the U.S. Only China, with a population more than 10 times Japan's, has since displaced it.

Over the past decade, and with little international attention, the Pacific island nation has achieved a second economic miracle. Since 2012, the country has expanded its labor force by around 4.2 million even as its population has fallen by more than three million. As the U.S. struggles to meet its workforce needs, policy makers in Washington would do well to take a page out of Tokyo's book.

The gap between supply and de-

mand in both the Japanese and American labor forces owes in large part to fertility rates. To maintain its population, a country's total fertility must stay at a "replacement rate" of 2.1 children per woman. Japan's rate has been well below that mark since 1974 and was 1.25 as of 2022. Tokyo has traditionally resisted immigration, and its population has begun falling.

America's fertility rate has been declining for decades, apart from a brief recovery in the early 2000s. In May, the St. Louis Federal Reserve noted that it had reached 1.66—a level so low that legal immigration can no longer make up for the shortfall. Economists had expected labor shortages to emerge gradually, but then came the pandemic. A stream of baby-boomer retirements turned into a flood. Miguel Faria e Castro, senior economist at the St. Louis Fed, estimated that by August 2021 more than 2.4 million Americans had decided to retire earlier than expected. The re-

sult of this "great retirement" has been only around 5.7 million unemployed workers in an economy with more than 10.1 million unfilled jobs.

Yet as Japan has shown, countries don't stagnate merely because of population shortages. In Japan the key to unlocking economic potential was breaking old habits, customs and regulations when it came to workforce development. To meet its labor needs, policy makers used both private-sector initiative along with legal and regulatory changes to engage three groups that had been underrepresented in the country's employee base, traditionally dominated by prime-age—25 to 54—men.

• **Older workers.** Japan's labor ministry understood that many older workers looked to find *ikigai*—roughly translated as "purpose"—from their work. A 2019 survey found that more than 40% of Japanese workers in their early 60s wanted to continue working part-time after 65 and that more than 60% of employers were able to hire them.

To ease pension burdens and attract more older workers to the labor force, the government gradually raised the eligibility age for public-employee pensions and pushed employers either to abandon mandatory retirement ages or increase them to 65. Amendments to the employment law implemented in 2021 require employers to make "best efforts" to provide opportunities for employees up to 70, while many large Japanese companies have hired their own retirees back part-time at lower pay.

For older workers who want greater flexibility or a different line of work, the government set up a network of "Silver Jinzai" centers that offer retraining and placement services. These institutions function similar to workforce boards in U.S.

states but focus exclusively on older citizens. At a given time, roughly 700,000 seniors are registered with one of the centers. Adjusted for population, this would be roughly equivalent to the U.S. discovering more than 1.8 million identifiable, job-ready workers. Japanese businesses have embraced the approach, and Silver Jinzai centers have been successful in placing an overwhelming majority of their clients.

Tokyo increased its labor force, despite a falling population, by recruiting nontraditional employees.

• **Women.** As with older workers, increasing the number of female employees in Japan has required employer initiative and government support. *Josei no katsuyaku*—active participation of women—became a political rallying cry during former Prime Minister Shinzo Abe's second government (2012-20). That momentum has continued, as embodied in a recent law that asks companies with more than 300 employees to report on their female labor forces and to propose ways to close the gender gap. Even though the law doesn't impose consequences for noncompliance, it has succeeded at stimulating change. According to Organization for Economic Cooperation and Development statistics, the labor-force participation rate among prime-age female workers in 2021 exceeded that of the U.S. and many OECD member countries.

Tax law and societal norms still discourage married women from working more than part-time, and many are employed in low-paying

jobs in the tourism and service sectors. Still, the expansion of the female workforce in the face of entrenched cultural obstacles is impressive.

• **Foreign workers.** Japan has long had a training program for foreign workers from developing economies on the understanding that they would eventually return to their homelands. In recent years, this program has sidestepped its original purpose and now provides workers for low-skill, low-pay roles in the Japanese economy. A 2018 law created a pathway for 260,000 to 345,000 guest workers across 14 industries.

Japan's example shows how necessity can change attitudes. It's important to note that government policy alone didn't drive change in Japan. According to a 2019 survey from the Japan Institute for Labor Policy and Training, nearly 70% of Japanese firms had devised their own plans—or intended to make plans in the near future—to tackle their labor issues.

U.S. business must first accept that a real labor shortage exists and, like the Japanese, lead the way in incorporating talent that has long been neglected. In the U.S., that means finding ways to employ workers who lack traditional credentials or who have been marginalized by such factors as poverty, substance abuse and criminal records. As in Japan, success for the business community will lie in promoting labor where it can be found today, not where it was in the past.

Mr. Nakajima is founder of Cedar Sake and a former economist at Evercore ISI. Mr. Korzenik is chief economist of Fifth Third Commercial Bank and author of "Untapped Talent: How Second Chance Hiring Works for Your Business and the Community."

THE WALL STREET JOURNAL.

PUBLISHED SINCE 1889 BY DOW JONES & COMPANY

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WORLD NEWS

China Presses 'Pro-Birth' Culture

Officials who once enforced a one-child policy struggle to get people to reproduce

By LIYAN QI

Using coercion and fines, China was adept at preventing couples from having children during the decades of its one-child policy.

Births in China continue to fall despite the government's efforts to encourage all couples to have three children.

Chinese births have gone from about 18 million a year in 2016, when the one-child policy was scrapped, to below 10 million now, a drop of 46%.

The new demographic reality has prompted a campaign to change the mind-set of a generation less eager to start a family and rebuild a "pro-birth" culture.

Wang Pei'an, the Communist Party chief at the association and for years a staunch defender of China's birth restric-

tions, is leading the campaign for more babies. At a population forum this year, he attributed China's low birth numbers to changing family values.

"Without nurturing the ideas of marriage and child-bearing, it will be extremely difficult to improve the level of fertility," Wang said.

In a park in Miyun, on the outskirts of Beijing, the government has installed sculptures of two parents playing with three children. The Miyun branch of the Family Planning Association has set up a squad of 500 people to "promote the new-style marriage and birth culture."

Officials have given out gifts such as rice cookers and water bottles to women attending events centered on showing that getting married and having children is a good thing.

In March, local officials organized a hike for more than 50 younger female workers at a local gardening company to strengthen the women's physical fitness and make them more attuned to the values of marriage and starting a family.

Similar to how in the past officials were evaluated on how well they enforced the one-child policy, officials in Miyun will be judged partly on whether they can shift the trend in marriage and births, the local family-planning association said.

Miyun was selected as one of 20 testing grounds for the new birth-culture campaign, launched last year. In another city, Baoding in Hebei province,



Chinese births have gone from about 18 million a year in 2016, when the one-child policy was scrapped, to below 10 million now.

officials in April organized a matchmaking event for young people who dressed up in traditional Han dynasty costumes.

In the southeastern city of Ningbo, to encourage men to play a bigger role in raising children, officials lauded "penguin dads"—a reference to how penguin parents take turns keeping eggs warm and taking care of the chicks.

In May, authorities said that in addition to the 20 cities, where the government says the campaign has increased "family happiness," another 20 cities were added to the testing.

Turning things around is an uphill battle.

At a Beijing mall on Thursday, Yang Ri, a 35-year-old state-sector employee, said she spends up to \$28,000 a year on food, toys and after-school

classes for her daughter, a first-grader, and can't afford another child. "All of a sudden, we're expected to have three children without any help. That's unreasonable," she said.

Many young Chinese have soured on marrying. Marriage registration has dropped for years and declined further during China's Covid-19 lockdown. Local data indicated that the numbers dropped even over the May 20 weekend, a traditional peak of marriage registrations because the date sounds like "I love you" in Chinese.

The Ministry of Civil Affairs, which normally releases a set of data that includes the number of marriages, divorces and cremations in any given quarter, hasn't released any reports since last year's third quarter. Some sociologists and demog-

raphers say the government has been reluctant to publicize cremation data that may point to a surge in excess deaths after Beijing abruptly abandoned nearly all Covid-19 rules late last year.

Neither the Ministry of Civil Affairs nor the Family Planning Association responded to requests for comment.

Based on the latest data the ministry published, marriage registrations dropped 7.5% during the first three quarters of 2022 compared with 2021.

While there have been efforts to lower the cost of rearing a child, there has been no nationwide rollout of financial incentives. It is left to cash-strapped local governments to provide the monetary rewards and child-care assistance that demographers say would help change minds.

Huang Wenzheng, a researcher with the Center for China and Globalization, a think tank in Beijing, said that without cash incentives, China won't be able to lift its fertility rate.

This year, the city of Shenzhen announced a plan to give residents up to about \$1,420 as a lump-sum birth bonus and up to roughly \$426 a year in child-rearing costs until the child is 3 years old.

Yi Fuxian, a U.S.-based scientist who has been a critic of China's one-child policy, said: "Having children is not a water tap, you can't simply turn it off and then turn it on."

—Jonathan Cheng and Qianwei Zhang contributed to this article.

Rescuers Describe Gruesome Search

By SHAN LI AND KRISHNA POKHAREL

BALASORE, India—The local office of India's top disaster-response force received the call at 7:35 p.m. on Friday: At least one train had derailed, maybe more. A few minutes later, the phone rang again, and then again: trains had collided with each other—and it was bad.

A 22-member crew rushed to the crash site. They hadn't anticipated what they saw there.

Crushed and mangled train cars were strewn around, some toppled on their sides, others overturned. The front of one car had collapsed into the back half, like a stomped soda can. Inside the railcars were bodies, in some cases piled up in stacks. Some victims were nearly severed in two, others had missing limbs.

At least 275 people were killed and nearly 1,200 others injured in the tragedy, which involved two passenger trains and one freight train. It was one of the deadliest rail accidents in India's history. A preliminary investigation found that 21 cars of one of the passenger trains had derailed because of a possible signal error.

Rescuers described scenes of chaos. It was dark, with thousands of people at the crash site, including passengers and locals who had come to help. Many victims were trapped inside crushed cars, surrounded by metal and other debris.

The team from the National Disaster Response Force, one of many official agencies carrying out rescue work, had arrived with a truckload of saws and other equipment to enter tight, dangerous spaces. But they had to make careful decisions—slic-

At least 275 people were killed Friday in one of India's worst train accidents.

ing through metal to reach victims could accidentally injure those on the other side. In cars that were tilted over, they worried that panels they cut away could fall onto people squashed into spaces underneath.

"It's very difficult to cut the compartments," said Shashi Kant Sinha, one of the team's senior members. "You're in tight spaces."

His colleague, Anup Pandit, saw one railcar stacked on top of another. Peering in the door of one car, he saw bodies everywhere, numbering in the dozens, he estimated.

He heard a man groaning in pain, somewhere to the door's right. The car had sleeping bunks and the man was curled underneath a bottom bunk. Crumpled metal jammed the doorway, so Pandit couldn't enter. The space was too cramped to wield any tools.

Kneeling at the door, Pandit and his partner reached in and grabbed the man by his arm. Inch by inch, they dragged him out. The man was bleeding heavily from one leg, barely conscious when they put him on a stretcher.

He was the only person they rescued alive in that two-car pileup.

Checking derailed cars for survivors, rescuer Kapse L.B. saw a blinking light from a mobile phone—and an arm. He heard faint cries for help.

Kapse and his partner cut through a window and found the car was full of bodies. Under one collapsed bunk, a teenage girl was alive, trapped in a small space created by her suitcase and a few other bags, Kapse recalled. She could move only her right hand in which she clutched her phone.

The easiest way to get her out was from underneath, Kapse said. He began slicing the legs of the lower bunk, which sent sparks flying. He put a wet piece of cloth on the girl to protect her.

About 40 minutes later, Kapse and his partner managed to slide the teenager out. Miraculously, she was unharmed.

The team recovered 23 people that night, recovering their last survivor at 2 a.m. In the following days, they turned their attention to recovering the dead.

Ape-Size-Brained Relative Upends Theories

By AYLIN WOODWARD

Discoveries from a subterranean cave system in South Africa are prompting paleoanthropologists to rethink what makes us human. New findings reveal a small-brained human relative known as Homo naledi buried its dead and carved symbols on walls inside the system.

Both these behaviors were previously associated with our species or the big-brained Neanderthals with which we interbred.

"We're looking at cultural behavior that is very human in a species that has a brain a third the size of ours," said John Hawks, a University of Wisconsin-Madison paleoanthropologist and co-author of the research released on Monday, which hasn't yet been peer-reviewed but will soon be published in the journal eLife. "It is going against the idea that brain size is what made us human."

"We're also understanding more and more that our species wasn't alone," he added.

Chris Stringer, research leader in human origins at the Natural History Museum in London who wasn't involved in the new work, said he had previously been skeptical of the claims for complex behaviors in Homo naledi.

"But the considerable evidence presented now for possible burials and wall engravings cannot be easily dismissed," Stringer said. If the claims from the new research turn out to be well-founded, he added, it has profound implications for our



Researchers say burial areas and carved symbols found in caves show such behavior existed long before Neanderthals and humans.

understanding of our reconstructions of human evolution.

The findings indicate that some aspects of what was considered to be late-developed and sophisticated cultural and symbolic behavior were also present in a much more primitive human relative that had a separate evolutionary history, he said, "and they must indeed have been achieved with an ape-size brain."

Fossil evidence suggests Homo naledi lived between 241,000 and 335,000 years ago inside a cave system known as

Rising Star, located near modern-day Johannesburg.

Its lower body, feet, hands and teeth had aspects that appeared humanlike, yet its average 100-pound, 5-foot frame carried a brain the size of an orange—similar to that of chimpanzees.

"We've never had a creature that manifested the complexity of us that wasn't us," said Lee Berger, a paleoanthropologist and an explorer in residence at National Geographic who co-authored the new research. Homo naledi, he added, is

"threatening to the very clearly defined narrative of the rise of human exceptionalism."

Berger and Hawks helped publicly reveal the species in 2015 after an international effort to explore and excavate the labyrinthine Rising Star (naledi means "star" in South Africa's Sesotho language).

More than 1,500 bones belonging to Homo naledi individuals were found in one chamber of the cave system; the abundance of bones enabled the research team to reconstruct a composite skele-

ton and more than a dozen partial ones. They also found evidence of fire use, including hearths and charred bones.

"The idea of dealing with death in ritualized fashion is actually one of the last precious things attached to being human," Berger said, adding that the remoteness of Rising Star supports the idea that Homo naledi was doing something similar.

"They didn't want their dead in an easy-to-get-to space," he said. "We don't, either."

WORLD WATCH

HONG KONG Conviction Reversed For Local Journalist

An award-winning Hong Kong journalist won an appeal Monday quashing a conviction related to research for an investigative documentary, in a rare court ruling upholding media freedom in the Chinese territory.

Bao Choy was found guilty in April 2021 of deceiving the government by getting vehicle ownership records for journalistic purposes after she had declared in her online application that she would use the information for "other traffic and transport related issues."

The investigative journalist was trying to track down perpetrators of a mob attack on protesters and commuters inside a train station during massive antigovernment protests in 2019 for her documentary.

On Monday, judges of the city's top court unanimously ruled in Choy's favor in a written judgment, quashing her conviction and setting aside the sentence. —Associated Press

MIDEAST Iran Forces Accused Of Harassing Ship

The U.S. Navy said Monday its sailors and the United Kingdom Royal Navy came to the aid of a ship in the crucial Strait of Hormuz after Iran's Revolutionary Guard harassed it.

Three fast-attack Guard vessels with armed troops aboard approached the merchant ship at a close distance Sunday, the U.S. Navy said. The U.S. Navy's guided-missile destroyer USS McFaul and the Royal Navy's frigate HMS Lancaster responded to the incident.

"The situation de-escalated approximately an hour later when the merchant vessel departed the fast-attack craft parted the scene," the Navy said. "The merchant ship continued transiting the Strait of Hormuz without further incident."

Iran's state-run IRNA news agency quoted Guard Rear Adm. Abbas Gholamshahi saying that his vessels simply responded to the distress signal from the ship. —Associated Press

POLAND EU High Court Rules Against Warsaw

The European Union stepped up its rule-of-law fight with member state Poland on Monday when the bloc's highest court confirmed that Warsaw had refused to comply with EU rules on judicial independence for which it has already lost more than 500 million euros (\$535 million) in fines.

The Court of Justice of the EU ruled that Poland's 2019 justice overhaul infringed EU law after the European Commission, the bloc's executive branch, said that the Polish Supreme Court lacked the necessary independence and impartiality. The court said that "the measures thus adopted by the Polish legislature are incompatible with the guarantees of access to an independent and impartial tribunal."

Poland's minister for the European Union, Szymon Szykowski vel Sek, said that some parts of the court ruling were no longer valid or had been abolished. —Associated Press



SHOVEL READY: A worker moves plastic bottles at a recycling company in Machakos, Kenya, on Monday, which marked World Environment Day. The focus was on solutions to plastic pollution.

BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

Tuesday, June 6, 2023 | B1

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Commodity Prices Signal Slump

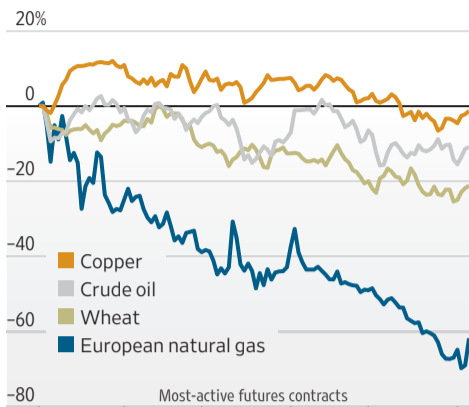
By YUSUF KHAN AND JOE WALLACE

Commodity prices are in retreat, signaling a slowdown in the world economy but lending central banks a hand in their fight against inflation.

The S&P GSCI commodities index has fallen about 11% this year through Friday, as prices for energy, metals, grains and other raw materials have retreated. Crude oil is close to its lowest levels since just before Russia's invasion of Ukraine—even after Saudi Arabia's weekend decision to cut output boosted prices early Monday.

Wheat hasn't been this cheap since 2020, and natural gas has taken a tumble in Europe. Almost every commodity besides weather-affected sugar, cocoa and coffee has pulled back. Niche materials such as glass have fallen. Copper, a bellwether for the global economy because of its use in everything from buildings to cars, has slipped 1.3% this

Price change, year to date

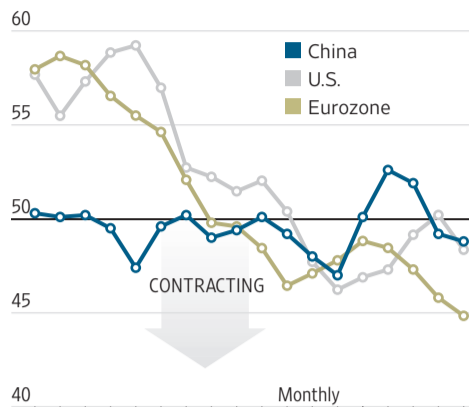


year.

A big driver is sluggish activity in manufacturing, particularly in China, the world's biggest consumer of metals and second-biggest user of oil.

Traders' hopes for a post-pandemic surge in Chinese demand for industrial materials and energy proved wide of the mark. That is partly because

Manufacturing activity* by region



China's recovery has been led by services, rather than the resource-intensive manufacturing and construction sectors that powered previous upswings.

"Industrial activity is subdued," said Caroline Bain, chief commodities economist at Capital Economics. Chinese imports of semirefined copper

dropped 13% year over year in the first four months of 2023, she said.

In the U.S. and Europe, too, manufacturers are in a funk, even as economies grow overall thanks to a stronger services sector. The rise of hybrid working has made economies less oil-dependent, some economists say.

Saudi Oil Output Cut Comes With Cost

By SUMMER SAID

VIENNA—Saudi Arabia over the weekend slashed 10% of the kingdom's oil output to boost prices, and the returns so far suggest it could be a costly bet.

After warning speculators that OPEC+ could cut oil production again, Saudi Energy Minister Prince Abdulaziz bin Salman announced Sunday that the world's biggest crude exporter would reduce 1 million barrels of its own output in July after other cartel members refused to join the effort. The Organization of the Petroleum Exporting Countries and its Russia-led allies account for close to half of the world's oil production. An output cut was expected to prop up prices amid concerns about a slowing

The drops nonetheless point to slowing growth, if not an outright recession in which economic activity contracts.

"In a recession, demand for commodities lowers," said Arlan Suderman, chief commodities economist at StoneX

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PERSONAL TECHNOLOGY | By Joanna Stern

I Take My First Ride on Mixed-Reality Headset



Colorful shards of (digital) stained glass swirl around the (real) room. In my ear, a gentle voice whispers, "Remember how valuable every moment in life can be." She tells me to relax and breathe deep as I see the (digital) ocean waves meet the (real) coffee table.

Of course I can't relax, lady. I've got three and a half thousand bucks strapped to my face. As soothing as the visuals are, I'm trying to remember everything about this experience of wearing Apple's new Vision Pro headset, so I can relay it all to the dear readers of this column.

Moments after Apple announced its first mixed-reality headset on Monday at its Worldwide Developers Conference, I was shuttled into a golf cart for a short ride to an indiscreet structure on the company's sprawling spaceship campus. Nope, Apple's people didn't put a bag over my head—but they did put the aluminum and glass face computer on me and tuck its included battery pack in my pocket.

The Vision Pro will be Ap-

ple's first entry into the headset market when it launches early next year. It bridges virtual reality—where you are fully transported to a virtual world—with augmented reality—where you see virtual objects in your real world.

Even forgetting that unforgettable price, it's not for everyone. It's not even for most people. During my 30-minute demo, it weighed down on my nose and made me a bit nauseous. (Apple says these will get better by the time it ships early next year.) But wow...the interface and hand gestures are intuitive, 3-D movies are finally making sense and a huge dinosaur felt like it really broke through a wall right in front of me.

Apple wouldn't let me take photos or video of the experience, but here's my attempt to bring you inside the headset.

What does it feel like?

It feels like Apple stuck a giant Apple Watch on my head—in a good way. Like Apple's wrist wearable, its sock-like headband wraps gently around your skull. Meanwhile

Please turn to page B2



The company on Monday introduces its new VR product at its Worldwide Developers Conference.

Apple Releases Vision Pro Product

By AARON TILLEY

Apple unveiled the Vision Pro headset, the company's first major new product in a decade, a device capable of allowing users to experience virtual reality and digital apps overlaid on the real world.

Chief Executive Tim Cook showcased the product in a video at the company's Worldwide Developers Conference, saying it was "a revolutionary new product" that introduced a new platform he called "spatial computing."

Apple said the device, which will sell for \$3,499 and

won't be available until early next year, would be a new way to interact with digital content in the physical space using the user's hands, eyes and voice to interact with apps. Users can control the device with their hands and experience movies, TV shows and games in a more immersive way.

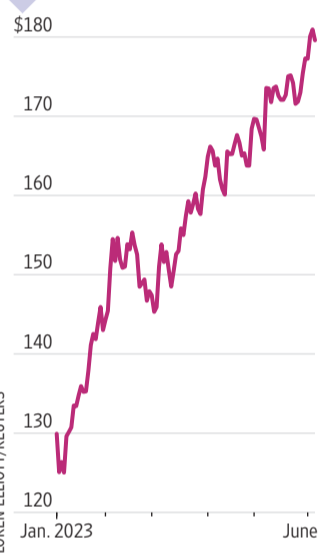
The Vision Pro can project a massive movie screen into any environment for a user as well as capture or play three-dimensional video, making it possible for a user to watch a movie on a giant screen or interact with lifelike personal photos or videos projected

into their living environment.

Apple announced a partnership with Walt Disney, which showed in a pretaped video what viewing experiences could potentially look like, including an immersive "Star Wars" TV show and a function allowing users to watch multiple sporting events simultaneously. A digital version of the Disneyland theme park could project into the user's physical world.

"We're constantly in search of new ways to entertain, inform and inspire our fans," Disney Chief Executive Robert Iger said in a pretaped video.

Apple's share price this year



Source: FactSet

Twitter Found to Have Missed Images of Child Sexual Abuse

By ALEXA CORSE

Twitter failed to prevent dozens of known images of child sexual abuse from being posted on its platform in recent months, according to Stanford University researchers who said the situation indicated a lapse in basic enforcement.

The researchers at the Stanford Internet Observatory, who were investigating child-safety issues across several platforms, said they told Twitter staff about their findings,

and that the problem appeared to have been resolved in May.

The researchers said Twitter told them last week it had improved some aspects of its detection system, and asked the researchers to alert the company if they ever notice a spike in such cases in the future.

Twitter didn't comment in response to an email from The Wall Street Journal about the researchers' report.

In just over two months, from March 12 to May 20, the researchers' system detected

more than 40 images posted to Twitter that were previously flagged as child sexual abuse material, based on a data set of roughly 100,000 tweets, said David Thiel, chief technologist of the Stanford Internet Observatory and a co-author of the report.

The appearance of the images on Twitter was striking because they had been previously flagged as child sexual abuse material, or CSAM, and were part of databases compa-

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INSIDE



EMANUEL HAHN FOR WSJ

BUSINESS NEWS
Spotify is laying off 2% of its staff and focusing on its big podcast stars. **B3**

CNN's CEO Apologizes To Staff in Wake of Article

By AMOL SHARMA AND ISABELLA SIMONETTI

CNN Chief Executive Chris Licht apologized to staff on a morning editorial call, saying news about his management of the network was overshadowing its journalistic achievements.

Licht's remarks came after an unflattering profile of him in the Atlantic was published on Friday.

"I know these past few days have been very hard for this group," he said, according to audio of the call. "And I fully

recognize that this news cycle and my role in it have overshadowed the incredible week of reporting we just had and distracted from the work of every single journalist in this organization. And for that, I'm sorry."

Licht took the helm at CNN last year. Its ratings have been at historic lows, and the network has been struggling to find the right formula in prime time while also experimenting with its morning programs. Licht has tried to reset the network's editorial approach,

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BUSINESS & FINANCE

INDEX TO BUSINESSES

These indexes cite notable references to most parent companies and businesses in today's edition. Articles on regional page inserts aren't cited in these indexes.

Table listing various companies and their page references under categories A through W.

INDEX TO PEOPLE

Table listing names of individuals and their page references under categories B through Z.

Twitter Hit Over Child Photos

Continued from page B1
nies can use to screen content posted to their platforms, the researchers said. "This is one of the most basic things you can do to prevent CSAM online, and it did not seem to be working," Thiel said.
The challenge of blocking child sexual abuse material has long been a problem for many internet platforms. After acquiring Twitter in October, Elon Musk placed an emphasis on the issue, vowing in tweets that removing such material from Twitter is "priority #1" and "will forever be our top priority."
Musk didn't respond to a request for comment.
For the month of January, Twitter said it suspended about 404,000 accounts that created or engaged with child sexual exploitation material, which the company said represented a 112% increase in such suspensions since November.
"Not only are we detecting more bad actors faster, we're building new defenses that proactively reduce the discoverability of tweets that contain this type of content," Twitter



The platform told researchers it had improved its detection system.

said in a February tweet.
Many academic researchers have said a change in Twitter's policy over access to its data will make it unlikely they could catch lapses like the Stanford group detected. Twitter has said it is raising prices for access to its application programming interface, or API, which lets researchers analyze data, and that big users could be charged \$42,000 monthly or more.
Many academic researchers say those prices will make the API unaffordable for them, hindering future research on Twitter. "This is a significant blow to platform transparency," Thiel said.
The Stanford Internet Observatory, which researches abuses on social media and other internet platforms, last

organizations including the National Center for Missing & Exploited Children in the U.S. PhotoDNA creates a unique digital signature, known as a hash, of an image, against which platforms can check the hashes of images users post.
"It's a surprise to get any PhotoDNA hits at all on a small Twitter data set," Thiel said.
The researchers said they used an automated computer program that received a stream of data from Twitter based on certain keywords. Links to the images were automatically passed through PhotoDNA to detect known images of child sexual abuse material, they said. Any images that matched weren't displayed or saved by the researchers, and available metadata was reported to the National Center for Missing and Exploited Children for investigation, they said.
PhotoDNA has been used by organizations including tech companies and law-enforcement agencies. Twitter previously said it used PhotoDNA and other tools to flag and remove child sexual exploitation material.
Twitter didn't comment on whether it still uses the tool.
The Stanford researchers said Twitter told them last week that it has detected some false positives in some CSAM databases that it manually filters out. As a result, it said, researchers might see some false positives in the future.

Columnist Tries Out Headset



Apple's Vision Pro headset showcased at WWDC 2023. The headset includes a home view feature that allows users to view apps in a 3-D space.

Continued from page B1
the goggles themselves, where all the tech lives, have the fit and finish of something made by Apple.

For the first 15 minutes of the demo, I couldn't believe how comfortable it was—far more cozy than the Meta Quest Pro or Quest 2. But it's still a lot of tech on your face. By the end, the top of my nose and forehead started to feel the weight. Apple says that discomfort was because the device wasn't perfectly fit to my face. Also, when I touched the rim around the front screen it felt warm.

Did you feel like you were going to puke?

The Vision Pro is different from any other headset I've tried because of how easy it is to toggle between seeing the real world and the digital world. An Apple Watch-like Digital Crown on the right brow allows you to control the immersion: To go more virtual, you scroll in one direction; to see more reality, you scroll in the other.

It meant that I could see my hands clearly when I looked

down—far clearer than with other headsets with similar pass-through capabilities. I could read my notebook on the table. But if I didn't want to see them, I could quickly get rid of them. It's very cool but the more I did it, the more queasy I felt.

Did you miss having controllers?

Controllers for other headsets seem like the styliques of the smartphone world before we got touch screens. With the Vision Pro, your eyes are the cursor and your fingers are the buttons.

Even in my short time wearing it, navigating became second nature. I'd press down on

the Digital Crown to get to the familiar-looking home screen. To select, I'd pinch my fingers together in the air. To scroll, I'd pinch and dragged in whatever direction. For the most part, things worked fluidly. In a few instances, I'd try to select a smaller target and miss.

What did you see inside there?

Apple showed me a selection of demos. To me there are really just two compelling use cases for this thing right now:

Working: Maybe the office is actually better in a face computer. I was able to scatter a few apps in the space over the coffee table—Messages, Notes

and Safari. Instead of having multiple monitors, you could just put these virtual screens around your room. Apple showed it working with a keyboard and trackpad in its keynote, but I didn't get to try that.
I was also able to have a FaceTime chat with an Apple employee—except it wasn't just video of her, it was a 3-D version of her. While some parts of her face didn't move quite right, she was able to stick out her tongue, hold up her hands and make many different facial expressions.

During the call, she was able to launch a presentation for us to work on together. The experience was more immersive than having two windows open on a Mac.

Watching: After decades of 3-D TV promises, the time is...now? Believe me, I'm skeptical. I never opt for 3-D shows times but I was surprised by how into the 3-D clip of "Avatar: The Way of Water" I got.

Did you see the future? Is this a hit?

At the end of the demo, I took off the headset and felt two things:

- 1) Wow. Very cool.
2) Did I just do drugs?

Apple is differentiating itself with an experience that is fully grounded in reality. This is not virtual reality where you escape your surroundings. Instead, it's all about bringing the

digital world to your real world. What Apple calls "spatial computing."

Except, when I took the goggles off, I felt like I had been away somewhere, and that I was only now back in reality.

Maybe it was getting the weight off my head. Maybe it was that when I was finally able to see again with my own eyes—looking at my notebook, or my hands or the other people in the room—I realized I was no longer staring at the world through a screen.

As the narrator in the meditation demo said, "Remember how valuable every moment in life can be." Apple wants us to spend more moments of our lives in these things. Will those moments be valuable?

Apple VR Product Launched

Continued from page B1
are meant to avoid isolating a user, Apple executives said. Vision Pro displays the user's eyes on the outside of the device with a screen sitting on the front of the device. And if somebody comes nearby to someone with the headset on, it will show the person.

The headset will have the M2 chip found in the company's Macs and will also have a new chip called R1 for processing data from the many cameras, sensors and microphones in the device. This enables the Vision Pro to limit latency, a common issue in virtual-reality headsets that causes motion sickness. Apple said it would have a high-resolution display system so video would render in 4K and text would look sharp.

Apple has been working on the headset for seven years and has delayed the launch several times, The Wall Street Journal previously reported. The headset is far more expensive than headsets sold by rivals, such as Meta Platforms' most expensive Quest Pro headset at \$1,000.

Although Apple showcased many potential features and uses of the Vision Pro headset, the company's announcement

of the headset at its software conference points to its interest in how third-party software makers can add new functions.

Hundreds of thousands of apps that already exist on iPad and iPhone operating systems will also be available through Vision OS, the Vision Pro's operating system. Apple told developers that it is introducing tools to let them redesign existing apps on other Apple platforms for the Vision Pro, or create new types of three-dimensional apps.

The rest of the conference, which focuses on software providers that make applications for Apple's ecosystem, will run through Friday. A large portion of the developer sessions for the week will be focused on developing for the headset, the Journal reported previously.

The applications, which might run the gamut from games to workplace apps, are critical to the company's strategy of drawing potential new users to the technology, which has yet to take off among a broad consumer base.

Virtual-reality developers are hoping that Apple will reignite interest in the category after a recent slowdown.

"When Apple drops something, VR developers will thrive," said Todd Hooper, a venture partner at startup investor Acequia Capital and former chief executive of Vreal, a virtual-reality startup that shut down in 2019. "Apple's got the best hardware, the most loyal customers and the most profit-

able App Store."

In the weeks leading up to the conference, many software makers working on virtual reality and other similar applications have received invitations to the event held at Apple's Cupertino, Calif., headquarters. Apple booked in-person demonstrations for some developers following the Monday keynote.

Meta's lineup of Quest virtual-reality headsets has mostly dominated the market to date. Headset sales grew at a fast clip during the pandemic, doubling to nearly 11 million units shipped in 2021. But they dropped 21% to 8.6

Apple has been working on the headset for seven years.

million units in 2022, according to market researcher International Data Corp. Meta also has struggled to keep existing users engaged, with more than half of the \$400 entry-level Quest headsets not in use six months after they are purchased, the Journal has reported.

Last week, ahead of the Apple event, Meta Platforms announced the Meta Quest 3 headset, which the company is promoting as a mixed-reality device similar to Apple's, available in the fall of this year for \$499.

In addition to the headset, the company launched a number of new software features for its existing slate of devices, including a new iPhone app called Journal for users to help them write about their days. The app prompts users to "practice gratitude" and technology to help capture moments from photos or travel experiences. The Wall Street Journal previously reported about the new app.

In its Health app, the company added an ability to log a user's mood and state of mind. Apple said this will help users to see their current risk for depression or anxiety.

Apple's iOS 17 has a number of updates to help improve communication features in the company's phone app, FaceTime and messages, including new artificial-intelligence techniques to improve typing on the keyboard and dictation.

Apple showed off a new 15-inch MacBook Air, which has an M2 chip and sells for \$1,299. The company unveiled other upgrades to its M-series of chips in other Mac products as well aimed at professional users. Sales of Macs have fallen off recently following a surge during the pandemic after the company unveiled the M-series of chips, which it designed.

Watch a Video



Scan this code for Joanna Stern's video on the impact of the Apple headset.

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BUSINESS NEWS

Spotify Cuts Staff, Focuses On Big Stars

By ANNE STEELE AND WILL FEUER

Spotify Technology said on Monday that it plans to cut about 200 jobs, or 2% of its workforce, the latest sign of its struggles to make money in the podcast business.

Sahar Elhabashi, Spotify's vice president and head of the podcast business, said the cuts will affect its podcast vertical as well as other functions and that the company is reorganizing the unit she leads to focus on partnerships with its biggest stars.

The company is combining its podcast studios Parcast and Gimlet into a "renewed" Spotify Studios operation, she said in a memo.

Shares in Stockholm-based Spotify rose 3% to \$156.34 each in New York trading on Monday.

Podcasting has exploded in popularity over the past five years, becoming an attractive

medium in part because of its draw among young, educated and affluent listeners.

In buying Gimlet, Parcast and the Ringer, Spotify kicked off an arms race among media and tech companies, with iHeart, Sirius, Amazon and Audacy spending millions of dollars on podcast studios, talent and tech.

But in the rush to the fast-growing medium, investment in many cases has so far outpaced profitability prospects.

U.S. podcast ad revenue rose 26% to \$1.8 billion last year, according to Interactive Advertising Bureau.

The podcast business restructuring follows an earlier round of layoffs at the company. Exclusive deals with its biggest stars, including Joe Rogan and Emma Chamberlain, remain in place.

Spotify said in January that it would lay off about 600 employees, or 6% of staff, as part of a broader cost-cutting mission after the streaming company went on a spending spree during the pandemic.

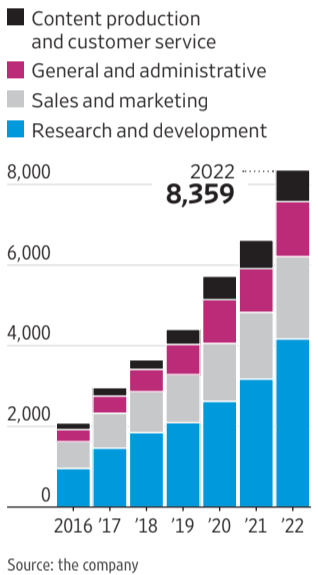
Dow Jones, publisher of The Wall Street Journal, has a content partnership with Gimlet Media, a unit of Spotify.

During an investor day last June, Spotify laid out an ambitious vision for the company over the next decade, aiming to reach one billion listeners by 2030, and generate \$100 billion in revenue annually with a 40% gross margin.

Executives said they expected podcasts to become profitable by 2024.

At the time, Chief Executive Daniel Ek said the company was investing aggressively to build a bigger and more profitable business.

Spotify's average headcount, by department



Bed Bath in Talks on Buybuy Baby

By SOMA BISWAS AND SUZANNE KAPNER

Bed Bath & Beyond is in talks to keep its Buybuy Baby chain open through a possible sale to the private-equity owner of children's apparel retailer Janie and Jack, according to people familiar with the matter.

Go Global Retail, the owner of Janie and Jack, is bidding to acquire Buybuy Baby from its bankrupt parent company and planning to keep the baby-focused chain of stores operating, according to the people. While Bed Bath & Beyond and Buybuy Baby have both been shrinking, the baby business has held up better than the larger home-goods chain, which filed for bankruptcy in April to close stores and look for last-ditch buyers.

Bed Bath & Beyond and Go Global Retail didn't respond to requests for comment.

The company has been conducting going-out-of-business sales at hundreds of Bed Bath & Beyond and Buybuy Baby locations in recent weeks.

Bed Bath & Beyond is also shopping its assets in bankruptcy and last week pushed back the deadline for final bids to Thursday, court filings show.

The company also is field-



Going-out-of-business sales have been running at Buybuy Baby locations in recent weeks.

ing interest from Overstock.com, the online discount retailer, for the intellectual property behind the main Bed Bath & Beyond banner, people familiar with the talks said. Overstock.com didn't respond to a request for comment.

Under that potential deal, Overstock.com would shut down all remaining physical stores, the people also said. Deal talks are continuing, and Bed Bath & Beyond has yet to accept either offer, they

said. Several retailers in recent years have gone out of business in bankruptcy only to find a second online life as brand names on e-commerce platforms.

A successful sale of Buybuy Baby to a buyer willing to keep the chain alive would be an unexpected outcome for shoppers who have witnessed the recent downward spiral of the business.

When Bed Bath & Beyond entered bankruptcy, Chief Fi-

ancial Officer Holly Etlin said in court papers that it intended to find buyers for 120 profitable Buybuy Baby stores as well as more than 300 profitable Bed Bath & Beyond locations.

Buybuy Baby generated double-digit sales growth in 2021, according to the company. More recently, Buybuy Baby recorded sharp declines in comparable-store sales, but still smaller ones than those at Bed Bath & Beyond's namesake locations.

RICHARD B. LEVINE/LEVINE ROBERTS/ZUMA PRESS

Actors Guild Authorizes Strike if Needed

By SURYATAPA BHATTACHARYA

Members of the Screen Actors Guild voted to empower the union to call for a strike if contract negotiations with studios and other power players break down.

The vote comes at a tense moment in Hollywood. Thousands of writers have been on strike for more than a month, picketing outside entertainment companies in Los Angeles and New York.

That strike could continue into summer, casting a pall

over television and film line-ups.

Nearly 65,000 members of the Screen Actors Guild-American Federation of Television and Radio Artists cast ballots, with around 98% voting in favor of a strike authorization, the union said Monday.

"Together we lock elbows and in unity we build a new contract that honors our contributions in this remarkable industry, reflects the new digital and streaming business model and brings all our concerns for protections and ben-

efits into the now," said actress and SAG-Aftra President Fran Drescher. In addition to actors, the union's roughly 160,000 members include stunt performers, singers, dancers, radio announcers and puppeteers.

SAG-Aftra and the Alliance of Motion Picture and Television Producers are scheduled to start talks on June 7, as part of regular negotiations that occur every three years. The current contract ends June 30.

The alliance, whose mem-

bers include Netflix, Walt Disney, Warner Bros. Discovery and Paramount Global, said Monday its goal in the talks is to reach a new agreement that is beneficial to union members as well as the industry.

"An actor's strike that lingers through summer will likely have more of an effect on content production than a writers' strike, as much of the writing for slated content has been completed," said Jacquie Corbelli, chief executive of BrightLine, a TV ad tech provider.

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2023 South African Krugerrand: The Krugerrand continues to be the best-known, most respected numismatic coin brand in the world. 2023 is the Silver Krugerrand's 6th year of issue. Struck in 99.9% fine silver at the South African Mint.

2023 China Silver Panda: 2023 is the 40th anniversary of the first silver Panda coin, issued in 1983. China Silver Pandas are noted for their heart-warming one-year-only designs. Struck in 99.9% fine silver at the China Mint.

2023 British Silver Britannia: One of the Royal Mint's flagship coins, this 2023 issue is the FIRST in the Silver Britannia series to carry the portrait of King Charles III, following the passing of Queen Elizabeth II. Struck in 99.9% fine silver.

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TECHNOLOGY

Suit Says TikTok Data Accessed

Former ByteDance executive accuses Chinese Communist Party of breach

By Georgia Wells

A former executive at ByteDance, the parent company of the hit video-sharing app TikTok, alleges in a legal filing that a committee of China's Communist Party members accessed the data of TikTok users in Hong Kong in 2018—a contention the company denies.

The former executive says the committee members focused on civil-rights activists and protesters in Hong Kong during that time and accessed TikTok data that included their network information, SIM card identifications and IP addresses to identify and locate the users. The former executive of the Beijing-based company said the data also included the users' communications on TikTok.

The allegations are part of a new filing in a wrongful-dismissal lawsuit filed in early May in San Francisco Superior Court by Yintao Yu, the former executive at ByteDance. Yu served as the head of engineering for ByteDance's U.S. offices from August 2017 until November 2018 and is a resident of California. Yu was based in ByteDance's Menlo Park, Calif. office and spent time in the company's offices in Los Angeles and Beijing.

"We vigorously oppose what we believe are baseless claims and allegations in this complaint," a spokeswoman for ByteDance said. She said Yu worked on an app called Flipagram, which was discontinued years ago for business reasons.

The spokeswoman said that Yu was terminated in 2018 and that he hadn't raised these allegations in the five years since. "His actions are clearly intended to garner media attention," she said.

Yu's lawyer, Charles Jung, a partner at law firm Nassiri & Jung, said Yu decided to come forward now because of what



ByteDance denies the allegation. A TikTok exhibit at a conference in Austin, Texas, earlier this year.

he viewed as misdirection in testimony TikTok Chief Executive Shou Zi Chew gave at a congressional hearing in March. "My client is placing himself at risk by telling his story in court. But the truth is powerful, and telling the truth is what's needed to bring social change."

The allegations come at a time TikTok is trying to convince U.S. policy makers that the app is safe for users. U.S. politicians have said they are concerned the Chinese government could lean on TikTok for data about its users or to promote certain content. TikTok has built a new subsidiary to house its U.S. data that it says should eliminate the concern that TikTok U.S. user data could be subject to Chinese law.

TikTok executives have repeatedly said the company doesn't share data about users with the Chinese government. In his congressional testimony, TikTok CEO Chew said he has specifically looked into the issue of U.S. user data and the Chinese government.

"I have seen no evidence

that the Chinese government has access to that data. They have never asked us. We have not provided," he said.

The Hong Kong market has been an unusual one for TikTok. ByteDance has long maintained different apps for users in mainland China and the rest of the world, and TikTok is only available outside mainland China. Hong Kong has had distinct governance from the mainland, but Beijing has exerted growing control in recent years over its affairs. In 2020, ByteDance pulled TikTok out of Hong Kong amid concerns over how to navigate a national-security law that gave Beijing more expansive power over the city.

The filing says that when Yu was at the company, TikTok stored all users' direct messages, search histories and content viewed by users.

In his filing, Yu says that at ByteDance members of a Communist Party committee inside the company had access to a "superuser" credential, also known as a "god credential," to view all data collected by ByteDance. Additionally, ByteDance

maintained a "backdoor channel" for China's Communist Party to access U.S. user data, the suit says.

For the Hong Kong users, Yu said in the filing that he saw the logs that showed the committee accessed the user data of protesters, civil-rights activists and their supporters, including users who had been identified from prior protests. The filing also said the committee monitored Hong Kong users who uploaded protest-related content on TikTok.

The Wall Street Journal has previously reported that ByteDance maintains a room in one of its Beijing offices where a Chinese police cybersecurity team is stationed. The practice isn't uncommon at Chinese tech companies.

Yu's lawsuit also accuses ByteDance of systematically scraping content from competitor social-media platforms and posting it on TikTok to make the app appear more popular, as well as fabricating users and exaggerating key engagement metrics. These claims were earlier reported by the New York Times.

CNN Chief Apologizes To Staff

Continued from page B1 after research showed viewers found it had a partisan edge, people close to the network have said.

"While we know that it will take time to complete the important work that's under way, we have great confidence in the progress that Chris and the team are making and share their conviction in the strategy," David Zaslav, chief executive of CNN parent Warner Bros. Discovery, said in a statement to the Atlantic before the publication of the article.

In the long Atlantic article, for which Licht gave extensive access, he said disparaging things on the record about CNN's approach to covering Donald Trump before he arrived and said it had alienated viewers with its coverage of Covid-19, among other criticisms.

"As I read that article, I found myself thinking, CNN is not about me. I should not be in the news, unless it's taking arrows for you," he said on the call.

"There are parts of that article and characterizations made, where I don't recognize myself. But there are those of you who do," Licht said.

"This experience has been

tremendously humbling," he said. "And to those whose trust I lost I will fight like hell to win it back."

Some staffers felt Licht's decision to put his office on the 22nd floor of the network's Hudson Yards office building in Manhattan, removed from the daily news operations, had become a metaphor for him being detached from staffers, according to the Atlantic article.

On the morning call, Licht said he would be moving his office to the 18th floor next month and until then will be on the 17th floor, putting him closer to editorial staff.

Licht also had praise for Sunday night's CNN town hall interview by anchor Jake Tapper of GOP presidential candidate Nikki Haley.

CNN has notched some notable reporting wins of late, including a scoop on audio the network says prosecutors obtained in which Trump discusses his handling of certain sensitive government materials.

Virginia Moseley, a top CNN editorial executive, addressed the call after Licht, saying, "We all agree with you, Chris, that what makes this place so special is those reporters and that reporting."

Last week, CNN said that David Leavy, a Warner Bros. Discovery executive, would become the network's chief operating officer.

Leavy has already begun meeting with CNN staffers to introduce himself and hear out their concerns, a person familiar with the matter said.



Chris Licht took the helm at CNN last year. The network has been struggling to find the right formula in prime time.

Advertisement for World Chemical Forum. The background features a circular image of a city at night with a globe in the center. Text on the right reads: 'The world's dependence on energy and chemicals is evolving. Are you prepared for the transition? Discover the infinite possibilities with industry leaders at World Chemical Forum. World Chemical Forum. Presented by Chemical Market Analytics by OPI, a Dow Jones Company. The Wall Street Journal. Barron's. September 12-14, 2023. Marriott Marquis Houston, TX, USA. Includes a QR code.

BUSINESS NEWS

Retailers Shrink Logistics Operations

Big Lots, Walmart are among those that have closed warehouses or laid off some workers

By Liz Young

Retailers are shedding warehouse space and paring back their logistics networks now that the disruptions that slowed supply chains during the Covid-19 pandemic have largely receded and consumer spending patterns are shifting toward services.

Discount retailer **Big Lots** and big-box chain **Walmart** are among companies that have closed warehouses or

LOGISTICS laid off distribution workers as part of a broader realignment of logistics operations. The cutbacks are helping cool a market for warehousing demand that had grown red-hot during the pandemic and quieting a rush to add logistics labor to handle a flood of consumer goods.

Big Lots closed four forward distribution centers, smaller facilities located closer to customers than typical warehouses, last month amid declining sales. Jonathan Ramsden, chief financial and administrative officer at Big Lots, said the retailer opened the facilities, which handled bulk products such as furniture, during the pandemic “to support a period of high growth for our business.”

“In the current economic environment we no longer need the additional capacity,” Ramsden said.

Big Lots executives said on an earnings call May 26 that the Columbus, Ohio-based company cut \$100 million in annual costs in the first quarter with measures including closing the distribution centers. The retailer’s net sales dropped 18.3% year over year to \$1.12 billion in the quarter while inventories on its balance sheet were down 18.8% in the quarter compared with last year.



TRENT BOZEMAN FOR THE WALL STREET JOURNAL

Retailers are re-evaluating their logistics operations, including warehouse space, as consumer expectations for fast shipping have cooled, said Rob Handfield, a supply-chain management professor at North Carolina State University, and consumers have directed more spending to services rather than goods.

“You’re starting to see demand slowing and they’re realizing, ‘Maybe we don’t need as much inventory, and if we don’t need as much inventory, we don’t need as many’” distribution centers, Handfield said.

Retailers during the pandemic bulked up logistics networks as they sought to get around supply-chain bottlenecks and to speed up deliveries to meet surging e-commerce demand. That drove a land rush for distribution space and sent the vacancy rate for industrial real estate



PAUL WEAVER/SOPA IMAGES/ZUMA PRESS

down to a multiyear low of 2.9% in the second quarter of 2022.

Vacancy rates are ticking back up this year and companies have slowed their leasing decisions or cut back space to adjust to a changing economy.

Amazon.com, which had doubled the size of its fulfill-

ment network during the pandemic, began pulling back on its expansion last year as sales slowed. The e-commerce giant has closed, canceled or delayed work on 115 warehouses in the U.S. over the past year, according to logistics consultant MWPVL International.

The contraction is hitting

Walmart is laying off more than 2,200 workers at fulfillment centers across the country and Big Lots closed four forward distribution centers last month amid declining sales.

warehouse employment. Payrolls in the sector declined by 1,900 jobs in May to their lowest point since January 2022, and have fallen by more than 41,000 jobs over the past 12 months, according to the Bureau of Labor Statistics.

The industrial real-estate vacancy rate ticked up to 3.6% nationwide in the first quarter from 3.3% in the fourth quarter of 2022, according to real-estate services firm Cushman & Wakefield. That was the third straight quarter vacancy increased after two years of declining availability, though still far below the 5% average vacancy rate in 2020.

Walmart is laying off more

than 2,200 workers at fulfillment centers across the country, according to notices filed with several states under the Worker Adjustment and Retraining Notification Act.

A Walmart spokesperson said in March that the company is looking to maximize its network of stores and fulfillment centers “to deliver items for online customers, when and how they want them.”

“We recently adjusted staffing levels at our FC in select markets to better prepare for the future needs of customers,” the spokesperson said.

The retailer’s U.S. comparable sales, those from stores and digital channels operating for at least 12 months, grew 7.4% in the quarter ended April 28 compared with a year earlier. But Walmart Chief Financial Officer John David Rainey said sales slowed as the first quarter progressed as shoppers chose smaller package sizes and store brands in an attempt to manage their spending.

Ashley Furniture Industries, one of the largest furniture manufacturers and retailers in the U.S., closed a distribution center late last year that it had opened during the pandemic, according to a recent report in the Newark, Ohio, Advocate.

Furniture and home décor sales surged during the pandemic as homebound consumers spent big on home improvements.

As pandemic travel restrictions eased, people pulled back on those purchases in favor of spending on trips and other experiences.

Representatives for Ashley Furniture didn’t respond to requests for comment.

—Sarah Nassauer contributed to this article.

WSJ PRO

LOGISTICS REPORT

[wsj.com/news/logistics-report](https://www.wsj.com/news/logistics-report)

Big Amazon Venture Fund Has Had a Slow First Year

By Marc Vartabedian

In April 2022, **Amazon.com** launched a \$1 billion venture-capital fund to invest in logistics startups, a burgeoning technology sector with the potential to disrupt how the e-commerce giant ferries goods across the globe.

Investors and entrepreneurs took notice of the fund’s size and Amazon’s ambitions to pour it into companies that could bolster Amazon’s dominance in the field.

Just over a year later, the Amazon Industrial Innovation Fund has made only a few new investments and has deployed roughly \$110 million, according to people familiar with the matter. Venture funds typically aim to invest their capital into new companies within five years.

The slow pace has been due in part to disagreements over which team—corporate development or the venture team assembled to help manage the fund—had the final say about whether to write a check to a startup, the people said. That led to deals getting done with less-than-ideal terms or deals falling through, leaving the fund lagging behind the typical pace at which funds of its size deploy capital, the people said.

An Amazon official disputed internal politics have negatively affected the fund, adding it is deploying capital in step with the broader market, which has seen slowed investing over the past year and a half. Amazon teams, including the company’s venture unit and corporate development unit, have worked collaboratively, the official added.

The fund’s slow start comes as the e-commerce industry is locked in a hypercompetitive race to offer faster shipping in part by adopting new technology to streamline complex supply chains and transform goods transport.

Amazon has led the way in this field, but it relies in part on its fund to remain ahead of the curve as a crop of young



SCOTT EISEN/ASSOCIATED PRESS

The \$1 billion fund is meant to help Amazon beef up in logistics.

startups introduce tech such as artificial intelligence into the field.

“In the year since its launch, Amazon has made a number of successful investments through the Industrial Innovation Fund, and we’re excited by the pace at which we’re finding and supporting great companies that use new technologies in ways that reimagine customer fulfillment, logistics and the supply chain,” the company said in a statement.

Companies ramped up supply-chain-focused venture efforts in the years leading up to 2022 and accelerated them when the pandemic wreaked havoc on global logistics.

In 2021, companies participated in \$28 billion of global supply-chain-related venture deals, up 83% from 2019, according to analytics firm PitchBook.

Corporate investing in logistics has since tapered along with the broader market. Last year, corporations participated in global deals valued at \$15 billion.

Another factor working against Amazon’s logistics bet: Venture units in corporate behemoths have historically struggled to move as fast as traditional venture firms. Many corporate venture initiatives, including Amazon’s, draw capital directly from their parent company’s bal-

ance sheet and don’t have outside investors. That has left these funds susceptible to shifting economic winds or strategy changes of their parent companies.

Nevertheless, Amazon jumped into the venture arena in April 2022 when it said it was launching the investment program to spur innovation in customer fulfillment, logistics and the supply chain, in part to increase delivery speed.

“We see an opportunity to look beyond our own experience and empower companies that are developing emerging technologies in customer fulfillment operations, logistics, and the supply chain,” Alex Ceballos Encarnacion, Amazon’s vice president of worldwide corporate development, said in a blog post.

Amazon disclosed it completed five investments through the fund when it announced the vehicle’s launch, including **Agility Robotics**, an Oregon-based startup developing a two-legged robot that can carry and walk packages to front doors.

Amazon said in announcing the fund it would target startups of all stages.

But since the launch, the fund has completed only a few more deals, in part because Amazon’s venture unit and corporate development unit duled over how to deploy its capital, the people said.

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COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Table of Metal & Petroleum Futures including Copper-High (CMX), Gold (CMX), Palladium (NYM), Platinum (NYM), Crude Oil, Light Sweet (NYM), Natural Gas (NYM), and Agriculture Futures like Corn (CBT), Soybeans (CBT), and Wheat (CBT).

Table of Interest Rate Futures including Ultra Treasury Bonds (CBT), Treasury Bonds (CBT), Treasury Notes (CBT), and Orange Juice (ICE-US).

Table of Currency Futures including Japanese Yen (CME), Canadian Dollar (CME), British Pound (CME), Swiss Franc (CME), and Australian Dollar (CME).

Table of Index Futures including Mini DJ Industrial Average (CBT), Mini S&P 500 (CME), Mini S&P Midcap 400 (CME), and U.S. Dollar Index (ICE-US).

Table of Cash Prices for various commodities like Iron Ore, Steel, Battery/EV metals, Fibers and Textiles, Grains and Feeds, and Fats and Oils.

Table of Cash Prices for Wheat, Corn, Soybean meal, and other agricultural products.

Bonds | wsj.com/market-data/bonds/benchmarks

Tracking Bond Benchmarks

Return on investment and spreads over Treasuries and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Table showing tracking bond benchmarks for Broad Market Bloomberg Fixed Income Indices, U.S. Corporate Indexes, High Yield Bonds, and Mortgage-Backed Bloomberg Fixed Income Indices.

Table showing global government bonds mapping yields for various countries like Canada, EMU, France, Germany, Japan, Netherlands, and U.K.

Cash Prices | wsj.com/market-data/commodities

Monday, June 5, 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, and other commodities.

Table of Cash Prices for Wheat, Corn, Soybean meal, and other agricultural products.

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; D=CME; E=Manfra, Tordella & Brookes; H=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; P=Posland Publishing; R=SNL Energy; S=Platts-TSI; T=Outlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. *Data as of 6/2

Source: Dow Jones Market Data

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BANKRUPTCIES

IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE. In re: LINCOLN POWER, L.L.C., et al., Chapter 11, Case No. 23-10382 (LSS Debtors).

NOTICE OF BID PROCEDURES. PLEASE TAKE NOTICE that, on May 1, 2023, the above-captioned debtors and debtors in possession (the "Debtors") filed a proposed (Docket No. 131) (the "Bid Procedures Motion") with the United States Bankruptcy Court for the District of Delaware (the "Court").

Deadline, which Post-Auction Objection must be served on the Objection Notice Parties so it is actually received by the Post-Auction Objection Deadline and filed with the Court. If an Assigned Contract Objection or a Post-Auction Objection is not served on the Objection Notice Parties and filed with the Clerk of the Bankruptcy Court for the District of Delaware, 824 North Market Street, 3rd Floor, Wilmington, DE 19801, so it is actually received no later than, respectively, the Assigned Contract Objection Deadline or the Post-Auction Objection Deadline, the relevant parties will be forever barred from objecting to (i) the Debtors' proposed cure amount, (ii) the identity of the Successful Bidder, and (iii) the assignment of that party's executory contract or unexpired lease to the Successful Bidder.

PLEASE TAKE FURTHER NOTICE that, on May 26, 2023, the United States Bankruptcy Court for the District of Delaware (the "Court") entered an order (Docket No. 205) (the "Bid Procedures Order") approving Bid Procedures set forth in the Bid Procedures Motion (the "Bid Procedures"), which set key dates, times and procedures related to the sale (the "Sale") of substantially all of the Debtors' assets (the "Assets"). All interested bidders should carefully read the Bid Procedures. To the extent there are any inconsistencies between the Bid Procedures and the summary description of the terms and conditions contained in this Notice, the terms of the Bid Procedures shall control.

PLEASE TAKE FURTHER NOTICE that where a counterparty to an Assigned Contract timely files an (i) Assigned Contract Objection asserting a higher cure amount than the amount listed in the Assignment Notice, or (ii) Assigned Contract Objection or Post-Auction Objection, as applicable, to the possible assignment of that counterparty's Assigned Contract, and the parties are unable to consensually resolve the dispute, the amount (if any) to be paid under section 365 of the Bankruptcy Code or, as the case may be, the Debtors' ability to assign the Assigned Contract to the Successful Bidder will be determined at the Confirmation Hearing (as defined below) or at a later date as fixed by the Court. To the extent any Contract Counterparty is added to the Assignment Notice after the initial notice is served, such Contract Counterparty shall receive notice of the addition and the Debtors' proposed cure amount through a supplemental Assignment Notice, and that party shall have ten (10) days from the date of such notice to object to the proposed cure amount and assignment to the Successful Bidder.

PLEASE TAKE FURTHER NOTICE that, pursuant to the terms of the Bid Procedures Order, an auction (the "Auction") may be held on June 26, 2023, at 10:00 a.m. (prevailing Eastern Time), at the offices of Latham & Watkins LLP, 1271 Avenue of the Americas, New York, NY 10020, or such later time on such day or other place as the Debtors shall notify all bidders who have submitted Qualified Bids, or at another location as may be timely disclosed by the Debtors to all Qualified Bidders.

PLEASE TAKE FURTHER NOTICE THAT ANY PARTY WHO FAILS TO TIMELY OBJECT TO THE SALE ON OR BEFORE THE CONFIRMATION OBJECTION DEADLINE OR POST-AUCTION OBJECTION DEADLINE, AS APPLICABLE, IN ACCORDANCE WITH THE BID PROCEDURES ORDER SHALL BE FOREVER BARRED FROM ASSERTING ANY SUCH OBJECTION, INCLUDING WITH RESPECT TO THE TRANSFER OF THE ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES AND OTHER INTERESTS.

PLEASE TAKE FURTHER NOTICE that, if the Auction occurs after the deadline to object to confirmation of the Debtors' plan of reorganization, which shall be set by further order of the Court, the deadline to object (such objection, a "Post-Auction Objection") solely to the identity of the Successful Bidder or the ability of the Successful Bidder to provide adequate assurance of future performance under the Assigned Contract shall be automatically extended through 4:00 p.m. (prevailing Eastern Time) on the date that is three (3) days following service of a notice identifying the Successful Bidder and Back-Up Bidder (the "Post-Auction Objection Deadline").

PLEASE TAKE FURTHER NOTICE THAT THIS NOTICE IS SUBJECT TO THE full terms and conditions of the Bid Procedures and the Bid Procedures Order, which shall control in the event of any conflict with this Notice. The Debtors encourage parties in interest to review such documents in their entirety. A copy of the Bid Procedures and the Bid Procedures Order may be obtained for free by accessing the website of the Debtors' claims and noticing agent, Omni Agent Solutions, located at https://omniagentsolutions.com/LincolnPower.

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Global Government Bonds: Mapping Yields. Yields and spreads over or under U.S. Treasuries on benchmark two-year and 10-year government bonds in selected other countries; arrows indicate whether the yield rose (▲) or fell (▼) in the latest session.

Corporate Debt

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific expectations

Investment-grade spreads that tightened the most...

Table showing investment-grade spreads for various issuers like New York Life Global Funding, BNP Paribas, 3M, Marathon Oil, Virginia Electric & Power, Bank of America, Berkshire Hathaway Energy, and Caterpillar Financial Services.

...And spreads that widened the most

Table showing spreads that widened for various issuers like Jackson National Life Global Funding, BPCE, Comerica, Coca-Cola, John Deere Capital, Walmart, Banco Santander, and General Motors Financial.

High-yield issues with the biggest price increases...

Table showing high-yield issues with biggest price increases for various issuers like Transocean, Hughes Satellite Systems, Commerzbank, CSC Holdings, Bath & Body Works, GGAMFI, Tenet Healthcare, and OneMain Finance.

...And with the biggest price decreases

Table showing high-yield issues with biggest price decreases for various issuers like Telecom Italia Capital, Navient, Dish DBS, Occidental, Bausch Health, Intelsat Jackson Holdings, Nissan Motor Acceptance, and Ball.

*Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury; 100 basis points=one percentage pt.; change in spread shown is for Z-spread. Note: Data are for the most active issue of bonds with maturities of two years or more

Source: MarketAxess

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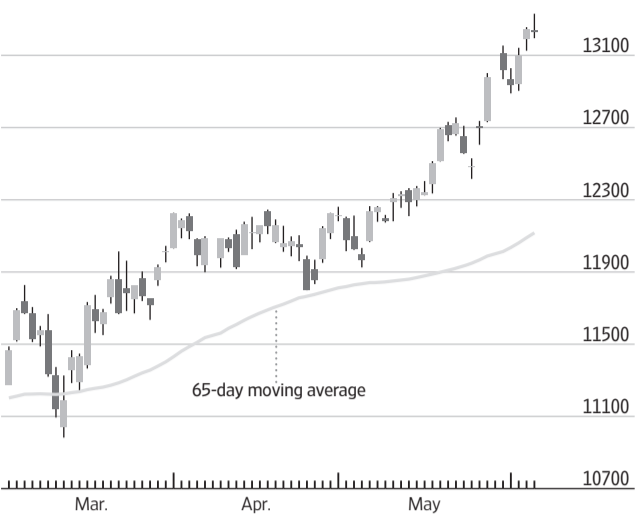
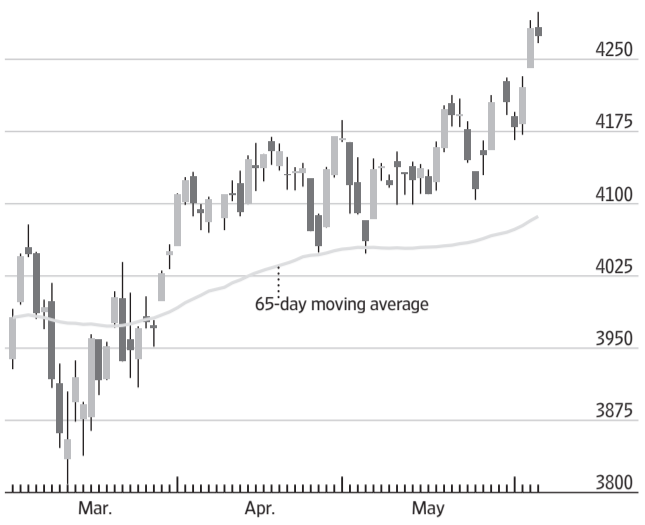
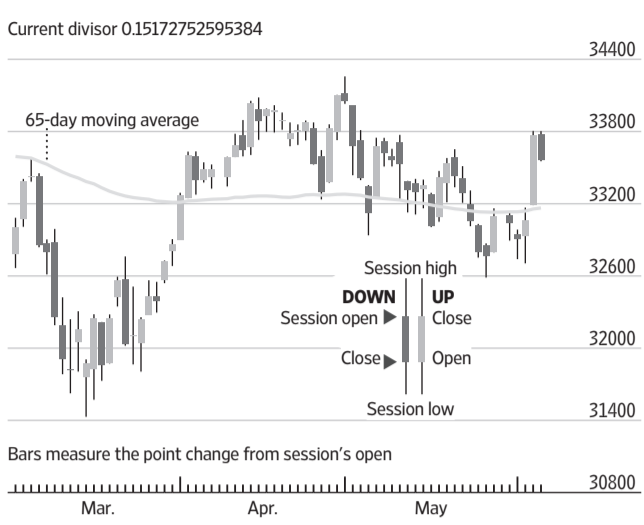
33562.86 ▼199.90, or 0.59%
Trailing P/E ratio 22.35 18.75
P/E estimate * 17.47 17.36
Dividend yield 2.15 2.11
All-time high 36799.65, 01/04/22

S&P 500 Index

4273.79 ▼8.58, or 0.20%
Trailing P/E ratio * 18.68 21.72
P/E estimate * 18.92 18.05
Dividend yield * 1.66 1.55
All-time high 4796.56, 01/03/22

Nasdaq Composite Index

13229.43 ▼11.34, or 0.09%
Trailing P/E ratio ** 29.23 26.47
P/E estimate ** 27.65 22.75
Dividend yield ** 0.76 0.86
All-time high: 16057.44, 11/19/21



Major U.S. Stock-Market Indexes

Table with columns: Index Name, High, Low, Latest Close, Net chg, % chg. Includes Dow Jones, Industrial Average, Transportation Avg, Utility Average, Total Stock Market, Barron's 400.

Table with columns: Index Name, High, Low, % chg, 52-Week High, Low, % chg, YTD, 3-yr. ann. Includes Dow Jones, Industrial Average, Transportation Avg, Utility Average, Total Stock Market, Barron's 400.

Trading Diary

Table titled 'Volume, Advancers, Decliners' showing NYSE and NYSE Amer. statistics: Total volume, Adv. volume, Decl. volume, Issues traded, Advancers, Declines, Unchanged, New highs, New lows, Closing Arms, Block trades.

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services...

Most-active issues in late trading

Table listing most-active issues in late trading with columns: Company, Symbol, Volume (000), Last, Net chg, After-Hours % chg, High, Low.

Percentage gainers...

Table listing percentage gainers with columns: Company, Symbol, Volume (000), Last, Net chg, % chg, High, Low.

Nasdaq Stock Market

Table with columns: Index Name, High, Low, Latest Close, Net chg, % chg. Includes Nasdaq Composite, Nasdaq-100.

S&P

Table with columns: Index Name, High, Low, Latest Close, Net chg, % chg. Includes 500 Index, MidCap 400, SmallCap 600.

Other Indexes

Table listing other market indexes: Russell 2000, NYSE Composite, Value Line, NYSE Arca Biotech, NYSE Arca Pharma, KBW Bank, PHLX Gold/Silver, PHLX Oil Service, PHLX Semiconductor, Cboe Volatility.

International Stock Indexes

Table listing international stock indexes by region: World, Americas, EMEA, Asia-Pacific.

Percentage Gainers...

Table listing percentage gainers with columns: Company, Symbol, Latest Session Close, Net chg, % chg, High, Low, 52-Week High, Low, % chg.

Percentage Losers

Table listing percentage losers with columns: Company, Symbol, Latest Session Close, Net chg, % chg, High, Low, 52-Week High, Low, % chg.

Most Active Stocks

Table listing most active stocks with columns: Company, Symbol, Volume (000), % chg from 65-day avg, Latest Session Close, % chg, High, Low, 52-Week High, Low.

Volume Movers

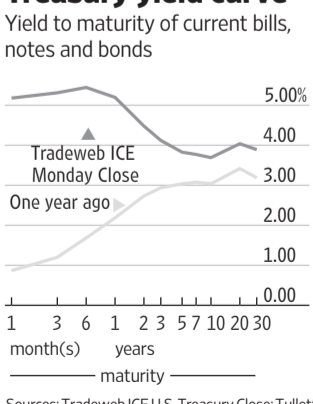
Table listing volume movers with columns: Company, Symbol, Volume (000), % chg from 65-day avg, Latest Session Close, % chg, High, Low, 52-Week High, Low.

CREDIT MARKETS

Consumer Rates and Returns to Investor

Section containing 'U.S. consumer rates' (30-year fixed-rate mortgage, 10-year Treasury note yield) and 'Selected rates' (Bankrate.com avg, County Bank, The Old Point National Bank, etc.).

Treasury yield curve



Forex Race



Corporate Borrowing Rates and Yields

Table listing corporate borrowing rates and yields for U.S. Treasury, Aggregate, Fixed-Rate MBS, High Yield 100, Muni Master, and EMBI Global.

CURRENCIES & COMMODITIES

Table listing currencies and commodities: Currencies (Argentina peso, Brazil real, Canada dollar, etc.) and Commodities (DJ Commodity, Refinitiv/CC CRB Index, Crude oil, etc.).

BIGGEST 1,000 STOCKS

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq BX (formerly Boston), Chicago Stock Exchange, Cboe, NYSE National and Nasdaq ISE.

The list comprises the 1,000 largest companies based on market capitalization.

Unfaded quotations are those stocks with larger changes in volume compared with the issue's average trading volume.

Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher.

Footnotes:
 #New 52-week high.
 #New 52-week low.
 ♦Indicates loss in the most recent four quarters.
 FD-First day of trading.
 h-Does not meet continued listing standards.
 lf-Late filing.
 q-Temporary exemption from Nasdaq requirements.
 #NYSE bankruptcy
 v-Trading halted on primary market.
 vj-In bankruptcy or receivership or being reorganized under the Bankruptcy Code, or securities assumed by such companies.

Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg				
HormelFoods	HRL	40.56	-0.21	Marsh&McLen	MML	177.16	0.76	Pool	POL	327.29	1.03	Terium	TXI	40.28	-0.21	Tripmco	TCOM	33.96	-0.46	WEX	WEX	173.79	-2.59
DR Horton	DRH	111.42	-0.60	MartinMarietta	MLM	417.07	1.99	Primera	PRP	186.47	-2.95	TrustFinl	TFI	109.74	-0.71	TrustFinl	TCOM	31.74	-0.34	WPCarey	WPC	70.46	-0.15
HostHots	HST	17.41	-0.19	MarvellTech	MVTL	58.03	-2.15	PrincipalPC	PCF	68.39	-1.08	Twilio	TWLO	14.06	-0.10	Twilio	TWLO	65.66	-1.49	WPP	WPP	54.59	-0.43
HommetAerospace	HMT	44.80	-0.33	MasTech	MAS	50.59	-0.58	ProcterFinch	PCOR	68.49	1.71	TXK	TXK	78.86	0.75	TXK	TXK	39.22	0.53	Wabtec	WAB	97.15	-0.77
HubSpot	HUBS	528.59	4.35	Mastro	MZT	106.26	0.63	Progressive	PRG	129.03	-0.47	T-MobileUS	TMUS	132.22	1.83	T-MobileUS	TMUS	50.51	-0.83	Walgreens	WBA	31.25	-0.08
Humana	HUM	523.94	3.16	Mastcard	MA	370.52	-3.21	Prologis	PLD	124.63	-2.09	TRP	TWP	120.62	0.83	UBS Group	UBS	20.00	0.03	Walmart	WMT	149.80	0.98
JHunt	HJT	169.50	-3.09	MatchGroup	MTCH	38.73	-0.24	PrometheusBX	PBX	198.80	-0.03	T RowePrice	TROW	110.29	-0.63	U-Haul	UHAL	48.54	-0.82	WarnerBrosA	WBM	11.63	-0.12
HuntingtonBchs	HBAN	107.77	-0.12	MatchPoint	MTP	17.69	-0.39	PrudentialFinl	PRU	83.06	0.02	TaiwanSemi	TSM	98.05	-0.89	U-Haul N	UHAL	53.75	-0.85	WarnerMedia	WMG	24.23	-0.11
HuntingtonHalls	HII	207.72	0.24	McCormickMKC	MCKV	88.54	0.58	PublicServiceEnt	PEG	61.36	0.32	TakedaPharm	TAK	16.04	-0.08	U-Summs	USFD	41.66	3.00	WaterWgt	WAT	16.74	-0.22
HyattHoteles	H	114.42	-0.66	McKesson	MCK	288.43	-1.48	PublicStorage	PSS	68.15	-5.24	Tapestry	TPR	41.45	-0.95	UnitedHealth	UHS	51.00	-0.09	Waters	WAT	25.94	0.77
ICI Group	ICL	23.01	-0.08	McDonald's	MCD	283.43	1.48	PureStorage	PSTG	44.91	-0.52	Target	TGT	130.60	-2.69	UnitedHealth	UHS	40.62	0.69	Watsco	WSCO	339.63	-1.13
ICL Group	ICL	5.58	-0.01	McKesson	MCK	395.31	5.15	QuestDiagnostics	QD	59.99	-0.99	Target	TGT	130.60	-2.69	UnitedHealth	UHS	163.33	-6.20	WebsterFin	WBS	37.55	-0.92
IdexLab	IDXX	465.28	-5.55	Medpace	MDP	216.53	4.47	QuestDiagnostics	QD	59.99	-0.99	TechnipFMC	TEF	14.46	-0.40	UnitedHealth	UHS	163.33	-6.20	Welltower	WELL	76.09	0.33
ING Group	ING	12.67	-0.19	MetLife	MET	87.73	-0.03	QuestDiagnostics	QD	59.99	-0.99	TechnipFMC	TEF	14.46	-0.40	UnitedHealth	UHS	163.33	-6.20	Welltower	WELL	76.09	0.33
Invesco	IVZ	15.39	0.13	MercedoLibre	MER	1289.49	18.82	QuestDiagnostics	QD	59.99	-0.99	Unilever	UL	42.10	-1.29	UnitedHealth	UHS	163.33	-6.20	Welltower	WELL	76.09	0.33
INVIA	IOV	204.01	2.64	MetLife	MET	113.11	0.59	QuestDiagnostics	QD	59.99	-0.99	Unilever	UL	42.10	-1.29	UnitedHealth	UHS	163.33	-6.20	Welltower	WELL	76.09	0.33
ITIT	ITW	61.79	-1.14	MetLife	MET	113.11	0.59	Qualcomm	QCOM	112.73	-2.39	UnitedHealth	UHS	163.33	-6.20	UnitedHealth	UHS	163.33	-6.20	Welltower	WELL	76.09	0.33
IcahnEnterprises	IEP	22.91	0.85	MetLife	MET	271.39	-1.22	Qualcomm	QCOM	112.73	-2.39	UnitedHealth	UHS	163.33	-6.20	UnitedHealth	UHS	163.33	-6.20	Welltower	WELL	76.09	0.33
Ican	ICLR	21.89	-2.46	MetLife	MET	52.65	-0.32	Qualcomm	QCOM	112.73	-2.39	UnitedHealth	UHS	163.33	-6.20	UnitedHealth	UHS	163.33	-6.20	Welltower	WELL	76.09	0.33
IDEX	IDXX	205.39	-3.71	MetLife	MET	133.22	2.56	Qualcomm	QCOM	112.73	-2.39	UnitedHealth	UHS	163.33	-6.20	UnitedHealth	UHS	163.33	-6.20	Welltower	WELL	76.09	0.33
IllinoisToolWks	ITW	225.60	-3.58	MetLife	MET	271.39	-1.22	Qualcomm	QCOM	112.73	-2.39	UnitedHealth	UHS	163.33	-6.20	UnitedHealth	UHS	163.33	-6.20	Welltower	WELL	76.09	0.33
Illuparra	ILMN	210.56	3.25	Microchip	MCHP	257.19	-1.93	Qualcomm	QCOM	112.73	-2.39	UnitedHealth	UHS	163.33	-6.20	UnitedHealth	UHS	163.33	-6.20	Welltower	WELL	76.09	0.33
ImperialOil	IMO	47.83	-0.19	MicroSoft	MSFT	335.94	0.54	Qualcomm	QCOM	112.73	-2.39	UnitedHealth	UHS	163.33	-6.20	UnitedHealth	UHS	163.33	-6.20	Welltower	WELL	76.09	0.33
Inco	INCY	62.37	-0.17	MidAmApt	MIA	150.34	-0.32	Qualcomm	QCOM	112.73	-2.39	UnitedHealth	UHS	163.33	-6.20	UnitedHealth	UHS	163.33	-6.20	Welltower	WELL	76.09	0.33
Incyte	INCY	15.40	-0.40	Middleby	MIDA	136.90	-2.60	Qualcomm	QCOM	112.73	-2.39	UnitedHealth	UHS	163.33	-6.20	UnitedHealth	UHS	163.33	-6.20	Welltower	WELL	76.09	0.33
INGERSOLL Rand	IGR	68.68	-0.68	MitsubishiUFJ	MFG	6.91	-0.13	Qualcomm	QCOM	112.73	-2.39	UnitedHealth	UHS	163.33	-6.20	UnitedHealth	UHS	163.33	-6.20	Welltower	WELL	76.09	0.33
INGERSOLL Rand	IGR	68.68	-0.68	MitsubishiUFJ	MFG	6.91	-0.13	Qualcomm	QCOM	112.73	-2.39	UnitedHealth	UHS	163.33	-6.20	UnitedHealth	UHS	163.33	-6.20	Welltower	WELL	76.09	0.33
Ingersoll Rand	IGR	68.68	-0.68	MitsubishiUFJ	MFG	6.91	-0.13	Qualcomm	QCOM	112.73	-2.39	UnitedHealth	UHS	163.33	-6.20	UnitedHealth	UHS	163.33	-6.20	Welltower	WELL	76.09	0.33
Ingersoll Rand	IGR	68.68	-0.68	MitsubishiUFJ	MFG	6.91	-0.13	Qualcomm	QCOM	112.73	-2.39	UnitedHealth	UHS	163.33	-6.20	UnitedHealth	UHS	163.33	-6.20	Welltower	WELL	76.09	0.33
Ingersoll Rand	IGR	68.68	-0.68	MitsubishiUFJ	MFG	6.91	-0.13	Qualcomm	QCOM	112.73	-2.39	UnitedHealth	UHS	163.33	-6.20	UnitedHealth	UHS	163.33	-6.20	Welltower	WELL	76.09	0.33
Ingersoll Rand	IGR	68.68	-0.68	MitsubishiUFJ	MFG	6.91	-0.13	Qualcomm	QCOM	112.73	-2.39	UnitedHealth	UHS	163.33	-6.20	UnitedHealth	UHS	163.33	-6.20	Welltower	WELL	76.09	0.33
Ingersoll Rand	IGR	68.68	-0.68	MitsubishiUFJ	MFG	6.91	-0.13	Qualcomm	QCOM	112.73	-2.39	UnitedHealth	UHS	163.33	-6.20	UnitedHealth	UHS	163.33	-6.20	Welltower	WELL	76.09	0.33

Wall Street Journal stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 3 p.m. the previous day.

Monday, June 5, 2023

Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
AECOM	ACM	81.93	0.93	Adobe	ADBE	434.18	-2.19	Amgen	AMGN	221.88	3.81	Alphabet	GOOG	126.01	1.34
AES	AES	20.08	-0.11	Adobe	ADBE	434.18	-2.19	Amgen	AMGN	221.88	3.81	Alphabet	GOOG	126.01	1.34
Aflac	AFL	67.13	0.53	Adobe	ADBE	434.18	-2.19	Amgen	AMGN	221.88	3.81	Alphabet	GOOG	126.01	1.34
AGCO	AGCO	116.73	-2.67	Adobe	ADBE	434.18	-2.19	Amgen	AMGN	221.88	3.81	Alphabet	GOOG	126.01	1.34
Aviary Ent	AVI	41.62	0.08	Adobe	ADBE	434.18	-2.19	Amgen	AMGN	221.88	3.81	Alphabet	GOOG	126.01	1.34
Ansys	ANSS	330.47	0.85	Adobe	ADBE	434.18	-2.19	Amgen	AMGN	221.88	3.81	Alphabet	GOOG	126.01	1.34
APA	APA	33.07	-0.61	Adobe	ADBE	434.18	-2.19	Amgen	AMGN	221.88	3.81	Alphabet	GOOG	126.01	1.34
ASE Tech	ASX	7.94	-0.12	Adobe	ADBE	434.18	-2.19	Amgen	AMGN	221.88	3.81	Alphabet	GOOG	126.01	1.34
ASML	ASML	722.20	-2.45	Adobe	ADBE	434.18	-2.19	Amgen	AMGN	221.88	3.81	Alphabet	GOOG	126.01	1.34
AT&T	T	15.39	0.18	Adobe	ADBE	434.18	-2.19	Amgen	AMGN	221.88	3.81	Alphabet	GOOG	126.01	1.34
AbbottLabs	ABT	103.76	-0.44	Adobe	ADBE	434.18	-2.19	Amgen	AMGN	221.88	3.81	Alphabet	GOOG	126.01	1.34
AbbVie	ABBV	136.86	-0.41	Adobe	ADBE	434.18	-2.19	Amgen	AMGN	221.88	3.81	Alphabet	GOOG	126.01	1.34
Accenture	ACN	304.45	-6.94	Adobe	ADBE	434.18	-2.19	Amgen	AMGN	221.88	3.81	Alphabet	GOOG	126.01	1.34
Accurix	ACRX	18.84	0.34	Adobe	ADBE	434.18	-2.19	Amgen	AMGN	221.88	3.81	Alphabet	GOOG	126.01	1.34
AdventureBlz	ATVI	80.84	0.34	Adobe	ADBE	434.18	-2.19	Amgen	AMGN	221.88	3.81	Alphabet	GOOG	126.01	1.34
Adobe	ADBE	434.18	-2.19	Adobe	ADBE	434.18	-2.19	Amgen	AMGN	221.88	3.81	Alphabet	GOOG	126.01	1.34
AdvDrainageSys	MSY	102.39	-1.99	Adobe	ADBE	434.18	-2.19	Amgen	AMGN	221.88	3.81	Alphabet	GOOG	126.01	1.34
AdvMicroDevices	AMD	117.93	0.07	Adobe	ADBE	434.18	-2.19	Amgen	AMGN	221.88	3.81	Alphabet	GOOG	126.01	1.34
Aesop	AEG	42.21	-1.04	Adobe	ADBE	434.18	-2.19	Amgen	AMGN	221.88	3.81	Alphabet	GOOG	126.01	1.34
AerCap	AER	57.82	-1.25	Adobe	ADBE	434.18	-2.19	Amgen	AMGN	221.88	3.81	Alphabet	GOOG	126.01	1.34
AgilentTechs	A	118.35	0.13	Adobe	ADBE	434.18	-2.19	Amgen	AMGN	221.88	3.81	Alphabet	GOOG	126.01	1.34
AgilentTechn	AGL	20.71	0.49	Adobe	ADBE	434.18	-2.19	Amgen	AMGN	221.88	3.81	Alphabet	GOOG	126.01	1.34
AgriCoFoodsInc	AEM	52.09	0.14	Adobe	ADBE	434.18	-2.19	Amgen	AMGN	221.88	3.81	Alphabet	GOOG	126.01	1.34
AirProducts	APD	279.78	-1.26	Adobe	ADBE	434.18	-2.19	Amgen	AMGN	221.88	3.81	Alphabet	GOOG	126.01	1.34
Airbnb	ABNB	115.69	-2.37	Adobe	ADBE	434.18	-2.19	Amgen	AMGN	221.88	3.81	Alphabet	GOOG	126.01	1.34
AkamaiTech	AKAM	93.84	0.33	Adobe	ADBE	434.18	-2.19	Amgen	AMGN	221.88	3.81	Alphabet	GOOG	126.01	1.34
Albermarle	ALB	206.17	-2.19	Adobe	ADBE	434.18	-2.19	Amgen	AMGN	221.88	3.81	Alphabet	GOOG	126.01	1.34
Albertsons	ACI	20.69	0.19	Adobe	ADBE	434.18	-2.19	Amgen	AMGN	221.88	3.81	Alphabet	GOOG	126.01	1.34
Alcon	AC	79.30	-0.16	Adobe	ADBE	434.18	-2.19	Amgen	AMGN	221.88	3.81	Alphabet	GOOG	126.01	1.34
Alexander&Riess	ARE	115.43	0.06	Adobe	ADBE	434.18	-2.19	Amgen	AMGN	221.88	3.81	Alphabet	GOOG	126.01	1.34
Alibab	BABA	84.04	0.13	Adobe	ADBE	434.18	-2.19	Amgen	AMGN	221.88	3.81	Alphabet	GOOG	126.01	1.34
AllegiantTech	ALG	105.15	3.15	Adobe	ADBE	434.18	-2.19	Amgen	AMGN	221.88	3.81	Alphabet	GOOG	126.01	1.34
Allegion	ALLEN	30.47	-0.80	Adobe	ADBE	434.18	-2.19	Amgen	AMGN	221.88	3.81	Alphabet	GOOG	126.01	1.34
AllegroMicro	ALM	38.51	-0.97	Adobe	ADBE	434.1									

BANKING & FINANCE

Allstate Halts New California Home Policies Over Fire Risk

By Alyssa Lukpat

Allstate has stopped offering new home-insurance policies in California, saying it has become too expensive to insure new homes in the wild-fire-prone state.



Wildfires in the state have made it expensive to insure property.

whose homes were flooded during the state's most destructive storms in decades.

Allstate disclosed in its third-quarter earnings report in November that it had stopped insuring new homes in the state, but the news wasn't widely reported until recently.

The moves don't impact existing policyholders but stand to deter some potential homeowners from buying new properties.

Farmers Insurance, the second-largest property insurer in California, hasn't announced plans to stop issuing new home-insurance policies.

Home insurance isn't required by federal or California law, but most homeowners choose to pay for a policy that can cover damage from fires, floods, burglaries or other events.

State regulators in recent years have struck down attempts by insurance companies to raise property rates that would offset their inflation costs.

Insurance companies in recent years have cut back on home policy renewals in California.

Allstate in the past year has faced losses, mainly driven by its car insurance business.

KKR to Buy Circor In \$1.6 Billion Deal

By Miriam Gottfried

Private-equity firm KKR & Co. has struck a deal to buy pump-and-valve maker Circor International for \$1.6 billion including debt.

KKR is paying \$49 a share, 55% above Circor's closing price on Friday, the companies said Monday, confirming an earlier report by The Wall Street Journal.

The deal counts as a relatively large leveraged buyout at a time when financing for such takeovers has become more scarce as banks, stuck with debt they underwrote before the market downturn last year, are more reluctant to make new loans.

Circor said in March 2022 that it was pursuing strategic alternatives after receiving several inquiries from interested buyers.

The company in recent years has strategically sold off assets tied to its cyclical oil-and-gas operation and in 2017 purchased the fluid-handling business of Colfax in a push to focus on areas with more growth potential.

Still, shares of Circor, which has a sizable debt load and is too small to be covered by many Wall Street analysts, have stagnated.

KKR has significant experience in the area of flow control, a blanket term for technology used to move liquids and gases.

The deal for the pump-and-valve maker is a relatively big leveraged buyout.

in 2017. In 2020, Gardner Denver merged with a division of Ingersoll-Rand to create a major manufacturer of industrial pumps and compressors.

"It's an area that KKR Industrials knows so well," said Josh Weisenbeck, who leads the firm's investment team in the sector.

Weisenbeck said KKR plans to use Circor to do further acquisitions.

Wall Street Backs Off Bets on Fed Rate Cuts

By Matt Grossman

Persistent strength in the economy has wrong-footed bets that the Federal Reserve will make large interest-rate cuts this year, potentially undermining a key element of support for the 2023 stock rally.

Derivatives markets show investors now expect the Fed's target rate to sit at 5% at year-end, according to Tradeweb, up from just above 4% in May.

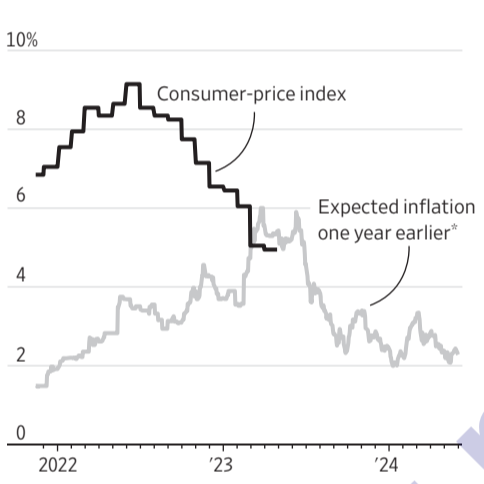
Previous expectations that rates would fall before December helped boost markets this year, particularly shares of large technology companies.

The Nasdaq Composite has gained 26%. Some say a second half featuring higher rates would likely drag on stocks, despite persistent strength in the economy and corporate profit.

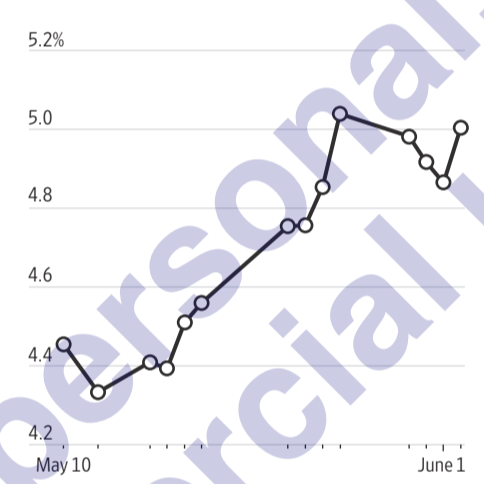
"The Nasdaq has been up sharply because it has been led by just a few names, but most groups of stocks outside of that have been down," said Rhys Williams, a portfolio manager at Spouting Rock Asset Management.

Friday's jobs report was just the latest setback for investors

Change in CPI from a year earlier versus year-ago expectation



End-of-year Fed rate expectations



*Inflation projections reflect CPI swaps market. †Reflects December overnight interest swaps. Sources: St. Louis Fed (CPI); Tradeweb (CPI swaps, Fed rate expectations)

who have repeatedly underestimated U.S. growth. Inflation has also proved far more stubborn than investors had guessed it would be 12 months ago.

A tight labor market means the Fed might skip raising interest rates this month but consider another rate increase at its next meeting this summer, said Rich Steinberg, chief market strategist at the Colony Group.

"The narrative is going to be, let's wait to see what happens and then be data-dependent again in July," he said.

The disappearance of bets on rate cuts has driven up short-term Treasury yields, which closely follow investors' expectations for Fed policy.

That pattern—in which stocks have benefited from expectations of Fed rate cuts and from signs the economy will remain strong—has made it especially challenging to forecast the market's path going forward, investors said.

Ellen Zentner, chief U.S. economist for Morgan Stanley, is sticking to her call that the Fed will leave interest rates unchanged at its June meeting and stay on pause for the rest of the year.

Some investors have shown confidence that a recession will be avoided. Fixed-income traders continue to buy junk bonds, demanding yields only 4 to 5 percentage points more than Treasuries in a sign many believe that defaults by low-rated companies will be rare.

New Highs and Lows

Table with columns for Stock, 52-Wk % Change, and 52-Wk High/Low. Lists various stocks like ParkCity, PlainsGP, PriveterraAcqN, etc.

Table with columns for Stock, 52-Wk % Change, and 52-Wk High/Low. Lists various stocks like WestcottCoffeeWt, BetterChoice, BiolinterWa, etc.

Table with columns for Stock, 52-Wk % Change, and 52-Wk High/Low. Lists various stocks like HeliogenWt, HILUMS, Hempacco, etc.

Mutual Funds

Top 250 mutual-funds listings for Nasdaq-published share classes by net assets. e-Ex-distribution. F-Previous day's quotation. g-Footnotes x and s apply. J-Footnotes e and s apply. k-Recalculated by Lipper, using updated data. p-Distribution costs apply. l2b-1. r-Redemption charge may apply. s-Stock split or dividend. t-Footnotes p and r apply. v-Footnotes x and e apply. x-Ex-dividend. z-Footnote x, e and s apply. NA-Not available due to incomplete price, performance or cost data. NE-Not released by Lipper; data under review. NN-Fund not tracked. NS-Fund didn't exist at start of period.

Table showing mutual fund performance for Monday, June 5, 2023. Columns include Fund, NAV, Net YTD, and YTD % Ret.

Table showing mutual fund performance for Monday, June 5, 2023. Columns include Fund, NAV, Net YTD, and YTD % Ret. Includes sub-sections for Lowes, Fidelity Freedom, and Fidelity Invest.

Table showing mutual fund performance for Monday, June 5, 2023. Columns include Fund, NAV, Net YTD, and YTD % Ret. Includes sub-sections for Schwab Funds, PIMCO Funds, and PIMCO Funds Instl.

MARKETS

S&P 500 Falls Short of Bull Market

Short-term Treasury yields fall after ISM reports slower services expansion

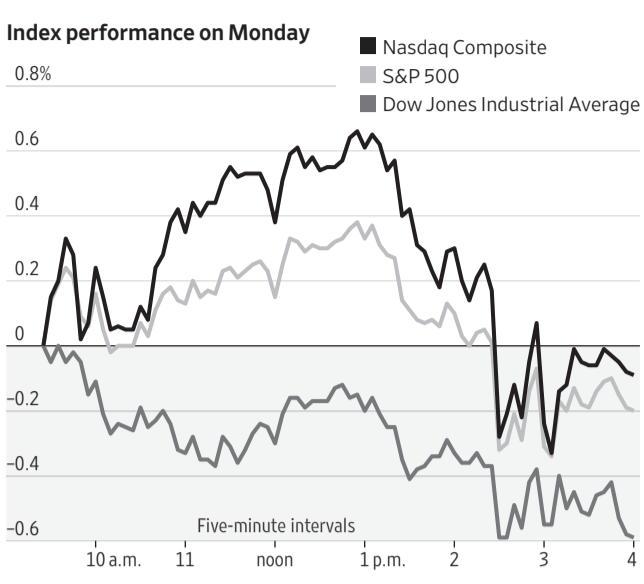
By CHARLEY GRANT

Stocks fell, leaving the S&P 500 just shy of entering a new bull market. The S&P 500 fell 8.58 points, or 0.2%, to 4273.79, just 19 points below a bull market, or a 20% rise from the low set last October. The blue-chip Dow Jones Industrial Average fell 199.90 points, or 0.6%, to 33562.86. The tech-heavy Nasdaq Composite fell 11.34 points, 0.1%, to 13229.43.

The broad-based S&P index has been in bear-market territory for 245 trading days, the longest such stretch since 1948, according to Dow Jones Market Data. It climbed for the three consecutive weeks ending Friday, driven by the tech sector. The Nasdaq has posted six straight weeks of gains.

The rally in technology shares, powered in part by excitement surrounding the rise of artificial-intelligence technology, has helped obscure a growing sense of uncertainty in the market. Investors have lately been expressing a cautious outlook: Net assets in both institutional and retail money-market funds are just below lows reached in April, according to Bank of America strategists.

Hedge funds and other speculative investors have made a large bet that the S&P 500 will



decline, marking their most bearish positioning since 2007. Some contrarians are taking heart that investors seem convinced the rally can't go on. "The reason I've been bullish, more than any other reason, is everyone is so negative," said Eric Ditton, president and managing director of the Wealth Alliance, an investment-advisory firm.

Short-term Treasury prices rose and yields fell after the Institute for Supply Management said the services sector of the economy expanded more slowly in May than economists expected. The 2-year Treasury yield fell to 4.48% from 4.501% Friday, while the yield on the 10-year note closed at 3.691%, unchanged from Friday.

The ISM data could point to a slowdown many investors would welcome, in part because

it might preclude Federal Reserve interest-rate increases.

"Today's report continues to support the idea of a slowing economy and prices coming down," said Luke Tilley, chief economist at Wilmington Trust. "On the margin, there's a little bit less need for the Fed to keep hiking."

Last week, lawmakers reached a deal to raise the debt ceiling and May jobs growth was stronger than expected, which sparked a stock rally. With those issues in the rearview mirror, investors are turning their focus toward the Fed decision next week.

Optimism is building that the central bank's tightening campaign is coming to an end. But investors aren't expecting rates to drop soon.

Derivatives markets show investors now expect the Fed's



Shares of U.S.-listed crypto exchange Coinbase fell 9.1% as cryptocurrency prices dropped.

target interest rate to sit at 5% at year-end, according to Tradeweb, up from just above 4% last month.

Apple shares fell \$1.37, or 0.8%, to \$179.58 after the tech giant launched its virtual-reality headset, its first major new product in nearly a decade. Apple, which has advanced 38% this year, ended Monday with a market valuation slightly below \$3 trillion.

This year's tech-sector rally is largely responsible for powering the S&P 500 higher. Less than a quarter of stocks in the broad index outperformed in May, according to Bank of America. That is the lowest of any month in data history going back to 1986. Just five of the S&P 500's 11 sectors are up on the year, despite the index's strong overall performance, while the information-technol-

ogy and communications-services sectors have each gained more than 34%.

The narrow breadth has some strategists and investors wondering when more sectors will participate in the rally. "What I'd like to see is follow-through from cyclicals and economically sensitive stocks," said Matt Orton, chief market strategist at Raymond James Investment Management. "I think you want to be leaning into higher-quality, low-volatility names."

Brent crude futures rose 58 cents, or 0.8%, to \$76.71 a barrel.

Cryptocurrency prices fell after the Securities and Exchange Commission sued Binance, the world's largest cryptocurrency exchange. The regulator accused Binance of operating an illegal trading platform in the U.S. and mis-

ing customer funds. Shares of U.S.-listed crypto exchange Coinbase fell \$5.85, 9.1%, to \$58.71.

Overseas, Europe's Stoxx 600 fell 0.5%. Early Tuesday, Japan's Nikkei 225 was up 0.4% and Hong Kong's Hang Seng Index was up 1.3%. S&P 500 futures were flat.

AUCTION RESULTS

Here are the results of Monday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

	13-Week	26-Week
Applications	\$207,762,049,300	\$184,829,579,600
Accepted bids	\$68,317,673,900	\$60,961,058,200
* noncomp	\$2,046,864,200	\$2,023,968,100
* foreign noncomp	\$2,000,000,000	\$2,000,000,000
Auction price (rate)	98.680500	97.345833
	(5.220%)	(5.250%)
	5.378%	5.483%
Bids at clearing yield accepted	58.07%	0.74%
	912796YH6	912797F19

Both issues are dated June 8, 2023. The 13-week bills mature on Sept. 7, 2023; the 26-week bills mature on Dec. 7, 2023.

Commodity Prices Slump

Continued from page B1

Group, a brokerage. "We're finally getting to data showing decreased demand for commodities."

A silver lining for consumers and financial markets is that cheaper energy has started to feed into slower inflation. That could eventually help the Fed, and other monetary authorities such as the European Central Bank and Bank of England, to lower rates. For now, though, other drivers of inflation are sufficiently strong that investors expect further rate rises.

Higher rates are likely to curb demand for commodities even more, said Darwei Kung, who runs commodities investments at DWS Group—one reason he is betting on lower energy and industrial-metal prices.

Losers from the decline include commodity companies such as Exxon Mobil and Chevron. The energy sector is the worst performer in the S&P 500 this year, having been the best in 2022.

Some states that depend on oil-and-gas sales to sustain their budgets, notably Russia and Gulf oil producers, have experienced difficulties. Saudi Arabia said Sunday that it would cut a million barrels



Copper, a bellwether for the global economy because of its use in everything from buildings to cars, has slipped 1.3% this year. A worker ties copper wire rods.

from its daily oil output to raise prices, after a contentious meeting at which other members of the Organization of the Petroleum Exporting Countries cartel and its allies agreed to extend existing curbs.

Consumers will enjoy the benefits of lower wholesale prices at varying speeds. In the U.S., for instance, lower crude

prices quickly feed through to the pump. Average gasoline prices stand at \$3.55 a gallon, according to AAA, down from about \$4.82 a year ago.

In Europe, households and businesses won't feel the drop in wholesale gas and power prices so fast, in part because governments put in policies to ease the pain on the way up. And food prices are still gal-

loping higher, even though wholesale wheat is down 22% this year, aided by bumper harvests in Russia and Australia and exports from Ukraine under the Black Sea grain deal.

Many food producers locked in prices near the peak of the market because they feared losing access to ingredients. "It's a long supply chain for a lot of these supermarkets,"

said Dave Whitcomb, founder of Peak Trading Research.

Some analysts see commodity prices leveling off rather than falling further. They expect OPEC+ cuts to drain oil supplies in the second half of the year. Metals could get a boost from a splurge in spending on the electricity grid in China and in the longer term from demand for materials

needed for the energy transition.

For now, though, many say high interest rates and industrial malaise could bring more pressure. "Central banks in developed nations are pushing on the brakes pretty hard," said Nitesh Shah, head of commodities research at exchange-traded-fund provider WisdomTree.

Saudi Oil Cuts Come With Cost

Continued from page B1

global economy crimping energy demand. On Monday, oil prices opened sharply higher but quickly gave up most of those gains. Brent crude, the international oil benchmark, rose 0.8% to \$76.71 a barrel in Monday's trading. Oil prices remain about 18% lower than they were when OPEC+ first jolted the market in October with output cuts, which some members, including Saudi Arabia and Russia, expanded in April.

Saudi officials familiar with the matter acknowledged that the increase in oil prices on Monday was less than expected by Abdulaziz, who privately defended the move to cut output and push back against short sellers after the contentious



Prince Abdulaziz bin Salman said Saudi Arabia would reduce 1 million barrels of its output in July.

meeting, they said.

In recent months, Abdulaziz has been focused on Wall Street short sellers whose bets can cause prices to fall. Late last month, he warned them to "watch out," which some analysts saw as an indication that OPEC+ might reduce output at the June 4 meeting.

The cut, which Abdulaziz said was extendible, will take Saudi Arabia's output to 9 mil-

lion barrels a day, a level that is the lowest since June 2021 and rarely seen in the past 10 years, which suggests Riyadh is willing to sacrifice market share to prop up prices. That could come at a steep cost, as the oil price rise so far won't compensate for the loss of revenue caused by the drop in output, said the officials familiar with the matter.

Saudi Arabia also faces the

prospect of losing more market share in key markets such as China to the United Arab Emirates and Russia, which continues to pump large volumes of cheaper crude into the market despite promising not to. Both the U.A.E. and Russia pushed back against more cuts, saying they were comfortable with current prices, OPEC delegates said Sunday.

OPEC+ members often cheat

on their production quotas, data has shown in the past. Some African states, which were forced on Sunday to give up some of their allocated quotas for next year, told colleagues that they didn't plan to stick to those limits, delegates said.

Monday's price response was underwhelming in part because a one-month output cut doesn't resolve various uncertainties that have weighed on the market, according to David Fyfe, chief economist at commodities-data firm Argus Media. Another reason is that Saudi Arabia went it alone with the extra cut, Fyfe said, leading to a perception in the market that Riyadh had likely tried and failed to shepherd other members of the cartel into a broader curtailment.

"The danger is, if we have a steeper and longer-than-expected Atlantic Basin recession, how quickly will OPEC be able to react given this time around there seems to be a little bit of an argument about concerted cuts in the second half of the year," Fyfe said. "The demand-

side issues haven't gone away," he added, pointing to weak activity in Chinese manufacturing and real estate, both big consumers of diesel.

In another surprise move, Saudi Aramco on Monday raised its crude prices for July. Analysts and traders had expected the state-owned oil giant to lower its official selling prices to compete with cheaper options such as Russian crude in the market amid a modest demand outlook.

The focus on keeping oil prices higher underscores the pressure facing the first Saudi prince to run the oil ministry. As his half-brother, Crown Prince Mohammed bin Salman, pursues his ambitious plans to reshape the kingdom's oil-dependent economy, Abdulaziz must keep crude prices at a level that will make those efforts economically feasible.

Analysts estimate the kingdom needs oil prices above \$80 a barrel to balance its expansionary budget.

—Will Horner, Anna Hirtenstein and Joe Wallace contributed to this article.

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Cuban Can't Fix Broken Drug System

Coherus BioSciences' partnership to offer deeply discounted biosimilar Humira can go only so far in reducing overall prices

After starting with generic drugs, Mark Cuban is coming for a blockbuster.

Starting in July, a biosimilar version of the world's highest-grossing drug, Humira, will be available on the billionaire's website costplusdrugs.com for \$569.27 in cash plus fees for two autoinjectors—a 90% discount to the \$6,922 that **AbbVie**, the maker of the branded arthritis therapy, charges as its list price.

The move, announced jointly with the biosimilar maker **Coherus BioSciences**, was significant enough to send AbbVie's stock sharply down when the news broke last week. But it won't be enough, by itself, to make a significant dent in the system for now.

That is because Coherus's strategy isn't likely to be popular with many of the pharmacy-benefit managers that control how most Americans get their drugs. Though it sounds odd, these gatekeepers don't like it when drugs are priced very cheaply. In a normal marketplace, a nearly identical product priced at a discount should win market share. But in America's warped drug system, pharma companies first price their drugs at artificially high levels and then offer juicy rebates to those middlemen. A large portion of those discounts get passed on to payers, but huge, hard-to-track sums wind up with the middlemen. For example, **Johnson & Johnson's** drug unit in 2022 said it paid \$39 billion in rebates, discounts and fees to private payers, government programs, providers and distributors.

That accounts for the reason biotech **Amgen**, when it launched the first Humira biosimilar earlier this year, offered two pricing options—either a 5% discount or a 55% discount. It did so knowing that a substantial part of the market would prefer the more expensive version. Even poor uptake might be just fine for Coherus, a



The announcement by Mark Cuban, owner of the NBA's Dallas Mavericks, sent down shares of Humira maker AbbVie.



Humira's list price is \$6,922. The biosimilar will be offered at a 90% discount.

small company targeting market share of about 10%. The discount can help the drug stand out among several other copycat versions of Humira being launched this summer.

"This is an effort to offer a low-priced alternative to those who are uninsured or underinsured," said Coherus Chief Executive Dennis Lanfear in an interview. He added that in addition to the Cuban ef-

fort, the company is in talks with some other health plans that prefer a low list price over the high rebate model.

A lack of enthusiasm for low list prices would provide further evidence of misaligned incentives baked into the system. Meanwhile, bipartisan efforts under way in Washington to target PBMs aren't likely to make a big difference because they aren't addressing the key market distortion—the fact that statutory exemptions in the anti-kickback law allow PBMs to legally receive kickbacks from drugmakers.

"Until we address this fundamental flaw to the system, the market will continue to be up for sale to the highest bidder," says Antonio Ciaccia, chief executive of the drug-pricing research nonprofit 46brooklyn Research.

The most comprehensive effort to target the system's distortions

might come from the Federal Trade Commission, which is investigating PBM practices. According to Brandon Barford, partner at the policy research firm Beacon Policy Advisors, the FTC is expected to take action against the industry toward the end of this year.

Cuban called the deal with Coherus "a big step forward."

"No company has to work with a big PBM, we are creating options that lower the cost of medications," he wrote in an email. "Working together, outside a rebate-based system, not only provides a cost-effective biosimilar alternative to Humira, it demonstrates to all stakeholders, from manufacturers to patients, that there is a better option for them."

Some patients without insurance or with high-deductible plans will now be able to buy the still-expensive drug more cheaply with cash, bypassing the system. Coherus's move also puts pressure on other biosimilar makers to offer low-priced copies of Humira, either through low list prices or higher rebates. More discounts by those companies won't necessarily harm middlemen such as **Cigna's** Express Scripts and **CVS's** Caremark, but it could be a hit to Amgen and drug companies with similar medications.

Reducing the price of a drug like Humira, needless to say, will also benefit everyone who pays into the healthcare system. According to **UnitedHealth Group's** PBM Optum Rx, specialty drugs such as Humira represent 2% of prescriptions, yet account for 50% of drug spending. In other words: While most of us don't use Humira, we all pay for it. Reducing such spending should leave more room for other healthcare needs.

Ironically, though, the biggest beneficiaries from the Humira biosimilar wave might still be the middlemen. —David Wainer

Anheuser-Busch InBev Won't Remain Flat for Long

Bud Light fracas creates chance to buy brewer's shares at a deep discount

Global beer conglomerate **Anheuser-Busch InBev** finds itself caught up in a distinctly American uproar at the moment. But for long-term investors, the Bud Light brouhaha could be a rare buying opportunity.

The brand's social-media promotion with a transgender advocate has generated intense controversy since early April, leading to a boycott among conservative-leaning consumers. The impact on Bud Light sales has been severe, and unusually long-lasting: In the week ended May 20, the brand's domestic retail sales were down 25.6% from a year earlier, according to a Goldman Sachs report citing Nielsen data. Miller Lite and Coors Light are clearly benefiting, with their sales rising 19% and 23.3% over the same period, respectively. Both those brands are owned by international brewer **Molson Coors**, a leading international rival of AB InBev.

The stock market's reaction has also been subtle: Since the end of March, AB InBev shares are down 18.8%, and those of Molson Coors are up 23.5%. This looks excessive for multiple reasons. For

one, it doesn't seem to take into account the highly global nature of the company, which was formed through multiple mergers between Belgian, Latin American and American brewers, and now accounts for roughly one out of every four beers sold worldwide. Last year, 71% of its revenue came from outside North America. Growth also has been coming from other regions. In 2022, even before the Bud Light fracas, North America logged a 4% decline in organic sales volume while all other regions saw increases. South America grew by 4.6%, for example.

Within North America, the company's portfolio extends well beyond its Budweiser and Bud Light brands to labels such as Michelob and Hoegaarden, as well as microbrewery brands like Goose Island. Here again, Bud Light hasn't been the growth driver. Michelob Ultra, a low-calorie beer marketed as fitting with an active lifestyle, increased sales in the high single digits last year, the company has said.

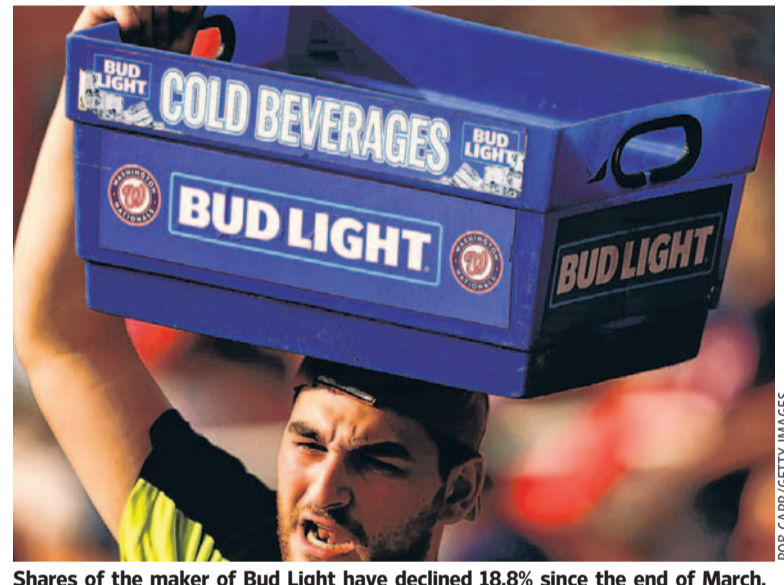
On a conference call with analysts May 4, AB InBev Chief Executive Michel Doukeris said the total

retail sales decline in Bud Light over the first three weeks of April was equivalent to around 1% of global sales by volume over the period, making a nearly 19% stock decline look dramatic indeed.

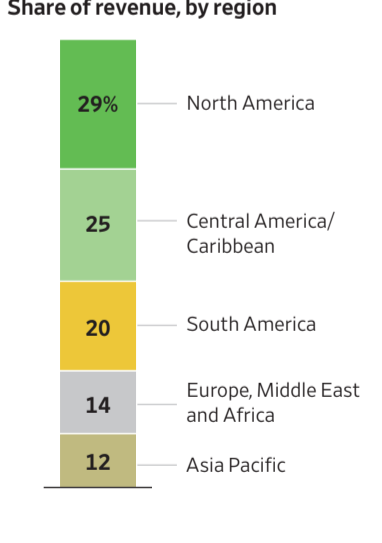
Keep in mind, too, that controversies such as these tend to fade from the nation's collective consciousness over time. In past decades, rival Coors faced calls for boycotts from left-leaning consumers for some of the political stances taken by the Coors family. Even in a worst-case scenario in which the Bud Light brand is permanently tarnished, it would be "very easy" for AB InBev to reallocate brewing capacity to other American labels that were growing faster anyway, according to a person familiar with the matter.

AB InBev shares now trade at 15.9 times forward earnings—far lower than their average multiple of over 20 times over the last 10 years. The severity of the backlash against Bud Light has been intense, but it is precisely such times of high emotion that can throw up opportunities for sober-minded investors.

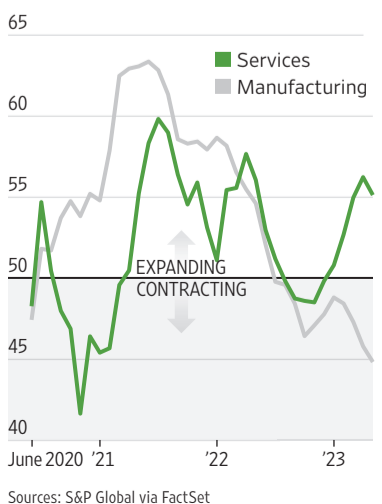
—Aaron Back



Shares of the maker of Bud Light have declined 18.8% since the end of March.



Eurozone purchasing managers indexes



Europe's Economy May Be Stronger Than It Looks

The latest data isn't doing much to bolster investors' confidence in the European economy, but under the hood things may be less broken than they seem.

On Monday, S&P Global released its purchasing managers index for the services sector in Europe, which confirmed that growth in the eurozone slowed to a three-month low in May.

The composite index for the bloc came in at 52.8. That still points to an expansion in output but was lower than both the 53.3 preliminary May estimate, released last month, and April's 54.1 read-

ing.

S&P Global had already warned last week that manufacturing in the eurozone was contracting more than previously thought. Now it turns out that the services sector was also less buoyant than forecast.

Most rich countries are seeing widening gaps between services, which are still showing signs of strength, and sluggish manufacturing.

This effect explains why Germany—Europe's industrial heartland—slipped into a recession last quarter. Since manufacturing is

very cyclical, many investors fear its current weakness is a bellwether for a broader economic crisis.

Beyond the headlines, though, there is room for optimism in today's data.

May PMIs corroborated evidence that growth in Germany's services sector is actually accelerating, despite slowdowns in Spain, Italy, France and the U.K.

Even in these other European countries, services remain robust, with strong spending thanks to high employment and tourism allowing companies to increase their

prices as their input expenses decline.

It may be that the gap between manufacturing and services isn't a harbinger of disaster, but merely another phase of economic normalization following the pandemic: Lockdowns skewed spending excessively towards goods, and now the pendulum has swung the other way.

Not for the first time, investors' best hope is that historical patterns aren't a useful guide to interpreting the post-Covid economy.

—Jon Sindreu